

Geopolitics, Regime Type and the Internationalization of Romanian Economics During the Cold War

The nexus between economists, state and society has emerged as one of the most fertile areas of research on how economic science is shaped by institutions and viceversa (Valdes 1995; Babb 2002; Fourcade 2006; 2009; Mandelkern and Shalev 2010; Lindvall 2010; Kogut and Macpherson 2010; Ban 2011; Farrell and Quiggin 2012). One of the main insights of this literature is that the interaction between domestic economists and their counterparts in the Western epistemic core has become a driving force in shaping the boundaries of the domestic economic profession and of the policy sphere.

The evidence for this argument is compelling but its ambit is limited to regional contexts where the ideas being imported served the economic policy agenda of powerful domestic actors. Latin America's "Chicago Boys," to take a familiar example, were encouraged and even bankrolled by powerful business and state actors from their home countries or from abroad. But such alignments between dominant interests and the new ideas did not exist elsewhere. Consider the case of Eastern Europe during the Cold War. Here, the economic profession was so tightly regulated by an ideologically anticapitalist state elite that open advocacy for Western economic ideas hostile to the political economy of state socialism often entailed professional costs and, in some of the more repressive regimes, it even led to political persecution. How did diffusion take place in this political context and what factors powered and respectively filtered diffusion dynamics?

To address these questions, this paper examines the case of Romania, a country where the poverty of the neoclassical tradition before the war would lead one to expect a lot less diffusion of Western economics than in East-Central Europe. At the same time, the paper suggests that geopolitical openings facilitating East-West scientific exchanges enabled the emergence of practices of diffusion of Western economics among critically minded economists.

Literature review

Two positions clash in social science accounts of the politics of economic ideas in Eastern Europe before 1989. According to a popular view, the epistemic parochialism of East European economics during the Cold War was overwhelming. Consequently, local economists experienced systematic exposure to Western neoclassical economics only after 1989 (Grosfeld 1992; Kovacs and Tardos 1992; Murrell 1995; Wedel 2001; Kaas et al 2002). For this literature, East European state socialism was relatively effective at suppressing incentives to appropriate the theoretical and methodological instruments of the schools of thought dominating the economic profession on the other side of the Iron Curtain.

In contrast, other scholars anchored in very diverse epistemological and normative agendas unearthed evidence showing that since the 1960s many reform-oriented East

European economists had been anything but parochial (Kaase et al 2002; Bockman and Eyal 2002; Bockman 1997; 2007; 2010; Bockman and Bernstein 2008; Aligica and Evans 2009). In her extensive work on this topic, Johanna Bockman went further and showed that many had in fact become members of an East-West professional network that connected Western critics of the then mainstream neoclassical-Keynesian synthesis with the empirical findings of East European economists about the systemic weaknesses of state-led macroeconomic interventions. According to this alternative framework, when communism collapsed in 1989, the process of incorporation of Western economics into East European economic debates had been going on for at least two decades. Rather than represent a kind of *tabula rasa* awaiting Western proselytizers, well before 1989 an important part of the economic profession in this part of the continent had become familiar with current debates in Western economics and some even became incorporated into the most conservative quarters of the neoclassical school.

But like the “Chicago Boys” literature, the findings of this alternative have a regional limitation. As its proponents stress, its arguments deal with intellectual and political contexts in East-Central Europe where the neoclassical tradition had been strong before communism. Moreover, post-Stalinist authoritarian rulers in this region allowed such a degree of intellectual freedom for dissident economists that the latter were able to challenge bureaucratic elites themselves as the economic contradictions of the socialist political economy became more manifest. This is a relevant qualification that points towards East European contexts where neither of these enabling factors existed. In countries like Romania or Bulgaria authoritarian rule was considerably tighter and the pre-communist acceptance of neoclassical ideas had been much weaker. Was Western economics completely screened off in these Southeastern European contexts and, if not, how did its theoretical and methodological instruments travel there?

Analytical framework: the regime type-geopolitics nexus

The opportunities for diffusion in authoritarian systems do not emerge in a vacuum. Granted, even the most authoritarian political order is not airtight and dissent can be exercised in multiple creative ways. From this standpoint Eastern Europe was no exception (Kopstein 1996; Johnston and Snow 1998; Johnston and Mueller 2001) and even in Ceausescu’s Romania intellectual dissidence was, despite its ambiguities and vulnerability to cooption (Verdery 1995; Ciobanu 2011), far from being uncommon (Culic 1998; Mungiu-Pippidi 1999; Plesu 1995; Verdery 1995; Tismaneanu 2003; Deletant 2008; Fichter 2011).

Yet the opportunities for intellectual dissidence in Romania were not the same during the “hard” Stalinist and isolationist 1950s and 1980s as they were during the less repressive and more open towards the West 1960s and 1970s. As some political scientists amply evidenced, the very end of the cold war could not be explained without paying attention to the emergence of epistemic communities of security studies in the Soviet Union that promoted such concepts as “common security” and “interdependence” once *détente* opened up possibilities for doing research abroad (Checkel 1993; Risse-Kappen 1994). Drawing on this argument and on Marion Fourcade’s exhortation to take the organization

of the international space in which economics is practiced as a variable rather than as a constant (Fourcade 2009: 256-260), the paper sees the geopolitics as being of essence for the discussion. It suggests that the longitudinal transformations of the regime in terms of its authoritarianism and the dynamics of strategic rapprochement/closure with ideological foes that result in academic exchanges increase and respectively decrease the space for diffusion of Western economic ideas among domestic economists. In other words regime type and geopolitics should make a big difference in the process of diffusion of Western economics in an authoritarian regime.

The empirical investigation undertaken in this paper is based on a number of primary and secondary sources. In addition to secondary literature published in Romanian, I carried out several interviews with pivotal figures of the Romanian economic profession during the Cold War, explored previously unavailable autobiographical books and examined Romanian economic scholarship published during communism where evidence of East-West exchanges could be traced. Throughout the examination of these sources I sought evidence of professional transnationalization, that is regular professional exchanges occurring between Romanian and Western economics, ranging from graduate and/or postgraduate study abroad and participation in workshops and conferences to more modest forms, such as active use of Western references. Methodologically, the paper employs a least likely case selection and undertakes a historical institutionalist analysis of the conditions in which critical economists in communist Romania crafted their mechanisms of diffusion in structural conditions set by larger socio-political forces (Mahoney and Rueschemeyer 2003).

The paper is organized as follows: the first section uncovers the poverty of the neoclassical tradition in pre-communist Romania; next, the paper examines the shifting dynamics of the Romanian authoritarian state and the results they had on the economic profession; the discussion of the role of détente in re-transnationalization of a part of the economic profession is carried out in the third section, while section four undertakes an analysis of its effects. The last section probes the effects of the tightening of the authoritarian rule on the spread of Western economics in Romania.

The burden of the past

Romanian economics had been highly transnationalized before the advent of the communist regime in 1948 but had a thin commitment to neoclassical economics. During the interwar years, the discipline had been taught in a separate department whose structure and curriculum closely followed that of the French *grandes ecoles*.¹ Beginning in the late 19th century, a solid publication record in respectable foreign journals and presses plus a Western PhD became basic conditions for acquiring and maintaining university employment.² Economics departments were well-stocked with the latest French and German books and journals and a flagship Romanian economics review (*Revue roumaine des etudes sociales*) was published directly in French and enjoyed a

¹ Suggestively, the very name of the department was a direct translation from French (*Academia de Inalte Studii*

² See Love (1996). For example, all the theorists of Romanian cooperatist economists (Virgil Madgearu, Ion Raducanu, Gr. Mladenatz) who taught economics had German Phds (Murgescu 1990).

respectable international ranking (Kiritescu 1995). Training was rigorous, many members of this exceptionally polyglot faculty made international careers and had foreign PhDs. Some (Mihail Manoilescu, Georgescu-Roegen) even reached world notoriety (Love 2005).

Much of this performance resulted from a consistent state strategy to invest in the Western training of a world-class academic elite that could be enlisted in its economic development plans. Beginning in the late 19th century, the ministry of education fully funded economics graduates to complete their doctoral studies at leading French and German universities. Upon their return, these graduates were guaranteed employment, enormous social prestige and generous wages. Leading economics professors were routinely invited to hold ministerial positions and advising positions to the highest offices of the state. As a result, in less than thirty years, Romanian economics went from amateurism and international irrelevance to a high degree of professionalization and a growing international profile (Love 2005).

Yet unlike in East-Central Europe, prior to the advent of national-Stalinism the Romanian economic profession had marginalized neoclassical thinking. Virtually all the leading economists of the pre-Stalinist era advocated development strategies based on protectionism, state intervention and the mixed economy (Murgescu 1990; Love 1997). This was the land of a statist consensus littered with influences from French neo-mercantilism and the German Historical School, two foes of economic liberalism from which the neoclassical school sprung up in the late 19th century. This was particularly the case during the interwar period, which is regarded as the golden age of the discipline; the key figures of this era are still revered in Romanian economics departments (Aligica and Evans 2009). From the national-liberalism of Vintila Bratianu³ to the “agrarian economics” of Virgil Madgearu and Ion Raducanu, interwar Romanian economics saw in interventionism the way out of peripheral underdevelopment.⁴ Disciples of Austrian School economists remained active in postwar Budapest, as Johanna Bockmann evidenced, yet there wasn’t any strong liberal tradition to draw on in Bucharest. Instead, it was a more structuralist and institutionalist tradition that dominated both academic and policy circles (Love 1988; 1996; Bobulescu 2003).

The most dramatic manifestation of the Romanian interventionist tradition was the corporatist import substitution industrialization theory of Mihail Manoilescu, the only Romanian economist of that period whose work enjoyed world popularity and some policy impact outside Romania.⁵ A *dependentista* before dependency theory became fashionable in political economy, Manoilescu made a forceful case for autarkic industrial development as the only way to counter structural constraints on Romanian attempts to

³ For an evaluation of the results of this developmental course see Ioan Saizu, “Consideratii asupra politicii ‘Prin noi insine’ in perioada 1922-1928”, *Revista de istorie*, 2, 1973.

⁴ For example, Vintila Bratianu, a leading economist and Liberal Party politician whose thinking dominated policy-making in the interwar years advocated for industrial protectionism, the nationalization of oil and gas industries and the subordination of FDI to national priorities.

⁵ Some of Manoilescu’s ideas shaped dependency theory and were adopted by developmentalist governments in Brazil and Chile (Love 2004: 114-140).

break out of the periphery.⁶ In Manoilescu, the interventionism of Romanian economics reached its apex and transitioned into a form of heterodoxy shaped by a state-dominated authoritarian corporatism.

In contrast, economic historians have not detected any strong push for the (neo) classical liberal economic program. The great Romanian economists of the first half of the 20th century were very familiar with marginalism, yet they never developed systematic research agendas in this tradition (Love 1996: 14). Moreover, while the mastery of marginalist economics—and particularly its neoclassical variant—was being rewarded in mainstream quarters of postwar Western Europe and North America with the advent of the neoclassical-Keynesian synthesis (Hall 1989), in Romania these traditions were soon to be “blacklisted” by the arrival of Stalinism in 1948.⁷ Moreover, the strength of anti-neoclassical thinking before communism meant that future opportunities for the spread of the neoclassical tradition in niche sectors of the economic profession during communism would be constrained by the intellectual weight of the past.

Economists and the State Power under National-Stalinism

The first fifteen years of national-Stalinism abruptly ended this “golden age” of the links between Western and Romanian economics while tightly integrating a systematically reorganized economic profession into the policy apparatus of the state. Most forms of direct contact with Western economists were terminated and the profession’s new external anchor became Soviet economics. Much of this transformation owed to a very harsh and ideological variety of Stalinist and then national-Stalinist rule (Tismaneanu 2003). Immediately after the advent of the new regime, the faculty of the Bucharest Academy of Economic Sciences (*Academia de Studii Economice* or ASE) was decimated by waves of demotion, marginalization and even imprisonment.⁸ The emptied positions made room for faculty hastily trained in Soviet economics and often lacking specialized training in the discipline. In 1952 the economists of the central bank and its prestigious Research Service, a refuge for Western-trained economists, saw imprisonment and demotion to clerical jobs.

Ironically, the swift transformation of the profession operated by the new Stalinist regime in Bucharest led to a rapid alignment of Romanian economics to the general Western quantitative turn of the postwar decades. While a large part of Romanian academic economics was relegated to regurgitating Soviet economic theory, the stringent needs of the planning apparatus for extensive quantitative skills turned the policy-relevant part of

⁶ Mihail Manoilescu, *The Theory of Protection and International Trade*, London: 1931. For an astute description and critique of Manoilescu’s work see Philippe Schmitter, “Reflections on Mihail Manoilescu and the National Consequences of Delayed Dependent Development on the Periphery of Western Europe,” in: Kenneth Jowitt, ed., *Social Change in Romania, 1860-1940: A Debate on Development in a European Nation* (Berkeley: Institute of International Studies, 1978), 117–173.

⁷ For Kiritescu’s intellectual identity see his memoirs (“Calator prin secolul XX. Memoriile unui bancher fara bani, Bucuresti: Enciclopedica, 1991). For the way in which his ideas were perceived by his disciples see Virgil Stoenescu, “Virgil Stoenescu-un neoclasic bine temperat”, *Oeconomica*, 3-4, 1998.

⁸ Author interview with Valentin Cojanu, January 16, 2009.) See also Kiritescu (1992)._

the profession into an epistemic field that rewarded similar economist profiles. The regime seemed to understand that the increasing technoscientific complexity of its ambitious economic modernization plans could not be successfully pursued while a sizeable part of the technoscientific elite experienced or felt in danger of political persecution.⁹ As a result, by the early 1960s younger technocrats drawn from enterprise management, planning boards, technical expertocracy, and academics began to achieve greater political prominence.¹⁰ Although their agenda was at least outwardly loyal to socialist developmentalism, many of them experimented with more heterodox ideas: more decentralization in planning and policymaking, more scientifically-based management, more economic liberalization, and more policy feedback from lower-ranked corporate bodies (especially from intelligentsia organizations).¹¹

The technoscientific identity of socialist economics produced some dramatic institutional changes in the economics profession. Its epicenter was still the Bucharest-based Academy of Economic Sciences (Academia de Stiinte Economice or ASE), but over time new academic institutions appeared where advanced mathematics kept ideological policing away. The regime also set up a number of large economics “institutes” inside the Romanian Academy, a research body inherited from the liberal era (1866-1938). The institutes, whose staff saw massive expansion, served as a kind of government think-tanks. Elite economists routinely taught at ASE, did research for the Academy’s institutes and, in some cases, served for the Planning Commission as well (Balas 2000). During the same decades, some institute researchers also worked part-time for the Finance ministry (Kiritescu, 1992: 339). All these institutions rewarded formal mathematical techniques above all other forms of professional knowledge, a preference reinforced by the high status of mathematics and the return from Moscow’s prestigious mathematical economics departments of several waves of economics students. To boot, mathematics granted both status and political protection simultaneously. As a prominent economist of that period put it,

[e]conomists did not enjoy much consideration in Romanian culture. Fortunately, mathematicians were respected by almost everyone, including by those who did not feel too comfortable in this science [...] The study of economics had always been too politicized in Romania “ (Aligica and Terpe (2007: 20).

The result was a professional ecology whose production of economic knowledge was marked by a strong elective affinity with the economic science used by the state’s planning apparatus. As it turns out, this made possible an actual transfer of quantitative methodologies from the West.

⁹As a result of this recognition, after the mid 1950s “more university professors, architects, and engineers were given managerial and state executive positions. More artists and writers who had shared in the privileges granted intellectuals under the Carol II and Ion Antonescu dictatorships went back to the posts they had previously occupied and were more feted than ever before.” Ghita Ionescu, “Social Structure: Rumania under Communism,” *Annals of the American Academy of Political and Social Science*, Vol. 317, The Satellites in Eastern Europe (May, 1958), pp. 53-62

¹⁰ See Ionescu 1964, Jowitt 1971, Vladimir Tismaneanu, *Stalinism for All Seasons: A Political History of Romanian Communism*, Berkley: University of California Press, 2003.

¹¹ Brucan’s *World Socialism at the Crossroads: An Insider’s View*. Siani-Davies, pp. 2-4.

The thaw of the 1960s, the expanding research infrastructure of the policy relevant end of the profession and the professional incentives attached to mathematical skills also meant that these economists could take advantage of opportunities for accessing the gateways of Western economics. The Institute of Economic Research (IER) of the Academy (a government think-tank specialized in advanced research), Cybernetics (an elite academic department), the Romanian Communist Party Academy (the communist cadre university), the Chamber of Commerce and the American Library began to develop basic collections of Western economic reviews and books starting with the 1960s (Balas 2000: 329; Severin 2002; Daianu 2005).¹² During the 1960s and 1970s the Foreign Trade Institute of the Foreign Chamber of Commerce, an institution that drafted reports on the dynamics of international trade, also provided such research resources. The same institution hired prominent economist Tiberiu Schatteles, who recently testified in his memoirs that researchers at this institutes had the latest editions of *American Economic Review* and *Econometrica* (Aligica and Terpe 2007: 11-13). Moreover, according to the memoir of a similarly prominent economist of the 60s, in the library of the Institute for Economic Research one could read the classics of linear programming and of neo-Keynesian macroeconomics relatively soon after they were published in the US (Balas 2000: 373). Since the late 1950s until the 1980s the relevant American linear programming reviews were also available (Balas 2000: 377). As the next sections show, it was in these spaces of technical neutrality where transnational linkages with Western economists could be forged and the seeds of critical economic thinking began to grow, aided by favorable geopolitical events.

Détente, nationalism and the renewal of East-West scientific relations

The “thaw” of Romanian Stalinism during the 1960s and early 1970s was largely a form of “simulated change” that was very different from the genuine reform scenarios adopted by the Polish, Hungarian and, for a brief period, Czechoslovak political and policy elites (Schafir 1985; Tismaneanu 1989; 2003). Nevertheless, this political process terminated the more extreme forms of parochialization of the economics profession enforced by the “hard” Stalinist regime of Gheorghe Gheorghiu Dej during the 1950s.¹³ I argue that this shift was possible due to the simultaneous occurrence of détente and a sharp nationalist and anti-Soviet turn in Romanian foreign policy. Without the opportunities of professional transnationalization opened by these geopolitical and institutional processes, even the most entrepreneurial economists would have faced daunting obstacles to break the walls of professional isolation with the Western economic profession.

During the early 1960s the East-West ouvertures initiated by the Kennedy and Johnson administrations led to the renewal of transnational ties between Romanian and Western economists. In 1962, the Kennedy administration's embrace of West German ideas about rapprochement with the [East](#) led to the initiation of academic exchanges between the Warsaw Pact and the “West” that would have been unthinkable during the 1950s (Hofmann 2006; Richmond 2004). The effects of the détente were magnified in the Romanian case by the regime's pursuance of an increasingly nationalist and anti-Soviet

¹² Author interview with Moisa Altar.

¹³ Author interview with Moisa Altar, January 10, 2009.

course in foreign policy. In 1964 the Romanian regime asserted its political autonomy against Moscow through a series of dramatically unfriendly gestures towards the Soviet Union: the expelling the known KGB operatives, the closing the Russian Institute in Bucharest and the elimination of Russian as a compulsory language from the education system (Deletant 2007: 499). Moreover, Romania sided with China in the Sino-Soviet split¹⁴ and was not in solidarity with the Warsaw Pact during the Cuban missile crisis (Deletant 2007: 499). According to Dennis Deletant,

[t]he Romanian foreign minister Corneliu Manescu told Dean Rusk during a meeting on 4 October 1963 that Romania had not been consulted over the Soviet decision to place nuclear missiles in Cuba, and was not therefore a party to the dispute. The Romanian government wanted the United States to understand that Romania would remain neutral in any conflict generated by such actions as the Soviet deployment of nuclear missiles in Cuba, and sought assurances that in the event of hostilities arising from such a situation, the United States would not strike Romania on the mistaken assumption that it would be allied with the Soviet Union. (Deletant 2007: 497)

This new foreign policy course culminated with the regime's: protest against the invasion of Czechoslovakia (1968);¹⁵ early recognition of West Germany in the Eastern bloc (1967); siding with the Chinese in the Sino-Soviet split; and refusal to break diplomatic relations with Israel after the Six Day War¹⁶ (Braun 1978; Alexiev 1981; Ionescu et al 2004; Ioanid 2005; Mastny and Byrne 2005; Deletant 2007). Most importantly, by the late 1960s Romanian-American relations were unusually close by all Eastern Bloc standards: the era saw several presidential visits by Nixon and Ford to Bucharest, Romanian-American joint ventures and special trade relations, American support for Romania's entry into the Bretton Woods institutions and even emergent forms of military cooperation.¹⁷

Détente and the particularly the special U.S.-Romanian relationship engendered by the regime's anti-Soviet turn made possible the renewal of academic exchanges between Romanian and Western economists after almost three decades of isolation. The Americans established a public-private partnership between the U.S. government and private foundations that offered financial and institutional support to Romanian economists willing, and allowed by the regime, to study or do research in Western universities. As early as 1962, the Ford Foundation began to fund study trips for Romanian economists in U.S. economics departments. By 1979 several English-speaking Romanian economists were enrolled in exchange programs coordinated by the U.S. National Academy of Sciences and several mathematical economists began to attend Kondratieff's Russia Center at Harvard.¹⁸ In 1971, a year after Ceausescu's presidential

¹⁴ See "Ceausescu Indicated Romania Would Not Give Soviet Union Military Support Against Red China", *New York Times*, April 20, 1970.

¹⁵ Recent archival evidence shows that in 1968 the Soviets did not even ask Ceausescu to participate in the invasion (Deletant 2007).

¹⁶ Romania's proximity to Israel also entailed the regime's extortion of "ransom" for the migration to Israel of Romanian Jews (Ioanid 2005).

¹⁷ "Nixon Mobbed by Friendly Crowds: Tells Ceausescu Romania is His Most Memorable Trip" *New York Times*, August 4, 1969; "Ceausescu Visits Nixon at the White House for Talks on World Issues", *New York Times*, October 27, 1970; "Romanian favors Joint Ventures: Ceausescu on Eve of Visit to US", *New York Times*, December 3, 1973; "Ceausescu Urges U.S. Business to Invest in Romania", *New York Times*, December 8, 1973; "Ceausescu Makes Trade Bid to Ford", *New York Times*, June 12, 1975.

¹⁸ Author's private correspondence with Johanna Bockman (September 2010).

visit to the U.S., this cooperation was so extensive that the Ford Foundation and a deferral program for academic exchanges (IREX) were fully funding a management studies exchange program in Bucharest (Byrnes 1976; Bockman and Eyal 2002: 325).

Such opportunities allowed a young generation of Romanian economists to conduct research in top-ranked American universities and use the opportunity to develop professional relations with their Western peers.¹⁹ Many used the opportunity to acquire data, skills in input-output modeling and access to the basic books and journal subscriptions of Western economics. Above all, they learned the basic rules for attaining positions in US-sponsored institutions and received direct access to the state of the art in Western economics. Moreover, during the late 1960s, when the Romanian communist regime was at the peak of its popularity among U.S. and West European policymakers, Western economists interested in the strengths and limits of socialist economics lectured in Bucharest. This was the case of Wassily Leontief, the neoclassical input-output (IO) modeler from Harvard, who lectured at the Romanian Academy of Sciences in June 1968 and attracted much attention in a profession where some attempted to translate IO for the use of socialist planning.

The economists who capitalized most on these exchange opportunities were a group of linear programmers who had access to the revolving door between the technocracy at the State Planning Committee and the elite research institutes that had been established by the regime within the confines of the Romanian Academy. Between 1970 and 1971 Aurel Iancu, then a senior researcher at the Academy and one of the earliest advocates of mathematical economics, used an IREX fellowship to do research at Harvard, MIT and Berkeley and participate in the seminars of such luminaries as Leontief, Samuelson, Solow and Debreu. The encounter seems to have left a long-term imprint on Iancu's formation.²⁰ While in the US, Iancu also visited and struck a long-term relationship with Nicholas Georgescu-Roegen, the most famous Romanian economist in exile, who had become a radical critic of the neoclassical-Keynesian synthesis.²¹ During the 1970s Iancu had the opportunity to frequently present his work at professional conferences in Italy and France, and the work he published after his return from the U.S. showed a significant degree of integration of relatively up-to-date American economics literature.

Other scholars interacted with Western economics via research trips to Western Europe, with or without American funding. In 1969 Gheorghe Zaman, then a young researcher at the Economic Research Institute, spent a few months at Cambridge University. During his stay, he trained in the mathematical modeling of consumption and took classes with leading Keynesians of the day (Richard Stone, Nicholas Kaldor, Joan Robinson). A year later, he was a guest scholar of the American Studies Seminar in Salzburg (Austria), one

¹⁹ Nevertheless, a "political dossier" could block such international scholarly opportunities even if one had publications in Western journals, a rare performance in those years (Balas 2000: 415; 436). After a prison term, harassment and a ban on international conference travel, Balas eventually secured a trip to Israel and definitively left the country in 1966 to take up teaching positions in operations research at Toronto, Stanford and Carnegie Mellon.

²⁰ Academia Romana, "Aurel Iancu, la 80 de ani", <http://www.ince.ro/iancu-eng-2.pdf>

²¹ Aurel Iancu, "Nicholas Georgescu-Roegen, intemeietor de scoala economica", Academia Romana, 2007,

of the US-sponsored venues of the détente.²² In 1970 Zaman was appointed by IER as scientific secretary and co-organizer of Franco-Romanian colloquia on economic efficiency—organized in Paris during that time—where he presented his work.²³ As a researcher for the Comecon (the Council for Mutual Economic Assistance) headquarters in Moscow between 1973 and 1979, he had access to developments in Western literature through the well-stocked libraries of the Soviet Academy.

But knowledge of Western economics was not simply the result of direct encounters with Western academic fields. East-East linkages played a role as well. Romanian-Hungarian ties spun by Hungarian-speaking economists from the Romanian region of Transylvania enabled a limited diffusion of market socialist ideas during the late 1950s. Egon Balas was one of these economists; he learned about such unorthodox debates through his visits in Budapest in the 1950s and in 1957 he went as far as publishing an article for a popular Hungarian language review published in Romania in which he advocated for increasing the part of the economy subject to market prices as a means to strengthen socialism (Balas 2000: 347). Balas also seems to have acquired many of his revisionist ideas from several Hungarian economists who saw in neoclassical economics one of the tools for improving socialist economics (Bockman 2011; Matyas 1994: 16-17).²⁴

So far the paper showed that during the 1960s and 1970s the internal loosening of Romanian national-Stalinism and the external opportunities granted by détente enabled a handful of Romanian economists to tap into the scholarly resources and professional networks of Western economics. Next, the paper turns to assessing the impact that this development had for the ideational landscape of Romanian economics.

The Impact of Opening

Bockman and Eyal (2002) and Bockman (2011) find that the economic ideas that spread from West to East beginning with the 1960s were a conservative brand of marginalism rather than the neoclassical-Keynesian synthesis that dominated the Western economic profession during the postwar decades. Central to Johanna Bockman's argument is that the pre-communist strength of a radical neoclassical strand in East-Central Europe had a lot to do with magnifying the effects of the entry of East European Economists in American and European neoclassical circles that had been fighting their turf war against

²² At this seminar the leading representatives of America's postwar "embedded liberalism" (Daniel Bell, Margaret Mead, Talcott Parsons) presented their ideas to East European scholars.

²³ See Zaman's (1970), *L'utilisation du modèle input-output dans le calcul de l'efficience du commerce extérieur*, Colloque Franco-Roumain sur le thème: Problèmes de l'efficience économique, France, Institut de Recherches Economiques, Institut de Science Economique Appliquée. Zaman cooperated on IO with another beneficiary of Western study travels: Emilian Dobrescu. For the debates on Romanian input-output models at the time see *Probleme Economice*, no. 2-6 and 10, 1972; *Contribuții la dezbaterile problemelor teoretice ale economiei socialiste*, Editura Politică, 1974, pp.139-201. Welcoming Dobrescu's work, Theodor Schatteles noted that "It is for the first time that someone attempts a numerical simulation of the growth process of our economy, and in an exemplary manner. The various known models in the literature to which we resort so often do not always possess the ability of materializing themselves numerically with the help of the existing statistics. The model(s) in the discussed paper is (are) a beautiful technical solution in this respect" (*Probleme Economice*, No. 6, p.115)."

²⁴ Banned in Romania, Balas' book on a potential Marxist-Keynesian synthesis was translated into Hungarian and had an important echo among Hungarian economists (Balas 2000: 352).

neoclassical synthesizers. Also important was the relatively benign attitude of East-Central authoritarian regimes towards the active participation of domestic economists in Western debates. As suggested above, Romania did not have such a tradition before the communists took over and the authoritarian regime was more interventionist in the external business of the economic profession. Moreover, the pre-communist Romanian structuralist economics lent itself to reevaluation by the nationalist turn of the regime after the mid 1960s. Therefore, one may expect the effects of the détente to be dampened by such domestic characteristics, leading to the adoption of Western economic theories and methodologies that could be grafted on local intellectual traditions and did not frontally challenge the policy status quo.

The evidence supports this hypothesis. During the “thaw” of the 1960s and 1970s, Romanian economics continued to be dominated by Soviet orthodoxy. But the translation of this body of thought into the Romanian context gradually gave birth to a synthesis of Soviet economics and other traditions, most of them with a rich local history.²⁵ The increasingly assertive nationalism of the Ceausescu regime spilled into the field of economics and inspired some mainstream economists to anchor Soviet economics in pre-communist interventionist local traditions such as the industrial structuralism of Mihail Manoilescu.²⁶ Beginning in the 1970s, the ambition of the Ceausescu regime to turn Romania into a leader of the Non-Aligned Movement facilitated the emergence of a local synthesis of Latin American structuralism and the reigning Soviet orthodoxy. A group of economists experimented with “long cycle” structuralist economics, with select contributions from Kondratieff, Wallerstein and Braudel playing prominent roles (Postolache 1988). All these contributions expanded rather than undermined the claims to domestic and international legitimacy of Romania’s brand of socialist developmentalism, a policy regime then enjoying the appreciation of actors as diverse as the World Bank and the post-Maoist Chinese reformers.²⁷

This ideational bricolage did not affect the Soviet core of Romania’s economics. Yet the nationalist-Soviet and structuralist-Soviet hybrids saw a number of challenges arise in the 1960s. Some leading economists imported Western methodologies (e.g. input-output analysis) used in the neoclassical synthesis. Perhaps puzzlingly, far from triggering the regime’s ire, such innovations were welcomed and even integrated into the planning techno-structure as tools for dealing with the challenges of managing an increasingly complex industrial and agricultural modernization program.

²⁵ For a more in-depth review see Aligica (2002) and Aligica and Evans (2009: 37-41).

²⁶ For example, Virgil Madgearu’s work on protectionist industrialization, cooperatives, and the role of small enterprises in the village economy was echoed in the research of such pillars of orthodoxy as Ilie Badescu, Nita Dobrota, Iulian Vacarel and so on. Murgescu (1990: 247) found that Madgearu’s thought had incorporated ideas from Marx, Kautsky and Otto Bauer. Beginning with the late 1960s, Madgearu was revered in mainstream reviews, with his former students leading the rehabilitation effort: M.A. Lupu, “Virgil Madgeau, profesorul”, *Studii si cercetari economice*, 1, 1966; G. Zane “La personalite scientifique de Virgil Madgearu”, *Revue Roumaine de sciences sociales*, 1, 1966. A few economists revived Mihail Manoilescu’s role as a proto-structuralist and the contributions of ECLA structuralism were used alongside to critique power asymmetries in trade and investment relations between center and periphery (Dijmarescu et al 1977; Nicolae Valeanu 1986)

²⁷ I ma grateful to Min Ye for this insight.

Crucially, none of the Romanian economists who benefited extensively from direct East-West exchanges followed the East-Central European path of joining the conservative neoclassical circles traced by Bockman and Eyal. Moreover, the few who came close to the neoclassical toolbox did not travel in the West and carved out spaces of dissent with the profession's most mathematized fields. Instead, the economists who studied abroad culled bits and pieces of the Keynesian-structuralist spectrum that resonated with the interventionism of the interwar "golden age" of Romanian economics and could be grafted on the needs of the planning apparatus. Thus, the US study trips of three mathematical economists (Emilian Dobrescu, Aurel Iancu and Gheorghe Zaman) enabled them to publish a slew of studies on economic growth modeling based on the input-output (IO) models used by Leontieff at Harvard. The result was the development of an input-output model for Romania's communist economy, an enterprise that demanded considerable local innovation in the translation process. For example, Iancu edited the IO model he studied at MIT and Harvard by discussing the role of such factors as the price mechanism in a command economy, sustainable development and intangible models. Particularly interesting was a methodological innovation that made input-output modeling "travel" in a non-market economy where prices did not reflect supply and demand factors: the amount of all forms of energy used per product. As in Daniel Bell's visions of the future, input-output analysis was being used as intensively in Bucharest as it was used in the capitals of Western capitalism. Finally, during the 1970s, Aurel Iancu and Constantin Kiritescu published books on economic growth and international finance. While generally respectful of the regime's brand of socialist developmentalism, incorporated ideologically-detached reviews of the latest innovations in the Western financial economics. As a result of these innovations and Western contacts these economists gained a great deal in terms of their status in the mathematically-oriented parts of the profession. Yet they did not lead to the levering of connections with the West against the policy status quo, as in happened in Poland and Hungary (Bockman and Eyal 2001).

Re-transnationalization through direct contact proved essential to ensuring a basic communication with Western economics, but, against all odds, some Romanian economists specializing in mathematical economics ("operations research") began to break the scholarly isolation of Romanian economics and began to participate in the life of Western economics without needing direct contact. Most of their work was only loosely connected to ongoing Western macroeconomic debates, yet some dipped into the waters of the Western neoclassical resurgence from the late 60s and early 70s. The most important shield for their activities was mathematics. According to Egon Balas, "the use of mathematical techniques was disparaged as a sophisticated way of obfuscating the simple facts of exploitation" (Balas 2000: 349). By the 1960s, however, mathematical economics was cautiously accepted as a tool of improving planning and made its way into the calculation devices of the State Planning Committee. This allowed mathematical economists to engage systematically with Western economics and to confuse ideological censors.

Barred from travelling abroad, Egon Balas began publishing in leading Western journals (Balas 1962, 1965; 1966) and corresponded with Western scholars. His English language

study on parametric linear programs published in 1962 in a Belgian operations research review put his team of researchers on the radar of American economists (Balas 2000). In the same year Balas and Petre Ivanescu, another Bucharest-based economist, entered the American academic debate with a widely-cited article in *Management Science* (Balas and Ivanescu 1962). In 1964 Balas published one of the most widely-cited articles in *Operations Research*, the American flagship journal of that subfield. As a result of that publication, Balas entered into correspondence and joint research with the “father” of linear planning, U.S. economist George Dantzig. Balas’s success demonstrated not only that even under national-Stalinism scholars could remain internationally competitive, but also that the lack of access to Western literature had not been as dramatic for motivated researchers as some have suggested (see for example Aligica and Evans 2009).

Similarly, Iosif Batty, a research economist in the State Planning Committee -no less- published a book chapter in a US edited volume on labor productivity (Dunlop and Diatchenko 1964). Yet methodology was not the only terrain of encounter with the tools of mainstream Western economics. An even bolder challenge came from economists like Tiberiu Schatteles, Ihor Lemnij and Egon Balas who became familiar with Hungarian, Polish and Yugoslav syntheses of marginalism and socialism (“market socialism”) and engaged with the latest Western production in operations research, a field technical enough to escape the rigors of censorship. As early as 1957 Egon Balas published a book with a house close to the Romanian Communist Party (*Editura Politica*) in which he proposed a synthesis of Keynesian and Marxist-Leninist economics via the incorporation of the concept of “underemployment equilibrium” into the Marxist critique of capitalism. Under the cover of arcane mathematical languages, it seemed that engagement with Western economics went far beyond the basics.

The attempts to openly engage with conservative versions of the Western neoclassical tradition were very isolated. Save for a few interventions, dissident thinking in Romanian economics remained circumspect towards Western economics in general and neoclassical thinking in particular. While heterodox layering of Soviet economics with input-output devices developed by Western economists was legit, the public import of more ideologically contentious ideas required dissimulation.

Terminating re-transnationalization

The intellectual ebullience of the profession begun with détente came to an end during the 1980s. The regime tightened its authoritarian rule over society and after the 1982 debt crisis it decisively turned inward and adopted a strategy of unbuckling its connections with the West (Ban 2013). In defiance of the intrinsically transnational nature of technological innovation flows and of its own high-modernist pretenses, during the 1980s the regime cut funding for subscriptions to scientific journals and study abroad funds (Grigorescu 1993: 102-135). This was also part of a general policy of geopolitical disengagement with the West.²⁸

²⁸ Interview with Stefan Andrei, former foreign trade official during the 1980s (Betea 2011: 412-413).

This unplugging of the research establishment from Western scientific fields had dramatic consequences for the economic profession. The transnational flows of economic ideas that had been going on during the previous two decades enabled the formation a small cohort of critical economists, but after the debt crisis the flow was curtailed. There were no more opportunities to study or do research abroad and even subscriptions to Western economic journals were cut. As a result, engagement with Western economics became a matter of academic entrepreneurialism.

Moreover, the abrupt severance of direct transnational ties between Romanian and foreign economists came right at a time when Hungarian, Czech and Polish economists who were more deeply embedded in Western networks (Bockmann and Eyal 2001; Babb 2011) were growing gradually skeptical that market socialism could solve the economic crisis of the Eastern Bloc. This meant that the chances of the Romanian economics profession experiencing the growth of robust non-Soviet economics directions were limited. During this period Romanian economists were able to read Janos Kornai and other disenchanted Central European economists, but those who did so were few.²⁹ But although the policing of the field of economics by the state was harsher during the 1980s, it was nevertheless not airtight. While the incentives for conformity with the “party line” increased, not all economists folded and some went as far as voicing dissent in various registers.

In October 1982 Emilian Dobrescu, the most capable linear planner in the country was fired over his opposition to Ceausescu’s early debt repayment and austerity program. Five years later, three leading economists (Constantin Ionete, Tudor Bugnariu and Mircea Stoica) wrote a samizdat critical study of the economy and circulated a copy among many of their peers (Ionete 1993: 193 ft. X; 203). Ironically, the document modestly suggested Hungarian-style reform socialism at a point when their Hungarian peers were losing faith in it.³⁰ Although isolated, these acts of intellectual resistance suggested that the regime’s grasp on the profession was not airtight and that some economists could carve out spaces where unorthodox readings, study and talk were taking place. Indeed, the simple fact of reading and discussing developments in Western economic scholarship was not punishable as long as it did not lead to open endorsements of Western critiques of the policy status quo of communist Romania. One department chair remembers that

[w]ithin the frame of the scholarly inner-circle debate, the spreading of “un-official” ideas, the sharing of Western printed books, the almost “samizdat”-like fashion of distributing not-available-on-the-shelf printed matter, was common in the chairs of political economy of the major universities throughout the country (Maniu, unpublished manuscript).

²⁹ Author interview with Daniel Daianu, July 6, 2006.

³⁰ The authors demanded better wage incentives, a 10 year moratorium on unproductive investment, encouragement of small firms, emphasis on heavy industry, more investment in state agriculture, complete liberalization of private agricultural trade.

Some of the critical economists who did not emigrate continued to read whatever Western economics literature was available at the American Library or in the library reserves of their own departments and institutes. As Daniel Daianu remembers:

I learned the “technical” language [for my critique], when I found in the American Library my own alma mater; here I found P. Samuelson, M. Friedman, Hayek, W. Baumol, R. Okun and others.³¹

Critically, many found a protected professional ecology in the Cybernetics Institute established in 1972 by Manea Manescu, Ceausescu’s premier³² and a second-rate economist infatuated with cybernetics, a field he understood very little of.³³ Here, many mathematical economists found a patron and an environment where they could keep up-to-date with Western literature and even maintain correspondence with leading US economists.³⁴ Under the thin cover of “know your enemy” pretenses and arcane technical languages, professors Gheorghe Preda and Moisa Alter quietly organized seminars that discussed the latest debates in Western economics and especially the rise of monetarism and new neoclassical economics.³⁵ Rather than the some kind of North Korean-style airtight isolation one might expect following the regime’s cuts of funds for subscriptions to foreign journals and travel to professional conventions and workshops, the library at the Cybernetics Institute continued to receive key Western economics journals (*American Economics Review*, *Journal of Economic Literature*, *Econometrica*, *Management Science*) in exchange or mailing copies of its own bilingual (English and Romanian) economic review- which the institute had been publishing since 1966- to no less than 400 Western universities and libraries. Access to these publications was not restricted and some professors even expected their students to be familiar with their content.³⁶

During the 1980s such activities enabled these budding economic liberals to develop a “counter-elite” identity, guided by Moisa Altar’s unwavering enforcement of high academic standards.³⁷ The young generation of economists who grew to occupy key positions of power in the revolving door between academia and public policy after 1989 (Daniel Daianu, Theodor Stolojan, Mugur Isarescu, Lucian Croitoru, Cornel Tarheaca, Valentin Lazea) came of age professionally in these seminars. Some had been mentored by the generation of dissident economics of the 60s and 70s. All had advanced mathematical skills, fluency in English and research agendas that were both sheltered from ideological debates and were dependent on Western methodological innovations.

³¹ Daniel Daianu, “Sa scrii (critici) inainte de 1989”, in *Jurnalul National*, October 9, 2007.

³² Manescu had been a premier between 1974 and 1979 and a member of the Politburo almost continually between 1969 and 1989. Ironically, as mathematical economists used his Institute to talk Western economics, Manescu acted as enforcer of the Ceausescus in firing prominent central planners who opposed the forced savings strategy of the 1980s. Interview with dissident mathematician Mihai Botez carried out by Vladimir Tismaneanu. Source: www.tismaneanu.wordpress.com. Manescu had established the Cybernetics Institute as the advanced arm of the Institute of Economic Sciences, the elite economics university. A statistician and planner, Manescu was in awe with the possibilities that linear programming and obtained the resources for establishing Cybernetics and protecting it against the close monitoring routinely done by the Securitate in ASE.

³³ Author interview with Moisa Adler, January 12, 2009.

³⁴ Author interview with Moisa Altar, January 10, 2009.

³⁵ Author interview with Moisa Altar, January 10, 2009.

³⁶ Author interview with Moisa Altar, January 10, 2009.

³⁷ Author interview with Moisa Altar, January, 2009.

Some economists of the Altar group were confident enough that their dissimulation techniques would get their criticism past censorship. Between 1984 and 1987 Vasile Pillat and Daniel Daianu published a string of articles in a Romanian scientific review meant for English and French speakers that made subtle critiques of the traditional socialist development model. These articles were still far from any kind of neoclassical radicalism. They were but bland attempts to reconcile neoclassical, structuralist and neo-Marxist economics (Daianu 1984; Pillat and Daianu 1984; 1985; Daianu 1987).³⁸

None of these men had made the shift to neoclassical economics before 1989, but through their informal self-training the acquisition of the basic elements of this economic tradition came to be the very condition for joining this prestige group. After they were accepted, Altar made the reading of Western economic journals and books the *de facto* condition for acceptance in his discussion group. The capacity to debate complex economic arguments published in English by Western journals became a status marker. While they had to partake in some public form of choreographed acceptance of the regime's economic orthodoxy, often by publishing drivel, in private they defined themselves against those academic economists who kept their jobs by replacing economics with the regurgitation of propaganda speak. As Altar remembers,

[o]nly those who knew economics for real felt at ease in the group. And in order to know economics you had to be up to date, read American journals with a pencil in hand and get hold of Russian translations of the latest names in the US economics departments.

But while the regime's authoritarian turn did not go as far as completely suppressing such activities, it nevertheless set up career incentives that devalued them. The regime's disenchantment with its opening towards the West and the resulting turn towards ethnonationalist politics created an atmosphere in which great ideological performance could bring an academic economist more rewards than good scholarship and efforts to stay up to date with the travails of Western economics.³⁹ In turn, this weakened critical economists who could have challenged orthodox bureaucrats on the interpretation of the causes of the economic crisis experienced by Romania during the 1980s. Along with the closing opportunities for remaining directly involved in East-West epistemic exchanges, this academic policy prevented the East-Central European scenario discussed by Bockman and Eyal.

³⁸ For example, in 1985 Vasile Pillat and Daniel Daianu published an article in English in which they did a veiled critique of the socialist economy using an odd mix of structuralist arguments about the core's control over technological innovations and the Western orthodox argument that the statist models embraced by developing countries had a low innovative capacity (Pillat and Daianu 1985). The build this argument the article made the controversial claim that neoclassical thinkers like Schumpeter and neo-Marxists like Mandel were fundamentally compatible in their analysis of innovation in depression cycles of the economy.

³⁹ Author interview with Moisa Altar, January 2010.

Basically the boldest attack on the mainstream was the veiled use of the neoclassical critique of socialism as unable to stay innovative in the long term.⁴⁰ The boldest move of the Altar group was made in 1987. The hero was Daniel Daianu, one the youngest and most immersed in Western literature. In an article published in English he advanced a critique of the economic status quo using the more radical marginalist positions of Janos Kornai, a Hungarian economist known in the West for his argument that socialism was salvageable only through market reforms.⁴¹ Kornai had been critiquing Soviet orthodoxy since 1953, but in his 1980 book that Daianu found inspiration in, the Hungarian economist argued that chronic shortages were not the result of planners' mistakes but rather systemic problems inherent to socialist economies (Kornai 1980). The article suggested that by practicing effective dissimulation, the Altar group had gotten far and became prepared for radical openings in their thinking. As Daianu put it,

My analysis relied on quantitative models but I used a couple of euphemisms and terminological decoys to camouflage the message [...] I sought to argue that socialist economies faced "structural supply restrictions," that the deficit of raw resources is permanent and that reforms were needed. In Hungary Janos Kornai used the term "shortage" [for this] and built an entire theory around it. I shied away from using [Kornai's] term and I used the aforementioned term ["structural supply restrictions"].⁴²

The professional opportunities opened by détente and thaw also enabled economists in the Romanian Academy (*Academia Romana*), an elite research body, to stay abreast with what was happening in Western economics despite the regime's termination of subscriptions to foreign journals. Here, Western-trained Dobrescu and Iancu kept receiving Western journals in exchange for their own institution's review published in English and Romanian. Perhaps ironically, another important site of engagement with Western economics was equally close to the nervous centers of the regime: the university of the Romanian Communist Party (Academia Stefan Gheorghiu, informally known as the "Party School"). In this institution the multilingual faculty in the international political economy and the international law departments maintained some degree of access to recent Western academic publications and media. Granted, the faculty there had no professional incentives to study this literature other than for superficial propaganda jobs. Yet since the assistant professors hired were the crème de la crème of the university system and in the university environment they asserted ascendancy over their peers by projecting a cosmopolitan elite identity, they created a subculture whereby evidence of familiarity with the latest developments in the capitalist core was highly rewarded (Severin 2001). Unlike in institutes and ISE, the level of the economic debate was less technical and more interested in intellectual frameworks and politics than in mathematical modeling. This opened the field of debate to non-economists who acquired their knowledge on the historical dramas that marked the rise of neoliberalism from pop-academic books and newspapers rather than from the *American Economic Review*.

⁴⁰ The authors took a pretty direct stab at socialist development when they wrote that "a society characterized by a low real innovational process, despite the eventual mobilization of great material and financial efforts, will stagnate and even move downward" (Pillat and Daianu 1985: 47).

⁴¹ Daianu's study was entitled "Echilibrul și Performanța Sistemelor Economice" and was published in the sixth issue of *Viitorul social*.

⁴² Daniel Daianu, "Sa scrii (critici) inainte de 1989", *Jurnalul national*, February 10, 2007.

Nevertheless, the anchoring of critical economists in select elements of the international disciplinary common during the previous decade had not dramatically affect the distribution of power within the domestic fields themselves, as Fourcade (2009) found in the case of French and British postwar economics and Bockman and Eyal (2001) in the case of Central European economists. On the contrary, this outcome that had to await the end of Ceausescu's national-Stalinist regime itself, a testimony to the relevance of regime type. When this finally happened in 1989, the mathematical economists had both the skills and the intellectual availability to become translators of neoliberal transition economics during the early 1990s. They looked down on the Stefan Gheorghiu faculty and labeled them "storytellers."⁴³ Yet through their access to office, it was mostly the "storytellers" rather than the "technicians" who initially had a chance to put together a partial reform program between 1990 and 1992. Before the ideas of the "technicians" definitively captured public policy after the mid 1990s (Ban 2011), for years they faced a professional terrain bitterly contested by anti-neoliberal intellectual frameworks.

Conclusions

The study of the diffusion of foreign economic ideas in communist regimes is in its infancy among historians. A rich literature in sociology and political science revealed that regular forms of participation in transnational epistemic dialogues tend to drive the translation process. Contra existing studies on diffusion assume constant international and domestic political conditions in and around the conduits of the internationalization of modern economics this study makes the case for the critical importance of authoritarian regime type and geopolitical openings.

Following this intervention, one can argue that while the dearth of preexisting economic ideas that resonate with the ideational imports and authoritarian institutions hinder the diffusion process, geopolitical openings that enable academic exchanges facilitate it. It is in the interaction of these historical structures and processes that the ebb and flow of new economic ideas takes place. In this way, geopolitical openings enabled the formation of transnational networks of economists, thus "pumping" the flow of new ideas originating in the Western economic profession. Finally, shifts inside the internal dynamics of authoritarian rule stand to shape diffusion in important ways. The spread of Western economics was most likely when geopolitical openings coincide with internal liberalizations. In contrast, the tightening of authoritarian rule diminished the likelihood that domestic economists who participated in transnational professional dialogues could actively diffuse Western economics. This is especially the case when a nationalist turn in the ideology of the regime leads to the appreciation of past domestic economic ideas that do not resonate with the Western ideas to be translated.

These insights are richly evidenced by the study of Romanian economics during the Cold War. Dense transnational ties of the economic profession in pre-communist Romania were abruptly cut by the advent of national-Stalinism in 1949. Nevertheless, islands of critical economics open to the dynamics of the Western economic profession grew, aided by the limited opening of Romanian economics with Western economics during the

⁴³ Author interview with Daniel Daianu, June 11, 2006; July 25, 2008.

1960s and 1970s. Chief among the enabling factors of dissent were geopolitical: détente, the anti-Soviet turn in Romanian Stalinism and the corresponding advent of East-West scientific exchanges. And those economists who were most successful at using their Western connections as a form of capital inside the profession were those who either grafted Western methodologies onto the needs of the planning apparatus itself or appealed to procommunist economic ideas that saw semi-rehabilitation during the regime's nationalist turn.

But Western economics reached national-Stalinist Romania through less suspected avenues as well. Some entrepreneurial economists engaged with Western economics by simply tapping into the research resources available in the country or in other parts of the Eastern Europe. The renewal of these ties had important consequences for the profession. Soviet orthodoxy was edited with various substantive and methodological aspects originating in Western economics. This affected not just research, but also the work practices of the planning apparatus itself. However, the dearth of a pre-communist neoclassical tradition meant that with few exceptions, the existing forms of engagement with Western economics were not tied to the theoretical commitments of the neoclassical tradition.

As important as external conduits of translation of Western economics were, they would not have had the same effect if the authoritarian regime's regulation of the profession would not have allowed the existence of spaces of technical neutrality from where economists could have tapped the flows of Western economics. These spaces included academia, government think-tanks, foreign trade institutions and the planning bureaucracy itself. The economists who capitalized most on these exchange opportunities were several linear programmers who had access to the revolving door between the planning bureaucracy and the elite branches of a government think-tank. These transnational flows of ideas changed the profession but its tight regulation by the regime made its achievements very fragile. At the end of the day, the (re)tightening of the authoritarian regime after the 1981 debt crisis turned engagement with Western economics into a matter of semi-clandestine intellectual entrepreneurialism.

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