

A DIPLOMAT AT THE MINISTRY OF FINANCE: RUBENS RICUPERO'S ECONOMIC IDEAS

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ABSTRACT

Rubens Ricupero was not only one of the most important Brazilian diplomats of the 20th century, but also a central figure in decisive moments in the country's political and economic history over the last fifty years. In addition to representing Brazil in multilateral forums such as the General Agreement on Tariffs and Trade (GATT) and the United Nations Conference on Trade and Development (UNCTAD), Ricupero was the Minister of Finance responsible for creating Brazil's most important monetary stabilization plan, the Real Plan. His career in the Brazilian civil service allowed him to accumulate political experience and technical knowledge like few other Brazilian men of his generation. Thus, this article aims to systematize and analyze his intellectual trajectory and the main theoretical elements of his economic thinking. To this end, primary documents, academic articles and books, and material extracted from a face-to-face interview conducted at his office in early 2020 were used. The article shows the eclecticism of his economic ideas, although one can note the importance that Ricupero attaches not only to state action itself, but above all to the development of a welfare state capable of mitigating inequalities and defending the environment, while ensuring the necessary conditions for capital accumulation.

Keywords: Rubens Ricupero, Diplomacy, Brazilian Economy, Economic Ideas, Real Plan.

Un diplomático en el Ministerio de Economía: las ideas económicas de Rubens Ricupero

RESUMEN

Rubens Ricupero no solo fue uno de los diplomáticos brasileños más importantes del siglo XX, sino también una figura central en momentos decisivos de la historia política y económica del país durante los últimos cincuenta años. Además de representar a Brasil en foros multilaterales como el Acuerdo General sobre Aranceles Aduaneros y Comercio (GATT) y la Conferencia de las Naciones Unidas sobre Comercio y Desarrollo (UNCTAD), Ricupero fue el ministro de Finanzas responsable de crear el plan de estabilización monetaria más importante de Brasil, el Plan Real. Su carrera en la burocracia estatal brasileña le permitió acumular experiencia política y conocimientos técnicos como pocos otros brasileños de su generación. Por lo tanto, este artículo tiene como objetivo sistematizar y analizar su trayectoria intelectual y los principales elementos teóricos de su pensamiento económico. Para ello, se utilizaron documentos primarios, artículos académicos y libros, así como material extraído de una entrevista presencial realizada en su oficina a principios de 2020. El artículo muestra el eclecticismo de sus ideas económicas, aunque se puede observar la importancia que Ricupero concede no solo a la acción del Estado en sí misma, sino sobre todo al desarrollo de un Estado del bienestar capaz de mitigar las desigualdades y defender el medio ambiente, al tiempo que garantiza las condiciones necesarias para la acumulación de capital.

Palabras clave: Rubens Ricupero, Diplomacia, Economía Brasileña, Ideas económicas, Plano Real.

Introducción

Among the countless factors behind the engine of history, the economy has always been one of the most important cogs. But while it is true that the organization of the production and distribution of goods has in fact guided humanity's great transformations, we cannot neglect the importance of elements that are difficult to rationalize and, for this reason, have less explanatory power. Political, cultural, institutional, geographical, and biological issues have also guided the evolution of civilization (Diamond, 2017). As well as chance, which is treated as a residue in predictive models but which has been as present in major social events as in all individual trajectories.

Chance permeated the career of diplomat Rubens Ricupero, one of the briefest and most symbolically important finance ministers ever to hold the post. From his unlikely appointment to his controversial resignation four months later, Ricupero was the man in charge of the Treasury when the most important milestone in the contemporary Brazilian economy was launched.

Rubens Ricupero was born in São Paulo on March 1, 1937, to a family of Italian immigrants who arrived in Brazil in 1895 at the height of the late 19th-century migration. His roots in the Italian community of Brás shaped his Catholic upbringing, which would significantly influence his intellectual and social engagement in his Youth (Delgado & Moraes, n.d.).

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In 1956, Ricupero passed the entrance exam for the School of Economics at the University of São Paulo (FEA/USP). However, his interest in a diplomatic career led him to abandon the program. He began this career in 1958 by joining the preparatory course at the Rio Branco Institute (IRBr). The following year, he graduated from USP's Law School, though he never practiced law. While at the IRBr, he was able to deepen his knowledge of economics, particularly macroeconomics, under the guidance of Professor Julian Chacel (FGV-Rio).

Ricupero's career in diplomacy began in 1961, when he became a cabinet officer for the Minister of Foreign Affairs, Afonso Arinos, and was one of the first chancellery officials to work in the newly built federal capital. Two years later, he was appointed for the first time to serve abroad, working for three years at the Brazilian representation in Vienna. Between 1966 and 1969, he served at the Brazilian Embassy in Buenos Aires, where he headed the Trade Promotion Service until he was transferred to the Brazilian Embassy in Quito (Ricupero, 2020a).

During the four-year period 1971-1974, he coordinated the Cultural Diffusion Division of the Ministry of Foreign Affairs in Brasília and was transferred to Washington for the following three years. Appointed head of the South America II Division (Andean and Amazon countries), he was the main negotiator of the Amazon Cooperation Treaty (1977-1979), then became head of the Department of the Americas (1980-1985), when he was promoted to minister first class (1982). In the twilight of the military dictatorship, he advised then-presidential candidate Tancredo Neves and was later appointed deputy chief of staff and special advisor to President José Sarney for two years.

Between 1987 and 1991, he headed the Brazilian mission in Geneva to the *General Agreement on Tariffs and Trade* (GATT), a body inaugurated in 1947 that preceded the World Trade Organization (WTO). Alongside his work at GATT, Ricupero also served as the Brazilian representative to the other agencies based in Geneva: the Conference on Disarmament, the United Nations Commission on Human Rights, the International Labor Organization (ILO), the World Health Organization (WHO), and the World Intellectual Property Organization (WIPO), among others.

Ricupero also represented the Brazilian government at the *United Nations Conference on Trade and Development* (UNCTAD) – a permanent intergovernmental conference of the United Nations (UN), created in 1964 at the inspiration of Raúl Prebisch and on the initiative of the UN General Assembly, which acts at national, regional, and global levels on issues involving development, trade, and investment by developing countries. In 1995, he finally became secretary-general of UNCTAD, a position he held until 2004.

Ricupero's experience in various UN bodies not only forged his diplomatic career but also sharpened his economic expertise. For example, at the GATT, he opposed U.S. sanctions on Brazilian imports, which were imposed under the pretext of patent disrespect for foreign medicines. This disagreement solidified his criticism of the U.S.'s often controversial and protectionist policies (Ricupero, 2020a).

Rubens Ricupero became Brazil's ambassador to Washington in September 1991, taking on what is considered the most important post in the country's diplomacy. His tenure was immediately affected by a reversal of fortune for the Collor government, whose monetary stabilization plan had failed while impeachment accusations against the president were intensifying. During his more than two years as ambassador to the U.S., Rubens Ricupero was tasked with two main objectives: mitigating damage to Brazil's international image and overseeing the renegotiation of the country's foreign debt under the Brady Plan. He also served as Brazil's representative to the World Bank, the International Monetary Fund, and the African Development Bank.

It was precisely among his many active participations as a diplomatic representative in multilateral bodies that Rubens Ricupero made his debut in senior positions in the Brazilian state. In September 1993, he took over the Ministry of the Legal Amazon (later transformed into the Ministry of the Environment and the Legal Amazon), shortly after the massacre of the Yanomami Indians in Roraima, known as the Haximu massacre. Though Ricupero led the ministry for only a few months, he was still able to initiate long-term planning for the sustainable development of the Amazon. He did this by creating the National Council for the Amazon, a body designed to link economic growth policies with socio-environmental justice (Ricupero, 2020a).

Soon after Fernando Collor de Mello was impeached, at the beginning of October 1992, Ricupero was invited by President Itamar Franco to take over the management of the Brazilian economy. Ambassador to Washington at the time, Ricupero turned down the invitation because he thought there were more technically qualified people for the job. When Fernando Henrique Cardoso, then head of the portfolio, resigned to run for president in March 1994, his name came up again as his natural successor.

In September 1995, he became secretary-general of UNCTAD at the invitation of the then UN secretary-general, Boutros Ghali. At that time, the organization was under an explicit attack led by the US, under the pretext that the creation of the WTO had made the existence of UNCTAD redundant. It was Ricupero's job to counter this offensive, working to demonstrate more than the need, the urgency of having a body that would guarantee the representation of developing nations in the multilateral economic community. Led by the Brazilian diplomat, the reaction of the underdeveloped countries regained the prestige of the entity by basing their position on studies that showed that a significant part of the conditions of underdevelopment resulted from the imbalances and injustices of the international commercial and financial system, which tended to perpetuate and aggravate the asymmetries of globalization.

Retired from the United Nations in 2004, Ricupero returned to Brazil the following year, taking over as head of the School of Economics and International Relations at the Armando Álvares Penteado Foundation (FAAP) in São Paulo. Academic life was not exactly new to him, since between 1979 and 1994 he had already taught international relations theory and the history of international relations at the University of Brasília (Unb) and the history of Brazil's diplomatic relations at the Rio Branco Institute.

Although he played leading roles in multilateral bodies and institutions, Ricupero's economic knowledge was forged through self-taught efforts and consolidated in the daily life of the positions he held. It is in this sense that we turn to the notion of the *practical economist*, a concept used to characterize the thinking of intellectuals and bureaucrats without specific training in the subject and whose basis rests on a certain intellectual eclecticism and the pragmatism of their actions. There are many examples of practical economists who have written works that have influenced the economic debate, such as William Petty, Alexander Hamilton, Vladimir Lenin, Raul Prebisch, and Alicia Barcena, among others (Gilauri, 2017; Curi & Dacanal, 2019).

As Stuart Mill ([1836] 1974) pointed out, the *practical* character can be observed because such actions "require a specific experience and argue entirely upwards from particular facts to a general conclusion" (p. 303, author's emphasis). This is the case with

Ricupero: a multifaceted intellectual and career diplomat who was involved in the main Brazilian negotiations with multilateral organizations, Rubens accumulated solid economic knowledge during his long career as a servant of the Brazilian state.

At the age of 88, Rubens Ricupero, a respected public actor, is physically vigorous and intellectually healthy, dedicating himself to academic activities – from publishing articles in the press to participating in conferences – and lending the prestige of his name to the boards of environmental, cultural, and artistic organizations. Despite the acknowledged prudential distance kept from the political-electoral debate, Ricupero has shown the integrity expected of a man whose history is intertwined with the defense of the most legitimate republican causes at a time when the country has gone through its most serious political crisis in decades.

Rubens Ricupero's Economic Ideas

Analyzing the economic ideas of an eclectic thinker requires a specific method in order to grasp the various nuances that characterize his intellectual framework. Starting with the very meaning given to them. For Ricupero (2002), the power of ideas does not lie in themselves, as if they had an immanent and self-contained value, but in their ability to serve as "instruments to help people change *their* lives and change life" (11, author's emphasis). The diplomat was concerned with understanding whether and what kind of ideas would make it possible to influence a gradual change in the globalization process that would mitigate the unequal and exclusionary dynamics of development, based in turn on the alliance established between governments and large transnational conglomerates.

From the outset, we can see that the character of a practical economist is present from the conception of the applicability and changeability of ideas to the multiplicity of influences from which Ricupero forged his thinking. The author is not rigidly affiliated with any school, as he believes that "economic doctrines only partially capture reality, and it is necessary to temper them with economic facts, political circumstances, and social conditioning" (Ricupero, 2020a, 13:45-14:10). His own professional career reflects the practical nature of his thinking:

In order for ideas to act on the world, someone has to undertake the task of explaining them, of discussing them. (...) It is this task that constitutes the *raison d'être* of the entity that I direct, the United Nations Conference on Trade and Development. (...)

UNCTAD was inspired by Latin American thinking on the problems of development (...) and it participated in this spirit above all in driving the project to which it has become indissolubly linked: that of helping to create a New International Economic Order (Ricupero, 2002, 13-15).

Eclectic, although admittedly heterodox. His first and main influence was Latin American structuralist thinking, especially that of the economists linked to the Economic Commission for Latin America and the Caribbean (ECLAC), whose economic program guided the ideas and policies of a whole generation of Latin American intellectuals from the 1950s onwards (Dosman, 2008). Ricupero even maintained a personal friendship with Celso Furtado, the greatest of Brazilian ECLAC economists.

The appropriation of ECLAC's theoretical elements can be seen in different dimensions of his thinking. Starting with his critical view of the so-called "northern economists" – an expression used by the author himself – especially with regard to the theory of comparative advantages in international trade. In addition, the understanding that highlighted the specific historical and cultural contexts of developing countries, at the heart of the dual center-periphery analysis that underpinned the *think tank's* entire framework, is also frequent in its economic framework.

In his view, the position of peripheral countries in international economic relations should make it possible to control the volatility of short-term capital in a context of accelerated financialization (Chesnais, 2016). Similarly, Ricupero believes that, from a production point of view, this same condition imposes the need to expand domestic supply in order to make the national economy less dependent on the export of a few raw materials, which are then processed abroad (Ricupero, 2002, 46). The economic crisis that the Brazilian economy went through during the 1980s – with acute restrictions on the balance of payments and high external debt – would demonstrate the plausibility of his proposal: the need for constant positive trade balances based on the export of *commodities* in a scenario of international financial volatility proved to be a dangerous combination for the Brazilian economy (Batista Junior, 1984).

His critical perspective on universal theories of economic development was consolidated during his time at UNCTAD. The main axes on which the organization develops its activities are in line with what Ricupero believed to be the most appropriate project for a peripheral economy:

[First], the growth of developing countries depends on the pace of economic expansion and the demand for imports from industrialized nations, and vice versa. Secondly, emerging economies will only be able to reach their full growth potential if they can complement and multiply domestic resources with financing, investment, and technology from abroad. [Thirdly], trade is the best instrument for generating the virtuous circle of development, but in order to fulfill its role, it must promote dynamic access to the markets of developed countries for goods and services of increasing technological content and added value exported by developing countries (Ricupero, 2002, 49).

Based on these ideas, the project to overcome Brazil's underdevelopment postulated by the author involves holistic action by the government in at least three elements of national economic life: (1) improving the tax system by reducing its regressivity, including a succession or inheritance tax; (2) controlling capital; and (3) structural redistributive policies, such as agrarian reform, granting credit to small entrepreneurs and farmers, as well as an educational policy aimed at professional training (Ricupero, 1998, 170-101; 2002, 123-125).

From the point of view of international economic relations, Ricupero advocates a diplomacy that prioritizes national interests in an autonomous, pragmatic, and haughty way (Cervo, 2000). If one could summarize his understanding in this field in three major themes, they would be (1) debt forgiveness for developing countries and official assistance, (2) the removal of protectionist barriers imposed by the central nations, and (3) encouraging the attraction of foreign investment, not only in the form of capital, but, above all, that would transfer knowledge to the host countries (Ricupero, 2002, 83-84).

In this respect, Ricupero (2002, 224) shows a certain deference to what he considers to be an "astonishingly precise and detailed forecast of globalization" contained in the Manifesto of the Communist Party, a pamphlet published by Karl Marx and Friedrich

Engels in 1848. In his opinion, "all the defining themes of a still unfinished globalization are identified in the document in a way that has never been better expressed before or since". As an example, he highlights the unification of markets on a planetary scale through modern industry that establishes the world market and the internationalization of production through the replacement of national companies by transnational corporations.

The theme of globalization is, of course, the driving force behind all his intellectual work. Convinced that development theories (and policies) cannot be divorced from national conditions, Ricupero (2001) makes them conditional on foreign policies that take into account the risks of financial liberalization. On the one hand, the diplomat shows a certain optimism about the benefits that foreign direct investment would bring to short-term growth; on the other, he does not deny the risks of financial crises, against which he suggests the creation of international mechanisms aimed at coordinating national monetary policies and foreign investment (Ricupero, 1998).

In this sense, he is critical of the market's ability to promote social values that are not linked to the generation of immediate profit, such as scientific research, correcting regional imbalances, and combating environmental degradation, among others (Harvey, 2005). His skepticism about the market institution is well-considered: while it is the best mechanism for producing goods and services efficiently, the market itself cannot be entrusted with distributing the fruits of progress, especially to the most vulnerable, so that the hermetic coexistence of the interests of financial investors with those of the social community cannot be expected (Przeworski, 2003).

Thus, he advocates complementarity between the state and the market in order to satisfy social needs as efficiently and fairly as possible; in his words, he suggests the establishment of a "social market economy" based on the tripod of the market, society, and the state. Such an arrangement would delegate the primary task of a developmentalist state, which is to seek a consensus between the social classes – the national bourgeoisie, urban workers, and the state bureaucracy – to take advantage of the benefits of globalization in order to enable the gain in productivity, obligatorily required for economic and social development (Ricupero, 1998, 25, 70, 144; 2020a, 29min41s to 30min06s).

Ricupero's thought was also influenced by a questioning of the free market as a natural representation of the economy and society: sociology, political science, and, although not explicitly, institutional economics (Eggertsson, 1999). Once again, the figure of the practical economist emerges: "In my thinking, the influence of cultural and historical factors is greater than academia admits" (Ricupero, 2020a, 1h18min47s to 1h18min58s). In this sense, Ricupero's emphasis on values, shared beliefs, and the role of formal institutions in the phenomenon of development is clear. Although he has reservations, Ricupero points to the United States as a prime example of his conviction, highlighting its shared reverence for foundational institutions such as freedom, equal opportunity, and individual initiative (Ricupero, 1998).

While emphasizing the importance of the institutional context for promoting social welfare, Ricupero also argues that "it is not possible to import the results without reproducing their causes," which is why the 20th century would have been a graveyard of models: "Even when they are genuine and not bluffs, (...) models must be consumed locally, like fresh fish and *jabuticabas*." When you try to export them, they almost always spoil" (Ricupero, 1998, 41-42). The author attests that it is the values of each society that inspire its political institutions, its legal systems, the quality of its public institutions, or even the correctness and continuity of macroeconomic policy. More relevant than any gifts from nature, he believes that these elements are "much more decisive for development than the abundance of factors of production and natural resources" (Ricupero, 1998, 262).

As another important piece in the mosaic of his intellectual framework, the clear Keynesian influence on Ricupero's economic thinking rests mainly on two key aspects: the importance of certain components of aggregate demand and the formation of agents' expectations (Harcourt, 2016). In this way, he emphasizes the importance of public investment for the intertemporal sustainability of economic growth, since both private investment and household consumption itself depend directly or indirectly on it. As for the second aspect, the citation of the economists who have most influenced his thinking – André Lara Resende and Nelson Barbosa, critics of the neoclassical interpretation of agents' expectations – illustrates his closeness to this heterodox theoretical current.

In a logic that corroborates one of Keynes' main contributions to macroeconomic theory, Ricupero (1998, 64) believes that it is "people's confidence in the economy that conditions investments, and these, in turn, determine whether growth will be higher or lower." This is why today, in Japan, France, and Germany, we are once again stimulating demand and discouraging savings with methods that Keynes would approve of." In the same vein, when commenting on the economic policy of French Prime Minister Lionel Jospin (1997-2002), Ricupero points out that it was not tax increases, low inflation, or even the fall in interest rates that were responsible for the resumption of investment, but above all expectations regarding the growth of aggregate demand:

In fact, entrepreneurs don't invest because they know there is no demand. And there is no demand because, on the one hand, unemployment and, on the other, the appropriation by profits, to the detriment of wages, of almost all the increase in productivity and other gains in the economy, leave little to consume (Ricupero, 1998, 38).

The Keynesian influence does not translate into connivance with fiscal irresponsibility, however. His writings are constantly concerned with fiscal balance and the public sector deficit. Going further, he criticizes the quality of state spending, especially in the granting of certain subsidies by the Brazilian government, which, historically, only ended up benefiting groups that enjoyed access to economic policymakers.

In accordance with what certain currents of Brazilian heterodoxy advocate – especially the so-called new developmentalists – Ricupero also argues that the state should abdicate responsibility for planning and managing the productive sector and should concentrate on formulating, implementing, and coordinating social policies, which is the state's inherent responsibility. In this way, the animal spirit of entrepreneurs would be guaranteed certain conditions for investing, profiting, employing, and developing a society. In his words, "There is only one way to achieve this: a macroeconomic policy of budgetary balance, which eliminates the public sector deficit and the need to finance it, freeing up private savings for productive investments" (Ricupero, 1998, 230).

His vision of the role of the state is in line with the demands of progressive and liberal sectors of national politics: focusing public activity and resources on vulnerable sections of the Brazilian population and delegating the primary task of producing goods and offering services to the population to business and private initiative. In his view, such a strategy would not only alleviate the constant fiscal problem that has long plagued the Brazilian economy but would also help to minimize historically ignored social debts.

At the root of the chronic budget deficits is not excessive social spending but a perverse policy of transfers and funding for inefficient and unproductive sectors. Professor Maria da Conceição Tavares once pointed out that, in terms of subsidies, Brazil was no worse than other countries in terms of quantity. The difference is that subsidies in Brazil have traditionally been monopolized by big business. In Mexico, for example, the government has always subsidized 'tortilla,' the typical food of the poor. Our economic history, on the other hand, is an endless rosary of the creation and transfer of income by the state to politically powerful groups. (...) Let's not say that there are no alternatives and that we have to choose between balancing the budget or fighting poverty. The real choice is between using public money for politicized and unrecoverable official banks or allowing access to land. It is between continuing to feed the deficits of inefficient state-owned companies or privatizing them, channeling the resources into social investments (Ricupero, 1998, 266-267).

The combination of this myriad of influences means that Ricupero explicitly rejects certain dichotomies usually put forward in the economic debate, such as state vs. market, price stability vs. economic growth, labor flexibility vs. job protection, state interventionism vs. free enterprise, national capital vs. foreign capital, etc. In his view, the world after the fall of the Berlin Wall no longer allows for Manichean visions: "There is no longer any place for antipodean models that deny and exclude each other completely. (...) There is no longer black or white, only infinite gradations of gray" (Ricupero, 1998, 26). Based on this understanding, Ricupero proposes a gradual path of reforms in order to prove that the poles of the aforementioned dualities can coexist, suggesting reformist moderation as the most appropriate strategy for countries like Brazil: "Instead of wasting time fighting old battles again, we should focus on the real challenges of the present, with an emphasis on facts, on empirical evidence, not on ideologies. Trying, among other things, to harmonize and make compatible the elements of the classic dichotomies in a coherent way, so that they reinforce each other" (Ricupero, 2002).

More recently, Ricupero has dedicated himself to subjects that are not exactly divorced from economic issues but that have an understanding of the socio-environmental reality as their central objective. In a paper published in 2020, the author tried to map what he called the state of the art with regard to environmental sustainability, social welfare, and the safeguarding of individual and collective rights in the Brazil of the New Republic. The article recalls the history of achievements in these areas since the promulgation of the 1988 Constitution, dialoguing with his ministerial work, especially in the Ministry of the Environment and the Legal Amazon, between September 1993 and April 1994.

The diplomat reconstructs and summarizes the formation of the consensus on the socially required expansion of individual and collective rights between 1985 and 2015, which has been partially reversed since at least the 2018 elections. It is an analysis of the situation that is not limited to an apparent observation of the social phenomena underway in the country but that seeks to point out how the empowerment of what he calls "organic destructive forces" acts to make dialogue unfeasible. In his own words:

It is significant that Congress, the power closest to the pressures and orientations of public opinion, was unable to pass most of these changes into law. The difficulty was already a sign that the consensus was beginning to be challenged by an ongoing evolution in society in a direction contrary to that enshrined in the Constitution. The first factor to act in this direction was the exacerbation of the feeling of individual insecurity as a result of the frightening increase in crime (Ricupero, 2020b, 134).

This highlights the importance of ideas as a force for change in social reality, especially in terms of their ability to promote real transformations. If not by themselves, then at least through the unification of partial consensuses capable of articulating civil society entities, the press, and constitutional powers. In this sense, the author emphasizes the dynamic nature of ideas in their contexts because, although praiseworthy, social agreement on human rights – both individual and collective – is under threat from the advance of anti-modern ideology that seems to be forming on the margins of cultural and intellectual life. "Have universities and academics succumbed to the temptation of the 'ivory tower,' living for their careers, focused only on the routine of internal campus life?" (Ricupero, 2020b, 137).

As well as being a versatile intellectual, Rubens Ricupero retains the nonconformist spirit that made the experienced diplomat a respected bureaucrat.

Ricupero's work in the Ministry of Finance

Despite a short tenure as Minister of Finance, Rubens Ricupero was crucial to the success of the Real Plan. The monetary stabilization program had already begun a year earlier, with Provisional Measure 434 — establishing the Real Unit of Value (URV) — signed in February 1994 while FHC was still in office (Franco, 1995; Filgueiras, 2000; Prado, 2005).

In addition to following through with the plan to combat the famine, Ricupero was faced with at least two other challenges when he took over the Treasury: the approval of the 1994 budget and the conclusion of constitutional revisions directly related to fiscal reform, such as the tax and social security reforms. Although controversial and unpopular, these measures were part of a larger project in line with what the diplomat had long thought and defended. Inflationary control was underpinned by a powerful idea of resolving the distributive conflict. In an article entitled "Citizenship and Inflation," Ricupero argued that "although it does not exclude other social actions, nothing can bring faster benefits to the population as a whole, including the neediest, than the stability of the economy." Aware that stabilization was not an end in itself, but only a condition for the possibility of building a fair and prosperous society, Ricupero used a static physics analogy to support his policy: "the pedestal of a monument." Monetary stability would make it possible to solve part of Brazil's backwardness and imbalances, but the desired development was far beyond it.

According to the minister himself, his work, although technical, was equally important politically, as he was responsible for managing conflicts within the team inherited from Fernando Henrique Cardoso, who had left office to run for president in the October 1994 elections: "One of the most difficult jobs I've ever had. (...) Itamar had called me out because he wanted to interfere. I started defending the team's vision without opening up any space for change. Then I clashed with him. Friendly clashes" (Ricupero, 2020a, 41min14s to 41min40s). In his view, even though the president had some populist instincts (Moraes, 2018), he had the merit of making the conditions politically feasible for the plan to be implemented, accepting Ricupero's position of defending the stabilization strategy. In Ricupero's words, it was up to him to act as "absorbent cotton between crystals", balancing the president's demands and the measures required by the ministry's technical staff.

Although his role was more to mediate than to formulate, his participation in the choice of the date for the launch of the new currency contributed to the success of the final stretch of the plan. According to Ricupero, the URV had to be replaced by the Real before the October elections. This was to help its main architect win the election while also keeping the new currency's launch from being seen as a purely political move. The introduction of the new currency was a new milestone in the history of a country that was trying to overcome the traumas of the recent past. The first of July 1994 would go down in the country's history as a symbol of modernization towards the 21st century.

To this end, the ministry's social communication strategy was fundamental to the plan's success. Aware that the triumph of the policies would depend on the support gained from society, the minister appeared on national radio and TV networks every ten days on average in order to explain the measures that would be taken in a didactic manner. With transparency and predictability, the government overcame the skepticism of a people already disbelieving in anti-inflationary packages imposed by surprise, thus winning the hearts and minds of Brazilians.

Although it had the confidence of the president and the population, the Real Plan did not win the support of important institutions, especially the International Monetary Fund (IMF). Faced with the fiscal problems the Brazilian economy was going through, the multilateral organization discredited the strategy that resulted in the creation of the Emergency Social Fund (ESF), the forerunner of the Disengagement of Federal Revenues (DRU) – institutes through which the federal government could manage its budget more flexibly. For the IMF, it was necessary to achieve a primary surplus of 3% of GDP per year, a target that was unachievable in the country's fiscal (and political) context (Bacha, 1995).

It was at this point that the sagacity of the finance minister's strategy came to the fore. Ricupero proposed launching the new currency sooner to achieve two goals: to convince society of the plan's plausibility and to secure the confidence of economic agents in the stabilization effort. This would give the government greater credibility to address the fiscal problem with more rigorous and unpopular measures. This was the exact opposite of what the Fund's experts were proposing.

It is worth clarifying, however, that Ricupero's participation in the implementation of the real does not imply absolute agreement with all the ideas defended by the economists responsible for the plan. In his own words: "The fact that I was part of the team does not mean that I share their ideas (Ricupero, 2020a, 52:35-53:49). Put another way, the diplomat believes that "stability is only the beginning of the beginning of the beginning" (Ricupero, 2020a, 54:45-54:52); in other words, it is only a precondition for development, not its cause or end. It is a premise for the *possibility* of development, a phenomenon that requires, in his opinion, a much more complete and complex range of government measures.

The most prominent of these differences concerned the exchange rate strategy, since, in his view, maintaining an overvalued exchange rate against the US dollar would undermine the viability of a number of Brazilian economic sectors. In this sense, the minister planned a temporary transition of just six months to a fixed exchange rate at a parity of 1 to 1 with the US dollar. In his words:

I know this may sound like an apologetic statement, but anyone who wants to can reread my interviews with the press at the time, as well as the annals in the *Diário do Congresso* of my last appearance before the National Congress, for a debate in which I made it clear that, in my opinion, the appreciation of the exchange rate was only a temporary expedient for the short period of introduction of the new currency, which should not last more than a few weeks or a few months at most, while there were still doubts as to whether the currency would "catch on" or not (Ricupero, 2002, 178-179).

Contrary to what Ricupero argued, however, the real remained artificially overvalued until the exchange rate crisis of January 1999 (Belluzzo & Almeida, 2002). The international situation directly affected financing conditions, especially after the collapse of East Asian countries (1997) and Russia (1998), which corroborated Ricupero's fears about Brazil's exchange rate strategy. This concern was in line with his criticism of the economic integration of peripheral countries into the world market, especially with regard to the effects of the so-called financial opening on the dilemmas of globalization.

While it is true that Ricupero's economic thinking interweaves different influences to ultimately compose an eclectic, concatenated, and harmonious economic policy project, the brief period at the head of the Brazilian economy did not allow his ideas to be effectively transformed into human praxis. Even so, his five months at the Treasury revealed the pragmatism of a practical economist, since certain measures in the plan, he helped to build, did not represent exactly what the diplomat and intellectual Rubens Ricupero actually defended.

Final considerations

Rubens Ricupero's career as a diplomat and public man illustrates how the constitution of his economic thinking is closely related to the practical-pragmatic sense that characterizes him and, above all, to his way of seeing the process of economic development as a constant search for the ability to manage the complexity of modern society (Ricupero, 2020a, 1h10min20s to 1h10min37s). In the same way that his experience at UNCTAD highlighted his criticism of the inequalities that international free trade can result in, as the ECLAC economists theorized, his time at the Ministry of Finance helped to consolidate his understanding of the inflationary phenomenon and, indirectly, of monetary and fiscal issues. Although brief, Rubens Ricupero's experience at the helm of the Brazilian economy proved important for the implementation of the monetary stabilization strategy, especially with regard to his ability to mediate conflicts within the economic team inherited from the previous administration.

In this sense, Rubens Ricupero's theoretical versatility did not prove to be devoid of concrete meaning with a view to action; rather, it contributed to consolidating the way in which the author understands the economy *lato sensu*. In short, the state has a complex and active role to play in guiding development, especially in actions aimed at correcting inequalities and inducing balanced economic growth, which are the core elements of his thinking.

Although his eclecticism results in possible theoretical tensions, his attempt to look at the different currents of economic thought as if he were searching for the right instrument to deal with specific problems is no less praiseworthy, mitigating any philosophical dilemmas in favor of concrete action as a means of intervening in social reality. In other words, for the benefit of human action with a view to the greater collective good: development.

Although this article has presented and analyzed the main economic ideas of one of Brazil's most important public figures, the breadth of his thinking calls for further research covering different elements of his worldview, such as those related to diplomacy and the environment.

Declaración de Conflictos de Interés

No declaran conflictos de interés.

Contribución de autores

Autor	Concepto	Curación de datos	Ánalisis/ Software	Investigación / Metodología	Proyecto/ recursos / fondos	Supervisión/ validación	Escritura inicial	Redacción: revisión y edición final
1	X			X	X	X		X
2	X	X	X	X			X	
3	X	X	X	X			X	

Financiamiento

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