

A Long Friendship with Jack Behrman

By Robert Grosse

I was very sad when I received the news from Jean Boddewyn that Fellow Jack Behrman had passed away. Jack had written to me a few weeks earlier, saying that his wife Louise had died and that he was not doing well. I wrote back to him right away, and then I called him in late August, but did not get an answer. Now knowing what had happened, I am very glad that my wife Chris and I had the opportunity to visit Jack and Louise last year in Chapel Hill and reminisce with them about many of our experiences together.

Let me mention a few things about Jack the I am sure most of you are not familiar with – though I am sure that Jean and some others have stories about him that I never heard either. I met Jack at UNC in 1973 when I joined the PhD program there, and discovered that he was on the faculty and that he was interested in multinational companies as I was. I took a couple of courses with him, served as his research assistant, and ultimately he was my PhD thesis advisor.

From the very start Jack told me stories about his work in the Kennedy Administration and his enjoyment of the policymaking process. Since he entered government service as Assistant Secretary of Commerce for Domestic and International Business, he actually had some access to the President, and he also gained tremendous insights into policymaking from that first-hand experience. He really enjoyed being part of Camelot with the Kennedys, his direct boss Luther Hodges, Dean Rusk, Douglas Dillon and others.

One of the first projects we pursued together – or really where he got me involved in a project that he was running -- was the effort by Anaconda copper company to recover its insurance payment from OPIC in 1975. The company had filed for payment under its insurance policy against expropriation after being expropriated by the Allende government in Chile. We worked for the law firm representing Anaconda in the effort to demonstrate that the company had followed the requirements of the policy (for example, that it had not been involved in activities opposing the government in Chile) and thus was eligible for the \$US 165 million compensation. It was fascinating for me as a graduate student, as I went through records from the 1960s up to 1971 when the expropriation occurred. And I learned quite a bit about ITT and the CIA in Chile as well! While in this instance Jack worked on the side of the company, and believed in their position in the case,

he had no problem in working with governments to regulate companies when he saw situations where company activities were socially harmful or unhelpful.

He enjoyed dealing with big companies and their international business, looking for ways that the companies could build international organizations as well as ways that governments could channel the company activities into greater social good such as jobs, training, exports, etc. He was involved with President Kennedy's Alliance for Progress in Latin America (with Ted Moscoso). In the early Johnson administration he and several others got support from David Rockefeller and some other sponsors and put together a project to get retired multinational company executives to donate their time to help guide companies overseas, particularly in Latin America and later in Eastern Europe.

Jack always looked for ways to get people involved with other cultures and countries as a way to generate mutual understanding – and particularly as a way to make insular Americans more aware of what is going on in the rest of the world. Long after his government service he saw the opportunity to make a difference in the countries that grew out of the former Soviet Union and Eastern Europe. He spent countless hours lobbying US companies and the US government to put up support for an MBA Enterprise Corps, which he formally founded in 1991. He was able to convince a couple of companies (Exxon and GE if I remember correctly) to put up some money, and USAID to also provide some support. He then went to the top 20 ranked MBA programs and recruited them to offer their graduates the opportunity to spend 18 months after graduation working with a company in one of those countries. The idea was to provide local companies in these emerging markets with the latest thinking in business and with individuals who were young and highly motivated to help. The program started with a dozen or so participants in the first year, and by the time I got involved with it in 1997, there were about 100 MBA graduates per year going to places like Ukraine, Bulgaria, Poland, and then also Peru, Bolivia, Thailand, and other emerging markets in other regions. Jack ran the program for about 15 years, and then turned it over to the Citizens for Development Corps, which I think still runs the program under a different name.

I recall his comments about the fact that that after graduating with his doctorate in economics from Princeton (where he worked with Jacob Viner), he took a job at Washington & Lee University. Jack told me that he was going bald at the time, and he convinced the Washington & Lee faculty that he was older and more experienced and thus should be hired as an Associate Professor rather than as an Assistant Professor – which they agreed to!

He was a long-time fan of Gunnar Myrdal, the Swedish development economist and Nobel Prize winner in 1974. I remember a few discussions of the contributions of Myrdal vs Samuelson to economics, in which Samuelson came out badly.

Jack was quite athletic, though he did not participate in competitive sports himself. He played golf frequently, and occasionally went on golfing excursions with his son Doug to the world golfing havens such as St. Andrews and Muirfield in Scotland – along with his ‘home’ course at Pinehurst in North Carolina. He was a first-rate ping-pong player, and we spent several afternoons and evenings at the table with some ferocious volleys. I recall playing with him and one of his Hungarian economist colleagues, Josef Brada, who turned out to be one of the architects of Hungarian policy reforms at the end of the Soviet Union.

While Jack’s interests were wide-ranging, he really was an IB person through his whole career, and he never lost sight of the way international business works, the way that international companies relate to governments and societies, and the challenges that result. In his teaching he included business ethics as well as international business. One poignant moment I recall was when he said that it was very discouraging to teach the sons and daughters of his earlier students at Chapel Hill, and to find that they made the same mistakes as their parents had done. Apparently learning about how to manage multinational organizations does not filter down very well across generations without personal experience involved as well. (Does anyone else have this problem as well?)

In recent years Jack stayed away from AIB for the most part, both because he was retired and also because he felt that we were moving too much to emphasize analytical techniques in our publications instead of focusing on important problems in international business. He never lost his commitment to our organization and to helping students, businesspeople and professors learn more about international business.