

A lesson from the scholarship on institutions and development is that economic and political development does not reach most countries because it is not in the interest of those in power, whose goal is to protect their rents. We know more about persistence than we do about making the critical transition to sustained prosperity. We focus on the question: how have some countries managed to break away and transition to becoming open societies? We highlight the roles played by three concepts: windows of opportunity; leadership, and beliefs. We wed these concepts to institutions. After presenting our framework, we flesh out the dynamics with a case study of Brazil from 1964-2012. In the early 1990s Brazil seized a window of opportunity with the leadership of President Cardoso and his economic team. Over time, they changed beliefs within Brazil which has set them on a trajectory towards an open economic and political society.