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BOOK REVIEW ESSAYS

Global Products, Technologies, and the World Market: Understanding Latin American Development

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This essay reviews the following works:

The Economics of Contemporary Latin America. By Beatriz Armendáriz and Felipe Larraín B. Cambridge, MA: MIT Press, 2017. Pp. xix + 439. $28.95 paperback. ISBN: 9780262533157.

Technology and the Search for Progress in Modern Mexico. By Edward Beatty. Berkeley: University of California Press, 2015. Pp. x + 342. $34.95 paperback. ISBN: 9780520284890.

Guano and the Opening of the Pacific World: A Global Ecological History. By Gregory T. Cushman. New York: Cambridge University Press, 2013. Pp. xxii + 393. $84.29 hardcover. ISBN: 9781107004139.

Oil Revolution: Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization. By Cristopher R. W. Dietrich. New York: Cambridge University Press, 2017. Pp. xviii + 352. $34.72 paperback. ISBN: 9781316617892.

Historia mínima de la expansión ferroviaria en América Latina. Edited by Sandra Kuntz-Ficker. Mexico City: El Colegio de México, 2015. Pp. 361. ISBN: 9786074628449.

The First Export Era Revisited: Reassessing Its Contribution to Latin American Economies. Edited by Sandra Kuntz-Ficker. London: Palgrave Macmillan, 2017. Pp. xxii + 348. $109.67 hardcover. ISBN: 9783319623399.

The Global Political Economy of Raúl Prebisch. Edited by Matias E. Margulis. London: Routledge, 2017. Pp. xv + 217. $103.00 hardcover. ISBN: 9781138219779.

The World Economy through the Lens of the United Nations. Edited by José Antonio Ocampo, Anis Chowdhury, and Diana Alarcón. Oxford: Oxford University Press, 2018. Pp. xxv + 296. $90.00 hardcover. ISBN: 9780198817345.

Palma Africana. By Michael Taussig. Chicago: University of Chicago Press, 2018. Pp. 258. $25.00. ISBN: 9780226516134.

Un siglo de economía en Bolivia (1900–2015). Tópicos de historia económica (tomo 1) y Working Papers (tomo 2). Edited by Iván Velázquez-Castellanos and Mario Pacheco Torrico. La Paz: Konrad Adenauer Stiftung, 2017. Vol. 1, pp. 643. ISBN: 9789995418526. Vol. 2, pp. 508. ISBN: 9789995418533. (Both volumes are available by download from the *Periódico Digital de Investigación sobre Bolivia*, https://www.pieb.com.bo/sipieb_nota.php?idn=11054.)

The works under review—a general survey of Latin American economics; thoughtful studies about three global commodities: oil, African oil palm, and guano; world market perspectives from Raúl Prebisch's ideas to the focus of the United Nations; an important reconsideration of the export-led growth period; a study in two volumes about the Bolivian economy; and two monographs of technological aspects around the turn of nineteenth and twentieth centuries—provide new perspectives on Latin American

economic history, including new sets of data and analytical considerations about economic development challenges and possibilities. In this review essay I will try to give an idea of the basic findings and main contributions.

Systematic reflection on the economic development of Latin America started with the Comisión Económica para América Latina (CEPAL).[1] Two of the books under review specifically explore this perspective: one dealing with Prebisch's ideas and career, and the other focusing on the United Nations economic worldview in which Prebisch's influence was very important. Moreover, any consideration on the export-led model of growth and import-substituting industrialization cannot avoid reference (positive or negative) to CEPAL's contribution to opening a new path for Latin American economic history, which remains a major landmark in the field.

The World Economy through the Lens of the United Nations, edited by Jose Antonio Ocampo, Anis Chowdhury, and Diana Alarcón, presents an analytic panorama of the world economy from the postwar to the present day. The analysis is mainly grounded in the UN's annual *World Economic and Social Survey*. Chapter 1 of the book (Chowdhury and Ocampo) gives a general view of the main issues, while chaps. 2 to 9 deploy a more detailed analysis by periods. Chapter 10 (Chowdhury) reprises the role of the United Nations in the theory and practice of development, adding important texts beyond the *World Economic and Social Survey* (the *Survey*). The *Survey* includes a general view of the year, dividing the presentation into developed countries, central organized economies (until 1991), and developing countries, while emphasizing the general trends of the international economy and including a considerable amount of statistics. Throughout the years, the *Survey* introduced new concepts and discussion about the theme of development: first, the idea that development implies not only growth but also structural change; later, the concept of sustainable development and the notion that the path to economic development is not unique but is shaped in each country by cultural and institutional aspects and the availability of resources and technologies. Toward 1970 the *Survey* introduced new indicators of well-being that led to the Human Development Index of the United Nations (since 1990) and the dollar-a-day international poverty line promoted by the World Bank. In 1986, during the debt crisis, the *Survey* introduced the important concept of net transfer of resources, defined as net capital flows minus net factor income, to measure resource flows to developing countries. Thus, on many issues, the *Survey* was ahead of the curve; however, on some issues such as gender, the particularities of small economies (mainly islands), and plurilateral trade agreements, the *Survey*'s account was belated.

Its contribution to big economic debates was also very important: the international political economy, terms of trade and transfer of resources, the problem of balanced economic growth, stabilization and growth, fiscal and monetary policies, and income distribution. On each of these subjects, the *Survey* included original perspectives, contrasting current ideas coming from the developed world with the experience and challenges provided by the underdeveloped world and sometimes the planned economies. The *World Bank Annual Report*s came much later, in 1978, while the IMF reports did not include the former Soviet Union and other centrally planned economies. In the mid-1970s the United Nations reports notably expanded the subject toward human development, sustainability, equity, and social justice. Later gender was also added. The neoliberal triumph first materialized in the policies of Thatcher and Reagan, which tried to cope with the stagflation that affected developed countries after 1973, and later the fall of the Berlin Wall and the collapse of the Soviet Union signaled the end of the influence of United Nations thinking on economics. In the new context of globalization, new themes and emphases colored the intellectual horizon.

For a full understanding of the United Nations view some institutional aspects should also be considered. First, it organized an international system of comparative statistics, particularly in the field of national accounts and demography, including several yearly publications. Second, it developed techniques of demographic estimation using models like stable populations and techniques of indirect demographic estimation, training many specialists in the field of demography and supporting (at the country level) the production of census and vital statistics.

Beyond the *Survey* and its institutional achievements, the United Nations published three texts that had a huge impact on thinking and reflections on economic growth and development, considered in full detail by Chowdhury in chapter 10.[2] Certainly, these documents marked the golden age of the intellectual

[1] The Comisión Económica para América Latina (Economic Commission for Latin America, ECLA), was created by the United Nations in 1949. Raúl Prebisch was its first executive secretary and his ideas shaped the institution during the 1950s and 1960s.

[2] John Maurice Clark, Arthur Smithies, Nicholas Kaldor, Pierre Uri, and Ronald Walker, *National and International Measures for Full Employment* (Lake Success: United Nations Dept. of Economic Affairs, 1949); Alberto Cortez, D. R. Gadgil, George Hakim, Arthur W. Lewis, and Theodore Schultz, *Measures for the Economic Development of Underdeveloped Countries* (New York: United Nations, 1951), and Raúl Prebisch, *The Economic Development of Latin America and Its Principal Problems* (Lake Success: United Nations Dept. of Economic Affairs, 1951).

influence of the United Nations. The first report focused mostly on developed countries; the second dealt with underdevelopment. A basic feature of the second report is emphasis on the shortage of capital together with institutional and social aspects, including land reform, the need for mass education and literacy, and even the psychological and social prerequisites of progress. In many fields both documents deploy a rich array of ideas that will be present in discussions for the next fifty years.

The third document, based on the Latin American experience, was written by Raúl Prebisch, then executive secretary of the recently created Economic Commission of Latin America (ECLA/CEPAL). Prebisch introduced some basic concepts used during the following decades: center or core/periphery; the secular deterioration of terms of trade operating against the countries that export primary commodities;[3] and import-substituting industrialization (ISI) as a necessary policy under nation-state leadership to guarantee Latin American development after 1930. Chowdhury also considers some shortcomings in Prebisch's document, particularly the lack of social and cultural aspects: no attention was given to land reform and agrarian backwardness or to illiteracy in rural areas. In my view, the reason for these shortcomings is probably Prebisch's experience centered on the Argentinian case.

In sum, this book provides a rich and balanced analysis of the United Nations' contribution to the understanding of the world economy, including a consideration of the main trends of economic thinking during the last seventy years.

Prebisch's work is systematically studied in a recent book edited by Matias Margulis, *The Global Political Economy of Raúl Prebisch*. I will consider this effort together with the exhaustive biography of Prebisch (1901–1986) by Edgar J. Dosman published in 2008.[4] The book edited by Margulis comes from two academic conferences, the first in Buenos Aires (2014) and the second in Atlanta (2016). The first part includes four chapters about Prebisch's works and the conceptualization of global political economy; the second part (three chapters) is oriented to power and resistance in the face of globalization; the third and last part reprises some of Prebisch's ideas that could be useful to analyze structural change in the twenty-first century. The originality of Prebisch's thinking is evaluated in relation to development policies in Latin America, particularly in the 1950s and 1960s, and later his contributions to building a new international economic order; the evaluation also includes the institutional practice of ECLA and the United Nations Conference on Trade and Development (UNCTAD).

The main thesis of the book is that Prebisch's ideas and contributions have been neglected and in a way "peripheralized" in relation to the "global political economy." In Margulis's view, Prebisch's thinking is still very valuable and is not only a dated chapter in the history of ideas. Today misrepresentation of Prebisch's ideas includes a negative and simplified view of the state-led import-substituting industrialization (ISI) process.[5] Certainly, Prebisch was not responsible for bad economic policies that did not permit the recently industrialized countries to enter an export-led growth phase based in manufacturing. According to Margulis, the ISI era remains "one of the few periods in which large numbers of developing countries were able to successfully narrow the economic gap with the West" (7). In terms of theory, Prebisch's thinking was distant from the neoclassical school as well as from Marxist economics; he always called for a Latin American perspective and avoided universalist pretensions that ignore the periphery (58). What I miss in this book is a full consideration of Prebisch's last and difficult book, *Capitalismo periférico*, published in 1981.[6] Here Prebisch proposed a "theory of transformation" to achieve development targets; the state should regulate the process of accumulation and distribution while the market would secure economic, social, and ecological efficacy. The proposal combines socialism and liberalism and pays much attention to power relationships, the political game, and the social structure.[7]

Nobody doubts the originality of Prebisch's ideas and the major intellectual impact of so-called CEPAL structuralism. But what about the relationships between historical reflections and economic evolution? This is important to clarify the impact of CEPAL structuralism on Latin American economy history as a discipline.[8]

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[3] See Joseph L. Love, "Raúl Prebisch and the Origins of the Doctrine of Unequal Exchange," *Latin American Research Review* 15, no. 3 (1980): 45–72. Hans Singer, a German-British economist who worked at the United Nations, developed ideas similar to the Prebisch thesis; see Hans Singer, "The Distributions of Gains Between Investing and Borrowing Countries," *American Economic Review* 40, no. 2 (1950): 473–485.

[4] Edgar J. Dosman, *The Life and Times of Raúl Prebisch, 1901–1986* (Montreal: McGill-Queens's University Press, 2008).

[5] In some ways the book by Armendáriz and Larraín, considered later in this review, is a good example of this view.

[6] Raúl Prebisch, *Capitalismo periférico: Crisis y transformación* (Mexico City: Fondo de Cultura Económica, 1981).

[7] See Joaquim Miguel Couto, "O pensamento desenvolvimentista de Raúl Prebisch," *Economia e Sociedade* 16, no. 1 (2007): 45–64.

[8] As is well known, the publication of Celso Furtado, *La economía latinoamericana: Desde la conquista ibérica a la Revolución Cubana* (Mexico City: Siglo XXI, 1969; English translation, Cambridge University Press, 1970), marked a watershed in the field.

The focus of Prebisch's famous 1949 article was analytical and synchronic; it proposed a scheme to understand center-periphery relations after the 1930s crisis. Empirical evidence was based on the available statistics of international trade and Prebisch's deep knowledge about the evolution of the Argentinian economy. At this point, we have to consider the staff gathered by Prebisch at the CEPAL headquarters in Santiago de Chile, which included economists such as Celso Furtado, Juan Noyola Vázquez, Aníbal Pinto, Jorge Ahumada, and Osvaldo Sunkel, and later sociologists such as José Medina Echavarría and Fernando Henrique Cardoso. Let me summarize some important contributions at the crossroads of economics, history, and sociology. Celso Furtado (1920–2004) had a deep historical perspective of the Brazilian economy developed after law studies in Brazil and a doctoral dissertation in economics presented in Paris in 1948; this text was the basis of his later, classical book *Economic Formation of Brazil*, published by Furtado in 1959.[9] Furtado was looking for answers to economic questions using historical experience; his method was designed "to bring together the global vision of history with economic analysis."[10] Furtado identified the growth export cycles of the Brazilian economy (brazilwood, sugar, gold, and coffee), ending with the process of industrialization and the challenge of modern economic development. Furtado's thinking was influenced by readings of Marx, Weber, Schumpeter, Keynes, and Mannheim, in addition to French existentialism and the experience of postwar European reconstruction. Later, in 1958, Cambridge University gave him the opportunity to participate in seminars with Nicholas Kaldor, Joan Robinson, Piero Sraffa, J. E. Meade, and Richard Kahn. In other words, Furtado brought a historical vision to center-periphery relationships grounded in the Brazilian experience from the colonial times to the 1950s. During the eight years (1950–1957) Furtado worked at CEPAL, he was Prebisch's right-hand man in the preparation of the economic surveys of Latin American countries, which gathered an amazing number of statistics and were the basis of diagnostics and economic policy recommendations.

Another important intellectual influence in the CEPAL at that time came from José Medina Echavarría, a Spanish sociologist first exiled in Mexico and Puerto Rico and in 1952 incorporated in the CEPAL team. Medina introduced the sociology of modernization through Max Weber's thinking and works. Medina had a deep knowledge of Weber's ideas, and he was responsible of the Spanish translation of *Economy and Society*, Weber's magnum opus published in Mexico in 1944.[11] That means that the sociology of modernization was not coming from the schematic and somewhat simplistic versions elaborated by the Anglo-Saxon sociologists and social psychologists. Later, Fernando Henrique Cardoso, a young and brilliant Brazilian sociologist from the University of São Paulo, joined CEPAL (1964–1967) and published, in collaboration with the Chilean sociologist Enzo Faletto, a short but very important essay: *Dependency and Development in Latin America*.[12] Main innovations of the essay were a political definition of dependency and the idea that to understand the process of development, a historical approach to each case was necessary at national, international, and regional scales. The essay showed how economic dependency (center-periphery asymmetrical relations) was embodied in social class interests and conflicts, using a kind of ideal type following Weber's model. The essay proposed a set of hypotheses about the shape of the state and the incorporation of middle sectors and workers to the political arena. The point of departure was the distinction between two cases in export economies: first, ones where export production remained under national control or export production came under foreign control; the second situation was considered to be enclave economies, following the model of oil extraction and banana plantations. From this basic distinction the different articulation of social forces could be understood, particularly during the process of industrialization and urbanization. It was formulated as a set of hypotheses in order to guide future research. Obviously it was not an explanation or prediction; this important point has not been always well understood.

Summing up, Prebisch's analytical focus on Latin American development was extended by Celso Furtado to economic history and later by Medina Echavarría and Fernando Henrique Cardoso to social structure, social change, and the political arena. The challenge of development was at the center of the social sciences debates and soon became a hot topic not only in intellectual discussions but also in politics, public opinion, and even among religious voices.

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[9] Celso Furtado, *Formação econômica do Brasil* (Rio de Janeiro: Editôra Fundo de Cultura, 1959).

[10] Celso Furtado, *La fantasia organizada*, translated by Eleonora Osta Ptak (Buenos Aires: EUDEBA, 1988), 180.

[11] The second edition, following the fourth German edition, revised and augmented, was published in 1956. As in 1944, Medina wrote the Spanish presentation and led the team of translators hired by Fondo de Cultura Económica, the Mexican publisher of the two volumes. The 1944 Spanish edition of the work was the first foreign translation of the work, well ahead the English partial edition of Talcott Parsons (1947) and the French translation (1971).

[12] In 1967 the essay circulated as a working paper; in 1969 it was published as a book in Mexico by Siglo XXI Editores; translation to many languages followed. The essay had ample diffusion and was used and discussed during almost twenty years in Latin American universities.

After the Cuban Revolution (1959) a new interpretation of economic dependency arose grounded in a neo-Marxist approach that spread in the 1960s and 1970s. Authors such as André Gunder Frank, Theotonio Dos Santos, Ruy Mauro Marini, and Vania Bambirra were among the most conspicuous representatives. The title of a famous Dos Santos opuscule was particularly illustrative: *Socialism or Fascism: A Latin American Dilemma*.[13] For these authors, the possibilities of capitalist development were blocked and the horizon extended from the Cuban Revolution to the Chilean socialist experiment led by Salvador Allende (1970–1973). In economic and political terms, this approach was not related to the CEPAL ideas. Even if center-periphery relationships were also an aspect of this interpretation, the core of the neo-Marxist focus were imperialism, colonialism, and the permanent exploitation and plunder of wealth and natural resources from the poor countries.

Prebisch's thinking is also very present in *Oil Revolution*, Christopher Dietrich's rigorous study of oil and the economic culture of decolonization. The work covers the period 1949–1977 but the scope is certainly larger. Dietrich studies the formation of anticolonial elites in the countries that produce and export oil as they reached an increasing consciousness of sovereign rights and established the Organization of Petroleum Exporting Countries (OPEC) in 1960. The context of these elites' formation included national internal factors and the academic environment in philosophy, history, law, and social sciences in England, France, and the United States, as well as the thinking of the United Nations, particularly through authors and actors such as Prebisch and Gunnar Myrdal. The elites' effort, supported by nationalistic movements conducted by leaders like Gamal Abdel Nasser, attempted first to renegotiate oil contracts and concessions and later to increase international oil prices. The success of OPEC and the surge of oil prices from 1973 provoked a world crisis in energy resources. In his conclusion, focused on the later path of events, Dietrich shows how the fabulous surplus of petroleum rent ended because of the financial system, in the hands of the big international banks of London and New York. The huge expectations of development imagined by the anticolonial elites in the end failed to materialize. The fast growth of oil prices provoked a deep fissure in the movement of nonaligned countries of the Third World; poor countries that depended on oil imports were seriously affected. The attempts to establish a compensation fund, promoted by the United Nations with the active participation of Prebisch, ended in an almost complete failure. The underdeveloped countries remained under pressure from the international banks and institutions such as the World Bank and the International Monetary Fund: this was the prelude to the devastating debt crisis of the 1980s. The title of Dietrich's conclusion is particularly expressive: "Dead by Its Own Law."

To summarize, Dietrich's thoughtful and well-researched book, organized around the "economic culture of decolonization," enlightens the case of the "oil revolution," but the focus could be certainly extended to other subjects in relationship with the rise of the Third World movements. Unfortunately Dietrich missed an important point by ignoring the neo-Marxist's approach to unequal exchange. I refer to the work of A. Emmanuel, whose formal attempt to ground the Prebisch-Singer thesis in Marxist terms was very influential on Samir Amin, André Gunder Frank, and Oscar Braun, among many other leftist thinkers.[14]

The First Export Era Revisited: Reassessing its Contribution to Latin American Economies, edited by Sandra Kuntz-Ficker, is an important contribution to the understanding of Latin American export economies. As Kuntz-Ficker explains in the introduction, one of the purposes of the survey is to search for indicators to measure exports' impact at different levels. The chapters that follow consider Argentina (1875–1929), Bolivia (1870–1950), Brazil (1822–1913), Chile (nitrates, 1880–1930), Colombia (1870–1929), México (1870–1929), and Peru (1830–1930). The last chapter, by the editor, shows the main findings, proposes a preliminary balance, and concludes:

> Contrary to the conventional view, export-led growth during the first globalization was not an overall negative experience. In all the countries under analysis, export expansion brought about a more productive use of resources, the construction of infrastructure, booming public finances, stronger internal markets, economic recovery, and growth. There is no evidence that the previous trajectory would have given better results in the midterm, and there is no case in which the path followed led to a worse situation. … [However] it is clear that outward development was not equally positive for all Latin American countries. (313)

[13] Theotonio Dos Santos, *Socialismo o fascismo: Dilema latinoamericano* (Santiago de Chile: Ediciones Prensa Latinoamericana, 1969).

[14] See Arghiri Emmanuel, *L'échange inégal: Essais sur les antagonismes dans les rapports économiques internationaux* (Paris: François Maspero, 1969); Paul A. Samuelson, "Illogic of the Neo-Marxian Doctrine of Unequal Exchange," in *Inflation, Trade and Taxes: Essays in Honor of Alice Bourneuf*, edited by David A. Belsley, Edward J. Kane, Paul A. Samuelson, and Robert M. Solow (Columbus: Ohio State University Press, 1976), 96–107; John Brolin, *The Bias of the World: Theories of Unequal Exchange in History* (Lund: Human Ecology Division, Lund University, 2007); Oscar Braun, *Comercio internacional e imperialismo* (Buenos Aires: Siglo XXI, 1973); Samir Amin, *L'accumulation à l'échelle mondiale: Critique de la théorie du sous-développement* (Dakar: IFAN, 1971).

After a close examination of the indicators by countries, it is stated that it would be necessary to establish the extent to which export-led growth was a better option relative to the actual alternative facing those countries that seemed to have had a poor record in export performance. However, for the moment, this exercise demands a set of comparative data that is not available. If we compare the findings and data of this book with the classical analysis of Victor Bulmer-Thomas,[15] it is clear that we have now a more nuanced and sophisticated approach to the subject.

At the end of the conclusion, Kuntz-Ficker returns to "two good old concepts" currently in use in relation with export-led growth. The first concerns the idea of a long-term deterioration of Latin America's terms of trade; the second refers to the notion of enclave economies. In both cases she arrives at a similar conclusion: there is no identifiable trend across countries, so it is not possible to extract generalizations; it is necessary to take a case-by-case approach. On enclaves she follows the well-known Conning and Robinson paper, published in 2008.[16] More difficult to accept is the conclusion that there is no identifiable trend concerning the long-term deterioration of terms of trade; she use data for six countries (Argentina, Brazil, Chile, Colombia, Mexico, and Peru) from 1880 to 1929, coming from the preceding chapters of the book. But after the paper by Grilli and Yang published in 1988,[17] several contributions to the subject tell us a more complex story, showing the existence of different cycles, and in a certain way give new life to the Singer-Prebisch hypothesis.[18] In spite of this caveat, this book is an important contribution to Latin American economic history; rich and valuable, it could be considered a true advance in the field.

The First Export Era Revisited includes a chapter on the Bolivian export sector by Jose Alejandro Peres-Cajías and Anna Carreras-Marín, which provides a detailed analysis of the sector concentrated in a few natural resources. The pessimistic view of export-led growth's effect on Bolivian development has been related to high concentration in terms of product composition, local producers, the geographical location of production, and export markets; the authors offer corrected statistical data on exports and several indicators of their impact on the national economy. They conclude that the pessimistic view should be nuanced. While high price volatility affected some periods, particularly from the 1920s to the 1930s, the contribution of the export sector to public expenditure on state building, education, and modernization cannot be neglected. Besides that, the important question is still whether there was a feasible alternative to exports as a growth engine. In the end, they formulate a set of questions and problems to be solved in future research, such as the lack of connection between the export sector and the rest of the economy. A full analysis is now urgently required showing how the different sectors of the economy were connected and how this economic structure affected (or not) incentives to private investment for diversification.

Some of these questions are addressed in the two volumes edited by Iván Velázquez-Castellanos and Mario Pacheco Torrico recently published in Bolivia, about the economic history of this country between 1900 and 2015. The books are the final product of a research project underwritten by the Konrad Adenauer Foundation and completed in 2017. In the context of a scanty bibliography, this a very welcome contribution. The first volume offers a panorama of the Bolivian economy in the twentieth century and the beginning of the twenty-first century. The chapters deal with the cycles of the world economy and the Bolivian economy, commercial patterns, agrarian structures, industrialization, transport (rail and roads), money and exchange, external debt, economic elites, instruction and public education, and demography. On each subject, the authors present the available information and describe a general overview. The second volume presents more specific subjects, including working papers on growth and development, hydrocarbons, public enterprises, inequalities and poverty, decentralization and regional autonomies, natural resources and macroeconomics, banking and financial intermediation, public finances, agriculture after 1952, the Bolivian economy from 1880 to 1910, and last, economic cycles in the twentieth century. As a whole, these two volumes establish a basic reference on the Bolivian economy during the twentieth century.

The Economics of Contemporary Latin America, by Beatriz Armendáriz and Felipe Larraín B., provides a survey of Latin American economies focusing on the end of the twentieth century and the first years of

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[15] Victor Bulmer-Thomas, *The Economic History of Latin America since Independence* (New York: Cambridge University Press, 1994), 57–68.

[16] Jonathan H. Conning and James A. Robinson, "Enclaves and Development: An Empirical Assessment," *Studies in Comparative International Development* 44 (2009): 359–385.

[17] Enzo R. Grilli and Maw Cheng Yang, "Primary Commodity Prices, Manufactured Goods Prices, and the Terms of Trade of Developing Countries: What Long Run Shows," *World Bank Economic Review* 2, no. 1 (1988): 1–47.

[18] See Bilge Erten and José Antonio Ocampo, "Super Cycles of Commodity Prices since the Mid-nineteenth Century," *World Development* 44 (2013): 14–30; José Antonio Ocampo, and Mariángela Parra-Lancourt (2010) "The Terms of Trade for Commodities since the Mid-nineteenth Century," *Revista de Historia Económica/Journal of Iberian and Latin American Economic History* 28, no. 1 (2010): 11–37.

the twenty-first century. The authors frame the study in a larger context, including a brief consideration of the geographical and historical bases, the export-led growth and import-substituting industrialization periods, and finally the debt crises during the so-called lost decade of the 1980s. After a hundred pages dedicated to this introduction, the book is organized in three sections: the social and political context (two chapters), macroeconomics (three chapters), and the nature of growth and development during the twenty-first century (three chapters), with some brief concluding remarks. Each chapter includes a summary, some review questions, and further readings that will be very useful for students and teachers.

The section on social and political context approaches two subjects: poverty and inequality, presenting data for the beginning of the twenty-first century, and "the political economy of Latin American development." The persistence of poverty, in spite of temporary reductions, is related to very high levels of income concentration. The spillover effect observed at times of fast economic growth seems unable to guarantee sustained reductions in poverty levels or in inequality.

The political economy of Latin American development is actually downgraded to "macroeconomic populism." The authors follow the definition proposed by Dornbusch and Edwards in 1990, that is, populism is identified as an economic policy based in the expansion of expenditures, with strong state intervention and few concerns about inflation and fiscal deficits.[19] Under this umbrella a large diversity of political regimes are considered populist, from the Chile of Allende (1970–1973) to the Argentina of Hipólito Yrigoyen (1916–1922 and 1928–1930), and including the recent cases of Venezuela (Chávez/Maduro), Ecuador (Correa), Argentina (Kirchner), and Bolivia (Morales). The value of such a passe-partout definition of populism seems to be very limited because it erase its political dimensions, including nationalism and anti-imperialism. However, I recognize the authors' effort to examine the economic aspects of a sociopolitical phenomenon like Latin American populism, of major importance but, at the same time, so elusive and misleading.

The third section of the book is dedicated to the macroeconomic aspects of Latin American economies during the twenty-first century, through fiscal policy (chap. 7), the fight against inflation (chap. 8), and the management of exchange rates (chap. 9). The approach is descriptive, with excellent data and high analytical rigor, and opens up a comparative perspective. The fourth and last section is devoted to the basic structures of growth and development in the last fifteen years. The themes explored are commerce and financial liberalization (chap. 10); labor markets, including informality and labor protection (chap. 11); and growth and development (chap. 12). The fast growth experienced between 2004 and 2014, related to high international prices in primary goods mostly exported to China, is viewed as a main result of trade and financial liberalization. The authors underline the important role of treaties like NAFTA, CAFTA, and MERCOSUR, a kind of intermediate play between multilateral openness and bilateral agreements. Because of NAFTA, Mexico has been the only country to experience a boom of exports of manufactured products, escaping a close dependency on primary goods exports. The chapter about labor markets emphasizes the weight of the informal sector and, in some countries, the steady force of organized trade unions; therefore, the segmentation of labor markets is a permanent feature, as well as the increasing participation of women in the labor force, and population aging. Because of rigidities and inequalities the labor market is the most difficult sector to reform within the neoliberal economic program, and is visualized as a very important obstacle in order to improve a favorable climate for business.

In the final chapter, the authors propose a thoughtful summary of the issues of growth and development in Latin America. Neoliberal "reforms" and trade and financial liberalization in the 1990s promoted fast growth between 2004 and 2011; however, in comparative terms, Latin American performance was behind the success of the "Asian Tigers." In a sense, it was too little, too late. But "Latin America can catch up, if better policies for growth with equity are implemented in the region's young democracies" (309). The main weaknesses of Latin America seem to be low saving rates, the curse of huge availability of natural resources (e.g., oil), and vulnerability to large and sudden fluctuations in terms of trade. Additional and very important factors are also corruption, institutional weakness, low and inefficient investments in education, and frailty of technological research.

Armendáriz and Larraín provide a careful set of data, rigorous analysis, and useful discussions; they follow the neoliberal paradigm but escape any dogmatism. Perhaps this book should be read as a companion to Luis Bértola and José Antonio Ocampo's 2012 contribution.[20] Bértola and Ocampo use a powerful and

[19] Rudiger Dornbusch and Sebastián Edwards, "La macroeconomía del populismo en la América Latina," *El Trimestre Económico* 57, no. 225 (1990): 121–162.

[20] Luis Bértola and José Antonio Ocampo, *The Economic Development of Latin America since Independence* (Oxford: Oxford University Press, 2012).

modern historical approach partially grounded in CEPAL structuralism providing different views in several critical aspects. Intellectual and sincere dialogue seems to be necessary to achieve a proper understanding of contemporary Latin American economics.

African oil palm and guano do not have the strategic importance of oil. The books of Michael Taussig (*Palma Africana*) and Gregory T. Cushman (*Guano and the Opening of the Pacific World*) emphasize ecological and cultural perspectives, leaving economics as a structural background. Taussig provides a complex ethnology based on fieldwork in Colombia and Malaysia and writes in a permanent dialogue with authors such as Benjamin, Adorno and Horkheimer, Barthes, and Deleuze and Guattari. I cannot establish comparisons with the other books included in this review. In my view, Taussig's work deserves specific consideration within the intellectual field of his choice; at the end it would be necessary to ask in what sense such an approach is useful in order to get a better understanding of the Latin American present and past. My personal answer is positive but I fear that because of the language and the concepts involved the dialogue between this approach and social sciences such as economics or history would be very difficult.

Cushman adopts an ecological but global perspective combining economic, environmental, political, and cultural history, along with biology, agronomy, meteorology, and demography, among other fields of knowledge. The work shares the school of environmental history developed under the leadership of Don Worster but goes well beyond, producing a text that is original as well as a very interesting and sometimes passionate polemic. The book is centered in the Pacific Basin and the fertilizer-producing regions, such as guano-producing islands, phosphate-producing islands, formations of potassium-producing deposits, and other locations. A world map (46) provides a rapid illustration of the theme showing the huge importance of the Pacific Basin. Although guano was used since prehistoric times, the large-scale use of fertilizers only began with the European agriculture revolution and later extended to the United States, Australia, and New Zealand. This process was very complex, including interactions of environmental factors, colonization, and imperialism. Winds, microbes, other portmanteau biota, together with El Niño and La Niña meteorological events and tropical cyclones, participate in the agency of nature in the creation of the Pacific World.

Guano affected agriculture, nitrates changed chemical industry: the historical impact, according to Cushman, has been comparable to the opening of the Carboniferous system and its wealth of fossil energy; coconut oil marked another important step as a key ingredient of several leading brands of soap. In chapter 6, Cushman explores new ecological and sociopolitical relationships vis-à-vis technocratic efforts to repopulate the Peruvian coast with guano-producing birds during the 1940s and 1950s. Later, the focus is extended (chaps. 7, 8, and 9) to environmental conservationism derived from Malthusian thinking and the degradation of natural surroundings, illustrated by authors like William Vogt and Rachel Carson. The Green Revolution in Mexico and the Blue Revolution (pelagic fishing, aquaculture, and fish meal) in Peru are considered as episodes of this world trend. The final chapter is dedicated to the collision between the guano age and the atomic age. Devastation in Kiritimati (Christmas Island) as a result of atomic explosions illustrates, once again, the complex interactions between environment issues, conservation, politics, and moral responsibility.

The books of Edward Beatty (*Technology and the Search for Progress in Modern Mexico*) and Sandra Kuntz-Ficker (*Historia mínima de la expansión ferroviaria en América Latina*) explore technological transfer during export-led growth using the typical approach of economic history. Beatty studies the theme in modern Mexico during the Porfiriato (1870–1910) with three case studies: sewing machines, mass production of glass bottles, and the use of cyanide to separate gold and silver from ores. Technological transfer was limited, in the long term. The industries considered were able to massively incorporate the new technologies but also reached a ceiling because of limitations in human capital (scarcity of local personnel able to manage and repair the machines). Thus the import of qualified labor was as necessary as the import of machines. The author details in each case the variety of reasons that explain why, during the period under study, Mexico was not able to overcome this dependency or bottleneck. In consequence, technological transfer was limited to the importation of tools and machines without full assimilation by the Mexican society.

Railroads, studied in the book edited by Kuntz-Ficker, are even more problematic. The book compiles eight essays about the railroads in Mexico, Colombia, the Caribbean (with a strong emphasis on Cuba), Peru, Brazil, Uruguay, Argentine and Chile; the introduction is a comparative essay. The book gives a very welcome opportunity to assess the impact of railroads from the mid-nineteenth to the mid-twentieth century. The essays include maps, basic data about the stages of building, foreign investments and financial aspects, freights and passengers; they also explore the "social savings" due to the railroads as compared with the

alternative transportation available, following the classic studies of Fogel, Fishlow and Coatsworth.[21] Other issues under consideration are forward and backward linkages related to the railroads, applying the ideas developed by Albert Hirschman.[22] The vision that comes from this book avoids any simplification but does not hide the fact that, in the end, the economic impact of railroads seems to be limited, particularly if we put the Latin American case in parallel with countries experiencing strong processes of industrialization. Perhaps the main explanations of this limitation in economic impact are the absence of backward linkages and the rapid and irremissible railroad decline after 1950.

Some final thoughts: first, the examples provided by the books reviewed show, once again, that comparison is fruitful but always requires the inclusion of different levels: one between countries and another against the trajectory of the same country (before and after). Second, it is clear that to explain the economic dynamic it is necessary to integrate cultural and sociopolitical factors. Last but not least, the world system makes full sense only through considering the network of power, which also includes—far beyond economics—political, cultural, ideological, and geopolitical aspects.

After reading the wonderful book by Dietrich, I returned to the legacy of Gunnar Myrdal (1898–1987). Coming from the study of economic cycles and monetary aspects, Myrdal formulated in 1944, in a sociological context, the important principle of circular and cumulative causation, which was later extended to economic relationships.[23] At the same time, he addressed a very perceptive panorama of the political elements in economic thinking and published several books about the international economy and the problem of underdevelopment.[24] The framework provide by CEPAL structuralism is still valuable, as is the United Nations lens on the world economy, particularly in the 1950s and 1960s. In many ways, we still confront the same challenges that were on the intellectual horizon of thinkers like Prebisch, Furtado, and others by 1950: how to understand Latin American economies and societies using original and rigorous theoretical reasoning, and how to draw practical and feasible political recommendations.

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[21] Robert William Fogel, *Railroads and American Economic Growth: Essays in Econometric History* (Baltimore: John Hopkins University Press, 1964); Albert Fishlow. *American Railroads and the Transformation of the Antebellum Economy* (Cambridge, Harvard University Press, 1965); John H. Coatsworth, *Growth against Development: The Economic Impact of Railroads in Porfirian Mexico* (DeKalb: Northern Illinois University Press, 1981).

[22] Albert O. Hirschman, *Essays in Trespassing: Economics to Politics and Beyond* (Cambridge: Cambridge University Press, 1980), 59–97.

[23] Gunnar Myrdal, *An American Dilemma: The Negro Problem and Modern Democracy* (New York: Harper and Brothers, 1944); Gunnar Myrdal et al., *Asian Drama: An Inquiry into the Poverty of Nations*, 3 vols. (New York: Pantheon, 1968). Myrdal shared the Nobel Prize in Economics in 1974 with Friedrich von Hayek.

[24] Gunnar Myrdal, *Economic Theory and Under-Developed Regions* (London: G. Duckworth, 1957), *An International Economy: Problems and Prospects* (New York: Harper and Brothers, 1956), and *The Political Element in the Development of Economy Theory* (London: Routledge and Kegan, 1953).

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