

analysis. Don't ask, as the Chileans say, for pears from an elm tree. Fair enough, and a good economic history it is; a valuable service to all of us. Yet it is dispiriting to see that the new approaches to society and culture apparent everywhere in modern intellectual life have not been applied to the big and important questions raised in this book.

ARNOLD J. BAUER, University of California, Davis

*Democracy, Markets, and Structural Reform in Latin America: Argentina, Bolivia, Brazil, Chile, and Mexico.* Edited by WILLIAM C. SMITH, CARLOS H. ACUÑA, and EDUARDO A. GAMARRA. Coral Gables: North-South Center, University of Miami, 1994. Tables. Figures. Notes. Bibliography. Index. x, 331 pp. Paper. \$21.95.

*Democracy, Markets, and Structural Reform* is a book those interested in the complex relationship between economics and politics in Latin America should read. It raises political and economic questions at the national level while investigating the implementation of stabilization policies in the five countries. Liberalism and neoliberalism are at the center of the debate. For some of the authors, neoliberal policies constrain democratic development. Others see liberalism in a positive light as the only way out from under the dead weight of statism.

For critics of liberalism like William Smith and Carlos Acuña, the most probable future political scenario for Latin America is "dual democracies." Neoliberal policies will produce "dual democratic regimes" in which the state implements stabilization policies by forging an alliance with the minority and disarticulating the majority. Specifically for Argentina, Acuña sees future neoliberal stabilization policies bringing a "perverse combination" of "discontented acquiescence" and "disarticulation of the majority of the working class." Adolfo Canitrot adds to Acuña's portrayal the "ten domestic conglomerates" that profited from privatization.

For Bolivia, Eduardo Gamarra argues that the system of political parties, when tested by the requirements of economic stabilization, responded "maturely" by forming coalitions. Coalitions allowed a democratic implementation of stabilization programs. Stabilization, however, also has limited economic growth and has led the ruling coalition to exclude the opposition from resources and from decision making. Juan Antonio Morales, in turn, argues that liberalism has some beneficial redistributive qualities because it fights corruption. Statistics, however, show that liberal economic policies have not benefited the poorest sectors "at least as far as the peasantry is concerned."

From Chile's experience, Manuel Antonio Garretón sees a new "sociopolitical matrix" emerging for Latin America, characterized by a technocratic but weakened state, a party system of coalitional politics, and a society in which "the autonomy of the market" leads to the "marginalization of vast sectors." Pilar Vergara more explicitly "questions the ability of the existing free market strategy" in Chile to reconcile

the goals of economic growth with effective democratization. Interestingly enough, Vergara argues that the state reform needed to reconcile growth with democracy requires “elaborate agreements.” Bolivia’s experience, however, shows that “elaborate agreements” (what Gamarra would call “coalitions”) also have antidemocratic components.

In Mexico, liberalism, according to Blanca Heredia, may have potential “corrosive effects” on the traditional political order. Along the same lines, Jaime Ros is critical of the little improvement in efficiency brought by market reforms. He gives more positive marks to the reforms’ effects on foreign capital inflows. Unfortunately, Ros made this assessment before the 1994 peso crisis.

Readers of this book will profit by the insightful national political economic analyses. They can confidently believe in the promise, found in the editors’ preface, of “interpretations of sociopolitical processes in the region that advance beyond the old antinomy between ‘economics’ and ‘politics.’” A question the book left with this reader, however, was, What is the relationship of Latin American national experiences to world political economic changes? Maybe the answers are in *Latin American Political Economy in the Age of Neoliberal Reform* (1994), the accompanying volume, which “advances the theoretical arguments” of this book.

CARLOS A. PARODI, Illinois State University

*Integrating the Americas: Shaping Future Trade Policy*. Edited by SIDNEY WEINTRAUB. New Brunswick: Transaction, 1994. Graphs. Tables. Notes. ix, 197 pp. Paper. \$19.95.

This book is interesting for two reasons. First, it reveals that economists are no better at predicting the future of hemispheric integration than historians; and second, the best chapters in the book are historical. This collection of essays is the first of several to come out on the subject of hemispheric integration.

The volume consists of eight essays, all written by economists, for a March 1994 hemispheric integration conference. The year 1993 was highly productive in terms of global market integration and trade. The Asia Pacific Economic Cooperation (APEC) forum successfully concluded an ambitious agenda for the establishment of the region-market in Seattle. The North American Free Trade Agreement (NAFTA) squeaked through the U.S. Congress, establishing the trilateral free trade accord among Canada, the United States, and Mexico. The Uruguay Round of the General Agreement on Tariffs and Trade established the World Trade Organization, implanting a backbone in multilateral free trade as of January 1, 1994.

It is curious that the contributors fail to respond either to the rising tide of global economic integration or to the contrary trend of world fragmentation into a series of region-markets. None of the eight contributors foresees the collapse of the Mexican peso and its impact on NAFTA and the Americas. Obviously, economic indicators are not reliable predictors of the future.