

that the bourgeois component of Perón's populist alliance was more complex than is usually thought, and that it was not limited to a few new industrialists but included important agrarian and commercial elements, especially in the provinces.

This section ends with an article by Juan Carlos Torre that summarizes his previous important writings on the Peronist labor movement.

The last part of the book concerns the latest phase in the evolution of Peronism, a phase that began in 1989 with the election of Carlos Menem to the presidency. The three essays comprising this section (by Vicente Palermo, María Cecilia Cangiano, and Torcuato Di Tella, respectively) examine the trends of change and continuity linking the "historical Peronism" of the 1940s and 1950s with this "third Peronism." Palermo shows how, in the midst of the 1989 hyper-inflation crisis, Menem used Peronist symbols and myths to shape a neo-liberal project that was in fact antithetical to "classic Peronism." Cangiano reconstructs the ways in which the working-class community of Villa Constitución, at the site of the Acindar steel plant, has responded to the political and social changes that took place during the first years of Menem's government. The concluding article, by Torcuato Di Tella, deals with the non-revolutionary, threatening nature of Peronism and the components of Peronism past and present.

In sum, this is a useful collection of essays and a valuable teaching resource.

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CAROL WISE (ed.): *The Post-NAFTA Political Economy: Mexico and the Western Hemisphere*. Pennsylvania State University Press, 1998.

Promises filled the air during the honeymoon years of trade liberalization in the early 1990s. Announcing his Enterprise for the Americas Initiative (EAI) in 1990, President George Bush proclaimed, "prosperity in our hemisphere depends on trade, not aid ... the future of Latin America lies with free government and free markets." Likewise, a Mexico trade official lobbying for the passage of the North American Free Trade Agreement (NAFTA) in 1991 asked critics of the agreement to "just imagine how Mexico could help the U.S. economy recover when our own economy improves, and with it the standard of living of Mexicans." On the other side of the debate, critics of the NAFTA, and any other hemispheric free trade initiatives, promised, among other things, a "giant sucking sound."

Carol Wise's edited volume, *The Post-NAFTA Political Economy: Mexico and the Western Hemisphere*, examines the rhetoric and reality of trade

liberalization experiences in Mexico and Latin America with the advantage of four years of post-NAFTA hindsight. After years of economic projections and predictions concerning the effects of free trade, this collection provides a much-needed evaluation of the mistakes made and lessons learned from the reality of trade liberalization. Aside from critically examining much of the dogma surrounding free trade agreements –disputing some, confirming others–, many of the authors in Wise's book inject a dose of the sobering realities of politics into the free trade debate that was so often missing in the economics-laced commentary of the pre-NAFTA days. It is the volume's focus on the *political* economy of trade liberalization that makes it a valuable addition to the free trade literature.

The most explicit attempt to "explore the gap between expectation and reality with regard to the gains forecast from neoliberal reform," and to explain why this gap persists, comes in Wise and Pastor's opening chapter. The authors make a compelling argument that centers around the failures of Mexican policy-makers to recognize and address the "accompanying microeconomic stresses" that come with economic liberalization (p. 42). The chapter provides an array of useful microeconomic data that serve as the backdrop for a critical evaluation of the Mexican government's policy responses to the reform-induced microeconomic hardships. Pastor's own contribution to the collection serves as a nice complement to his co-authored piece with Wise. In it Pastor asks why, if Mexico was such a paragon of neoliberal reform, did the country experience the worst economic crisis in its history in 1994, eleven months after the "opening ceremonies" of NAFTA. The answer, again convincingly argued, rests in large part on "the unique combination of political insulation and ideological blinders that characterized neoliberalism in Mexico" (p. 145). Dresser's chapter also fits well with the two contributions from Wise and Pastor, providing an account of the economic effects on politics in Mexico, and how these political changes will in turn affect the economy. In short, all of these chapters capitalize on the "natural experiment" of Mexico and NAFTA, and demonstrate the importance and vitality of the political economy approach to a topic all too often dominated by a purely economics approach.

In contrast to the chapters discussed above, Heath's analysis of the impact of trade liberalization on "the way of doing business" in Mexico is strikingly apolitical. The questions asked by Heath are exceedingly important –"Should the opening of the economy have been so sudden? Should the government have taken a more active role in helping firms adjust...? ... Was more aggressive political reform warranted at an earlier stage?" (p. 173). Yet the answers border on fatalistic, leaving little room for policy choices in liberalizing countries –"Unfortunately, these initial costs have been an unavoidable part of

Mexico's transformation into a more efficient, competitive economy (p. 174) ... The decision to accelerate the market-reform process ... was unavoidable" (p. 196). Heath offers few lessons learned from the Mexican liberalization experience, except that its transition "has been more painful and prolonged than originally envisioned" (p. 198). The role of things political in how "painful and prolonged" this transition was is notably absent from Heath's analysis. All the more notable because most of the other contributions in this collection demonstrate that politics and political choices were, in fact, a critical piece of Mexico's post-NAFTA puzzle.

The final section of Wise's volume is devoted to the broader question of hemispheric integration in the post-NAFTA era. While some might question the inclusion of this section in a volume focused primarily on Mexico, it does offer two excellent accounts of the progress (or lack thereof) toward the Free Trade Area of the Americas (FTAA) idea that emerged from the 1994 Miami Summit. Wise provides an insightful survey of trade liberalization efforts across Latin America and reaches conclusions similar to those found in her chapter on Mexico—a need for an increased public policy focus on "higher and more qualitative investments in human capital and public infrastructure ... [and] for Latin reformers to rehabilitate those state organizations most responsible for investing in social infrastructure and human capital..." (p. 300).

Haggard offers an equally comprehensive assessment of the prospects for a hemispheric-wide trade agreement in the near future. The outlook, for those dreaming of free trade from Alaska to Argentina, is dim and Haggard explains why: "The assumption that a hemispheric accord could emerge either from convergence or from negotiation ... wrongly assumed either a 'natural' deepening process ... or a 'perfection' process disciplined by an overarching set of multilateral or hemispheric commitments—commitments that differ substantially from revealed policy preferences" (p. 337). At present, the best free trade proponents can hope for, according to Haggard, is "a complicated patchwork of multilateral, regional, subregional, and bilateral commitments" (p. 338).

Perhaps the most important contribution of this collection of "post-NAFTA" assessments of trade liberalization efforts in Latin America comes in the direction it points future research on free trade. Gone should be the days when research on free trade relies on econometric analyses to the exclusion of politics. Following the lead of Wise and her contributors, those days will be replaced with research guided by the notion that politics do indeed matter, and are oftentimes pivotal in explaining "the gap between expectations and reality."