

C.L.R. James (*The Black Jacobins*) and Zora Neale Hurston (*Tell My Horse*), to provide a less exotic and more accurate picture of Haiti, its people and its history for the United States audience.

Those who wrote on Haiti for the American public in the 1920s and 1930s all somehow responded to the events of the occupation in very different ways. No common pattern emerges from Renda's analysis, but responses range from endorsement of paternalism, assertion of white, male American identity, discourses on Haitian, mainly female, sexuality, via "commodification" in pulp novels and horror movies and endeavors to find out the "truth" about voodoo, to the opposition of dignified black masculinity and leadership to paternalism, criticism of American "imperialism" and, finally, a changing analysis of race and race-related themes. All of this had an impact in the United States and we should be grateful to Mary Renda for dealing with the multi-faceted material and pointing to the main patterns and currents found in it.

Mats Lundahl

Stockholm School of Economics

PABLO TORAL: *The Reconquest of the New World*. Burlington, VT: Ashgate Publishing Company, 2001.

This book examines the phenomenon of Spanish companies' foreign direct investment in Latin America during the 1990s, demonstrating that it really does constitute a significant reconquest of that part of the New World, which had been lost by Spain in the wars of independence in the 1820s. The book takes this very striking argument and supports it with a reasonable set of information about the Spanish banks, electric companies, telecom company, and oil company, which have indeed taken leadership of these sectors in Latin America. One can debate whether or not this constitutes a real reconquest, but the very visible fact is that key Spanish firms now are the leaders in several Latin American service sectors, and in the oil business.

The analysis made by the author is something of a mix of economic models, economic history, and other social science views. This is the least successful of the efforts in the book, since the line of reasoning from beginning to end winds through a wide variety of focus points, with little linkage and no clear perspective on which to base conclusions. The author asserts in the last chapter that "the advantage of Spanish MNEs (relative to firms from the US and other industrial countries) rested on their familiarity with and knowledge of the needs of the host Latin American markets: knowledge of and familiarity with the needs of economic liberalization, especially in the basic infrastructure sectors..." This

statement is made earlier in the book as well, but there is no systematic testing or demonstration of the validity of the point. If it were shown that the Spanish firms really did have more experience in dealing with these needs than either US or Latin American competitors, then the statement would be reasonably compelling.

While my overall view is that the book does offer some very useful information about Spanish firms and their activities in Latin America, and about the global economic conditions that made it possible for their expansion to the region, nevertheless, the reasoning presented in each chapter is quite difficult to follow. In Chapter 1, the author states that “multinational enterprise [MNE]” and “international business” are “perfectly interchangeable.” He then goes on to state that foreign direct investment (FDI) involves a foreign company owning 10% or more equity in a host-country firm. However, the discussion of Spanish supposed FDI in Latin America in the 1600s and 1700s in Chapter 2 fails to recognize that it was not FDI at all, but just the activity of Spanish expatriates setting up and operating businesses in Latin America. This kind of logical error makes it quite difficult for the reader to give credence to the author’s reasoning. But this is cutting short the real argument, which is just that Spanish people and business activities were the dominant foreign ones in Latin America in the 1600s and for much of the 1700s, and this leadership in business of the region has definitely been restored at the end of the 20th century. The underlying logic of the book certainly holds in this broader sense.

Moving to the other parts of the book, Chapter 3 is a long presentation of a variety of theories that apply to international business which are neither presented clearly nor applied consistently in the rest of the analysis. Chapter 4 is a description of government policy changes in selected Latin America countries from the 1970s to the 1990s. The chapter describes a generalized economic opening due to the 1980s debt crisis that has permitted a much greater role for private-sector business and for foreign business. The policy discussions are not structured in a parallel way that would allow cross-country comparisons, but the outcome of the chapter is that the conditions for welcoming foreign business into Latin America since the mid-1980s have been demonstrated.

Chapter 5 then shows why Spain was a particularly good breeding ground for firms that would be able to deal with economic opening, since Spain’s own economic opening happened starting with the death of Francisco Franco in 1975 and matured with Spain’s entry into the Common Market in 1986. The Spanish government opened the doors of the domestic economy to private-sector business in the aftermath of the Franco regime, including the privatization of a number of state-owned companies such as Telefónica. Spain’s government subsequently, in the 1990s, began to offer incentives to Spanish firms to internationalize and

to become more competitive with European rivals. They were a 180-degree turn in government treatment of business, and the policies did offer specific support for the Spanish firms to look overseas.

Chapter 6 is really the main value added by the book. It describes the experiences of half a dozen Spanish companies in Latin America in the 1990s. The examples are reasonably detailed and they offer a good quantity of information about the company activities in the region. It is a shame to start off with the Iberia Airlines example, since that is possibly the worst example of a mis-managed Spanish, state-owned company acquiring a weak Latin American company – and then driving it bankrupt. The only real lesson to be learned from this example is that the Spanish government chose to carry out this investment, and the lack of airline management skills at Iberia proved to be too much for Aerolíneas Argentinas (and also for Viasa in Venezuela, which had the same result), and even for Iberia itself in Spain, although the carrier does still exist in 2003. The key point is that the Spanish government has been actively involved in the reconquest, along with Spanish public- and private-sector firms.

The following discussion of Telefónica is quite detailed and fascinating. The only weakness of this analysis is that it does not identify a clear strategy that Telefónica has been following, nor does it then organize the information about Telefónica's various forays into Latin America into a coherent whole. Most of this strategy was designed and implemented by Juan Villalonga and his team – but they are not even mentioned in the chapter. Perhaps the success of Telefónica in the region is more due to the personal skills and efforts of this charismatic leader, rather than to any support of the Spanish government or lessons from Spanish experience (or perhaps in spite of those things).

Chapter 7 draws some conclusions from the work, although often they are re-stated assertions that have appeared in various places in the book, but which have not been solidly substantiated. It seems that there is something to the argument that the cultural similarity does support the Spanish firms' ability to expand in Latin America. If it were just a question of experience in dealing with countries in the process of economic opening, the Spanish firms' advantage would be doubtful, since many US and European firms have experience in such situations in Latin America and elsewhere in the world as well. But the support of the Spanish government is certainly a specific base of advantage that contributes to the Spanish firms' capabilities.

One could ultimately argue that the Spanish firms have invested in businesses in Latin America that US firms and others rejected. If this is the case, then only time will tell if the Spanish investors can succeed with the acquired firms, or if many more of them will end up like Aerolíneas Argentinas. I do think that the author has a good set of reasons why Spanish firms may have been successful in

building their new bases in Latin America, and why we may expect that they will not have any worse experience than multinational firms from other countries that are operating in Latin America.

Robert Grosse

*Thunderbird – The American Graduate School
of International Management*

GAIL D. TRINER: *Banking and Economic Development: Brazil, 1889-1930*. New York: Palgrave, 2000.

En América Latina, la formación de un sistema bancario moderno fue una parte esencial del proceso de transformaciones que experimentó la región desde las últimas décadas del siglo XIX. El caso de Brasil, que en ese período cumplió el tránsito de una economía esclavista a otra basada plenamente en las relaciones mercantiles, presenta, si se le suma a esto sus dimensiones y proyección actuales, especial interés. Por otra parte, el sistema bancario del Brasil —como el de otros países latinoamericanos— no había sido objeto, más allá de algunas investigaciones notables, de un estudio sistemático. Con este trabajo, que representa el mayor esfuerzo realizado en esa dirección en los últimos años, Gail Triner logra cubrir holgadamente este vacío.

El trabajo apunta a desentrañar las características y el papel desempeñado por el sistema bancario en el período de la Primera República, signado, entre otros rasgos, por la trabajosa construcción de un Estado nacional, el apogeo de las exportaciones de café y una incipiente industrialización. El enfoque difiere de los utilizados hasta aquí por los estudiosos locales del tema y se ubica dentro de la vigorosa corriente de la *new institutional economic history*, de impronta americana. En esa línea, apela a un análisis de fuerte densidad conceptual que combina, como es característico, con un masivo empleo de datos estadísticos que la propia autora ha elaborado.

Su argumento es que hubo una marcada correlación entre la emergencia de un nuevo sistema bancario y los procesos de modernización económico-social, por un lado, y de consolidación del Estado nacional, por el otro. Esto se debe, sostiene la autora, a que la banca, reorganizada a partir de 1906, operó eficiente, racional y productivamente e involucró avances notables en los derechos de propiedad, la despersonalización en el acceso a los recursos financieros, las estructuras corporativas y la gestión —aunque con una particular relación público-privado— propia de las funciones de instrumento del *state building* que también debió asumir.

El trabajo está organizado en 6 capítulos, el primero de los cuales está