

Book Reviews

J. Lat. Amer. Stud. 45 (2013). doi:10.1017/S0022216X13000825

Luis Bértola and José Antonio Ocampo, *The Economic Development of Latin America since Independence* (Oxford: Oxford University Press, 2012), pp. xvi + 312, £25.00, pb.

Luis Bértola and José Antonio Ocampo are two outstanding scholars of Latin American economic history who have joined forces to write an insightful book on the region, covering 200 years since the first declarations of independence. Bértola is from Uruguay and Ocampo from Colombia, and this gives the book additional insights into the evolution not just of these two countries, but also more generally of small and medium-sized countries in Latin America. The largest countries also figure prominently in their analysis, although Haiti and Puerto Rico are – regrettably, in my view – excluded.

One of the first tasks in writing a book such as this is to establish the time periods for analysis. The authors focus on four: the 60-year period from 1810 to 1870, which corresponds in most countries to the consolidation of the nation-state after independence; the 60-year period from 1870 to 1930, which is often thought to coincide with a wave of globalisation in the world economy; the 50-year period from 1930 to 1980, which is marked by state-led industrialisation in Latin America; and the period since 1980, which coincides with the regional debt crisis and the subsequent recovery.

These periods are long, but the authors begin with a broad sweep through the previous two centuries that allows them to identify the main trends. These include cycles in production as well changes in equity and institutional evolution. There are also many references to social indicators throughout this long period. This is a good chapter that sets the scene and is illustrated by many interesting graphs. These include Latin America's share in world trade from 1880, the terms of trade since 1865 and indices of human development since 1870.

To identify these broad trends, the authors use a time series for GDP and GDP per head back to 1870 for a number of countries. This is conveniently included in a Statistical Appendix. The benchmark is 1990 expressed in international Geary-Khamis US dollars and taken from Angus Maddison's database. The benchmark data, effectively at purchasing power parity exchange rates, are then pushed backwards to 1950 and forwards to 2010 using the historical series constructed by the Economic Commission for Latin America and the Caribbean (ECLAC). Before 1950 the authors rely on Maddison, except for those countries where more reliable series can now be found.

Before 1870 they are forced to rely largely on qualitative evidence together with estimates for occasional years on GDP and exports. This leads them to the conclusion in the second chapter that the long period from independence was largely wasted, with little advance in terms of living standards. Indeed, they claim (Table 2.4, p. 62) that the annual rate of growth of GDP per head from 1820 to 1870 was 0.2 per cent – virtually stagnation. This seems unduly pessimistic. It is true that the first years after 1820 were very difficult for all countries as a result of disruption to public

finance, mining collapse, debt default and war (both civil and inter-state). However, in many countries these difficulties had been overcome to some extent by the middle of the century, so that 1850 is probably a more realistic 'break point' than 1870.

The third chapter ('Globalization, Institution-building, and Commodity-Export-Led Growth') is much more nuanced. The reader is made fully aware not only of the differences between countries in terms of their performance, but also of the impact of the world economy on the region's evolution. There is also careful attention to the role of institutions, without the authors lapsing into errors of 'neo-institutionalism' in which Latin America is assumed to be a passive victim of its colonial inheritance. This chapter also includes a detailed analysis of the changes in inequality during this period of globalisation, which confirms the previous suspicions that globalisation had an adverse impact on income and wealth distribution.

The fourth chapter ('State-Led Industrialization') is particularly good. It takes issue with the notion that this period (1930–80) should be identified with import substitution industrialisation (ISI) and instead prefers to focus on the role of the state in promoting industrialisation. This state-led development does seem to be a better way of looking at what happened in Latin America, since ISI alone cannot explain all the structural changes in the economy. It also helps to understand the processes that led to the debt crisis of the 1980s, when changes to the dominant model in the region could no longer be postponed.

The next chapter is titled 'Turning Back to the Market'. If there is perhaps a tendency to exaggerate the extent to which the region had turned away from the market before 1980, this chapter provides a healthy antidote to the notion that the rise of the Latin American Left is somehow inconsistent with private enterprise. The authors take note of the improvement in growth rates and equity in the new millennium as a result of the rise of China and the improvement in the region's terms of trade. However, they are – rightly, in my view – not willing to give too much weight to one decade in an analysis that covers two centuries.

This is a welcome addition to our understanding of Latin America's economic history since independence. By good fortune, it arrived on my desk just as I was finalising the third edition of my own book on this topic. Bértola and Ocampo have produced a very clear analysis that advances our understanding in several areas. With 20 republics and 200 years, there will always be ample room for disagreement among scholars on many points of analysis. Yet this book demonstrates how much progress has been made in the last few decades in terms of our understanding, even if it also reminds us how much remains to be done.

Institute of the Americas, University College London VICTOR BULMER-THOMAS

J. Lat. Amer. Stud. 45 (2013). doi:10.1017/S0022216X13000837

Moramay López-Alonso, *Measuring Up: A History of Living Standards in Mexico, 1850–1950* (Stanford, CA: Stanford University Press, 2012), pp. xvii + 276, \$65.00, hb.

In the ongoing and considerable debate about the history of living standards in modern Mexico, Moramay López-Alonso's *Measuring Up* not only makes a significant contribution, it fundamentally alters the field by adding a substantial new methodology never before applied in Mexican history. As a consequence, nobody who studies the topic will be able to ignore this volume, which argues that measuring the average