

Dion embraces an outmoded concept of ‘labour incorporation’ framed in terms of the enactment of specific labour and social welfare legislation, and she adopts the party-centric, and now discredited, view that organised labour’s links to the PRI, rather than a restrictive labour law regime, constituted the principal basis for the political subordination of labour from the 1950s onwards. The most problematic part of the book, though, is the author’s regression analysis of the expansion of social insurance coverage over time.

Dion concludes that during the period between 1946 and 1981 the labour movement successfully used strike petitions in industries under federal jurisdiction as a form of political pressure to win expanded welfare benefits. There is, however, no indication in the known record of state–labour bargaining in Mexico that labour organisations ever employed mass strike petitions to lobby government officials over social insurance issues, and Dion offers no documentary evidence or interview testimony to support her supposition in this regard. It is, of course, possible that the IMSS and ISSSTE expanded their coverage during periods of economic difficulty, and that, as previous research has shown, during these periods unions also filed larger numbers of strike petitions in support of wage claims and related demands as the rate of inflation rose. Yet if the volume of strike petitions is only a general indicator of labour discontent, then the conclusion that ‘strike petitions precede and cause increases in social insurance coverage’ (p. 158) must be significantly qualified.

The book also contains other errors of fact and interpretation, including the dates of the 1916–17 Constitutional Convention and the creation of the Labour Congress (1966), the sources of funding for the Programa Nacional de Solidaridad (National Solidarity Programme, PRONASOL), and the causes of heightened strike activity in 1943 and 1944. It is, moreover, difficult to accept Dion’s conclusion that ‘the Salinas administration was able to place the burden of financing the SAR [Retirement Savings System] reform on business because ... employer organizations had no formal ties to the ruling party, and they did not hold any elected positions in Congress’ (p. 123).

These problems were identified during the manuscript review process conducted by another prospective publisher (not the University of Pittsburgh Press), and communicated to the author. It is unfortunate that they were not corrected prior to publication.

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Jonathan Di John, *From Windfall to Curse? Oil and Industrialization in Venezuela, 1920 to the Present* (University Park, PA: Pennsylvania State University Press, 2009), pp. xvii + 341, \$65.00, hb.

For the last half-century, scholars, politicians and Venezuelans in general have commonly applied the concept of the ‘resource curse’ to Venezuela in order to explain why the nation, with such extraordinary oil income derived from the output of a small workforce, has performed somewhat disappointingly on the economic front. The resource curse thesis attributes Venezuela’s alleged productive sluggishness to the historically tight control that the state has exercised over the oil sector and the resultant tendency towards excessive state intervention in the economy. This centralism stifles individual initiative and is conducive to widespread corruption.

This pattern is considered to be more pronounced during periods of oil boom such as the 1970s and, according to the critics of the government of Hugo Chávez, the early years of the twenty-first century. Although resource curse explanations, which posit the existence of a 'rentier state', converge with neoliberal thinking, some of their defenders are located elsewhere on the political spectrum.

In *From Windfall to Curse?*, Jonathan Di John puts the rentier and neoliberal theories to the test. On the basis of a thorough examination of an array of empirical factors related to the economy, as well as secondary political works, Di John calls into question the applicability of both sets of explanations to the Venezuelan case. In chapter 3 he presents statistics derived from the World Bank, the Banco Central de Venezuela and other sources in nine tables in an attempt to refute basic economic precepts of the resource curse. In the first place, the data demonstrate that manufacturing in Venezuela was not 'crowded out' by other non-oil sectors during the boom years of the 1970s, in that it received relatively high percentages of investment and its output was proportionately greater than the rest of the non-oil economy. In the second place, the resource curse model fails to explain aspects of economic performance both before and after the 1970s, including the 'relatively rapid manufacturing growth' (p. 76) that coincided with oil expansion between the 1920s and the 1960s. Venezuela's centralised state, aided by substantial oil-derived income, promoted economic expansion in accordance with the 'easy stage' of import substitution.

In the following chapter Di John takes issue with the thesis, put forward most systematically by Terry Lynn Karl in *The Paradox of Plenty*, that attributes Venezuela's institutional backwardness to the nation's status as an oil producer. Di John criticises Karl for 'arbitrarily' choosing the 1920s, which was the beginning of massive oil production in Venezuela, as 'the point in which state formation takes place' (p. 82), and thus demonstrating the correlation between oil booms and deformed institutional growth. Di John fails to explain why he considers Karl's focus on that decade to be arbitrary, however. State building began timidly under Antonio Guzmán Blanco after he reached power in 1870 and gained momentum during the first two decades of the twentieth century. Nevertheless, the consolidation of the process occurred in the 1920s, when Venezuela became an oil exporter soon to be unmatched by any nation in the world. Although Di John fails to refute the thesis on the institutional salience of the 1920s, he does demonstrate the shortcomings of Karl's path-dependent analysis, which minimises the options available to governments in subsequent years.

Di John is on firmer ground when he refutes neoliberalism's claim of a 'cause and effect' relationship between oil-driven centralisation and corruption. In fact, prominent examples of corruption in Latin America confirm his argument. The case of Venezuela's twice-elected president, Carlos Andrés Pérez, is emblematic. Pérez was nearly jailed following his first administration in the 1970s, which was characterised by state-interventionist economic policies and widespread corruption, and was impeached during his second, neoliberal government in 1993. Other Latin American presidents who promoted neoliberalism in the 1990s and were also notoriously corrupt include Alberto Fujimori, Carlos Salinas de Gortari, Fernando Collor de Mello and Carlos Menem. Di John draws on World Bank statistics for over 20 nations, presented in three tables, to disprove the relationship between mineral abundance on the one hand and high levels of corruption and slow growth on the other. He also questions the validity of the widely held notion that state

companies are necessarily less efficient than private ones, arguing that ‘there is no empirically established relationship between the relative share of public ownership and economic performance’ (p. 71).

Di John makes a distinction between the challenges of the first, ‘easy’ stage of import substitution and those associated with its more advanced stage, and then attempts to determine the regime types that are compatible with each one. He does not consider populist policies, or even corruption, as inherent impediments to the successful implementation of import substitution during its initial stage. In response to economic stagnation in the 1960s, the Venezuelan government began to adopt the more ambitious goals of ‘big push’ industrialisation associated with the second stage, which included exports and mass production of steel and aluminium. According to the author, the political fragmentation and polarisation that set in after 1968 undermined the government’s efforts to promote targeted growth and other second-stage goals. Di John advocates a neo-corporatist-type arrangement as most suitable for the second stage, since major actors including political parties, state managers and business and labour leaders can reach consensus on large-scale projects. Ironically, Di John views the Punto Fijo Pact of 1958 based on consensus from above as ideal, even while political scientists over the last two decades have generally held it responsible for the elitist democracy that produced the legitimacy crisis leading to Chávez’s election in 1998. In short, Di John presents a nuanced, well-documented analysis of Venezuelan political economy and history, and in so doing questions widely held assumptions regarding the nation’s status as an oil exporter.

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Guillermo Guajardo Soto (ed.), *Innovación y empresa: estudios históricos de México, España y América Latina* (Mexico City: Universidad Nacional Autónoma de México and Fundación Gas Natural, 2008), pp. 395, pb.

Ibero-American business history has experienced belated but vigorous growth over the past two decades. In Spain the discipline has a more highly developed profile in the international academic community than it does in Latin America, where Mexico, Argentina, Colombia and Brazil are ahead in this field of scholarly endeavour. Three respected international journals have focused on Ibero-American business history in recent years: *Business History* devoted an issue to Spain in 2010, and *Business History Review* and *Entreprises et Histoire* had special editions on Latin America in 2008 and 2009 respectively. In Latin America, however, business history scholarship is lacking when it comes to the history of innovation and technology in companies and economic groups. This new volume compiled by Guillermo Guajardo Soto, a Chilean scholar based in Mexico, is a step toward filling this void.

The collection, whose title may lead one to believe that Mexico is not part of Latin America, is the product of an international seminar held in 2006 at UNAM in Mexico City. Self-described as both a comparative and interdisciplinary work (p. 17), the book serves the latter purpose better than the former. In terms of comparative research the seven protagonists from seven different sectors in four countries (Spain, Argentina, Brazil and Mexico) are perhaps too disparate, although the editor deserves credit for bringing them together in one volume and for contributing a