

*J. Lat. Amer. Stud.* 39 (2007). doi:10.1017/S0022216X07003458

Félix E. Martín and Pablo Toral (eds.), *Latin America's Quest for Globalization: The Role of Spanish Firms* (Aldershot: Ashgate, 2005), pp. xxv + 333, £55.00, hb.

Analysing the rapid process of internationalisation that has characterised dynamic Spanish enterprises since the late twentieth century, Martín and Toral's co-edited volume constitutes an important contribution that fills a gap in the English language literature. The product of a conference that took place in the Florida International University, the book includes contributions by a range of scholars addressing the forms and features of the expansion of Spanish FDI in Latin America, each adopting different approaches and research topics.

The book opens with three general overviews. Juan José Durán, the main Spanish specialist in FDI and Spanish multinational companies, explains the evolution and main factors underpinning Spanish investments in Latin America since 1990, signalling Spanish companies' considerable cultural advantages and knowledge of the markets. On the other hand, he analyses the changes experienced by the Spanish economy and the expansion of FDI on the basis of the institutional transformations in Latin America that facilitated the access of Spanish companies, including new strategies based on the comparative advantages of certain types of institution that considerably increased their competitiveness. Other contributions deal with Spanish foreign policy toward the region, showing how this has lent institutional support to the penetration of Spanish investments in the region.

The sectorial protagonists in the book are banking companies, telecommunications and energy. All have played an outstanding role in the Spanish managerial expansion in Latin America. Chapters by Barth, Phumiwasana and Yago, Makler, and Ness and Alvaro Calderón analyse banking, yet their contributions are unequal. All review the strategies deployed by the two biggest Spanish banks, BBVA and SCH, and reach similar conclusions. BBVA is centred on corporate banking and linked to the funding needs of the public sector; SCH is more oriented to commercial banking. All the authors maintain that the penetration of Spanish banks in the region has improved the sector's efficiency in the region and facilitated access to new financial resources. Yet they could have made more reference to the Spanish literature on the strategy of these banks and the prior development of their corporate culture within Spain and Europe.

Dealing with the telecommunications sector, the contributions of Gallant and Periu explain the growth and corporate behaviour of Telefónica; a company that passed from being a public monopoly to become one of the five largest companies of telecommunications in the world. Gallant examines how the company developed in successive stages, drawing on J. Dunning's theories, and also explains the problems that Telefónica experienced after the crisis of 2001. Periu examines the advantages of expansion in Latin America for the company's shareholders and investors before 2001.

The energy sector is covered by articles written by De las Casas and Carlos Seiglie. The first analyses the expansion of Repsol-YPF via a model featuring two variables: the power of the state and its natural resources policies. De las Casas argues that the greater the power and stability of the Latin American state in question, the less its energy policy is shaped by nationalism, supporting his thesis with reference to the case of Argentina. Seiglie studies the investments of several Spanish companies belonging to the energy sector in the region, as well as their profitability. He concludes that the benefits for companies and the fate of their shareholders' profits

depend to a large extent on political variables, underscoring their vulnerability to political instability and changing local market conditions.

The global vision is most advanced by two contributions: Félix E. Martín shows how Spanish companies benefited not only from state support but also from a strong domestic civil society, while J. Roy analyses the negative image that these highly visible Spanish companies have had in Latin America following the economic and financial crisis of 2001. He argues that they have been equated with US companies as negative agents for the development of the Latin American countries.

The book ends with a study of the opportunities and challenges of the FDI in Latin America which underlines that political and macroeconomic stability in the region that will continue to be fundamental for the future of Spanish investments. Martín and Toral's book ably analyses the expansion of Spanish companies and FDI in Latin America and introduces English-speaking readers to the extensive Spanish literature on this process.

*Universidad de Alicante*

JAVIER VIDAL OLIVARES

*J. Lat. Amer. Stud.* 39 (2007). doi:10.1017/S0022216X0700346X

Pitou van Dijck and Simon den Haak, *Troublesome Construction: IIRSA and Public-Private Partnerships in Road Infrastructure* (Amsterdam: CEDLA, Cuaderno del CEDLA 20, 2006), pp. ix + 96, pb.

In *Troublesome Construction*, economist Pitou van Dijck and policy-maker Simon den Haak provide an analysis of the Initiative for Regional Infrastructure Integration in South America (IIRSA). While the book faces limitations due to its predominantly economic approach and focus on one case study, it provides a much-needed account of a large-scale system of projects that will have massive global ramifications.

A critical contribution of the text is the overview of IIRSA, which promises to be one of the most ambitious transnational projects ever planned in South America. Twelve South American countries agreed on IIRSA in 2000 in order to develop an infrastructure which would facilitate trade across national borders continent-wide. The primary intention is to make regulatory and institutional frameworks for transport, energy and telecommunications consistent across boundaries. IIRSA's rationale is based on the need to move beyond the remedying of trade boundaries and trade liberalisation in order to integrate Latin America into global markets, including both north-south and south-south trade relations. More specifically, the projects include roads, bridges, ports, tolls, customs facilities and telecommunications.

While these projects have an immense capacity to spur development leading to increased South American competitiveness in international markets, there is little doubt they will result in negative environmental and social impacts. The Public-Private Partnerships (PPPs) being planned to meet the economic needs of IIRSA also incorporate mechanisms meant to resolve these potentially conflicting outcomes. PPPs take the form of long-term contractual agreements between the private and public sectors, where a combination of services are bundled together and the involved parties have shared financial investment. Much of the funding will be provided by state governments or regional banks such as the Inter-American Development Bank or Andean Investment Corporation. As the authors suggest,