

Development from Within: Toward a Neostructuralist Approach for Latin America. Edited by OSVALDO SUNKEL. Boulder: Lynne Rienner, 1993. Tables. Figures. Notes. Bibliography. Index. ix, 439 pp. Cloth. \$55.00.

The collection of essays that comprises this book is welcome because, in the midst of analyses and recommendations currently dominated by neoliberal theory, it represents an attempt to revive the structuralist school. From the early days of CEPAL, this school has exerted a profound influence in Latin America. Most contributions offer valuable surveys of those areas of policy that have generated debate and contention since the 1950s, both within the structuralist school and, more recently, between structuralists and neoliberals. Such debate has led to the heterodox-versus-orthodox confrontation that has characterized the Latin American scene since the economic crisis came into the open in the early 1980s. The debates on macroeconomic issues, industrialization policies, agriculture, trade, the labor market, technology, capital formation, and the environment are well presented, and for this reason alone the book can certainly be recommended.

The orientation of this structuralist revival is also clearly formulated, both through the book's criticism of early structuralism and through its own policy recommendations. This is where some of the ideas the book presents are debatable. There is, admittedly, no easy solution to Latin America's economic crisis, and any attempt at constructing a model of crisis management is bound to face serious difficulties and to engender contradictions. Yet we might have expected this concerted effort by some of the best-known neostructuralists to do better than simply glide over some of the key issues in contention. I will briefly consider only two of them here.

The first is the problem of what is supposed to lie at the heart of a development process. The neostructuralists' response is clearly in supply-side economics. Demand and markets are not critical (p. 8). The overemphasis put on them in the past by a Keynesian growth strategy is mostly responsible for the crisis. It should be replaced by a Schumpeterian approach concerned with innovation and improvements in supply. In contrast with the previous approach, for which the leitmotiv was local market development (p. 280), the new emphasis should be unambiguously outward oriented.

In adopting this neoliberal recommendation, how can the neostructuralists argue at the same time that the local market is too developed and that some basic equity problems must be solved? Many earlier structuralists have pointed out that Latin American markets are imperfect, not in the supply terms recognized by the neostructuralists but in terms of highly skewed patterns of income distribution, which effectively keep so many people outside those markets. This is a problem not only in the moral terms of equity but also in its negative direct effect on the size of the domestic market and on supply patterns, geared to luxury durables rather than wage goods.

One of the most disappointing aspects of the book is that it merely skids over

this issue, postulating that redistributive processes can produce unwanted but serious disruptions (p. 76). The best thing, then, is to include the current patterns of income distribution as a variable unlikely to change in the foreseeable future and to design growth policies accordingly. Hence, of course, the all-out outward orientation. Here again, the practical difference with neoliberalism is rather thin.

The second problem concerns the role of the state in what neostructuralism recognizes as its classical and normative functions, notably income distribution and providing the basic infrastructure in health, housing, education, and so on (p. 383). This is all rather difficult to achieve in countries where the social debt accumulated since the early 1970s is so large and where—in the context of a low tax revenue to GDP ratio—the feasibility of taxing the private sector has deteriorated (p. 77).

These are but two of the issues that are central to the current development debate in Latin America and to which this structuralist revival does not make the contribution one might have expected.

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Inside the Volcano: The History and Political Economy of Central America. By FREDERICK STIRTON WEAVER. Boulder: Westview Press, 1994. Map. Tables. Figures. Notes. Bibliography. Index. viii, 276 pp. Cloth, \$60.00. Paper, \$19.95.

With a strong economic focus, the historical narrative of this work is synthesized from the major period histories, especially those of MacLeod, Wortman, Pérez-Brignoli, McCreery, Bulmer-Thomas, and Dunkerley, and from the Central American chapters of the *Cambridge History of Latin America*. Frederick Stirton Weaver warns at the outset, “This history is highly interpretive. . . . Many of my arguments are presented in a deliberately provocative manner to stimulate thought and debate. There is a lot to argue about here, and the book demands an active, critical reading” (p. 4).

His first two chapters contain an introduction to the geography and archaeology of the region and a rather breezy survey of Central American history to about 1850. His preconquest background is a little suspect, not well documented; and the historical survey is not always precisely accurate. Minor errors are annoying but they do not seriously damage the work’s arguments. An example is Weaver’s reference to the Spanish Constitutionalists of 1812 as “Republicans” (pp. 48–49).

Chapters 3 through 6 provide a “historical and comparative framework for organizing and analyzing contemporary Central American issues” (p. 227). Discussion of the export economy that developed from the late nineteenth century forward is splendid. Weaver rejects both neoclassical liberalism and dependency theory as inadequate explanations for Central America’s failure to enjoy more general prosperity from its expansion of exports. He offers an enlightening, plausible alternative that links exports to other domestic economic activity and to the social structure, concluding that the greedy native elites were more responsible than for-