

The Andean Group: A Case Study in Economic Integration among Developing Countries. By DAVID MORAWETZ. Cambridge, Massachusetts, 1974. The MIT Press. Maps. Tables. Figures. Appendices. Bibliography. Index. Pp. x, 171. Cloth. \$18.50.

This book was written in 1973, four years after the validation of the Cartagena Agreement which created the Andean Group integration scheme that seems to be much more successful than its two predecessors and competitors in the region: Central American Common Market (CACM) and Latin American Free Trade Association (LAFTA). It may be worth recalling that the emergence of the Andean scheme was largely due to its six members' dissatisfaction with the performance of LAFTA which all of them joined in the early sixties. The traditional free-trade LAFTA approach together with the fact that all Andean Group countries are considerably less developed than the three major LAFTA members (Argentina, Brazil and Mexico) brought very few if any benefits to the former group. During the sixties the Andean Group countries piled up sizable trade deficits with the major LAFTA participants, witnessing at the same time the concentration of industrial growth in the same three republics. Disenchanted with such outcome, the Andean countries signed in August 1966 the Declaration of Bogotá, a sort of sub-regional economic independence manifesto that three years later gave birth to the Andean Group integration scheme. While the subregional grouping continues formally being a part of the larger LAFTA set-up, in fact it is an autonomous integration movement with a broad action program of its own.

The allocation among member countries—through means of intergovernmental negotiations—of all dynamic industries that account for some 30 percent of the area's industrial output represents a major aspect of the Andean Group integration program. The industrial allocation scheme represents both a novelty and an improvement in comparison with trade liberalization commitments envisaged by both CACM and LAFTA. It is designed to solve political, economic and technological issues arising from economic integration in the context of underdevelopment: to fulfill all members' expectations to participate in psychic and real benefits of industrialization, to take advantage of economies of scale vital for modern industry, to cater to the whole region and to produce manufacturing surpluses exportable to third countries within and outside Latin America.

Most recent news forthcoming from the Andean Group secretariat in Lima, Peru suggests that considerable progress has been reached

lately in respect to implementation of the industrial allocation agreement and other integration measures. Distribution throughout the region of major industrial activities such as automative, petrochemical and fertilizer plants is about to be agreed upon by six countries. Commitments to liberalize intra-regional trade and set up gradually a common external tariff are implemented more or less according to the schedule. While harmonization of other economic policies proceeds slowly, the implementation of national level agreements on common policy toward foreign investment and of common technological policy advances fairly satisfactorily.

Morawetz' study was written at the time when considerable uncertainty about the outcome of the Andean Group scheme still existed. Consequently, the book centers upon the analysis of economic instruments designed for the scheme at the time of its birth rather than the appraisal of the Andean Group's achievements. Four major issues facing the subregion have been looked at from the vantage point of neo-classical theory of economic integration: transport and communications barriers arising in the area that stretches for almost 5,000 miles along the Pacific and Caribbean coasts of Latin America; difficulties in respect to harmonizing both internal and external economic policies that had originally been designed without any reference to the policies of neighboring countries; problems of a common external tariff; and the particularly thorny issue of "equitable distribution of benefits" of joint industrialization effort. The author should be commended for abstaining from putting the Andean experiment into the strait jacket of traditional economic theory. Otherwise, he would have been forced to condemn it beforehand or declare it dead before its take-off.

While highly useful as a first English-language case study of the Andean Group integration scheme, the Morawetz short book has several shortcomings. First, since it keeps the flavor of a Ph.D. thesis in which it originated, it makes a difficult reading because of constant overlapping of analytical parts with theoretical digressions. Secondly, because it concentrates on economic issues, many readers will be at a loss to understand why exactly the six countries took that particular road to integration (a brief presentation of politics of Latin American integration would have been of considerable help). Thirdly, while the author proves his detailed knowledge of the most esoteric contributions to theoretical literature on integration, his presentation of the case for the Andean Group integration model takes into consideration only marginally the literature originating within the area and

particularly from the Andean Group secretariat, known as *Junta de Cartagena*.

It is quite clear that the Morawetz case study was mostly written at Cambridge, Mass., while it should have been written in Lima, Peru and in other capitals of the integration scheme. Thus, we have to wait for Latin American writers to get a full story of this interesting experiment.

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Social Classes in Agrarian Societies. By RODOLFO STAVENHAGEN. Translated by JUDY ADLER HELLMAN. Garden City, New York, 1975. Anchor Press. Tables. Notes. Index. Pp. xiv, 266. Paper. \$3.50.

In marked contrast to the considerable quantity of research that has been conducted on social stratification in the Latin American urban milieu, surprisingly little work has been done on class divisions in rural areas. This is surprising because a large sector of Latin America's population has been and continues to be located in the countryside. Rodolfo Stavenhagen's *Social Classes in Agrarian Societies* attempts to fill this void, but does so with only limited success.

The work is a revised version of the Spanish language edition that was published in Mexico in 1969, which in turn is a revision of a 1965 doctoral dissertation presented at the University of Paris. Stavenhagen readily admits in his introduction to the current edition that much new research has become available in recent years, but adds that he "staunchly resisted" (p. xiii) the temptation to make extensive revisions in light of it. This is unfortunate since the scholar specializing in rural Latin America will find very little new in this book. Reference is made to some new sources (such as the Inter-American Committee on Agricultural Development Studies) but they appear to be tacked onto the older edition.

Despite these shortcomings, the book would serve handily as a general introduction to rural Latin America for an undergraduate course, particularly if the instructor wishes to examine the interesting comparisons which Stavenhagen makes between Latin America and Africa (Chapters 6 and 8-11). Furthermore, the book goes into an important analysis of how the introduction of agrarian capitalism, the privatization of landholdings and the development of rural migration patterns have greatly altered the pre-Columbian and early