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Business Books

By Tim Padgett

When authors ponder globalization in books like Thomas Friedman's *The World Is Flat*, they usually pay scant attention to Latin America beyond the North American Free Trade Agreement. Who can blame them? Compared with the record growth of and foreign investment pouring into the emerging markets of Asia and Eastern Europe, Latin America still looks globally noncompetitive.

But ignoring the world from the Rio Grande to Tierra del Fuego is ridiculous. The U.S. exports \$225 billion worth of goods each year to Latin America--more than quadruple what it sells to China. The old journalists' joke that Americans will do anything for Latin America but read about it now sounds more foolish than funny.

Fortunately, three new books may help remedy that Latin America blind spot and remind us that the hemisphere too is flat. They all take a hard, engaging and overdue look at Latin America's maddening complacency and massive potential--and suggest how to transform it into "the century of the Americas," as George W. Bush declared.

The Argentine-born Andres Oppenheimer, a Miami Herald columnist and co-recipient of the Pulitzer Prize, contrasts Latin America with tigers like Ireland and China in *Saving the Americas: The Dangerous Decline of Latin America and What the U.S. Must Do* (Random House; 300 pages). He tells the story of an Indiana businessman who, on a visit to the Great Wall, grouches that his Mexican clients don't "reinvest in their companies or improve the quality of their materials like the Chinese." Latin America's bane, Oppenheimer suggests, is "peripheral blindness"--measuring itself against its past instead of its contemporary competitors while neglecting critical investment factors like crime (Latin businesses spend more than twice as much on security as Asian firms) and education (Latin America prepares "too many psychologists, not enough engineers"). Washington, he writes, is fecklessly complicit: "The Bush Administration, absurdly, [has] closed its mind to any plan that would include a greater U.S. financial commitment to growth in Latin America. For Bush and his advisers, the sole solution to the region's problems [is] free trade." Oppenheimer

does see hope in successful mixed capitalist-socialist models like Chile and Brazil.

Optimism for this so-called third-Way economics is amplified in Michael Reid's *Forgotten Continent: The Battle for Latin America's Soul* (Yale University Press; 400 pages). Reid, editor of the Americas section of the *Economist*, concedes that Latin America's chronic ills, especially its inequality between rich and poor, are among the world's worst. But his comparison of past and present yields a more sanguine picture: the region is "one of the world's most important testing laboratories for the viability of democratic capitalism as a global project." Reid insists that Latin America's democratic and capitalist reforms are the right path; he notes that Brazil's poverty rate dropped from 43% in 1993 to 30% in 2005. But he warns that Latin governments as well as that of the U.S. have been inexcusably lax about using those changes to build institutions--like reliable judiciaries, for example--in a way that spreads the new wealth: "Latin America has seen too many revolutions and not enough reform."

Jerry Haar, a business dean at Florida International University, and John Price, head of Latin American business intelligence at Kroll InfoAmericas, offer reform advice for the hemisphere in *Can Latin America Compete? Confronting the Challenges of Globalization* (Palgrave Macmillan; 336 pages).

Their most welcome suggestion is to make small- and medium-size business a priority, and they take Latin America to task for doing less than 3% of the world's R&D spending while Asia accounts for more than a third of it. If more of the region's leaders had taken counsel like this a decade ago, Hugo Chávez and the Latin left might not have such a large, impoverished crowd to play to today. Whether or not this is the century of the Americas, these books offer a guide to how Latin America can enter it.

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