
Globalization has attracted a great attention from both scholars and the general public. One of the most salient facets of globalization is the idea that we are living in an increasingly smaller world in which trade flourishes and communication reduces distances on a day-by-day basis. These transforming phenomena come along with the perception of irresistible pressure for pro-market reforms in developing countries. Globalization and reforms are supposed to increase wealth and growth in these countries. The assumption is that they attract efficient multinational corporations (MNCs) as well as increase productivity by eliminating rent seeking behavior and push local firms to follow the more effective corporate governance standards of developed countries. Following this perception, most developing countries have embarked on processes of economic reforms that increase trade and investment flows.

More than two decades have passed since the start of trade and capital flow opening in developing countries, creating a need to assess the consequences and effects produced by these changes. Big Business and Economic Development, edited by Alex Fernández Jilberto and Barbara Hogenboom, addresses the debate about the implications of globalization in developing countries. This book analyzes the effect of pro market reforms in these countries but it overcomes most macro analyses that narrowly focus on quantitative indicators like FDI or GDP evolution. The authors of the book use most of the analytical tools of the political economy field to develop detailed and clear case studies of different developing countries throughout the globe. A shared – and salient – characteristic of all chapters is the inclusion of local politics in the analysis. Instead of assuming that globalization will irresistibly eliminate the traditional relations between local political actors at the national level, the different chapters show how these local actors adapt to the new environment while still maintaining some of their old patterns of behavior. A clear illustration of this idea can be observed in Kurt Radtke’s article. He demonstrates how – although reforms have already started in China – the relations between economic
and political elites show a symbiotic relationship that has characterized this country throughout its history. Clearly, the idea that the book puts forward is that existing social structure and institutions are crucial to understanding how globalization has affected each country. As Radtke elegantly indicates: “even as identical rules are accepted, their interpretation and implementation will differ as a result of a different heritage that took many centuries to develop” (p. 31).

Stefan Andreasson goes even further with this idea and shows that crony capitalism has continued despite globalization and the emergence of new domestic economic groups. According to this author, new South African economic groups develop the same behavior as the old economic groups. Thus, it seems that it is not a behavior that only traditional groups reproduce as a result of their inability to adapt. In contrast, existing social relations are transmitted to new actors that still perceive these old strategies as viable even under the different economic rules that globalization imposes. For instance, privatization in Latin America did not lead to market rules and the elimination of rent seeking behavior. In fact, MNCs adapted to the Latin American environment. This is clearly shown in chapter nine of the book where Benedicte Bull demonstrates how know who has been more important than know how in the privatization processes of Honduras, Guatemala, and Costa Rica. MNCs were encouraged to associate with local business groups to succeed in privatization. Perhaps something missing in the book is a more detailed analysis of how the relationship between local business groups and MNCs has evolved after market reforms. It is important to recognize that the introductory chapter of Alex Fernández Jilberto and Barbara Hogenboom, as well as the articles by Benedicte Bull and Wioletta Niemiec and Mariusz Niemiec, emphasize the key role of MNCs in developing countries under globalization. However, the emergence of MNCs as a powerful actor, challenging the exclusive role of domestic business groups is an important consequence of globalization in developing countries. The book suggests the need for this significant dimension of globalization, but a more dynamic analysis on which are the key contesting areas between these two players and how the struggle between them – both in political and economic terms – has evolved would have been interesting for this volume. Still, overall the book contains a highly developed analysis of the political implications of globalization for developing countries.