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Poverty and Development in Latin America: Public Policies and Development Pathways. Henry Veltmeyer and Darcy Tetreault, editors. Sterling Virginia: Kumarian Press, 2013, xv + 273 pp.

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Notwithstanding the expansiveness implied by its title, this edited volume mainly comprises a vehement critique of neoliberalism and its connection to poverty, particularly rural poverty, in Latin America. The authors demonstrate that under decades of neoliberal policies, poverty reduction has been unimpressive. In their view, this is mainly because such policies are inherently conducive to inequality and the economic marginalization of a large segment of a country's population.

The book is organized into three parts. Following a first chapter by Henry Veltmeyer on "The Poverty-Development Problematic" Part I ("The World Bank and the Fight Against Poverty") examines the evolution and content of World Bank programs and policies. Joao Marcio Mendes Pereira argues convincingly in Chapter 2 that, despite being periodically modified, World Bank and IMF policies and priorities have remained firmly rooted in modernization theory, and oriented toward free trade, economic growth, trickle-down economics, and limited government involvement. The overarching approach to poverty alleviation since the 1990s, he points out, has been to increase the productivity of the poor, and thereby improve the "quality of insertion of independent individuals in the market" (p. 43). This effort, he maintains, is premised in part on the simplistic notion that poverty is "a condition of exclusion from the system rather than a product of it, reifying the predatory nature of capitalist development" (p. 43). Social policy has taken on a mere "pumping function" in his view, to help avoid situations "that could explode into political tension or create insecurity for the free flow of capital and merchandise" (p.55).

Chapter 3 by Veltmeyer constitutes an analysis of the World Bank's policies on agriculture and the rural sector, based primarily on a detailed review of the agency's *World Development Report 2008: Agriculture for Development* (WDR-08). Again we find much scorn for Bank policies and for the beliefs and assumptions he sees as underlying them. Veltmeyer argues that the report fails "to reenvision the role of agriculture in the development process..." (p. 60) and to "appreciate the negative impacts of neoliberal 'pro-growth' policies on small-scale production and peasant farming..." (p. 61).

In Chapter 4, Darcy Tetreault turns to Mexico's efforts to address poverty. These began during 1945-1970 with import substitution industrialization (ISI) and the Mexican welfare state, followed by the Basic Needs Approach (BNA) between 1970 and 1982. The debt crisis that followed led to the austerity-oriented neoliberal policies that remain more or less intact, but which have come to be accompanied by an array of social programs, described in great detail.

In Part II, "Deconstructing the Poverty Reduction Strategy," the authors delve further into World Bank initiatives, especially those implemented once it became clear that the "Washington Consensus" Structural Adjustment Programs (SAPs) of the 1980s were creating tremendous hardship for the poor. As described in several chapters, these modified "Post-Washington Consensus" (PWC) strategies remain market-oriented but also involve efforts to strengthen the ability of the poor to adapt to the market, and insert themselves within it in favorable ways. In Chapter 6, for example, Veltmeyer explores the microfinance programs that have become so popular among International Financial Institutions (IFIs) and other organizations during the PWC era. Despite debates on their effectiveness in reducing poverty, particularly for the poorest of the poor, he acknowledges that they have been successful on many counts, as is evident from the great demand for them in Bolivia and elsewhere. But he also suggests that the tremendous growth in the number of microfinance organizations (from 3,000 in 1998 to 10,000 currently) and in the number of beneficiaries (to over 150 million) is no surprise, given the prevailing neoliberal context, wherein formal labor markets have failed to create jobs and microenterprises have been shunned by the formal banking sector.

Chapter 7, by Anthony O'Malley and Veltmeyer, describes the World Bank Poverty Reduction Strategy Papers (PRSPs), the Bank's "main tool" during the PWC era, and explores how these were developed in Nicaragua, Bolivia, and Honduras. PRSPs are now required by governments receiving WB or IMF assistance and are meant

to be developed in a participatory and inclusive manner that reflects “country ownership,” unlike the “one size fits all” approach that was taken with SAPs. However, the authors denounce PRSPs for being “designed to alleviate the conditions created by...[neoliberal] policies” (p.161) and question whether they can effectively reduce poverty “if the institutionalized practices or structures that produce and reproduce it, or the underlying relations of economic and political power, are not topics for discussion and action” (p. 154).

In Chapter 8, Enrique Valencia Lomelí provides a detailed analysis of the “Conditional Cash Transfer” (CCT) programs that transfer cash directly to poor parents on the condition that their children remain in school and have regular medical visits, and that the parents themselves receive training in health and nutrition. The idea is to invest in human capital to break the “vicious cycle of [intergenerational] poverty within which individuals and families become enmeshed” (p. 170). Despite having received widespread accolades in policy and academic circles, the author concludes that the CCT program is “more an illusion than an achievement” because it simplistically assumes that better fed and educated people will more easily navigate the market and that more years at school equates with more human capital and empowerment. He also critiques it for merely reducing the severity of poverty rather than eliminating it, for becoming a political tool in some countries (e.g. Mexico), and for making it harder for mothers, the primary targets of the program, to work outside the home.

Finally, I eagerly arrived at Part III, “Pathways out of Rural Poverty,” expecting, after all that criticism, to find some particularly thoughtful and detailed ideas on alternative, more effective strategies to eliminate poverty as we know it. I was disappointed. Chapter 9, entitled “Pathways in Mexico” consists mainly of more lambasting of the aforementioned WDR-08 report, “geared toward strengthening the corporate food regime”, and of Mexican agricultural policy during the neoliberal era, which brought about the end of guaranteed minimum prices, input subsidies, subsidized credit, and so forth. Only the last three pages describe some policy alternatives, basically those proposed not by Tetreault, the author, but by Mexico’s peasant organizations. The author apparently agrees with all their proposals, however, as their practicality, chances of being implemented, and overall effectiveness, are unquestioned.

In Chapter 10, Tetreault discusses the virtues of agroecology as an approach to agriculture and rural development, and praises La Via Campesina, the global network of peasant organizations, and the food sovereignty movement of which it is a core part. This chapter contains the bulk of policy suggestions the book offers but again these cover only a few pages and consist mainly of the demands that have been made by La Via Campesina. The latter include returning to using tariffs and price controls, abolishing export supports and production subsidies (apparently only in wealthy countries), implementing land reform, ensuring greater support for small farmers, banning GMOs, and getting the WTO out of food and agriculture.

Now while I personally agree that most if not all these actions are worthwhile, an objective discussion of their advantages and disadvantages would have been welcome, as would some suggestions for how they can be achieved in light of the enormous political and economic challenges involved. Instead, what we find is rather vague. For instance, in order to get food sovereignty to supplant the corporate food regime, the author maintains that “Part of the answer lies in the mobilization of the peasantry and alliance building with progressive segments of civil society” (p. 220). Well, thanks for that. Some policy alternatives also are described by Tetreault at the end of Chapter 4 (pp. 108-109), in the form of the six “major themes on which there is broad consensus” among “radical and reform-minded experts on social policy in Mexico...” But the most specific of these are a universal welfare system, guaranteed access to quality health care, social security, education, and other public services, massive job creation, affordable financing for small business, and protections and supports for small farmers, as mentioned in Chapter 10. All the author says about how to finance such programs is to increase “tax contributions from large companies and the rich in general.”

This leads me to the book’s shortcomings. First, despite its ten chapters written by a total of five people the book provides very little in the way of contrasting perspectives. Rather, the contributors appear to be very much on the same page in their disdain for neoliberalism and for the efforts of the World Bank. The outcome is a one-sided and overly biased case against World Bank policies and programs, even those designed to support vulnerable groups, rather than a more balanced exploration of the pros and cons of such initiatives and their possible alternatives. The authors fail to consider any possible rationale behind at least some neoliberal or other World Bank prescriptions, such as the notion that building human capital may in fact be a worthwhile goal, or that some degree of austerity likely was needed to deal with the debilitating international debt problems that emerged in countless countries by the 1980s. On the end of subsidies and price controls in Mexico’s agricultural sector, for example, no attention is paid to the fact that the government was broke and therefore unable to continue providing such patronage.

A second related issue is that the authors come across as overzealous in their desire to paint all World Bank efforts in a particular and usually negative, light. They appear overzealous because the evidence they provide to show

particular intentions, assumptions or philosophies on the part of the Bank is often not all that compelling. For example, in Chapter 3 Veltmeyer claims that “it is evident although not precisely stated that the authors of the [WDR-08] report, like World Bank economists generally, continue to assume that the most practical and advisable solution to the problem of rural poverty is for the poor to abandon farming and exit the countryside” (p. 61). As evidence for this supposed assumption, Veltmeyer mentions the fact that Bank economists recognize that rural-urban migration has reduced the relative share of rural poverty. But the latter, of course, does not necessarily imply the former. He also claims that this assumption is “reflected...in the relative lack of concern for and attention to agriculture in the Bank’s annual review of critical development issues” and the fact that “the first and last report on agriculture before the 2008 report was written in 1982” (p. 62). This ignores a multitude of World Bank reports and studies of agriculture at the country level. Veltmeyer goes on to list (pp. 62-63) eight “beliefs” that are “evidently shared by World Bank economists, even today” but very little evidence for these shared beliefs is provided. While agreeing with another analyst, Akram-Lodhi, that the WDR-08 report reflects a “heterogeneity” of ideas, he notes that “our working assumption...is that “an underlying unity of thought will appear” (p. 65). Readers must judge whether he has delivered on this promise.

Third, although the book is well-written and consistent in terms of writing style, it would have benefited greatly from further editing because it is extremely repetitive. Discussions about particular dimensions of WB policies or programs, or the philosophies and assumptions on which they are based, are found repeatedly within and between distinct chapters.

Finally, as already alluded to, the book is long on criticism but remarkably short on recommendations on better ways to address poverty and the other problems covered. Virtually every chapter contains many vague statements about needing to tear down or modify the structures of our economic system. For example, in Chapter 5 O’Malley suggests, given that rural poverty in Latin America has remained around 39% over the last 60 years, that “the default understandings about capitalist structures as the engines of poverty reduction - or indeed development – may be the ‘elephant in the room’ of the spectacular lack of success” of poverty reduction programs (p. 124). But little or nothing is said about what should replace the capitalist elephant. In Chapter 7 O’Malley and Veltmeyer lament that the forces of resistance within civil society in Nicaragua that grew in response to SAPs and neoliberalism “have not been effectively organized in the service of an alternative way of understanding and approaching development” (p. 157). Maybe, just maybe, this is because what this “alternative way” should be and how it should be achieved remains unclear and/or contested. So the reader of this volume is left wondering: How should our apparently dysfunctional economic system be modified or recreated? More importantly, perhaps, would the restructured or new system be an improvement?

Another key question, left unanswered in the book, is: If the Bank were to implode tomorrow, would this generate a significant change in the global economic system? The authors seem to think it would. But in light of modern technology in communication and transportation, unprecedented capital flows, and the scale and power of contemporary corporate actors, who knows?

Despite its short-comings, the book is a solid, well-argued, detailed addition to the discussion of neoliberal economic strategies and their apparent limitations in addressing poverty. The authors write with admirable clarity about complex issues and thereby make the book accessible to a wide audience. The book should be read by specialists and policy makers interested in Latin America and poverty reduction, and especially by those interested in the details of recent programs to address poverty in Latin America.

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