

assignment in upper-level undergraduate or graduate courses on US-Latin American relations, Caribbean history, or global women's history.

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Professor Colby is a specialist in US international, environmental, and business history. He is the author of The Business of Empire: United Fruit, Race, and U.S. Expansion in Central America (2011) and Orca: How We Came to Know and Love the Ocean's Greatest Predator (2018).

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Exporting Capitalism: Private Enterprise and US Foreign Policy. *By Ethan Kapstein.* Cambridge, MA: Harvard University Press, 2022. 304 pp., 21 illus., 1 table. Hardcover, \$39.95. ISBN: 978-0-674-25163-2.

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Reviewed by Thomas Zeiler

In this book, scholars will find an informative and reasonable argument, and a healthy dose of skepticism, about the effectiveness of private enterprise in the development efforts of the Global South. Ethan Kapstein, a former US government economist who worked on global development in places as diverse as the former Soviet Union and Afghanistan, offers a sobering yet hopeful perspective on bettering the lives of billions of people. He digs deeply into the historical literature and current events to make the case that foreign aid must take precedence over (though not preclude) an untenable reliance on market capitalist ideology that so permeated the Cold War era and the modern period of globalization. It is a conclusion that tasks rich countries with adopting more Big Government activism rather than depending on the private sector for capital.

Kapstein studies how the United States banked on private enterprise to boost economic growth at home, and then carried that view abroad after World War II. Yet he wonders why growth and development failed to take root in many instances. Specifically, the US government pursued a climate of long-term foreign direct investment (FDI) that more than aspired to export capitalism; it sought to change the way developing nations conducted their business and shaped their political systems. It is a bold critique because the historical record, including the very recent past, is littered with examples of market-driven development coming up short.

Judiciously spreading the blame in a way that will make no observer entirely happy, Kapstein challenges governments to do much better. He is a solid neo-liberal internationalist who leans decidedly toward market

prescriptions, falling far out of the orbit of socialist dependency theory as he indicts target nations for failing their own people. But he also contests that the error of their ways lies in the unwillingness of elites to adhere to American advice, either for their own political self-preservation or because their rule is dependent on natural resources, thus rendering their countries structurally unable to permit private enterprise to dictate decisions. He also argues that Washington labored, oftentimes unsuccessfully, to convince US investors to take their business abroad or send it to riskier places than Europe and East Asia. Thus, Kapstein sees possibilities and challenges in reform abroad. As a result, his views are not as dire as those who think that nations steeped in such corruption cannot overcome their own history, as argued by Sarah Chayes, *Thieves of State* (2015). The author is certainly in agreement, however, with Dan Honig, *Navigation by Judgment* (2018), who contends that foreign aid agencies need to be granted bigger, more effective profiles to operate in the Global South. Likewise, as Haley J. Swedlund recently argued in *The Development Dance* (2017), these agencies themselves should be much better attuned to the goals (and oftentimes silly fads) of donors and the needs and political, economic, and social structures of aid recipients. There is culpability in every quarter, Kapstein concludes, and it is worthwhile to dissect case studies to see how things can improve.

After showing the imperative of the private sector for American officials, Kapstein grounds his analysis in the Cold War, with a particular focus on Dwight Eisenhower's (and, appropriately, Ronald Reagan's) basic belief that capital flows (and free trade) went hand in hand with freedom, democracy, and security. He then proceeds with examples of successes and failures in the application of FDI in several nations, many of which he toiled in over the past decades. The heavy hand of government intervention is on display in Taiwan and South Korea, which nevertheless became poster children of development through their distinct means of joining private with public finance. Latin Americans remained suspicious of FDI, and rightly so as multinational corporate domination often accompanied it (though Kapstein offers no sustained treatment of neo-colonialism). They responded with expropriation and other forms of economic nationalism, such as import substitution industrialization, that undermined market capitalism. A form of capitalist peace arose in post-communist societies, a hope that investment and even the abrupt turn to capitalism, in the form of shock therapy, would promote democracy and equality. The same went for American involvement in Afghanistan and Iraq, though, in all of these cases, expectations fell short of reality in terms of a new era of democratic capitalism. The challenge of competing with China in the Global South rounds out

the case studies, with much attention to the Development Finance Corporation, created in 2018, to counter Beijing's statist Belt-and-Road Initiative with investment driven by private enterprise. All of these examples display the varieties of responses to FDI and, above all, the resistance and modification of private-sector, market-driven capitalism.

While Kapstein will draw avid readers from business history, others, including diplomatic historians, might argue against his notion that development hinges on investment rather than social reform abroad. This book ignores current historiographical trends of, say, gendered constructs of poverty. Kapstein nods to foreign policy, yet a wider audience will seek details on how aid and investment actually reshaped nations, or at the inter-state level were considered vital tools in confrontations and crises. He also does not address challenges to development as a simple dichotomy of the Global North giving and the Global South taking, as Margarita Fajardo (*The World Latin America Created* [2022]) and others have posited. Still, Kapstein brilliantly combines history, theory, and experience into an analysis that offers a positive view of the inexorable march of globalization for the benefit of the Global South. As many nations lean toward nationalist-populism, it is refreshing to read that, as he reminds us, "market-oriented economies [have] improved the lives of millions of people" (p. 223). Working out how aid and investment can be made more effective will remain a pivotal means of dealing with a difficult world.

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Nonprofit Neighborhoods: An Urban History of Inequality and the American State. By Claire Dunning Chicago: University of Chicago Press, 2022. 336 pp. Cloth, \$95.00. ISBN: 978-0-226-81990-7.

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Reviewed by Colton Babbitt

In *Nonprofit Neighborhoods*, Claire Dunning tells the complex story of how Boston municipal leaders and community activists forged partnerships to share the administrative and financial responsibilities of governing the city. While Dunning acknowledges that public-private arrangements have long influenced American politics, she argues a key shift occurred in the post-war era when grant money and a mutual