

***Latin America: The Financial Architecture*, María del Carmen del Valle (coord.), Ricardo Torres Gaitán Course, Mexico, Institute for Economic Research-UNAM, 2014.**

This book, coordinated by María del Carmen del Valle, is the result of the Ricardo Torres Gaitán course, this time led by José Ocampo.

In four chapters, the book offers essential information for the study of the financial system in Latin America, with comments and contributions from the three collaborators on the talks given by José Ocampo. The first chapter was written by Ocampo himself, and focuses on the debate about the need for an international monetary and financial architecture that responds to current needs and considers the changes that have occurred over the past years. The debate revolves around three principal aspects: the international monetary system, financial regulation, and multilateral development banking. Its main objective is to review and debate the most recent reforms made to the international monetary system as a result of the most recent crisis. Divided into six sections, the author provides evidence of the magnitude of the deficit in regulation and prudent supervision that currently exists in developed countries, as well as what has been done to improve the situation; for example, Basel III or the Frank-Dodd Act.

Likewise, Ocampo pays special mind to a few specific changes and responses that have come about as a result of the last crisis, as well as multilateral functioning, the expansion of financing, European funds, and multilateral banks, but especially the importance of the latter in anti-cyclical financing. Ocampo concludes by describing the existence of a globalization process alongside national or regional policies, as well as how efforts to "reduce the gap between the globalization process and institutional mechanisms" have been insufficient.

Oscar Ugarteche offers enriching commentary about two topics: the first, the debate about the methodological problem of the International Monetary Fund's quotas and its ineffectiveness, because these quotas have remained the same in the face of changes in the global power structure in recent years; the second refers to the regional financial architecture and multilateral development banks, principally describing the current trend towards financial regionalization and how it has manifested itself around the world. Finally, he adds some comments about no less important topics that ground the current reality of the financial system, including the relevance of financial deregulation and how, more than promoting investment and economic growth, it has made financial markets more volatile.

Ugarteche closes his chapter with the topic of banks and global governance, highlighting the problem of the banking sector, for example, the existence of banks too big to fail, or the trend towards the concentration of assets in only a few banks, a trend that exists both in the United States and worldwide, one of the consequences being that the LIBOR rate is set by only 14 banks (out of 7,000).

The third chapter was written by Patricia Rodríguez, who comments on and enriches Ocampo's work by focusing on the topic of anti-cyclical policies and the theoretical proposal. She shows how Ocampo's theory is based on and grounded in the Keynesian theory of old, while emphasizing the proposal to revise the terms used by Keynes, because they are misunderstood in the modern day, and therefore misused. According to the author, revising these concepts is essential, as they are pivotal for the proper implementation of anti-cyclical policies. She also grounds the debate between implementing anti-cyclical and pro-cyclical policies, describing how the latter have been implemented despite proof that they are ineffective in driving growth in developing countries. The chapter concludes with a call from the author to remember that the fundamental goal must be the economic welfare of Latin American economies in light of the changes brought on by the most recent crisis.

The fourth and final contribution of the book is from Raúl Vázquez, who discusses the topic of productive development and its implications, such as studying and reviving various theories about economic development. Vázquez's work is pursuant to the perspective of the Economic Commission for Latin America and the Caribbean (ECLAC), as it returns to the concept of productive development and views it as the cornerstone of development strategy. The beginning of the chapter offers a brief, yet important, overview of the concept of this topic. This chapter emphasizes the need to define the objectives to be achieved and offers reasons why they are necessary in order to plan productive development in a way that takes into account the unique features and characteristics of each case. It also highlights the importance of the analytical perspective used in each case, prioritizing the specific problems of each case in particular. If each case is not viewed as a unique case, the result may be a comprehensive development strategy that does not fit the context.

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