

Book Reviews

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DURAND, Francisco, 2017, *Los doce apóstoles de la economía peruana: una mirada social a los grupos de poder limeños y provincianos*, Lima, Fondo Editorial de la Pontificia Universidad Católica del Perú. 372 pp.

In 1986, Alan García, the then-president of Peru, assembled the twelve most prominent business figures in the country to discuss its economic situation. During those meetings, it was agreed that the state would put in place mechanisms to protect Peruvian industry, and that businesses would increase their levels of investment, though ultimately this did not occur. The businessmen in question were known as the “twelve apostles of the Peruvian economy.”

Francisco Durand’s book presents an extensive and critical study of the twelve most representative economic power groups in Peru today, and the sway they hold over the nation’s economy. The analysis is based on economic sociology. However, as the author acknowledges, it also draws on economics, politics, and economic history. The purpose of the book is to identify those who comprise these economic power groups, as well as their social and cultural origins. Moreover, it seeks to understand how they operate in the economic, political, and social spheres, and the extent of their influence on decision-making at the national level. To this end, the author carries out a comparative analysis of the six established Lima-based groups popularly known as the “owners of Peru,” and the six emerging provincial groups dubbed “*cholos* with cash.”

The book is divided into seven chapters, in addition to a final part containing the author’s reflections. The first chapter stresses the importance of ascertaining the main economic and political actors in a country, currently represented in Peru by economic power groups. The author identifies seven defining characteristics of such groups: a) the presence of many firms across several sectors of the economy; b) concentrated property; c) family-ownership; d) nationwide commercial presence; e) public recognition of status; f) influence on policy; and g) social and altruistic impact. Based on these characteristics, Durrant notes that elites act through the articulation of

the economic with the political and the social, recollecting that “profit and power go hand in hand” (p. 16). The author states that these groups exercise agency in the political and economic life of society when they seek to project their material resources into other fields. One of the important contributions of this book is its analysis of the origins and the context in which economic power groups act in Peru. The proposed analysis goes beyond a one-dimensional study of wealth, using a holistic approach to explore the role that these groups play in social construction and political decision-making processes.

The second chapter presents a historical study of the emergence of economic power groups in Peru, starting from the premise that the capitalist model in Latin America was hierarchized, internally weak, and backward in comparison with Anglo-Saxon capitalism. Durand points out that so-called “corporate gigantism” developed in the countries of the North, leading to “extractive and financial gigantism” in the first decades of the 20th century. This situation resulted in a major transition from family capitalism to corporate capitalism, and from the phenomenon of personal wealth accumulation to that of corporate capital development. According to the author, this transition process was not consolidated in Latin America, where patterns of family business ownership continued to endure.

In the third chapter, Durand offers an analysis of theories and concepts that will serve as the basis for subsequent empirical analyses. In this context, he develops the categories of “diversified corporate gigantism” and “multi-dimensional power” as the fullest expression of Latin American capitalism. He makes reference to massive state-supported internationalization processes as a major step in the formation of global corporations, based especially on exportation of the neoliberal economic model. Then, he defines the concepts of company concentration, diversification, ownership, and management. It is here that the author makes an interesting contribution: he argues that an essential characteristic of Latin American family capitalism is its concentration and endogeneity, which limits its development as well as its capacity to generate social and political cohesion and influence.

Another central part of the book is the analysis of reputation and envy, whereupon Durand affirms that “structural conditions of injustice rooted in society” maintain degrees of separation between economic power groups, since acquisition of wealth is not synonymous with belonging to the traditional elites (p. 59). He concludes the chapter with an analysis of the relationship between the concepts of economic power and political power, and between the individual and collective actions of economic power groups and associations, stressing that their unity is important for the development

of political capital and influence. The author revisits this issue at the end of the book when explaining how the lack of unity between established Lima-based groups and emerging ones from the provinces weakens their capacity for agency and influence at the highest levels of state policy.

The fourth, fifth, and sixth chapters are dedicated to the empirical analysis of the new twelve apostles of the Peruvian economy. Employing the available data, the author conducts an exhaustive analysis of each of these business groups. The analysis begins with an explanation of the indicators used to identify the case studies, followed by a presentation of the historical, organizational, and economic data pertaining to the twelve groups. Finally, in chapter seven, Durrand presents a “snapshot of current economic power,” identifying the similarities and differences between the two overarching groups – those based in Lima and those based in the provinces – comprising the Peruvian economic elite.

The author’s comparative analysis of the characteristics of these groups allows him to make three central contributions. First, he asserts that the differences between the groups are primarily non-economic, and that the socioeconomic and regional contrast is particularly striking. Second, he proposes that the emergence of a new group of provincial entrepreneurs, socially and geographically distinct from their established Lima-based counterparts, represents an important historical shift, marking the first time “that Peruvians with working-class and mestizo origins, from the bottom of the pyramid, form large groups of economic power” (p. 326). Third, he argues that the lack of cohesion between economic groups precludes a merger of the elites, and thus they are unable to mold and maintain a social order conducive to their interests. In this way, the author reveals the aspects that underlie the dynamics of interaction between economic power groups in Peru, which also pose a challenge to the consolidation of their economic, social, and political objectives.

This book presents an extensive analysis of economic power groups in Peru from the perspective of economic sociology, with some historical, economic, and political elements. The results of the study pave the way for the ongoing analysis of the role of private actors within states and in the region, to which studies on so-called domestic political economy can contribute in the future. This discipline has a major influence on the development of the concept of private actors’ “interests” – which is not addressed directly in this book – as well as on “collective action” and “group behavior” in the dynamics of political decision-making.

Francisco Durand’s book is of great relevance for research in the fields of political science, economic sociology, and political economy, especially

for those who concentrate on economic elites. Likewise, it is a contribution that can serve for reflection and practice by those who make up these economic power groups.

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