

## REGIONAL – GLOBAL

### *D) The politics of natural resource extraction in Latin America*

Coordinator: Barbara Hogenboom

This research concerns the interaction between developments in global commodity markets and shifts in Latin America's national and regional political decisions on two central extractive activities: energy and mining. As a result of increasing demand in the global markets, and rising energy demand in Latin America itself, the investments in and returns of extractive activities have expanded. This was especially the case in the years of high commodity prices (2005-2007). Under these improved economic circumstances, several Latin American governments were able to pay of foreign debts, raise their reserves and expand investments in infrastructure and regional development initiatives. The international crisis that started in 2008, however, showed the volatility of both global commodity and financial markets.

The (traditionally) politically sensitive activities of natural resource extraction have also attracted renewed attention for other reasons: there have been numerous cases of local protests against the exploitation of mines (involving ethnic, environmental and economic interests), and several national protests against the privatisation of oil and gas (companies). These local and national political conflicts have been central to the regime changes that have taken place in countries like Venezuela and Bolivia. In the context of the 'post-Washington Consensus', the roles of the public sector and private sector in extractive activities are again being heavily debated. And the outcome of these debates is of great importance to this sector, which is composed of a number of large state-owned companies as well as powerful MNCs.

The Latin American politics of natural resource extraction and commodity trade are of great relevance since it may be either positive or negative for the region's long-term development. On the one hand, with weak political management the 'resource curse' may cause many economic, social and environmental problems. On the other hand, in resource-rich Latin American countries it may be used as a window of opportunity to expand public, private and public-private investment in economic modernisation and regional integration. This does require, however, a minimal consensus on how to deal with conflicting interests (e.g. local and national; short-term and long-term; economic and environmental; public and private).

This project aims to analyse the region's recent politics of natural resource extraction. In cooperation with an international group of scholars several publications will be prepared, including an edited volume on Latin American experiences. A panel has been organized for the LASA 2009 conference on 'Latin American Politics of Primary Commodities, Natural Resources and Infrastructure: What Basis for Development and Less Inequalities?' Research by master's students and PhD candidates will be an additional source for deepening our understanding of local, national and regional changes in natural resource politics.