

**Carleton University
Fall 2018**

**GINS 4090 B: Political Economy of Extractive Industries
in the Developing World
Thursdays 11:35 am - 2:25 pm
Richcraft Hall 3320**

Instructor: Pablo Heidrich

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Introduction

Extractive industries, such as mining and oil and gas, represent one of the single most relevant challenges and opportunities for local communities and entire nations in resource-rich regions of Latin America, Africa, the Middle East and Central Asia. Since colonial times until the 1970s, extractive industries have provided there the main connection with the global economy, accounting for the bulk of trade and investment linkages. In the late XX Century, neoliberal governments invoked their developmental promise to open local economies to foreign capital, including to a great number of Canadian mining companies, and energy companies from Europe and the United States. In later times, a notable number of Chinese and other BRICS companies have joined them in what has become for some observers, a global scramble for natural resources.

The responses from developing countries hosting these resources and foreign investments have varied considerably. In Latin America since the early 2000s, fiscal revenues from extractive industries have enabled New Left governments to launch innovative social policies to reduce poverty while also accelerating the pace of resource extraction. In Africa, governments have sought to coordinate their bargaining through regional initiatives while balancing conflicting pressures from China versus already established investors from Europe and the USA. In the Middle East and Central Asia, more individual responses have prevailed, as some countries attempted to move beyond a resource-dependent economy to one driven by services; while others have engaged in a “resource nationalism”, maximizing current rents even if that might lower future investments.

However, in all parts of the resources-rich developing world, resulting tensions have heightened between local communities, often indigenous and/or rural, paying most of the environmental and social costs of this extractivist model of development; and the larger urban societies in these countries, which receive most of the economic and social gains, as well as foreign investors, who accrue extraordinary profits. This

confrontation has grown into a crucially defining one for contemporary politics in the Global South, as well as in development practices and discourses.

To interpret these dilemmas in developing countries, this course will cover the major political economy debates regarding natural resources-dependent development (Dependencia, resource curse, Dutch disease, accumulation through dispossession, etc.). Secondly, it will bring in analysis of the distributional effects of extractive industries along local, regional and national spaces; as well as across class, ethnic and gender dimensions. Finally, the course will integrate environmental and Indigenous interpretations of natural wealth and wellbeing to the current extractive industries debates. All along, examples of specific policies and cases from developing countries as well as regional trends will be used.

Fourth-year standing at BGIInS is a pre-requisite to take this course.

Evaluation and Class Administration

Weekly attendance and participation:	10%
Pop-quizzes (2)	10%
Mid-term exam:	25% (on class 9)
Research presentation:	15% (scheduled between class 10 and 13)
Final paper:	40% (on class 13)

There are between approximately 150 pages of reading per week, starting the second week of class. To get a good grade and grasp of the subject, students need to carefully read the required readings, prepare weekly reading notes, including questions for discussions, and actively participate in discussions.

1. Attendance and participation: Regular participation and willingness to engage in discussions, based on informed comments directly related to the readings, is a key component of this 4th year seminar course.
2. Quizzes: there will be 2 pop-quizzes between weeks 2 and 8 to make sure everyone is doing all readings. Each quiz will evaluate understanding of the readings of that week.
3. Mid-term exam: this evaluation will test all learning done until week 7, including all obligatory readings and lectures discussions. Exam will contain multiple-choice and short definitional questions, as well as 1 or 2 long questions for essay-type of answers. Exam will last 2.5 hours, done in in class during week 9 and without books or notes.
4. Research presentation: Each student will do a 15 minutes' presentation of her/his research project between classes 10 and 13. The schedule of the presentations will be determined during week 2. In the presentation, the student will be evaluated on clarity of her work assessing the existing literature on her/his topic, relevance/consistency of her arguments or hypothesis, and relevance of her empirical evidence. Use of visual aids or handouts are encouraged.
5. Final paper: Each student will write a 15-20 pages' research paper on a topic of direct relevance to the course. The topic and abstract must be cleared with the instructor by week 4, and a detailed table of contents and bibliography provided by week 8. The bibliography

may include internet sources but must include at least 10 refereed journal articles or books from academic publishers. The assignment will be graded based on the quality of your writing, research and analysis, the organization of the paper, the depth of research on the topic, and the coherence and originality of your argument.

Late Policy: assignments are due on the dates and in the way specified in the course outline. **Late papers will be subject to a penalty of one grade per day including weekends.** Assignments will not be accepted 10 days after the due date. No extensions will be permitted. Exceptions will be made only in those cases of special circumstances, (e.g. illness, bereavement) and where the student has verifiable documentation.

Policies on Assignments:

All assignments in this course must be 12 pt. fonts, double-spaced and have standard one-inch margins. They should be free of spelling and grammatical errors. They must include appropriate citations and bibliography. Assignments that do not have any citations from academic sources will be returned to the student with an F grade. You must use consistently a recognized citation format (See:

<http://www.carleton.ca/sasc/peer-assisted-study-sessions/workshop-handouts/week-ten/writing-resources/citation-styles/>).

Students are reminded to always keep a hard copy of all their work for this course.

All readings will be made available over Library Reserves and ARES (electronic reserves)

CLASS CONTENTS

Class 1 – General instructions and presentation

General discussion of expectations of the seminar. Fine-tuning of the syllabus, explanation of assignments, and tentative allocation of presentations' slots.

Optional Readings:

Dunbarr, Scott W. 2015. *How mining works*. Englewood, CO: Society for Mining, Metallurgy, and Exploration. Chapters 2-6

Ross, Michael L. 2012. *The oil curse: how petroleum wealth shapes the development of nations*. Princeton Univ. Press.

Class 2 – Natural Resources in the Conceptualization of Development

Cardoso, F. and Faletto, E. *Dependency and Development in Latin America*, 1979, Preface and Ch. 1 & 2, pp. vii-xxv and 1-28.

Wallerstein, I. 1974. *The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis*. *Comparative Studies in Society and History*. Vol. 16, No. 4, pp. 387-415.

Przeworski, Adam and Fernando Limongi. 1997. "Modernization: Theories and Facts" World Politics v 49: 155(29).

Class 3 – Theorizing on Natural Resources from a Development Perspective

Auty, R.M. 2001. 'The political economy of resource-driven growth'. European Economic Review. 45, 4–6, 839-846.

Karl, T. L. 2007. Oil-led Development: Social, Political, and Economic Consequences. Working paper 80. Stanford: Stanford Center on Democracy, Development, and the Rule of Law.

Stevens, P.; Dietsche, E. 2008. Resource curse: an analysis of the causes, experiences, and possible ways forward. Energy Policy, 36: 56-65.

Optional Readings:

Sachs, Jeffrey D.; Warner, Andrew M. (1995) 'NBER Working Paper 5398: Natural resource abundance and economic growth', <http://ideas.repec.org/p/nbr/nberwo/5398.html>

Brunnschweiler, C.N. , Bulte, E.H. (2008). 'The resource curse revisited: a tale of paradoxes and red herrings'. Journal of Environmental Economics and Management. 55, 3, 248-264.

Ramez Abubakr Badeeb, Hooi Hooi Lean, Jeremy Clark. 2017. The evolution of the natural resource curse thesis: A critical literature survey. Resources Policy, Volume 51, Pages 123-134.

Terry Lynn Karl, "Perils of the Petro-State: Reflections on the Paradox of Plenty," Journal of International Affairs, 53:1 (Fall 1999): 31-48.

Naazneen H. Barma. 2016. The Rentier State at Work: Comparative Experiences of the Resource Curse in East Asia and the Pacific. Asia & the Pacific Policy Studies, vol. 1, no. 2, pp. 257–272.

Class 4 – Institutional Capacity in Resource-Abundant Countries

Dietsche, E. (2012). Institutional Change and State Capacity in Mineral-Rich Countries. In Hujo, K. (ed.). Mineral Rents and the Financing of Social Policy. Basingstoke: Palgrave Macmillan and UNRISD, pp.122-154.

Nem Singh, J.T. (2014). Towards Post-Neoliberal Resource Politics? The International Political Economy (IPE) of Oil and Copper in Brazil and Chile. New Political Economy 19 (3), pp. 329-358.

Vivoda, V. Rise of state-firm bargaining in the 2000s. In: P. Haslam and P. Heidrich (Eds.), The political economy of natural resources and development: from neoliberalism to resource nationalism. London: Routledge: 53-69, 2016.

Steffen Hertog. 2010. Defying the Resource Curse: Explaining Successful State-Owned Enterprises in Rentier States. World Politics, Volume 62, Number 2, April 2010, pp. 261-301.

Optional Readings:

Osmel Manzano and Francisco Monaldi (2008) The Political Economy of Oil Production in Latin America. *Economía*, Volume 9, Number 1, pp. 59-98.

Valeriy Mironova & Anna Petronevich. 2015. Discovering the signs of Dutch disease in Russia. *Resources Policy*, Volume 46, Part 2, Pages 97–112.

Andrew Rosser, “Why Did Indonesia Overcome the Resource Curse?” IDS Working Paper 222, March 2004.

Haslam, Paul A., and Heidrich, Pablo. 2016. “From Neoliberalism to Resource Nationalism: States, Firms and Development”, In Paul A. Haslam and Pablo Heidrich, eds., *The Political Economy of Resources and Development: From Neoliberalism to Resource Nationalism*, pp.1-37. Basingstoke: Routledge.

Class 5 – Natural Resources on Politics and Conflict in Developing Countries

Michael L. Ross, “Why Oil Wealth Fuels Conflict,” *Foreign Affairs*, 87:3 (May-June 2008): 2-8.

Nathan Jensen and Leonard Wantchekon, “Resource Wealth and Political Regimes in Africa,” *Comparative Political Studies*, 37, 7 (September 2004): 816-841.

Gray, Matthew. *A Theory of Late Rentierism in the Arab States of the Gulf*. (Center for International and Regional Studies, Georgetown University, School of Foreign Service in Qatar, 2011).

Sebastián L. Mazzuca. 2013. Lessons from Latin America: The Rise of Rentier Populism. *Journal of Democracy*. Volume: 24, Issue: 2, Page Numbers: 108-122.

Optional Readings:

Camilla Sandbakken, “The Limits to Democracy Posed by Oil Rentier States: The Cases of Algeria, Nigeria, and Libya,” *Democratization* 13:1 (2006): 135-152.

Mattias Basedau and Jann Lay, “Resource Curse or Rentier Peace? The Ambiguous Effects of Oil Wealth and Oil Dependence on Violent Conflict,” *Journal of Peace Research*, 46:6 (November 2009): 757-776.

Jomo K. S. and Wee Chong Hui 2002. *The Political Economy of Malaysian Federalism Economic Development, Public Policy and Conflict Containment*. UNU Wider Discussion paper 113. Helsinki.

Ralph Mathekga. 2010. The ANC ‘Leadership Crisis’ and the Age of Populism in Post-Apartheid South Africa. In *African Politics: Beyond the Third Wave of Democratisation*, edited by Joelen Pretorius.

James Martín Cypher. 2010. South America's Commodities Boom: Developmental Opportunity or Path Dependent Reversion? *Canadian Journal of Development Studies*, Vol. 30, Iss. 3-4.

Luc Désiré Omgba. 2015. Why Do Some Oil-Producing Countries Succeed in Democracy While Others Fail? *World Development*, Volume 76, December 2015, Pages 180–189.

Weitzman, H. Resource nationalism: beyond ideology. *Americas Quarterly*, 1/3/2013: 1-11, 2013.

Class 6 – Compensatory Mechanisms in the Political Economy of Natural Resources

Anthony Bebbington, Leonith Hinojosa, Denise Humphreys Bebbington, Maria Luisa Burneo and Ximena Warnaars. Contention and Ambiguity: Mining and the Possibilities of Development. *Development and Change* 39(6): 887–914.

Hilson, G. 2012. Corporate Social Responsibility in the extractive industries: Experiences from developing countries. *Resources Policy*. Volume 37, Issue 2, Pages 131-137.

Szablowski, D. (2010) Operationalizing FPIC in the Extractive Industry Sector? Examining the Challenges of a Negotiated Model of Justice. *Canadian Journal of Development Studies*, vol. 30 (1-2), 111-130.

Segal, P. 2012. How to spend it: Resource wealth and the distribution of resource rents. *Energy Policy*, 51: 340-348.

Optional Readings:

Kalowatie Deonandan (2015) Evaluating the effectiveness of the anti-mining movement in Guatemala: the role of political opportunities and message framing, *Canadian Journal of Latin American and Caribbean Studies*, 40:1, 27-47.

Michael Herb, "No Representation Without Taxation? Rents, Development, and Democracy," *Comparative Politics*, 37 (April 2005): 297-316.

Michael J. Watts, "Righteous Oil? Human Rights, the Oil Complex, and Corporate Social Responsibility," *Annual Review of Environmental Resources*, 30:9 (2005): 1-35.

Class 7 – Global Politics and Natural Resources

Antulio Rosales (2016) Deepening extractivism and rentierism: China's role in Venezuela's Bolivarian developmental model, *Canadian Journal of Development Studies / Revue canadienne d'études du développement*, 37:4, 560-577.

Daviken Studnicki-Gizbert (2016) Canadian mining in Latin America (1990 to present): a provisional history, *Canadian Journal of Latin American and Caribbean Studies / Revue canadienne des études latino-américaines et caraïbes*, 41:1, 95-113.

Sarah G. Katz-Lavigne. 2016. The renegotiation window: Resource contract renegotiations in the mining industry in Africa from 2000 to 2013. *Resources Policy*. Volume 51, March 2017, Pages 22–30.

International, regional, and domestic developments opened a policy window

Optional Readings:

David Humphreys (2013) New mercantilism: A perspective on how politics is shaping world metal supply. *Resources Policy* 38 (2013) 341–349.

Hany Besada and Philip Martin. 2015. Mining codes in Africa: emergence of a 'fourth' generation? *Cambridge Review of International Affairs* Vol. 28, Iss. 2.

Caitlin C. Corrigan, Breaking the resource curse: Transparency in the natural resource sector and the extractive industries transparency initiative. *Resource Policy*, Volume 40, June 2014, Pages 17–30.

Todd Gordon and Jeffery R. Webber, "Imperialism and Resistance: Canadian Mining Companies in Latin America," in *Third World Quarterly*, Vol. 29, No. 1 (2008), pp. 63-87.

David Steven, Emily O'Brien, and Bruce Jones. 2014. *The new politics of strategic resources: energy and food security challenges in the 21st century*. Brookings Institution Press.

Class 8 – Environmentalism and Indigenous Questioning of Extractivism

Eduardo Gudynas (2016) "Natural Resource Nationalisms and the Compensatory State in Progressive South America." In Haslam, P. & Heidrich, P. *The Political Economy of Natural Resources. Resource Nationalism as a Development Policy*. Routledge.

Walsh, Catherine (2010). "Development as Buen Vivir: Institutional Arrangements and (De)colonial Entanglements" *Development*, 53, No.1, pp 15-21.

Thomson, Bob (2011). "Pachakuti: Indigenous Perspectives, Buen Vivir, Sumaq Kawsay and Degrowth," *Development*. 54:4, pp. 448-454.

Optional Readings:

Simone Pierka, Maria Tysiachniouk. 2016. Structures of mobilization and resistance: Confronting the oil and gas industries in Russia. *The Extractive Industries and Society*. Volume 3, Issue 4, Pages 997–1009.

Tettetba (2010) "Pitfalls and Pipelines: Indigenous Peoples and Extractive Industries." Available at: http://www.iwgia.org/iwgia_files_publications_files/0596_Pitfalls_and_Pipelines_-_Indigenous_Peoples_and_Extractive_Industries.pdf

Class 9 – Mid-term Exam

Classes 10-13 – Research paper presentations

Academic Accommodations

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD),

Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of Accommodation** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

For Religious Observance: Students requesting accommodation for religious observances should apply in writing to their instructor for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student. Instructors and students may contact an Equity Services Advisor for assistance (www.carleton.ca/equity).

For Pregnancy: Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a *letter of accommodation*. Then, make an appointment to discuss your needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Plagiarism: The University Senate defines plagiarism as “presenting, whether intentional or not, the ideas, expression of ideas or work of others as one’s own.” This can include:

- reproducing or paraphrasing portions of someone else’s published or unpublished material, regardless of the source, and presenting these as one’s own without proper citation or reference to the original source;
- submitting a take-home examination, essay, laboratory report or other assignment written, in whole or in part, by someone else;
- using ideas or direct, verbatim quotations, or paraphrased material, concepts, or ideas without appropriate acknowledgment in any academic assignment;
- using another’s data or research findings;
- failing to acknowledge sources through the use of proper citations when using another’s works and/or failing to use quotation marks;
- handing in "substantially the same piece of work for academic credit more than once without prior written permission of the course instructor in which the submission occurs.

Plagiarism is a serious offence which cannot be resolved directly with the course’s instructor. The Associate Deans of the Faculty conduct a rigorous investigation, including an interview with the student, when an instructor suspects a piece of work has been plagiarized. Penalties are not trivial. They may include a mark of zero for the plagiarized work or a final grade of "F" for the course.

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Submission and Return of Term Work: Papers must be submitted directly to the instructor according to the instructions in the course outline and will not be date-stamped in the departmental office. Late assignments may be submitted to the drop box in the corridor outside B640 Loeb. Assignments will be retrieved every business day at **4 p.m.**, stamped with that day's date, and then distributed to the instructor. For essays not returned in class please attach a **stamped, self-addressed envelope** if you wish to have your assignment returned by mail. Final exams are intended solely for the purpose of evaluation and will not be returned.

Grading: Standing in a course is determined by the course instructor, subject to the approval of the faculty Dean. Final standing in courses will be shown by alphabetical grades. The system of grades used, with corresponding grade points is:

Percentage	Letter grade	12-point scale	Percentage	Letter grade	12-point scale
90-100	A+	12	67-69	C+	6
85-89	A	11	63-66	C	5
80-84	A-	10	60-62	C-	4
77-79	B+	9	57-59	D+	3
73-76	B	8	53-56	D	2
70-72	B-	7	50-52	D-	1

Approval of final grades: Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by an instructor may be subject to revision. No grades are final until they have been approved by the Dean.

Carleton E-mail Accounts: All email communication to students from the Department of Political Science will be via official Carleton university e-mail accounts and/or cuLearn. As important course and University information is distributed this way, it is the student's responsibility to monitor their Carleton and cuLearn accounts.

Carleton Political Science Society: The Carleton Political Science Society (CPSS) has made its mission to provide a social environment for politically inclined students and faculty. Holding social events, debates, and panel discussions, CPSS aims to involve all political science students at Carleton University. Our mandate is to arrange social and academic activities in order to instill a sense of belonging within the Department and the larger University community. Members can benefit through numerous opportunities which will complement both academic and social life at Carleton University. To find out more, visit <https://www.facebook.com/groups/politicalsciencesociety/> or come to our office in Loeb D688.

Official Course Outline: The course outline posted to the Political Science website is the official course outline.