

**Winter 2017**

**PSCI 4801A: Selected Problems in Global Politics.**

**The Political Economy of Extractive Industries in the Developing World**

Instructor: Pablo Heidrich, Global and International Studies

Wednesday, 2:35-5:25pm.

River Building 2406R

**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 a natural resource-rich region in Latin America, Africa, the Middle East and Central Asia. Since colonial times until the 1970s, extractive industries have provided the main link with the global economy, accounting for the bulk of their 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 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.

## Evaluation and Class Administration

### Evaluation Summary:

Weekly Attendance and Participation:	20%
Presentation:	15%
Short reaction paper:	20% <b>(due on class 5)</b>
Essay Proposal:	10% <b>(due on class 6)</b>
Final Essay:	35% <b>(due on the last class)</b>

### Discussion of Evaluation Components:

1. Attendance and Participation: Regular participation and willingness to engage in discussions, based on informed and respectful comments **directly related to the readings**, is a key component of this 4th year seminar course. There are between 50-100 pages of reading per week, starting the first 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. Also note that raising good questions is as important as making comments.

2. Presentation: Each student will do at least one presentation on one of the course readings. The timing of your presentation will be determined during the class of week 2. The presentation should be 12-15 minutes. In your presentation, you should: summarize the main ideas of that reading; situate the author in broader debates on international development (how do they fit into theoretical and methodological approaches?); present analytical and critical reflections on those readings and what they contribute to the topic of the week, and raise questions for broader class discussion. No more than half of your presentation should be spent summarizing the article's contents.

3. Short reaction paper: You will write a short reaction paper (5-6 pages max.) based on one week's reading for weeks 2 to 6 (not the week that you will present on). The paper will critically synthesize the arguments developed in the required readings for that week and develop a response to those arguments. You will be expected to identify the theoretical orientation and assumptions of the authors, not merely summarize their main points, and draw out the points of commonality and differences in the authors' approaches. You should discuss how convincing the authors' arguments are and what you have learned from them. You may wish to look at two or three of the recommended readings as well.

4. Essay Proposal: You will write a proposal (around 2-3 pages double spaced) on the topic that of your final essay. The proposal should contain:

- a research question;
- short statement on why this is an interesting and important topic;
- a tentative hypothesis or argument;
- statement on your theoretical approach;
- annotated bibliography - with a paragraph for each source which summarizes the content of the article and indicates how it will be useful for your final paper. You must include a minimum of 5 sources.

Topics: You may wish to focus on the development problems faced by a particular country or countries, the approaches of a specific actor (whether a specific bilateral donor or international agency), or you may wish to take a more thematic approach. Due date: March 7<sup>th</sup>.

6. Final Essay: You will write a research paper (12-15 pages) on a topic directly related to the course. We will also discuss your essay topics in class that day so come to class prepared to talk about your ideas. Your sources for the paper may include internet sources but must include at least 6 refereed journal articles, books or book chapters. You must include at least 8-10 sources in total. 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 2% a day not including weekends. This penalty will apply to all papers submitted in the PSCI dropbox, even on the due date.** Assignments will not be accepted 10 days after the due date. No retroactive extensions will be permitted. Do not ask for an extension on the due date of the assignment. 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 font, 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/>).

### **CLASS CONTENTS**

Class 1. *General instructions and presentation*

General discussion of professor and student expectations of the seminar. Fine-tuning of the syllabus and assigning of presentations.

## ***Extractive Industries in our Understanding of the Developing World***

### ***Class 2. History of Natural Resources in the Developing World***

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

Bridge, Gavin and Philippe Le Billon. 2013., *Oil*. Cambridge, Polity. Chapters 1-4.

### ***Class 3. Natural Resources in the Conceptualization of Development: Comparing Modernization, World Systems and Dependency Theories***

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 4. Theorizing on Natural Resources from a Development Perspective: The Resource Curse, The Rentier State, and the Paradox of Plenty.***

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

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

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>

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.

## ***Extractive Industries in the Political Economy of Today's Developing World***

### ***Class 5. Selected Economic Issues of Extractivism: Enclaves and Dutch Disease***

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.

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

Andrew Rosser, "Why Did Indonesia Overcome The Resource Curse?" IDS Working Paper 222, March 2004

Class 6. *The Oil and Gas Sector: Abundance, Scarcity and Types of Conflict*

Roger Tissot (2012) *Latin America's Energy Future*. Inter-America Development Bank. Washington DC.

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

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

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

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.

Class 7. *The Mining Sector: Latin America and Africa between the State and Canada*

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.

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

### **Nations, States, Societies and Companies. Institutions, Policies and Outcomes.**

Class 8. *Neoliberal Extractivism, Populist Neo-Extractivism and Aftermath*

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.

Henry Veltmeyer; James F Petras (2014) *The new extractivism : a post-neoliberal development model or imperialism of the twenty-first century?* Introduction 1. A new model or extractive imperialism? And Conclusions: Theses on extractive imperialism and the post-neoliberal state.

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 Joelien Pretorius.

Class 9. Local Resistances and Global Networks of Support

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.

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.

Class 10. Environmentalism Questioning of Extractivism

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.

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

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

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

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)

Roiman Wacziarg, "The First Law of Petropolitics," *Economica* (2012) 79: 641-657.

Class 11. Indigenous Peoples and Extractivism

Bebbington, A. (2009) *The New Extraction: Rewriting the Political Ecology of the Andes?* NACLA Report. Pp. 12-40.

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.

Tettetba (2010) *Pitfalls and Pipelines: Indigenous Peoples and Extractive Industries in Philippines*.

Class 12. Contextualizing Extractive Industries and Possible Futures

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

Rosemary Thorp, Stefania Battistelli, Yvan Guichaoua, Jose Carlos Orihuela and Maritza Paredes (2013) *The Developmental Challenges of Mining and Oil. Lessons from Africa and Latin America.* Ch. 7 and 8.

## **Academic Accommodations**

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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](mailto: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](http://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.