

Neo-Extractivism in Latin America: A New Model of Rentierism?

Rising commodity prices brought resource-led development strategies back on the political agenda. Whereas until recently the resource curse thesis was common-sense in Development Studies, currently a new resource optimism spread among both academics and international organizations. They argue that the extraction and the export of raw materials does not necessarily lead to development failures, but can promote – under certain conditions – economic growth and social improvements. Indeed, this position is backed by recent trends of mayor developmental indicators. Throughout South America an intensification of the extraction and the export of natural resources can be empirically validated and at first sight the (neo-)extractivist's development balance sheet is quite positive: During the last decade high economic growth was combined with increasing poverty and social inequalities thanks to an expansion of (innovative) social policies. However, there is no doubt that the extractivist development model is confronted with several problems, especially regarding its ecological, economic and social sustainability.

The paper will apply insights from recent developments in rentier theory on the case of Neo-Extractivism in Latin America. It is argued that analyzing (neo-)extractivism from a rentier theory point of view, allows for new insights about the challenges and the potential of the development model, and especially about the possibilities to obtain a more diversified economy in a context of fluctuating commodity prices. On the other, certain particularities of the (neo-)extractivist development model challenges some of the basic assumptions of rentier theory and therefore may encourage further debates about an improvement of rentier theory.

Bio:

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