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ESID Working Paper No. 81

Political settlements and the governance of extractive industry: A comparative analysis of the longue durée *in Africa and Latin America*

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June 2017

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ISBN: 978-1-908749-87-1

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Abstract

This paper synthesises findings from research in Bolivia, Ghana, Peru and Zambia to address the following three questions: 1) How does the nature of political settlements affect the governance of the mining and hydrocarbon sectors and the relationships between those sectors and patterns of social inclusion and exclusion? 2) How do the circulation of ideas and the materiality of the resources in question affect this relationship? 3) What is the role of transnational ideational, institutional and political economic factors in these relationships? These questions are approached by considering the relationships between political settlements and extractive industry since the late 19th century, with special emphasis on the last three decades. The paper concludes that the nature of settlements has had important implications for the relationships between resource-dependent economies and the nature and degree of social inclusion, but far less effect on productive structure, with no political settlement having particular success in fostering economic diversification or reducing the weight of resource rents within the national economy. The paper also concludes that the very nature of the extractive economy influences the dynamics of national political settlements for the following reasons. First, the potential rents that resource extraction makes possible, and the high cost of engaging in mining or hydrocarbon industries, create incentives for particular forms of political exclusion. Second, colonial and post-colonial histories of resource extraction give political valence to ideas that have helped mobilise actors in ways that change relations of power and institutional arrangements. Third, the materiality of subsoil resources has direct implications for subnational forms of holding power that can influence resource access and control. Finally, the global nature of mineral and hydrocarbon economies, combined with the materiality of resources, bring both transnational and local political actors into the constitution of national political settlements. This makes for a particularly complex politics of scale surrounding settlements in resource-dependent economies.

Keywords: Extractive industries, political settlements, materiality, ideas, history, Bolivia, Zambia, Ghana, Peru

Acknowledgements

We are very grateful to Javier Arellano-Yanguas, Martin Abregu, Sam Hickey, David Kaimowitz, and anonymous reviewers for comments on this paper, and to Scott Odell and Clare Degenhardt for careful editing. We also thank the UK Department for International Development and the Effective States and Inclusive Development programme for supporting the research on which the paper is based.

Bebbington, A., Abdulai, A.-G., Hinfelaar, M., Humphreys Bebbington, D. and Sanborn, C. (2017) Political settlements and the governance of extractive industry: A comparative analysis of the *longue durée* in Africa and Latin America.. ESID Working Paper No. 81. Manchester, UK: The University of Manchester. Available at www.effective-states.org

The background research for this paper was funded by the Effective States and Inclusive Development Research Centre (ESID), based at The University of Manchester, UK. This document is an output from a project funded by UK Aid from the UK government for the benefit of developing countries. However, the views expressed and information contained in it are not necessarily those of, or endorsed by the UK government, which can accept no responsibility for such views or information or for any reliance placed on them.

A. Resource extraction and inclusive development: Explaining institutional change

The large-scale extraction of minerals, hydrocarbons and other natural resources[1] has long been an important component of national economies. This has been the case in colonial and post-colonial economies alike and, in many countries, the harnessing of such resources continues to feature prominently in proposals for future economic strategies, even with the global downturn in commodity prices. The economic significance of resource extraction can be easily quantified through commonly available data such as the percentage contribution of oil, gas and mining to GDP, exports, foreign direct investment and the public budget (Mosley, 2017). In contrast, the contributions of extractives to 'development', let alone 'inclusive development', are more ambiguous, as definitions of the terms differ based on the degree to which commentators emphasise factors such as poverty and income inequality, environmental justice, or human and citizenship rights. Even advocates of the argument that extractives can catalyse economic development and reduce poverty recognise that results have often been ambiguous. This recognition has inspired discussion of the factors explaining such disappointments, a series of policy recommendations regarding how to improve the contributions of resource extraction to development, and significant advocacy and social conflict surrounding the extractive economy across the globe.

Much of the discussion regarding how to manage resource extraction more effectively has hinged around institutions and governance (Humphreys et al., 2007). The sorts of institutions proposed vary greatly, often depending on the most pressing concerns of the commentator. These include: institutions and processes for Free, Prior and Informed Consent (FPIC); sovereign wealth funds to manage resource rents without distorting incentives; transparency institutions ranging from sub-national government oversight to the global Extractive Industries Transparency Initiative (EITI); and tax codes to reallocate benefits along the value chain and among stakeholders. While each of these proposals has its logic, they tend to say less about the conditions under which such institutional changes might come into being, be sustained over time, and be effective.

Of course, there is only so much that any particular act of analysis or advocacy can achieve, but it remains important to explore the conditions under which new natural resource governance arrangements might emerge. The literature on institutional change suggests that these conditions can be political, ideational and bureaucratic (Mahoney and Thelen, 2010). While much of this literature invokes exogenous drivers, there is no a priori reason why drivers might not also be endogenous to the institution and the geographical and social units that it governs (Mahoney and Thelen, 2010; Bebbington et al.,2008; Ospina et al., 2015; Berdegué et al., 2015). Regardless of whether drivers are primarily exogenous or endogenous, however, historical precursors are also likely to affect both the possibility and form of such

[1] Some of these other resources are also mined, as in the case of guano, the extraction of which was central to the Peruvian economy of the 19th century (e.g. Thorp et al., 2012).

processes of emergence (Thorp et al., 2012; Mahoney and Thelen, 2010; Bebbington, 2013).

In this context, we synthesise lessons from a research project that enquired into the drivers of institutional change in extractive industry governance over time and in different geographical contexts, and the implications of these governance arrangements for types and levels of social inclusion. Drawing from the literature on political settlements and national developmental trajectories, the project paid special attention to the political drivers of institutional change, reading them through a theoretical framework that grows out of this political settlements literature (Hickey, 2012). At the most basic level, political settlements describe the agreements reached by stakeholders in a given country that enable social order (Khan, 2010). More specifically, Khan (2010) defines a political settlement as '…a combination of power and institutions that is mutually compatible and also sustainable in terms of economic and political viability' (p. 4).

This project sought to deepen the political settlements framework by making questions of time, space and materiality more explicit and treating them as causally significant, rather than as mere dimensions of a stage on which a play unfolds. The rationale for this was twofold. First, if history matters – not just as 'what went before', but also as actors' memories and interpretations of what went before – then the concerns of the political settlements literature are better framed as problems of socio-political histories populated by actors, structures and ideas, rather than as shifts from one 'political equilibrium' or incentive structure to another (cf. Acemoglu and Robinson, 2012; Khan, 2010). Second, the overall project began with the presumption that the materiality of mineral and hydrocarbon resources matters (Bebbington, 2013; see also Bakker and Bridge, 2006). This is so both because the qualities of deposits affect their potential for commodification and profitability, and because the resources have geographically specific locations. These locations interact with other geographies and histories (of populations, territorial claims, drainage basins, land use, urban-rural and centre-periphery relations, etc.) in ways that affect incentives, ideas and interests surrounding resource extraction.

With these framings in mind, this project asked:

1. How does the nature of political settlements affect the governance of the mining and hydrocarbon sectors and relationships between those sectors and patterns of social inclusion and exclusion, and in what ways do the dynamics surrounding resource extraction influence political settlements?
2. How do the circulation of ideas and the materiality of the resources in question affect this relationship?
3. How do transnational factors (ideational, institutional and political-economic) affect these relationships?

The project pursued these questions in four countries: Bolivia, Ghana, Peru and Zambia. These countries were selected because they share certain overall similarities with respect to politics and natural resources, while manifesting specific differences that allow for pairwise comparisons. Each country has a long history of hard-rock mining, and three of them have more recent histories of hydrocarbon extraction. In each case, these histories are both colonial and post-colonial, and have meant that each of these economies has long been substantially dependent on commodity extraction (although the degree of dependence varies among the countries and also over time). In addition, each country has experienced shifts over time in the ways in which the extractive sector is governed, allowing for an analysis of how far these shifts can be explained by global trends and ideas, international commodity prices, or national political conditions. Likewise, each country has experienced similar national political changes over time, including periods when single leaders, institutions, or parties have been dominant and others characterised by greater degrees of inter-elite and democratic competition. This will allow us to address the effects of these political changes on the governance of extractive industries.

All four cases are low- to middle-income countries, though their relative status has changed over time, with Peru now being more obviously considered middle-income, and Zambia having become substantially poorer than it was during the peak of its copper mining operations. None of the countries has experienced extreme levels of autocratic rule characterised by sustained forms of kleptocratic natural resource extraction.[2] Indeed, the project excluded instances such as Angola and Equatorial Guinea on the grounds that, while levels of corruption and human rights abuses might be egregious and the link between political elites and modes of resource governance quite clear, such cases may well be more important for human rights activism than they are for drawing lessons of analytical use elsewhere. Finally, the case selection deliberately combined Latin American and African countries, based on the observation that while there are only few studies that have pursued such cross-continental comparisons, those that have done so have generated useful insights (e.g. Thorp et al., 2012).

Research followed two modalities: country studies and cross-country thematic studies. Country studies addressed the relationships among political settlements, extractive industry governance, and development over periods of approximately the last century (Abdulai, 2017; Bebbington et al., 2018; Hinfelaar and Achberger, 2017; Humphreys Bebbington and Grisi Huber, 2017; Sanborn et al., 2017).[3] Data were collected from literature reviews, as well as interviews and workshops with key informants.[4] The first thematic study addressed the relationships between political settlements and mining company corporate social responsibility (CSR) in Ghana,

[2] Of course, there have been periods of particularly nefarious rule, such as that of the Fujimori government in Peru and the governments of Banzer and Garcia-Mesa in Bolivia. Nonetheless, these still seem substantially different from the long and sustained commodity-funded machineries of centralised repressive power in countries as diverse as Kazakhstan, Myanmar, Equatorial Guinea and Angola.

[3] Precise periods varied depending on the periodisation of settlements in each country.

[4] These workshops also served as a form of early peer-reviewing of the project's emerging arguments.

Peru and Zambia (Frederiksen, 2017). The second investigated the impacts of commodity-based taxation on poverty and political settlements in Bolivia, Ghana and Zambia, with a particular focus on the income and political effects of social investment funds that are explicitly financed through the taxation of natural resource extraction (Mosley, 2017). The CSR study was based on site visits, interviews and document review, while the taxation and social investment study was based on interviews, document analysis and national statistical data secured from public sector entities.

The paper is organised as follows. In the following section (Section B) we elaborate elements of a conceptual framework for addressing the relationships between political settlements and natural resource extraction and for tackling the research questions identified above. The purpose of this framework is to guide interpretation of the subsequent sections and to summarise some of the conceptual implications of a focus on natural resources for broader political settlements frameworks. In the subsequent three sections, we address each of our research questions in reverse order. Section C considers the significance of transnational factors in extractive industry governance, Section D focuses on ideas and materiality, and Section E hones in on the relationships among political settlements, resource extraction, and inclusion, drawing also on the findings presented in sections C and D. In each of these sections, we address both the convergences and the divergences of our findings across the countries.[5] The final section summarises theoretical implications of the analysis.

B. A long-term natural resource governance lens on political settlements

Mineral and hydrocarbon resources are intensely local. Commercial quantities of these resources are located in relatively few places, and the immediate environmental and social consequences of their extraction are concentrated in their near vicinity. At the same time, at least since the Iberian pillage of Latin America, mineral resources have been part of international value chains that have become increasingly globalised and integrated over the past five centuries. Over the last century, these commodity markets have been internationalised, with prices set globally, and an increasingly wide range of transnational actors interested in securing access to the resources. In between these two scales, subsoil resources are also deeply national. Their commodification has often been one of the principal pillars (if not *the* pillar) of national economies, serving as the primary source of fiscal revenue and foreign exchange, and a driver of national investment and elite formation through the capture of rents. Subsoil resources have also often become national icons. In Nigeria, oil is part of national and subnational identities (Watts, 2004), while in Mexico, it has become almost as iconic as maize (e.g. Santiago, 2006). Histories of Andean identities cannot be told without reference to gold and silver, while urban

[5] This is in direct response to one of the peer review workshops (held in Lima) in which we were cautioned against overstating similarities across countries and advised to emphasise difference. While this might be taken as reflecting a certain culture of ‘Peruvian exceptionalism‘, the point was well taken.

Zambian 'expectations of modernity' (Ferguson, 1999) inevitably pass through copper. In the UK, the miners' strike of 1984-85 was profound not just because coal is a commodity, but more so because it was part of national and class identities.

These particular qualities of subsoil resources demand elaborations of conventional political settlements frameworks. We note six elaborations of special significance: 1) the distinction between national settlements and policy domain settlements; 2) scalar relations within political settlements; 3) the implications of natural resource rents for settlements; 4) the scale of investment required to develop mineral and hydrocarbon deposits; 5) the symbolic power of subsoil resources; and 6) the '*longue durée'* of resource extraction. The following paragraphs elaborate on each of these.

First, while some approaches (Hickey and Sen, 2016; Levy and Kelsall, 2016) distinguish between the overall national political settlement and the more specific settlements in particular policy domains (such as education, health, social protection, etc.), this distinction may be less relevant for natural resource extraction. In those instances in which mining, oil and/or gas sectors are central to the national political economy, identity formation, and the constitution of national political actors, it may be unhelpful to imply a sharp distinction between the overall political settlement and the natural resource policy domain. Instead, these two 'spaces' may be mutually constitutive. The country papers for this research show just how central mining and hydrocarbons have been to national political debates and alignments (Abdulai, 2017; Bebbington et al., 2018; Hinfelaar and Achberger, 2017; Humphreys Bebbington and Grisi Huber, 2017; Sanborn et al., 2017).

Second, the local, national and global dimensions of resource extraction also imply that discussions of the constitution of political settlements and of their implications for patterns of development must work across scales. Perhaps in contrast to discussions of settlements and the social sectors, the transnational must be at least as analytically important as the national. The transnational enters in the form of topics such as global investment capital and practices, multinational companies, regulation of global commodity markets, global price trends, international financial institutions, transnational civil society and global environmental and human rights frameworks. By the same token, the localised nature of minerals and hydrocarbons means that their extraction typically enrols sub-national actors in national and international dynamics. Because local actors have significant influence over the ability of companies and states to secure access to these natural resources, national and international elites often have to negotiate with them and at times have to enrol them into broader political settlements in order to be able to extract minerals and hydrocarbons. In this sense, the geographically specific location of resources can frequently produce new subnational elites with substantial power to influence the course of extractive industry development.

A third special feature of subsoil resources derives from their ability to produce significant rents, especially (though not only) during periods of commodity boom. The combination of 'super-rents' and the potential power of local actors to restrict access to the subsoil means that the politics surrounding resource extraction can be particularly prone to violence and corruption. In addition, the potential to capture such rents can make these resources singularly attractive to actors seeking to realise and finance a broad range of other political projects. For example, the Bolivian regime headed by the Movement to Socialism party (MAS) increased central government capture of hydrocarbon rents to finance broad-based social redistribution, while the Revolutionary Armed Forces of Colombia (FARC) financed significant parts of their operations with gold in the years prior to the recent peace accords. For their part, chiefs in Ghana sought the means to consolidate territorial and political authority through natural resource rents. The politics of extractive industry governance are thus also the politics of core financing mechanisms for the explicitly political and (sometimes) ideological strategies of elites of diverse types.

Fourth, and related to the prior point, large-scale natural resource extraction projects typically require substantial up-front investments, which then become immobile capital. The same would apply for many infrastructural projects that often accompany resource extraction, such as dams, ports, trunk roads and rail lines. Such investments require significant 'credible commitment' from government (Sen, 2012) to provide investors with the financial, legal and physical security they demand. In order to commit to investments on such a scale, companies seek sizeable tax holidays or reductions, as well as legal and contract security. Because the fixity of investments makes them more vulnerable to expropriation and the demands of localised protest and social conflict, investors also seek physical and juridical security from the state, which can translate into guarantees that public force will be used against protest and/or demands for particular legal exceptions and guarantees. In the case of hydrocarbons, the scale of necessary investment also makes this a sector dominated by large-scale capital ownership. Consequently, the sector is characterised by particular asymmetries of power, knowledge and expertise which can often only be offset (albeit partially) by social conflict. An exception to this dynamic is some cases of hard-rock mining, which may allow for artisanal and small-scale mining (ASM) production as well. We will return to this topic below.

Fifth, the symbolic significance of subsoil resources means that 'ideas' take on potentially causal power. The implication of this observation is that the nature of the political settlement has to be understood not just in terms of interests, but also of the politics of ideas (Hall, 2010; Hickey, 2012; Hickey et al., 2015). As will be discussed later, while some of these ideas can be apparently technocratic (as in ideas about CSR, or indeed in certain approaches to national policymaking, as in Peru: Sanborn et al., 2017), they can also be ideas with considerable political valence that have the capacity to mobilise resistance. For instance, 'resource populism' and 'justice' are important ideas across all four countries in ways that have affected natural resource governance and social mobilisation, as also have ideas surrounding indigenous rights of consultation in the two Andean cases. The cultural significance and historical resonance of these ideas – and the extent to which they are mobilised by actors who draw no obvious gain from them – suggests that this is clearly an instance in which ideas cannot be collapsed into interests, and that they have a causal effect in the constitution of settlements and the governance arrangements pursued under those settlements. The politics of extractive industry governance is a clear illustration of Hall's claim that 'the politics of ideas is intrinsic, rather than epiphenomenal, to the processes of coalition formation that underpin institutional change' (2010: 212).

Finally, the '*longue durée'* (Hinfelaar and Achberger, 2017) view taken in this project complicates some of the categorical frameworks used in political settlement thinking. In particular, the distinction between competitive clientelist/dominant leader-party forms of settlement loses cogency (c.f. Levy and Walton, 2013; Khan, 2010). Competitive clientelism refers to systems in which elites need to compete over supporters in order to gain or maintain power, in contrast to a dominant leader/party system, in which elites are able to wield power relatively uncontested (Levy and Walton, 2013; Levy, 2014). At the very least, our analysis makes the distinction between these two types of settlements appear descriptive, rather than explanatory, insofar as it begs the question of why more dominant or competitive modes of rule emerge in the first place. While some argue that the purpose of political settlement theory is precisely to understand how particular forms of 'settled' relationships affect development processes and outcomes, looking at politics over the '*longue durée'* demands explanation of how and why settlements change, and how far these changes are related to the dynamics of development.

In the country studies reported here, a view of the '*longue durée*' allowed the researchers to map more explicitly the rise and demise of different political actors as a means of explaining how certain periods of rule emerged. In this regard, the long-term historical approach of this research makes more use of Khan's (2010) emphasis on understanding how boundaries of horizontal and vertical exclusion are negotiated, and the implications of these boundaries for the ways in which dominant coalitions form and unravel and how resources are governed. Horizontal relationships refer to power structures between the ruling faction and excluded factions, while vertical relationships refer to power structures between elites and their base within a ruling faction (Khan, 2010). Going beyond Khan's framework, however, the project here also explores the causal processes explaining how certain actors acquire or lose holding power[6] in ways that influence their position within a dominant settlement. In particular, the materiality of the resource, transnational linkages, and certain ideas become central to these relationships of relative power, as do the patterns of accumulation and dispossession unleashed by prior political settlements.

Taking a longer-term view also helps guard against associating settlements with regimes. Put another way, settlements for the most part last much longer than governments, just as periods of instability that stretch across several consecutive governments illustrate the existence of extended periods during which there is no clear settlement. In the Peruvian case study, for instance, just three periods of

[6] Khan's notion of 'holding power' refers to the power of actors to hold their position and push back on the ability of other actors to impose their interests.

settlement or instability are identified between 1895 and 2016. These periods are associated, chronologically, with periods of: oligarchic rule and foreign capital domination; statism and accelerated social change; and neoliberalism characterised by both competitive authoritarianism and multiparty democracy (Sanborn et al., 2017). These longer-term readings of settlements make clear that certain elite pacts associated with key organising ideas (e.g. foreign capital dominance; neoliberalism; curtailment of citizenship rights) endure well beyond specific governments. In the language of the Zambia study, while things may appear to change from government to government, this should not divert attention from the persistence of 'meta-settlements' that are much more stable over time and involve similar elites and similar foundational ideas (Hinfelaar and Achberger, 2017).

C. Transnational factors in the politics of natural resource extraction

While we recognise the importance of heeding one reviewer's caution against seeing too much convergence across the cases, there is no doubt that a series of transnational processes and shared global histories link resource extraction in the four countries analysed in this study. Some of these global histories are more general, some more specific, but each of them cautions against prioritising the country level in the analysis of political settlements. Key elements of these transnational couplings hinge around: colonialism and post-colonialism; global commodity prices and domestic political and economic dynamics; state capitalism and neoliberalism; corporate strategy and new investors; and resource populism/resource nationalism.[7]

Colonialism and post-colonialism

While there are obvious differences among the four countries as regards the specific global colonial powers associated with resource extraction and the periods in which those powers exercised direct rule, the association of mining with both colonial rule and truncated post-colonial transitions remains an important element of the contemporary politics of resource governance. In all four countries, resource extraction is still associated with the exercise of colonial power, and some actors relate the inability to become fully 'post-colonial' to the ways in which subsoil resources continue to be governed. This narrative circulates in popular and journalistic[8] texts (Galeano, 1971), academic analysis (Ferguson, 2006), and UN reports (Mbeki Panel, 2015). As a consequence, discussions around extractive industry are simultaneously discussions around sovereignty and dependence, meaning that moves to de-regulate and re-regulate resource extraction are interpreted through such languages, as well as in technical terms. Thus, at the annual World Economic Forum meeting in Davos in 2014, President John Mahama of Ghana invoked the sense of continuing dependency when lamenting that:

[7] Resource nationalism, which is both an idea and a transnational phenomenon, is discussed in the following section on ideas.

[8] This term is not used in a pejorative sense, but rather to refer to the style and wider circulation and recognition of the text.

> "[The mining companies] threatened to lay off workers if we implemented the windfall tax and because we needed the jobs and you don't want workers laid off you are coerced to go along. So these are major issues we have … They will not allow us to implement a windfall tax in our country" (Abdulai, 2017).

Such histories of truncated transitions to the post-colony continue to influence ideas about resource governance, perhaps especially in Zambia and Bolivia. Furthermore, and here Peru would be an example, national elite control of mineral resources is often associated at a sub-national level as a continuing form of 'internal colonialism', itself a colonial legacy.

Global commodity prices and domestic political and economic dynamics

Global commodity markets bind these cases together in important ways. Most importantly, all countries are price takers in these markets. While at one level this dependence on global prices is the case everywhere, the implications are more significant when internal markets are limited and economies poorly diversified. The effect is that the policy space open to national élites varies with these prices. Thus, the options that all four countries have had to address poverty over the last 15 years have been a direct function of the commodity boom, and in particular of significant increases in gold, copper, gas, oil and silver prices. By the same token, each country is now having to reappraise poverty reduction financing in light of the end of the commodity super-cycle.

Global commodity markets have also been implicated in the constitution and unravelling of national political actors in each country, as well as in their relative levels of holding power and vertical and horizontal inclusion in dominant settlements. This is particularly clear for the cases of organised labour and small-scale miners. In Zambia and Bolivia, in particular, unionised mine workers became a critical part of the political landscape up to the 1980s, their emergence as political actors having been made possible by the combination of nationalised industry and reasonable prices for copper and tin. Their emergence as powerful forces meant that they were very much included within their respective national settlements and able to channel significant benefits in the form of social services and wages towards mining areas. This in turn led to geographically and sectorially concentrated impacts on poverty and inclusion. Hinfelaar and Achberger (2017: 27) comment that during these periods of union strength in Zambia, '[t]he Copperbelt, in many ways, resembled a mini-developmental state…'. These actors, however, unravelled quickly (as did the associated mechanisms of inclusion) when prices collapsed, labour was dismissed, and industry was privatised.

Conversely, as commodity prices began to rise again during the 2000s, a new set of political actors emerged related to ASM. This phenomenon is especially dramatic in Ghana and Bolivia, though it is also significant in Peru. In each case, ASM has become a far more important source of employment than large-scale mining (see Cano, 2015, for Peru, and Hilson and Garforth, 2013, for Ghana, for instance). In addition, ASM organisations and networks have become vehicles for political inclusion expressed through street protest (Bolivia), electoral success (Peru), lobbying (all three countries), and direct representation in debates on national mining policy (Bolivia). The important point here is that while national factors have helped trigger the initial emergence of ASM through conscious policy (as in 1980s Bolivia and 1970s Peru) and the stagnation of small-scale farming, it is only because of transnational processes of price formation that these sectors have emerged as significant modes of economic inclusion in the mineral economy and also (above all in Bolivia) as nationally important political actors able to exercise direct influence on legislation.

State capitalism and neoliberalism

Another shared experience in all four countries has been the transition between state-owned and privatised industry. The extent of this oscillation varies among countries, though it has been clearest in the case of hydrocarbons governance in Bolivia, which has been nationalised three times over the last century. The oscillation between different forms of ownership is partly explained by changes in national settlements, and also influenced subsequent settlements because of the effects of nationalisation and privatisation on the relative power of different actors. However, there is also a shared transnational dimension to what has happened in each of the countries. Indeed, many of these changes reflected global shifts in prices, changes in global thinking regarding the merits of state-led investment, the inabilities of state companies to access leading technology and information (thus reducing their competitiveness), and the influence of international financial institutions, especially the World Bank. It is clearly no coincidence that from the mid-1980s to the early 1990s, each of the four countries moved from state-owned industry to one dominated by the private sector – above all in mining. Thus, Bolivia's state-owned mining company, COMIBOL, was to all intents and purposes wound down in 1986, Ghana's State Gold Mining Corporation in the mid-1980s, Zambia's Consolidated Copper Mines (ZCCM) in 1995, and Peru's various state-owned mining assets in the first half of the 1990s. Since these periods, the mining sector in each country has been dominated by private investment,[9] almost entirely international in character.[10] This private investment has been explicitly encouraged by broadly neoliberal policies promoted by international financial institutions and many domestic elites.

The relative coincidence in 'global time' of these transitions attests to the importance of globally circulating ideas regarding state-led management of the economy, such as those emanating from the United Nation's influential Economic Commission for Latin America and the Caribbean (ECLAC) in the mid-20th century (Finnemore,

[9] After 2006, Bolivia diverges from this pattern somewhat. That said, though the MAS government has re-launched COMIBOL as part of its resource populist endeavours (see below), investment in large-scale mining is still dominated by international companies. Note that investment in small-scale mining, which responds to very different economic and social dynamics, and is less formalised, is dominated by the domestic licit and illicit private sector.
[10] Peru being a partial exception in that, while dominated by international investors, there is also a national mining capitalist class invested mostly in medium-scale mines.

1997) and, later, state withdrawal from the economy based on ideas emanating from Chicago School economists and subsequently distributed globally via iconic cases in the 1970s and 80s, such as Chile, New Zealand and the UK (Stone, 2004; Maxwell and Stone, 2004). However, the nature of the national polity is also important. Thus, in each country, resource nationalism has only been institutionalised (in the form of state ownership or elevated taxation) under dominant party/dominant leader settlements. This suggests (as Soifer, 2015, argues for 19th century Latin America) that state-centric, developmentalist ideas tend to take root when there are high levels of elite cohesion and that elites looks to the state as the instrument for implementing their vision of development. Conversely, under conditions of competing elites, there is a preference for a weaker state, lest it be captured by one or another elite group (Soifer, 2015; vom Hau and Hickey, 2016).

Corporate strategy and new investors

As the mineral and hydrocarbon sectors of each country have become dominated by transnational capital investment, they are also affected by global dynamics within that corporate community. Thus, investment and portfolio decisions by corporations in any given country are not independent of the decisions they make in other countries. In addition, even though companies clearly adapt elements of their practices and demands to a particular country, the disciplining effect of global commodity and capital markets on the one hand, and the club effects of corporate information sharing and self-organising – for instance, in the form of the International Council of Mining and Metals (ICMM) – means that ideas and practices circulate transnationally. The rise of CSR is a case in point. Though the ways in which CSR rolls out in each country are affected by levels of conflict, fiscal policy and forms of government decentralisation, core sets of practices travel transnationally, affecting localised forms of patrimonialism and elite capture, as well as local development (Frederiksen, 2017).

A second pattern across all four countries has been the changing composition of investment in extractive industry. Chinese capital has become increasingly important – especially in the mining sector in Peru and Zambia, but also in hydrocarbons in Bolivia (see also Gallagher, 2016; Sanborn and Torres, 2009. While not all Chinese companies have similar practices, the implications for development may be significant and, at the very least, their generalised presence does mean the insertion of the Chinese embassy, Chinese foreign policy and new corporate actors into discussions of extractive industry policy in ways that challenge national elites (corporate, public and civic) who have a relative lack of experience in negotiating with Chinese capital. Commenting on the mining sector in Peru, Sanborn and Chonn (2015) note that Chinese state-owned enterprises came to hold more than a third of the projected investment portfolio by 2015, and, in the authors' view, appeared less willing than their western and Peruvian counterparts to engage in local power struggles.

As in the case of resource nationalism, the increased presence of new forms of capital in each country is also affected by the nature of domestic elites as they seek sources of investment that establish less political conditionalities. However, unlike in the case of resource nationalism, the engagement with Chinese and other sources of capital seems more common across competitive clientelist and dominant leader/dominant party settlements.

D. Materiality and ideas in the governance of extractives

Materiality

Mineral and hydrocarbon resources have discontiguous geographies: their presence across national space is patchy and, importantly, unknown until deposits are discovered. The geographies of these resources also overlap with geographies of political authority, populations, land and territorial claims and other natural resources. In each of the countries studied, relatively longstanding, historically stable geographies of resource extraction have been disrupted in recent decades in ways that influence the politics of extractive industry governance. In Zambia, the notion that mining is primarily a feature of the 'Copperbelt' has now been upset as copper mining moves into the Solwezi region of North-western Province. In Ghana, the association of resource extraction with Ashanti and Western regions has now been overturned by the spread of mineral concessions into other areas (Cuba et al., 2014), as well as offshore oil. In Bolivia, the notion that the eastern lowland department of Santa Cruz was the centre of the hydrocarbon economy was rapidly upended by the post-1990s discoveries of remarkable gas reserves in Tarija (Humphreys Bebbington, 2010). And in Peru, the opening of new mining frontiers in the north of the country has challenged the traditional association of hard-rock mining with the Central Andes and Southern Coast.

These new frontiers are not just geographical phenomena driven by a mix of global changes (increased prices and demand) and national policy incentives (Bridge, 2004) – they also produce political change. Thus, the expansion of mining into northern Peru has created political actors with considerable power. These actors include both the owners of new and extremely profitable mines, as well as the regional political and civic actors contesting the forms taken by this mining.[11] In other instances, this expanding frontier has led ASM miners to gain political influence. This has tended to occur where minerals are more easily accessible (as in the case of alluvial gold in Madre de Dios, Peru, near surface gold in parts of Ghana, or abandoned subsurface mines in highland Bolivia). The growth of the gas economy in Tarija and the capture of revenue from it helped produce regional political elites with the capacity to make themselves essential ideological allies of national elites with whom they converged, or powerful opponents of other elites with whom they disagreed. Gas also provided new sources of political leverage for traditionally marginalised Guaraní communities under whose land the newly found gas reserves lay.

[11] Notably two of these actors were important figures in the 2016 national presidential and congressional elections.

While the expansion of copper into Zambia's North-western Province has not yet created regionally based political actors with the capacity to break into the national settlement, it may well do so in the future, and it has at least increased the leverage of local chiefs who have influence over land, and thus access to the subsoil. The expansion of both mining and oil into non-traditional regions of Ghana has brought into being subnational political actors (chiefs and otherwise) with capacity to engage the central government directly (Abdulai, 2017; Asante, 2016). At the same time as they strengthen new actors, these processes weaken the relative power of subnational actors in traditional areas of extraction – as, for instance, political authorities and labour in the Zambian Copperbelt. This intersection of the materiality of subsoil resources with frontier expansion due to global demand and prices thus becomes part of an explanation of how actors once excluded from national settlements gain holding power that in some cases enables them to influence national debates on resource governance. By the same token, these processes also help explain how factions that were at one time vertically included in the political settlement – perhaps especially organised labour in areas of traditional production – slowly lose leverage within the dominant coalition.

Furthermore, these processes and shifts in the balance of power are part of an explanation for the emergence of (and then struggles over) new rules governing the distribution and spending of resource rents. Across all four countries, though perhaps in ways that are more pronounced in Peru and Bolivia, the expansion of the extractive frontier into areas without a tradition of mining or hydrocarbon production has been characterised by conflict and resistance. This has generated a broad literature that suggests that such conflict has sometimes reflected efforts to protect or claim rights (to territory, water, self-governance, etc.) and at other times has been used as a tool to gain access to employment, rents, subcontracts and other benefits or compensations (Arellano-Yanguas, 2011; Bebbington, 2012). To some extent, regardless of these different drivers of resistance (some of which are interest-based, others of which are idea-based), a common response across all four countries has been for national elites to share resource rents with subnational and local authorities in the hope that this will dissipate conflict, buy off resistance, and create conditions allowing access to subsoil resources.

One such mechanism in each of the countries has been the use of CSR as a way of co-opting local elites (Frederiksen, 2017). In three of the countries (Peru, Bolivia and Ghana), a second, and financially much more important, mechanism has been to institute systems for the transfer of taxes and royalties to the regions in which resource extraction occurs. The most generous of these transfers has been the Peruvian one, which returns 50 percent of all taxes on mining companies to authorities in the regions of extraction. The least generous is that in Ghana, which sends just 10 percent of royalties back to a mix of district assemblies, traditional authorities, and stools.[12] Bolivia stands in between, with more substantial transfers of

[12] Stools are a form of local authority in Ghana. Note also that a tenth of this 10 percent can be retained by the Office of Administration of Stool Lands for administrative costs.

hydrocarbon taxes back to gas- and oil-producing areas, and much smaller transfers of mining taxes to mining regions. Peru appears to have been particularly generous because of the level of local conflict surrounding resource extraction. Government and corporate elites believed – incorrectly, as it turned out – that transferring resources to these regions would reduce conflict (Arellano-Yanguas, 2011). In both Peru and Bolivia, when central authorities have subsequently sought to reduce such transfers, they have been largely unable to do so because of the level of local resistance. Such resistance, driven by actors who became accustomed to the receipt of these transfers, reflects a further sense in which the geography of resource extraction creates subnational constituencies with holding power.

Ideas: resource nationalism, the nation and technopols

Preceding sections have already drawn attention to the ways in which ideas related to resource extraction influence the constitution of national political settlements and governance arrangements. Ideas surrounding territory, rights, environmental impactsand ethnic-racial identity have been important in the emergence of subnational actors that contest resource extraction and the distribution of rents generated from minerals and hydrocarbons. While the cases suggest many ways in which ideas are important, here we focus specifically on the influence of ideas of resource populism, national unity and the nation, and technically grounded economic management.

Resource nationalism is the notion that natural resources should be managed above all for the needs of 'the nation', and therefore should be controlled by the nation state for 'the people'. This idea is closely related to historical experiences of colonialism, dependent development, and the capture of resource rents by foreign capital. It also has a constitutional basis in many countries, insofar as national constitutions define the state as the owner of subsoil mineral resources. This observation is important because the global industry typically talks of resource nationalism in negative terms, as an unauthorised exercise of state power that puts a break on market functioning. This framing ignores the constitutional obligation of many states to administer their countries' subsoil resource wealth, as well as the resonance that this idea has with broad parts of national populations.

Such national-populist renderings of resource nationalism have been important in all four countries. They have emerged at different historical moments and have (as noted earlier) typically been associated with dominant party/dominant leader settlements. In Zambia, such ideas informed the nationalisations effected by the United Independence Party of Kenneth Kaunda, the first president after independence, during the late 1960s and early 1970s. They were also present in the approach to natural resource governance of Kwame Nkrumah, the first president and prime minister of Ghana following independence in 1957. In Peru, they were especially strong during the period of the nationalist Revolutionary Government of the Armed Forces (GRFA) from 1969 to 1974. In Bolivia, they were at the core of the agenda of the post-1952 government of the Revolutionary Nationalist Movement

(MNR) and then again, more recently, since the 2006 election of the indigenist-socialist government of Evo Morales' MAS.

In each of these cases, ideas of resource nationalism grounded in organised labour in the mining and oil sectors, party intellectuals, and other factions provided ideological support for notions of state ownership of extractive industry. While in more recent periods, such ideas have been most forcefully mobilised in Bolivia, they have also been apparent in mineral taxation debates in the three other countries, in each instance informing (usually short-lived) efforts to introduce tax increases during periods of commodity boom.[13] Interestingly, there seems to be some indication that the Bolivian example has served as a point of reference for some African countries pursuing such options. One prominent example has also been the concept that anti-poverty policy instruments could be directly funded by taxes on mineral and hydrocarbon sectors (Mosley, 2017). What is important here is to recognise that these sets of ideas only come into being because of the long-standing couplings of resource extraction and colonial and post-colonial exploitation. How history is remembered and interpreted thus matters. The ideological significance of natural resources in these histories creates ideational space for ideas of resource nationalism.

Ideas of the nation, national unity and sovereignty influence the governance of extractive industries in additional ways. To the extent that the localised nature of resource extraction can elicit subnational movements demanding either greater autonomy in the governance of natural resources, or greater claims over the revenue streams made possible by royalties and the taxation of extractive industry, there is always a sense in which the political dynamics surrounding extraction can challenge national integration (see Ross, 2008). Indeed, while transferring revenue to mineral- and hydrocarbon-producing regions, Ghanaian and Bolivian central authorities have also mobilised ideas of national unity (Ghana) and national equity/harmony (Bolivia) as rationales for increasing central control over resource rents, with a view to spending them in line with national policies and in a way that does not concentrate fiscal transfers in the regions in which extraction occurs. In Ghana, there has been a recurring commitment to distribute rents without regard for regions of extraction. Even resources from the Mineral Development Fund, which are theoretically meant to mitigate the environmental and social costs in the communities where mining occurs, are distributed to benefit non-mining communities in the name of 'unity'. In Bolivia, the MAS government has deployed ideas of the nation as a justification for changes to fiscal policy that seek to reduce the proportion of rents going to departments in the eastern lowlands that have been critical of the MAS government. Though these moves have also been part of conscious efforts to reduce the power of subnational factions, they have been crafted in terms of 'the nation' and 'the people'.
Peru offers further insight into the importance of ideas, albeit with a different twist in which the idea of technocracy as legitimate government has been important in influencing the governance of extractives and development. The relative stability of

[13] In Ghana in 2009; Peru in 2011; and Zambia in 2008.

macroeconomic policy, and the suite of incentives to encourage extractive industry investment across the country, even in the face of relatively unstable governments and sustained social conflict over resource extraction, is taken by some scholars to reflect the relative power of technocrats within key ministries in defining national policy (Dargent, 2015; Sanborn et al., 2017). These technocrats have, over the last 20 years, been committed to ideas that place value on free markets, are suspicious of planning, and deeply doubt the capacity of the state to be an efficient and effective economic actor. The argument here is that in a 'context of "fractured politics" (Crabtree, 2011), technocrats have remained fundamental to operating the central state in Peru, and this has contributed to a higher degree of stability and responsibility in macroeconomic policymaking than in past eras' (Sanborn et al., 2017). Of course, this is also possible because of a certain alignment between the thinking of technocrats and that of national business élites, but it also appears that the very *idea* of being technical rather than political is mobilised in ways that protect space for such so-called 'techno-pols'.

E. Political settlements, extractive industry and inclusive development

Terry Karl once commented that 'the "resource curse" is primarily a political and not an economic phenomenon' and that institutional distortions that militate against resource extraction fostering a combination of economic diversification and more inclusive development 'cannot be undone without a huge coordinated effort by all stakeholders involved' (Karl, 2007: 256, 258). Indeed, the notion that politics is the primary driver of how mining, oil and gas sectors are governed is taken as a given by many working on the topic. The centrality of politics is also made painfully and acutely clear by the remarkable work done by activists and NGOs on the topic, and it would be impossible to look at Global Witness's work, or to interpret the March 2016 murder of Honduran activist, Berta Cáceres,[14] without concluding that the primary problem surrounding resource extraction hinges around relationships of power and how it is exercised. The question, however, is how to talk about such power in a formal, analytical way.

Political settlements frameworks focus attention on relationships of *vertical* power between elites and bases within a dominant coalition, and *horizontal* power between elites of a dominant coalition and excluded factions who are not party to the benefits bestowed by the coalition (Khan, 2010). Levy and Walton (2013; Levy, 2014) complement this framework by arguing that how elites within a dominant coalition manage these relationships and approach development depends on whether the broader political system is characterised by competition among leaders and parties or the dominance of a particular leader or party. Political competition would lead elites to recruit clients into the coalition as a means of holding on to power (a form of political settlement they refer to as 'competitive clientelism'), and would tend therefore to operate with shorter-term time horizons oriented towards recruitment of clients ahead of electoral cycles. Conversely, dominant leaders and parties are able to worry less about client recruitment and to use resources for longer-term political

[14] See: Global Witness (2016).

projects based on particular ideas of development or personal gain, a form of settlement referred to as a dominant leader/dominant party settlement. Such forms of dominant party/leader settlement can range from the authoritarian modernisation project of a developmental state through to a personalised kleptocratic project, and can involve leadership that is autocratic or elected but dominant.

How far do these frameworks help explain how extractive industries have been governed across our cases? In turn, how far does the prominence of extractive industries in these economies help explain these vertical and horizontal relationships and the extent to which political arrangements are characterised by competition or authoritarianism? Several themes emerge in the case studies. The first two themes relate to the relationships between the nature of the broader political systems, extractive industry governance, and modes of inclusion. The second two topics have to do with the relationships between horizontal and vertical distribution of power among elites, excluded factions and 'lower-level groups', and institutional change. The final issue relates to the particular insights to be gained from a long-term view of these relationships.

Competitive clientelism, economic transformation, and modes of inclusion

It is often argued that competitive clientelist systems tend to be associated with only weak commitment to investment of resources in structural transformation of the economy because leaders' primary concern is to use resources to recruit electoral support in order to remain in power. Indeed, this claim is at the core of arguments for the developmental state, where the notion is that the combination of authoritarian rule with bureaucratic competence can allow states to introduce coordinated programmes of economic and institutional modernisation without having to dilute reforms to accommodate the electoral and political claims made by those who lose out in such processes (Evans, 1995; O'Donnell, 1973; 1988; Golooba-Mutebi, 2013).

At one read, the case for the limited developmental efficacy of competitive clientelism seems to be borne out by the four country cases. The argument is made most forcefully by Abdulai (2017) in his discussion of mining governance in Ghana, where he argues that a competitive clientelist system has created incentives for the political party in power to use rents from extractives primarily as a means of cultivating clients with a view to securing allegiance ahead of the next electoral campaign. He argues:

> "It is this form of political calculus that shapes the manner in which mining resources are distributed, and how this in turn shapes the impact of mining on national and local development. Notably, allocation of rents to traditional authorities and chiefs does not seem to be driven by socio-economic development concerns, but is more of a co-optation strategy driven by: (1) the logic of maintaining social orders due to the significant leverage of traditional authorities over mineral-rich lands; and (2) the desire of ruling elites to win and maintain political power through the political support of chiefs who wield substantial leverage over rural voters. Traditional authorities therefore tend to

> receive a significant share of mineral rents mainly because ruling political elites want to avoid provoking resistance from a group in society that brokers land and votes in the rural areas."

Humphreys Bebbington and Grisi Huber (2017) make a similar argument for the case of Bolivia, though they put the emphasis less on using resource rents to cultivate clients and more on building political alliances:

> "…the incentive has consistently been to control revenue streams from resources in order to spend on managing political alliances rather than to invest in economic and social development."

Similar arguments can be made regarding rent distribution in Peru through the *canon minero*,[15] which is the transfer of 50 percent of all taxes paid by mining companies back to the regions in which mining occurs. Though initially intended in part to diffuse protest in mining areas, studies have suggested that the *canon minero* has in fact aggravated conflict (Sanborn et al., 2017; Arellano-Yanguas, 2011; Ponce and McClintock, 2014) and locked the central government into sustaining these transfers even when their development effectiveness has been disappointing (because any effort to reduce the *canon* is prone to elicit local protest).

However, a closer look at the extractives sector suggests that while competitive clientelist systems might underinvest in state-directed approaches to economic diversification and transformation, they *have* nonetheless been associated with transformational policy in the extractives sector, indeed economy wide. In all four countries, the introduction of thoroughgoing neoliberal reforms to break up state extractive industry enterprises and encourage foreign direct investment has occurred during competitive-clientelist regimes. This is particularly clear for the periods from the latter 1980s to mid-1990s in Bolivia, Ghana and Zambia.[16]

Across the cases, periods of competitive clientelist rule have not succeeded in using resource rents to foster any substantial diversification of the economy. In Peru, the commitment of 50 percent of state-controlled resource rents to the *canon minero* (coupled with their use in financing national social programmes and the return of all royalties to the producing regions) has the knock-on effect of reducing resource availability for investment in economic diversification and structural transformation of the economy, even when ministers have identified this to be a critical need (Ghezzi and Gallardo, 2013). In the Andean region, the argument is made that governments systematically underinvest in research and development relative to what they spend

[15] The use of CSR as a means of distributing rents from companies to local authorities in the hope of securing support for mining operations might be understood this way also (Frederiksen, 2017).

[16] A partial exception being Peru, where the authoritarian Fujimori regime introduced many such reforms. However, early neoliberalising reforms *were* introduced under the preceding competitive regimes, and were then consolidated in subsequent competitive-clientelist regimes.

on transfers, and this lack of spending on innovation holds back economic change. The Ghana paper argues that the emphasis on channelling rents to clients has meant they are not available for investment in alternative forms of economic development and the creation of a more broadly based national capitalist class. However, it is also possible that the combination of Dutch disease effects, global competition and free trade agreements that hinder preferential treatment of domestic industry together made such diversification unlikely, with or without targeted investment.

One consequence of this is that under these regimes, large-scale extractive industry has fostered social inclusion at least as much through contributing taxes and royalties that have then been spent on targeted social protection and other transfer programmes as through the labour market. This pattern may vary across the countries, with the more significant successes in poverty reduction in Peru and Bolivia arguably reflecting the combination of transfer programmes and the trickle-down effect of overall benefits of rapid economic growth fuelled by the mining and hydrocarbon sectors (Mosley, 2017; Sanborn et al., 2017). It remains an open question as to how durable such poverty reduction will be once commodity prices (and thus tax and royalty payments) begin to fall and the fiscal base of social protection programmes becomes subject to growing pressure.

Finally, the fact that both Peru and Bolivia have had significant success in poverty reduction over the last decade presents a challenge to arguments about the relations between political settlements and inclusive development. While both contexts are characterised by a broadly competitive clientelist political logic, Bolivia's MAS government has been in power for a decade and is beginning to display some of the features more characteristic of dominant party contexts. It also espouses an ideological commitment to socialism. Peru looks very different. The same period has seen regular turnover of governing parties, with swings from the right to centre-right and a more or less sustained ideological commitment to the market as the most effective allocator of resources and investments. Not only do these two quite distinct cases share similar patterns of inclusion as measured by poverty reduction, they also share certain features of inclusion as regards patterns of consultation over resource extraction, with evidence in each country of significant limits on community-level voice regarding the viability, design and governance of mining and hydrocarbons (Humphreys Bebbington and Grisi Huber, 2017; Sanborn et al., 2017; Humphreys Bebbington and Bebbington, 2012). The implication is that the relations between inclusive development and natural resource extraction can be similar under differently structured settlements. This may suggest equifinality, in which the workings of different types of political settlements end up achieving similar outcomes by different means, or it may suggest different settlements following ultimately similar strategies (the promotion of rapid growth of extractive investment, coupled with concerted efforts to redistribute the benefits of this growth).

Dominance and modes of inclusion

Over the *longue durée* considered in the four country studies, there have been several periods of more or less authoritarian and personalised dominant leader/dominant party rule. The most obvious of these are the military government of Peru from 1968 to 1980 and the period of Kenneth Kaunda's dominant leader, and from 1973, one-party rule in Zambia from 1964 to 1991. Arguably, Evo Morales' MAS government in Bolivia is also attempting to build an increasingly dominant leader/party mode of rule. These periods were associated with state ownership of the extractive industries (the MAS government has re-floated/re-strengthened state mining and oil companies)[17] and a unionised workforce, with benefits channelled primarily to unions and to human settlements around mine sites.

The Kaunda and Peruvian military regimes did seek state-led modes of economic transformation, but ultimately with little success – neither in economic diversification nor in sustained poverty reduction. Efforts to foster inclusion through employment or unions (but not political participation) also unravelled. Thus, while a case could be made that these authoritarian/dominant party systems did encourage development policy that looked beyond the short-term need to recruit clients for electoral success (MAS being an exception, as it is still subject to electoral disciplining), they were not successful in converting these visions into sustainable forms of social inclusion. This is so both because of limited governing and technical capacity and (in Zambia's case) because of falling commodity prices. So while the Levy and Walton (2013) framework might go some way in explaining how and why certain ideas about development and inclusion emerged under these authoritarian systems, it remains the case that these ideas failed on their own terms.

Horizontal and vertical power relations and piecemeal institutional reform

In each of the four countries, a significant part of the post-1995 expansion of large-scale extractive industry has occurred in non-traditional areas for mining and hydrocarbons. In most instances, these have also been areas occupied by resource-poor and politically excluded populations. Examples include: the ethnically diverse communities of North-Western Province in Zambia long-excluded from the Copper-Belt-Lusaka axis of power; the sparsely populated dry Chaco of Bolivia occupied by resource-poor municipalities and historically excluded Guaraní and Weenhayek peoples (who have even been marginal within the broader indigenous movement); chronically poor peasant and indigenous communities of the Peruvian Andes; and resource-poor communities in Ghana. In Khan's terms, expansion has largely occurred in areas occupied by lower-level factions, some of them ostensibly within the dominant coalition (as would be the case of the Guaraní and Weenhayek during the MAS government in Bolivia), others not – but in all cases, these have been groups in positions of relative marginalisation from centres of power.

However, as noted earlier, this selfsame expansion has increased the potential political leverage of these excluded groups insofar as they can complicate company access to the subsoil. This leverage has increased further as transnational and national urban actors concerned with rights, environmental impacts and justice have reached out to these factions. Often the response of elites within the dominant

[17] In Peru, one US mining company survived nationalisation.

coalition has been to try and co-opt these newly empowered actors, and this has sometimes been successful. However, at the same time, the mobilisation (or threat of mobilisation) on the part of these factions has also induced a series of institutional reforms. This has perhaps been most evident in Peru, where, in the face of conflict, governments have introduced new laws and regulations on environmental impact, prior consultation, revenue sharing and local land-use planning, among others. These regulations have, however, been introduced in response to horizontal pressures, rather than because of fundamental changes in development thinking among elites and within the dominant coalition. As a result, these reforms have also been introduced in a piecemeal fashion, and are fragile and subject to reversal (as has indeed happened – see Sanborn et al., 2017). This use of institutional change in response to specific claims and perceived urgencies has tended to produce governance arrangements that lack strategic coherence.

ASM as a constraining form of horizontal power

In Bolivia, Ghana and Peru, and to a lesser extent in Zambia, the last three decades have been associated with the continuing and substantial growth of an artisanal, small- and medium-scale mining sector. This sector, which is composed largely of poor un- or under-employed parts of the rural and urban population, has emerged from factions long excluded from the formal economy, as in the case of communities affected by the expansion of the extractive frontier, noted above. There are, however, two significant exceptions to this trend. First, the sector also incorporates relatively significant owners of capital. These are the entrepreneurs who provide the larger-scale machinery, organise work gangs, control marketing and, in some instances, participate in laundering illegally sourced investment capital. Second, in the specific case of Bolivia, a number of these miners – in particular the more powerful ones – previously worked in the miners' union of the pre-1985 period. When union workers were laid off as part of structural adjustment programmes, some were given mining licences as compensation. These rights have become part of the basis for the growing informal sector. Importantly, they are also a key asset with which these miners have been able to negotiate with larger-scale companies interested in mining the areas to which the formerly laid-off miners now hold mineral rights.

For these different reasons, the ASM sector has emerged as a particularly powerful faction. Its influence resides in the fact that not only does it control access to the subsoil often sought by expanding large-scale mining operations, but in Ghana, Peru and Bolivia, this sector is responsible for a substantial percentage of all gold leaving the country. In addition, the low-tech, labour-intensive nature of ASM means that the sector generates many more jobs than does large-scale mining. This combination of factors has meant that these sectors have had the potential to influence dominant coalitions in more significant ways than do dispersed communities, municipalities, environmentalists and others with their more specific claims. In Bolivia, the mobilising power of the co-operatives has meant that they were able to exercise significant influence over new mining legislation in 2014. In Peru and Bolivia, there is evidence to suggest that the sector (or at least important actors within the sector) have been able to use their resources to influence the election of subnational and national representatives. In Ghana, artisanal and small-scale miners (known mostly as *galamsey*) produce around one-third of Ghanaian gold exports and the ASM sector provides livelihoods to over 1 million people. This sheer scale, coupled with the sector's links to local chiefs and business elites, gives it power. Abdulai (2017) comments that '[s]upporting small-scale mining is one simple way for politicians to appear sympathetic to the rural, unemployed youth and the families they financially support', noting also that:

> "[i]n a country where … presidential elections are sometimes won by less than 50,000 votes, it is easy to understand the political relevance of *galamsey* operators to ruling political elites and in shaping the political settlement around mining sector governance more broadly."

Cautionary insights from the *longue durée*

While the two thematic studies on CSR and fiscal policy were focused on more recent periods of extractive industry governance, the country case studies considered far longer histories, going back to the late 19th or early 20th centuries. This longer view is sobering because – notwithstanding all the specific regulatory changes referred to in the different papers, the institutional innovations around CSR and fiscal policy, and the many shifts to and fro in dominant political coalitions – the impression is that underlying productive structures have changed less. At the beginning of the periods under analysis, these four economies were dependent on resource extraction (at least for FDI, fiscal revenue and export earnings), and by 2015 they were still dependent on resource extraction, albeit in some cases of different natural resources. Notwithstanding the emergence of more complex urban service and informal economies over time, or of a moderately diversified export agriculture and agro-industry, these four countries have not moved far beyond economies that are dependent on the primary sector. They have seen no real success in developing and diversifying a secondary sector, and continue to have public budgets that are dependent on the rise and fall of commodity prices. Put another way, they have not been terribly successful in developing relatively stable, durable and diverse channels of inclusion through either the labour market or public expenditure.

This presents a slightly perplexing dilemma, because while underlying structural problems in these economies seem to have been relatively stable, the case studies all suggest that 'relative "settlement" in political relationships may be more the exception than the norm' (Humphreys Bebbington and Grisi Huber, 2017). Or, as Sanborn et al. (2017) comment for the case of Peru,

> '…the last thing that comes to mind is a stable order or settlement'; instead '"[p]endulum", "labyrinth" and "kaleidoscope" are among the terms used by scholars to characterize Peru's volatile political and social dynamics'.

Even when these two case study teams take a step back and decide that beyond the noise of political volatility, a handful of more settled periods *can* be discerned over the last century of Peruvian and Bolivian politics, this still leaves the analytical dilemma that the case studies present a picture of shifting political settlements but a productive structure still characterised by constraints deriving from commodity dependence.

Hinfelaar and Achberger (2017) resolve this dilemma by suggesting that the underlying sense of *plus ça change, plus c'est la même chose* can be interpreted in terms of a 'meta-settlement' persisting over the last century of Zambian politics:

> "Using the vocabulary of political settlements theory, we argue that Zambia mostly resembles a meta-settlement, which is founded on a long lineage of the power of foreign influence in shaping economic and social policies."

The authors specifically argue that two key trends have persisted in Zambia across different settlements: authoritarianism and a narrow (vulnerable) elite. The first is manifest in a '…concentration of power in the hands of the executive branch and a weakening of institutions of accountability, including parliament and the judiciary'. This authoritarianism persists even after the emergence of multi-party elections. With regard to the second, Zambian leadership has tended to pass between relatively few hands, even if this change of power occurs often, as in recent years.

Though the specific nature of these persistent dynamics differs across cases, the existence of enduring trends is significant. It raises the question, if certain (generally negative) features have been so resilient to change, why is this so? The cases suggest that part of an answer to this question may have to do with natural resource dependence itself. First, through creating the reality, or the prospect, of significant rents, the very imaginary of subsoil wealth creates incentives that encourage political and economic elites to focus on capturing these rents, rather than seeking economic and political innovations that might create new value.

Second, by producing highly uneven geographies of accumulation and dispossession, and creating incentives to particular regions to increase their capture of rents, the natural resource economy creates serious obstacles to the building of broad-based coalitions that share a national development imaginary. Natural resource-dependent economies may tend to foster political splintering more than alliance. Moreover, one trend that *is* similar across all four cases – the influence of international capital – points to the largely global nature of the commodity chains in which natural resources are embedded and, perhaps, to incentives among elites to cater to foreign powers that can lend legitimacy to their regimes. This recognition of a 'meta-settlement' by Hinfelaar and Achberger (2017), however, emerges from an effort to tie together the five distinct political settlements that they identify in their paper. These settlements represent a number of shifts in political power and the nature of governance of natural resources from the colonial era to the present.

It is important to note here that the emergence of powerful actors, along with changes in foundational ideas, have changed the nature of political settlements in each of the four countries of this study in ways that have enhanced inclusion: colonial subjects have become citizens with rights and voting power in all four countries; access to rule has become less determined by race or family; and degrees of competition among economic elites have increased. In general, competitive clientelist settlements have been associated with a sustained widening of citizenship rights more than dominant party/dominant leader settlements. Competitive clientelist settlements, while certainly not free of corruption, have been characterised by a relative absence of systematic, kleptocratic capture of resource rents. So the nature of settlements has had important implications for the relationships between resource-dependent economies and the nature and degree of social inclusion. Where the nature of settlements appears to have had less effect has been in the successful fostering of economic diversification and reduction of the weight of resource rents within the national economy.

F. Conclusions

In each of the four case study countries, while the relationships between natural resource extraction and inclusive development have shifted over time, and in ways related to the overall nature of the political settlement, other dimensions of the extractive economy have shown considerably more resistance to change. There have been periods in which extractive industry has been associated with poverty reduction (typically when commodity prices are rising), and other periods during which levels of poverty have changed little or even deteriorated (typically when commodity prices fall). There have been times when extractive industry has generated jobs and/or resources for social investment on a scale that suggested the possibility of national modernisation (the ‘golden’ years on the Zambian Copperbelt or the last decade-and-a-half in Peru), and other times when the industry has been associated with stagnation. But underlying these swings (and perhaps explaining them), has been the constant of economic structures heavily reliant on the extraction and export of minerals and hydrocarbons, and thus also dependent on global commodity markets, foreign capital and the financial calculations and practices of transnational corporations.

Taking several steps back from the details of the long histories recounted in the four country studies, three sorts of dynamics appear to account for these relationships between extractive industries and inclusive development. The first dynamic relates to a model of accumulation that depends on the extraction and valorisation of natural resources. The nature of the resources extracted has been most constant in Zambia (copper), more variable in Bolivia and Ghana (moving from minerals to minerals and hydrocarbons), and most variable and diverse in Peru (moving from minerals and guano, to minerals, hydrocarbons and water used for export agriculture and hard-rock mining). Notwithstanding these shifts among types of resources, the broad logic has remained relatively constant: the extraction of natural resources to generate rents for public policy and private accumulation, with relatively limited diversification of the economy.

Limited economic diversification has also meant relatively limited diversification of national elites – or, perhaps more accurately, emerging elites have also tended to have close ties to the natural resource economy. These new elites range from those linked to the agrarian and hydrocarbon economies of the eastern lowlands of Bolivia; ASM mining leaders in Peru, Bolivia and Ghana; newly empowered traditional authorities in Ghanaian and Zambian regions in which resource extraction has expanded; and finance, construction and other elites whose possibilities of accumulation depend on accumulation in the resource sector.

The economic base of national elites appears to have been narrowest in Zambia, and broadest in Peru. This helps explain the argument that Zambia has been characterised by a relatively stable meta-settlement over the long history of copper production in the country. The narrow base of post-colonial elites in both Zambia and Ghana also, arguably, facilitated the emergence of dominant and one-party leaders in the early phases of the post-colony. Conversely, in Peru and Bolivia, where the elite base has been somewhat wider, settlements have seemed less stable over time – with the control of power shifting between different regional and national elites. Notwithstanding this competition among elites, political settlements have not always been competitive clientelist in character. At times of acute instability among elites, militaries have intervened to govern. Likewise, the emergence and consolidation of MAS as a new, social movement-based party in Bolivia has been possible because of the failure of established elites to sustain their 'pacted' democracy.

At this second level of analysis, while there is clearly a relationship among resource extraction, the structure of elites and the nature of political settlements, these settlements have not been mere reflections of the structure of the economy. Indeed, political settlements have shifted, reflecting changes in the balance of power, the emergence of new elites (including contestatory elites such as the MAS leadership and dominant military elites as in Velasco's Peru) and the increased legitimacy of certain ideas (such as state ownership of the natural resource sector). These changes have, in turn, had material implications for the governance of resource extraction and the use and distribution of rents. Periods of dominant leader/dominant party settlements have been more likely to lead to nationalisation of the mining and hydrocarbon sectors and the rise of ideas of resource nationalism. In turn, periods of more competitive and clientelist politics have tended to lead to private control of the sector and more deliberate efforts to use rents for poverty reduction initiatives. The mobilisation of actors (both emerging elites and subaltern groups) with holding power has also been more frequent under competitive clientelist settlements, and these actors have in turn often had success in eliciting policy and institutional changes attending to their particular interests – whether because of attempts to coopt these actors into the dominant settlement or because the actors have simply become too powerful to ignore.

In addition to changing structures of political power, the quality of national bureaucracy and technocracy has also affected resource governance. For reasons not easily explained in terms of the political settlement, certain centres of bureaucratic and professional competence have emerged within the state and have become sufficiently strong and legitimate to be able to influence how extractives are governed. Such technocracies have become embodiments of certain sets of ideas regarding how resources should be managed and, in part because of the international legitimacy of these ideas, have often been supported by transnational actors. This has been clearest in Peru, with the steady strengthening of, on the one hand, a relatively autonomous economic technocracy in the Ministry of Economy and Finance, and on the other hand, a strong, rights-oriented legal technocracy in the Human Rights Ombudsman's office and the National Office for Dialogue and Sustainability, among others. [18] These bodies have played important, often contrasting, roles in determining how resource governance institutions are designed to manage the trade-offs between the promotion of investment and the protection of citizenship rights.

Finally, in each country it is also clear that the relationships between resource extraction and inclusive development vary across space in ways that are determined by the materiality of the resource in question. Areas in which resources are located are more subject to the negative externalities of resource extraction, as well as to the changes in economic and political incentives that derive from the transfer of resource rents back to these areas – whether through fiscal or CSR measures. The politics of these areas have typically become more conflictive, more complex and more fragmented – and, in some instances, these regions have become progressively less governable. Conversely, the poverty reduction deriving from mineral extraction has been more obviously concentrated in urban areas, where trickle-down effects from growth, as well as social protection interventions, are more concentrated.

While the nature of political settlements has had less impact on the overall structure of resource dependence in each country, it has had far more effect on how that resource dependence has been managed, who has and has not been included in the benefits of resource-dependent growth, and the instruments used to foster inclusion in these benefits. In this sense, the political settlements approach, with its emphasis on vertical and horizontal relationships of power and the different incentives emanating from dominant and competitive-clientelist arrangements, is useful for understanding the emergence of different forms of resource governance in differing political contexts. At the same time, a focus on extractive industry sheds light on how particular settlements are themselves constituted and on the factors that can drive change in these settlements.

The following factors prove to be of particular importance. First, the ways in which commodity chains expose settlements to specific types of market volatility have implications for the rents available to elites as they seek to reproduce those

[18] Though this office has, since late 2016, become rapidly more fragile.

settlements. Second, the historically significant ideas that are associated with resource extraction (ideas of dependence, the nation state, colonialism, etc.) can periodically be mobilised by elites and excluded groups alike in ways that have direct impacts on the relative stability of the settlement. Third, the materiality of resources – both their geographical location and the impacts that their extraction will have on pre-existing forms of livelihood and social organisation – can help drive the constitution of new political actors with the power to modify the political settlement. Finally, the fact that dependence on extractive economies renders the national political settlement especially subject to the influence of both transnational actors *and* subnational actors, means that an analysis of political settlements has to be especially attentive to the complex politics of scale in which elites must engage in order to consolidate and sustain a settlement. The aggregate implication of these observations is that an attentiveness to history, geography and scale should be at the core of a theory of political settlements, and that it is unhelpful to limit political settlements analysis to the somewhat typological exercise of fitting countries into two-by-two matrices characterising political relationships.

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