

Beyond ‘new developmentalism’: the viability of sustainable industrialisation in the face of climate crisis and financialization in resource exporting developing economies

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With the end of the so-called “super-commodity” cycle and economic contraction in many resource-exporting countries, much discussion has emerged around the possibility of “green” or sustainable industrialisation. After an initial upsurge in commodity prices and expansive fiscal policy post global crisis, some praised this new developmentalist path (Ban 2013; Grugel and Ruggirozzi 2012). While commodity prices, demand and terms of trade were favourable, there was significant interest in the notion that commodity producing developing countries would break the resource curse (Erten and Ocampo 2013; Hertog 2010; Singh 2014). Growth rates have since collapsed, demand conditions worsened and austerity policies have kicked into full force in many resource-based economies (UNCTAD 2017).

Recent studies about the resource-based development re-emphasise claims about the political and institutional underpinnings of resource curses in economies with newfound, as well as those with longer history of natural resource wealth¹ (Auty 2017; Frankel 2012; Ross 2015 among many others). New developmentalist treatments are of the view, highlighting certain ‘good governance’ requirements and with important caveats that resource-based economies can use their natural endowments in potentially developmental ways (Arvanitis and Weigert 2017; Barclay 2015; Mohan, Asante, and Abdulai 2017; Nem Singh 2012; Ovadia and Wolf 2017). Through local content policies, state owned enterprises, and ‘enlightened’ nationalism and redistribution through social protection schemes to achieve more ‘inclusive’ forms of development, according to this analysis, resource-based economies are poised to achieve what they had not in the past 30 years² (Bebbington et al. 2017; Childs and Hearn 2017; Hickey et al. 2015; Ovadia 2016).

These analyses seem to suggest that the quest of industrialisation is possible (UNCTAD 2019a) despite the changing global division of labour and concerns about climate change and environmental degradation. Equally left to another side in these debates are the continued damaging effects of financial integration (Alves and Toporowski 2019), and how to moderate the effects of the climate crisis sensibly while achieving goals of sustainable economic transformation.

Increased climate activism, and with it calls for decarbonisation, given the effects of the climate crisis also throw up questions about how can resource dependent emerging countries

¹ See Special Issue ‘The Resource curse: what have we learned from two decades of research’, in *Journal of Development Studies*, 2016, 53 (2).

² See the Effective States and Inclusive Development programme at Manchester University: <http://www.effective-states.org/growth-and-accumulation/>

can achieve more sustainable and equitable development (Wanner 2015; Hickel 2020). New emerging narratives as a result suggest peak demand thresholds in the medium-term as a result (Van de Graaf 2017; Van de Graaf and Verbruggen 2015). Policy scholars and activists have suggested that fossil fuel and hydrocarbon reserves may have to remain stranded which would have widespread and welfare-reducing effects for major resource exporters (Pollin 2019; Klein 2019). Ongoing Green New Deal policy discussions have so far ignored the specific welfare effects and concerns of a transition from fossil fuels, especially for societies whose export profiles and economic output are composed of at least forty per cent of these commodities and thus commodity dependent, and whose current and near medium term living standards rely on continued exploitation of these resources (UNCTAD 2019b; Gallagher and Kozul-Wright 2019). These critical insights have reignited long-held concerns among policy makers and academics about the continued effects of resource dependence and the search (or rather need) for policy alternatives (Saad-Filho and Weeks 2013; Ahumada 2019).

This Special Issue is concerned with these intersecting trends, concerns and possibilities for fossil-fuel exporting countries. First, we need to better understanding the ongoing shifts in the global political economy regarding the extensive and intensive role of speculative finance and resulting debt accumulation and the growing concerns about decarbonisation and the climate crisis. Over the past 30 years, the prominent role of international financial institutions and credit rating institutions have also contributed to the changing fortunes of resource exporters, growing importance of new financial traders and reprimarization of their economies. On account of this decoupling of future global demand for fossil fuels and needs to implement rapid decarbonisation, structuralist critiques of the global economy represent an important point of departure to better understand the configuration of interests and economic structure of developing economies and what may lie ahead for developing countries (Prebisch 1950; Myrdal 1957).

In a complementary manner, the Special Issue section will consider the continuities and changes from previous boom and bust periods that created immense uncertainty for policy makers and populations in resource exporting states in their wake. During the boom, these episodes brought about employment-driven growth and social transformation resulting in broad-based prosperity for new intermediate classes and groups, and higher productivity growth in new technology intensive activities. Since the widespread application and reinforcement of market-conforming policies over recent history, resource-driven growth has been decoupled from broad transformation in many resource-producing countries (Jepson 2020). After the more recent boom ended in 2013, the current economic contraction and ensuing political and economic crisis call for a re-calibration of policy thinking and analysis about the resource-based development more generally, and notions of new developmentalism relative to new uncertainties and contingencies within the global political economy.

This Special Issue will specifically focus on political economy, global capitalism, development studies, (critical) political ecology pathways and re-invigorating structuralism and structuralist analyses as a perspective to consider the changing dynamics of an emerging

division of labour based on “green” industrialisation and *de-accumulation*. First, it considers the continued role of commodities in the industrialisation of economies with dynamic and uncertain political and economic forces at the global and national levels. Second, it considers the effects of evolving market and corporate structures impinging upon state institutions and fractured coalitions. Finally, it draws historical lessons linked to emerging literature and analytical work, new data, policy-oriented and empirical contributions that put the experiences of commodity-dependent countries since the commodity boom into perspective.

This Special Issue will bring together a number of contributions which will help clarify and expand the analytical terrain of these debates from the perspective of new actors, relational dynamics and visions of social transformation under demand constraints posed by climate change and contradictions of financialisation. It seeks to consider the following questions:

1. What are the analytical and empirical contours and critical considerations for understanding the relationship between commodity-based export development, finance and climate change?
2. How have international financial institutions contributed to the present development dilemma in fossil fuel exporters?
3. How are institutional arrangements in fossil fuel-based economies evolving or regulatory systems shifting to manage new demand thresholds required from the potential fallout of climate crisis and securitized debt within the contemporary global political economy?
4. What opportunities and challenges face fossil fuel-based economies to redirect finance in general, and natural resource rents in particular towards broad social transformation?
5. What new class and political configurations are emerging in the new international division of labour based on “green” industrialisation?
6. What new analytical insights and policy levers are useful to excavate pathways for industrial policy for fossil-fuel economies to meet the demands of ecologically sustainable and equitable social transformation?

Contributions are therefore invited from scholars and practitioners working on these issues in academic and other research organisations that put forward case studies or comparative analyses, new databases and empirical evidence from regions in the Middle East, Latin America and the Caribbean and Sub-Saharan Africa.

Timeline for Special Issue section

Submission of Abstracts March 30, 2020

(Kindly submit 500 word Abstract indicating main research concern/question or puzzle, empirical and/or theoretical contribution, geographical interest, and new data/evidence/empirical and methodological approach to be employed)

Decision on Abstract/ Acceptance April 15, 2020

Submission of Full Papers June 30, 2020

(Maximum 8000 words including Abstract, double-spaced and Times New Roman or Arial font)

Peer-review and Publication of Accepted Papers **early 2021**

(This is dependent on journal procedures and length of time of peer review of the journal but this should be completed within **6 months**. Acceptance in journal is dependent on editorial decision and journal processes, and not prerogative of the Guest editors who **only** offer advice for publication to journal editors).

Please submit to Dr Keston Perry (Guest Editor) at Keston.Perry@uwe.ac.uk. Any queries, please also direct to this address.

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