

Worksheet 17: Political outcomes

Bolivia – managing the impact of globalisation

Study Figure 17.1 and the references to Bolivia on pages 200–202 and 224 in *Geography for the IB Diploma: Global Interactions*.

With the nationalisation of Bolivia's natural gas and petroleum resources President Evo Morales, the country's first indigenous president, is dramatically reshaping his country's destiny. On 1 May he proclaimed a 'historic day has arrived. Now the gas and oil that flows from our land will no longer belong to foreigners.' This came just after his return from Havana, where he signed what was called the people's trade agreement with Fidel Castro and Venezuela's Hugo Chávez.

Morales and his political party, MAS, the Movement for Socialism, took power in January with a clear popular mandate. Social uprisings starting in 2000 demanded that the state nationalise the country's natural gas and petroleum so the lucrative profits of these industries could be used to help lift South America's poorest country out of poverty. Three presidents resigned or were forced out of office by these popular protests.

With the government's expropriation decree, 15 corporations have been nationalised. These had foreign capital from a wide variety of nations, including the US, Spain, Britain, Brazil, France and the Netherlands. Seizing control of these enterprises goes hand in hand with Bolivia's audacious steps in the trade arena. MAS and Morales view neoliberalism, US agreements and corporate-driven globalisation as major obstacles to the country's development.

Figure 17.1 Morales is taking Bolivia out of the shadow of the USA.

(Source: 'Morales is taking Bolivia out of the shadow of the USA' by Roger Burback, from the *Guardian*, 8 May 2006, copyright Guardian News & Media Ltd, 2006)

- 1 What do you understand by the terms:
 - a nationalisation
 - b indigenous?

- 2 a Why did the Bolivian government decide to nationalise its oil and gas industry?
 - b Name the countries that had companies in Bolivia which were directly affected by the process of nationalisation.



- c** Name two other countries that have undertaken the process of 'resource nationalisation'.
 - d** What reasons did these countries give for resource nationalisation?
- 3**
 - a** Use the Internet to conduct some research to find out more about the 'people's trade agreement' with Cuba and Venezuela.
 - b** Why have the USA and a number of Latin American countries expressed concern about this trade agreement?
- 4** Why is it difficult for individual countries, particularly poor nations, to manage the impact of globalisation?