

Literature Review

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Major Trends in the Historiography of the Latin American Oil Industry

The historiography of Latin America's oil industry has evolved since the period between the 1960s and the 1980s, when most scholars were focusing on the rise of nationalism in reaction to the multinationals' control of the oil sector. Beginning in the 1990s, the emergence of new methodologies enabled historians to study other aspects of the industry, such as its environmental and cultural impact, local elites' role in its development, the industry's impact on the long-term development of Latin American countries, and the organizational evolution of state-owned oil companies. However, the literature continues to be dominated by studies of Mexico, while the subject of oil consumption is largely ignored.

Few other commodities produced in Latin America lead to the strong feelings of economic nationalism that arise in response to the subject of oil. Since the early twentieth century, the political debate has been dominated, on the one hand, by critics of the foreign multinationals' dominance over this nonrenewable resource and, on the other, by adherents of the view that the resource-rich countries' lack of capital and know-how requires the multinationals' investment and participation. These opposing viewpoints have been reflected in Latin American governments' oil policies, which have fluctuated between open-door arrangements with foreign multinationals to nationalization, or expropriation, of foreign-owned assets. In this article, I examine the recent evolution, trends, and perspectives of Latin American oil historiography. No historiographical essay on the oil industry has been published since 1989, despite the major changes that have occurred after that year.¹

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¹George Grayson, "Oil and Latin American Politics," *Latin American Research Review* 24 (1989): 200–10.

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Historically, most of the political tensions took place over oil production, which has been mostly controlled by foreign multinationals, often with the support of their home governments (mainly the United States and Great Britain). In several countries, the foreign-owned oil fields or refineries were also fertile ground for the emergence of militant labor unionism. The conflicting sides led many historians of the sector working before 1990 to focus on aspects of international politics and labor relations. Since there were few primary sources, early historians based their studies on diplomatic records. Most assumed a world divided between inhabitants of the center, who exploited the available resources, and those subsisting at the periphery, who derived little benefit from their countries' natural wealth. Thus, it was not surprising that many historians wrote nationalist interpretations of the oil sector's evolution, or that the oil historiography reflected views similar to those expressed in the economic histories of Latin America published during those years.²

After the 1990s, the availability of more corporate primary sources and the adoption of novel methodological approaches enabled historians to analyze a range of topics: the evolution of state-owned oil firms and the internal organization of private firms; the role of Latin American capitalists in developing the industry; the environmental and cultural impact of the oil industry; and the ways in which oil has determined domestic policies. Nor did this new scholarship neglect the politics of international oil.

The emphasis on issues of production has caused historians to overlook oil consumption, a topic that began to be studied only after 2000. Scholarly production varies considerably between countries, largely benefiting Mexico and, to a lesser degree, Venezuela. Finally, with the exception of the excellent *Oil and Politics in Latin America* by George Philip (1982), no one has written a continent-wide comparative study of the history of the oil industry.³

The global scale of its evolution has strongly affected the industry's development in Latin America. Some Latin American countries (Mexico and Venezuela, for example) have changed the rules of the game at different moments. In the early twentieth century, most countries opened their doors to multinational corporations. The global shortage of oil between 1917 and 1922, and the resulting rivalry between the United

²This evolution is explained in María Inés Barbero, "Business History in Latin America: A Historiographical Perspective," *Business History Review* 82 (Autumn 2008): 555–75; María Inés Barbero and Carlos Dávila, "Introduction: A View from Latin America," *Entreprises et Histoire* 54 (2009): 6–15.

³George Philip, *Oil and Politics in Latin America: Nationalist Movements and State Companies* (New York, 1982).

States and Great Britain over oil resources in the Americas, enabled the producing countries to become aware of their own importance. In response, they wrote new legislation that increased state control over oil resources, which inevitably led to clashes between the Latin American governments and the foreign firms along with their home governments. Mexico's 1917 constitution declared the country's subsoil to be national property; Colombia reformed its subsoil laws in 1919; and Argentina created the world's first vertically integrated, state-owned oil company in 1922 (Yacimientos Petrolíferos Fiscales, or YPF). The rise of populism and labor unionism in Latin America in the 1930s, and worldwide acceptance of the idea that the state could play a larger role in the economy, prompted many governments to take aggressive action, such as, for example, in Bolivia in 1937, where the properties of Standard Oil Company of New Jersey (hereafter Jersey Standard) were nationalized; in Venezuela, after 1935, where the tax laws were modified in order to increase payments by the companies, royalties were imposed, and the companies were required to hire domestic labor; and, in Mexico, which in a dramatic, and unprecedented, move, expropriated foreign oil assets and subsequently created a state-owned monopoly (Petróleos Mexicanos, or Pemex) in 1938. In 1953, despite its lack of domestic oil resources, Brazil created Petrobras. In 1960, Venezuela launched the Organization of Petroleum Exporting Countries (OPEC), thereby changing the world's balance of power, particularly after 1973. In 1976, when oil prices were high, Venezuela nationalized the industry and created the state company *Petróleos de Venezuela* (PDVSA).

During the 1980s and 1990s, when international oil prices were relatively low and new Latin American paradigms indicated a smaller role for the state in the economy, some governments reduced their participation in the oil industry and encouraged the entry of foreign firms. Venezuela's PDVSA, for example, opened some operations to private and foreign investors, and Argentina's iconic YPF was first gradually privatized and then eventually acquired by Spain's Repsol in 1999.

After 2000, the political and business landscape of the Latin American oil sector underwent further dramatic change. A new generation of left-wing politicians, such as Hugo Chávez in Venezuela, Rafael Correa in Ecuador, Evo Morales in Bolivia, and Néstor Kirchner in Argentina, confronted foreign oil firms and imposed terms requiring more government participation. Criticisms were directed against multinationals not only by organized labor or left-wing politicians, but also by foreign and local human-rights and environmental nongovernment organizations. Finally, Latin America was no longer merely a destination for foreign oil multinationals; it also became the home of some of the largest oil multinationals. By 2008, Venezuela's PDVSA was the world's

fifth-largest oil company, Mexico's Pemex occupied eleventh place, and Brazil's Petrobras became the fifteenth largest.⁴

In this essay, I survey scholarly books and articles published in English, Spanish, and Portuguese up to 2010. I have organized the analysis country by country, looking at both oil-producing and nonproducing countries, and I have also added a section on comparative studies.

Argentina

Historians of the Argentine oil industry have focused on the politics surrounding YPF, which competed in the domestic market with Jersey Standard and Royal Dutch Shell (hereafter, Shell). Several pre-1990 studies are still required reading, such as the work of Marcos Kaplan, who swam against the tide of patriotic discourse that extolled the rise of YPF. Kaplan employed a Marxist argument to point out that the Argentine government's oil policies from 1910 to 1956 had undermined YPF and reinforced Argentina's semicolonial status in the world's global economy.⁵ Drawing from diplomatic sources, Carlos Mayo, Osvaldo Andino, and Fernando García Molina found that Jersey Standard benefited enormously from U.S. diplomacy before the 1930s.⁶ Finally, Carl Solberg's study of YPF revealed that the firm's emerging prominence was part of the rise of a new type of economic nationalism that intensified after World War I, when Argentines began to question their *laissez-faire* economic model and shifted to a protectionist model that relied on stronger state intervention.⁷ This new national project clashed with the

⁴ *Energy Intelligence Top 100* (www.energyintel.com). Accessed 30 Apr. 2010.

⁵ Marcos Kaplan, *Estudios sobre política y derecho del petróleo argentino (1907–1955)* (Mexico City, 1992). This book collects Kaplan's scholarly pieces originally written in the late 1950s. Using another body of sources, Juan Carlos Vedoya also argues that government policies benefited the foreign multinationals more than YPF. See Carlos Vedoya, "El Pacto Roca-Runciman y el Petróleo," in *El Petróleo Nacional: Colección Todo es Historia*, vol. 6, ed. Félix Luna (Buenos Aires, 1976), 93–150. An often-quoted celebratory and patriotic work was written by YPF's most important manager, Enrique Mosconi, *Obras del General Enrique Mosconi* (Buenos Aires, 1984).

⁶ Carlos Mayo, Osvaldo Andino, and Fernando García Molina, *La diplomacia del petróleo, 1916–1930* (Buenos Aires, 1976).

⁷ Carl E. Solberg, *Oil and Nationalism in Argentina* (Stanford, 1979); Carl Solberg, "YPF: The Formative Years of Latin America's Pioneer State Oil Company, 1922–1939," in *Latin American Oil Companies and the Politics of Energy*, ed. John D. Wirth (Lincoln, Neb., 1985), 51–102. Solberg also analyzed Mosconi as an entrepreneur who led a state-owned company. See Carl Solberg, "Entrepreneurship in Public Enterprise: General Enrique Mosconi and the Argentine Petroleum Industry," *Business History Review* 56 (Autumn 1982): 380–99. Mario Rapoport also studies how Argentina's quest for independence from the foreign multinationals led the government to approach the Soviet Union. See Mario Rapoport, "Argentina and the Soviet Union: History of Political and Commercial Relations (1917–1955)," *Hispanic American Historical Review* 66 (May 1986): 239–85.

interests of the oil-producing provinces, whose governments wanted to remain autonomous from Buenos Aires by continuing to manage their own oil wealth and to attract foreign investors. Scholars have turned to Argentine provincial archives and newspapers in order to study the tension between the two levels of government.⁸

A major shortcoming of studies published before 2000 was that their authors did not have access to the YPF archives. Thus, Nicolás Gadano's *Historia del Petróleo en la Argentina*, published in 2006, became the breakthrough contribution to the historiography, matching in importance the leading studies by Solberg, Kaplan, and Mayo, Andino, and García Molina.⁹ As the first researcher to make use of the YPF archives, Gadano argues that the Argentine government's nationalist goals, YPF's lack of capacity to supply the Argentine market with domestic oil, and the company's role as the government's cash cow hindered efficient management of the firm. YPF's success in competing against Shell and Jersey Standard, Gadano claims, was the result of favorable government policies.¹⁰ In 2007, renowned poet and literary critic Horacio Salas was commissioned to write a history of the first hundred years of the country's oil industry (1907–2007). His overview featured biographical vignettes and political background.¹¹ José San Martín assembled statistics on the evolution of the industry during the twentieth century, and Mariano Ramírez studied the evolution of Argentina's oil legislation.¹²

After the 1990s, more scholars began to examine the social and cultural impact of the Argentine oil industry. Daniel Cabral Marques and Edda Lia Crespo analyze how the industry, exploited by YPF, created social hierarchies and shaped social norms in the communities of the

⁸Laura Ruiz Jiménez, "Prensa, partidos y Standard Oil: Cuestionamientos sobre los debates del petróleo y su papel en las elecciones de 1928," *Cuadernos de Historia Regional* 17/18 (1995): 185–209; Orietta Favaro, Martha Morinelli, and María Ragno, *La intervención del estado en la industria petrolera: El conflicto Salta-Estado Nacional, 1918–1935* (Buenos Aires, 1989); Nicholas Biddle, "Oil and Democracy in Argentina, 1916–1930," PhD diss., Duke University, 1991; Philip, *Oil and Politics*, 162–81.

⁹Nicolás Gadano, *Historia del petróleo en la Argentina, 1907–1955: Desde los inicios hasta la caída de Perón* (Buenos Aires, 2006). For an analysis of the long-term changing relations between the Argentine state and YPF, see, Orietta Favaro, "Estado y empresas públicas: El caso de YPF, 1922–1955," *Estudios Sociales* 9 (1999): 57–75.

¹⁰The hundredth anniversary of oil discovery in Argentina in 2007 brought the publication of several celebratory works on Mosconi, including Gisela Aguirre et al., *Grandes protagonistas de la historia argentina: Enrique Mosconi* (Buenos Aires, 2001); Sandra Pien, *Un argentino llamado Mosconi: Un siglo de petróleo en la Argentina y la historia del hombre que lo convirtió en un instrumento para el desarrollo de la Nación* (Buenos Aires, 1999); Jorge Alonso and José Luis Speróni, *Mosconi: Petróleo para los argentinos* (Buenos Aires, 2007).

¹¹Horacio Salas, *Centenario del petróleo argentino, 1907–2007* (Buenos Aires, 2007).

¹²José San Martín, *El petróleo y la petroquímica en la Argentina (1914–1983)* (Buenos Aires, 2006); Mariano Ramírez, *Petróleo: Política, legislación, doctrina* (Mendoza, 2003).

Patagonian oil region.¹³ Eleana Shever shows YPF's cultural impact on different segments of Argentine society, including oilfield workers and the urban middle class.¹⁴ Susana Torres compares labor relations in a YPF company town with the situation of workers in a town controlled by the Argentine private company, Astra. She finds that both companies exploited the ethnic tensions between European and Argentine workers to control their labor forces.¹⁵ Gabriel Carrizo describes the impact of the Argentine government's militarization of Comodoro Rivadavia, in 1945, on the oil workers' ideology.¹⁶

YPF's archives have been closed to the public since the publication of Gadano's book and, at the time of this writing, it does not appear that the situation will change. However, unlike other Latin American nations, Argentina issues a number of great serial publications dating back to the early twentieth century, such as the *Boletín de Informaciones Petrolíferas*, *Review of the River Plate*, and *Revista de Economía Argentina*, among others, as well as the rich *Diarios de Sesiones de la Cámara de Diputados*.

Bolivia

In 1937, Jersey Standard faced, in Bolivia, the first example of a nationalized industry in Latin America. However, little has been written about this occurrence since the publication, in the 1960s, of the classic works of Herbert Klein, who analyzed the expropriation in the context of the consolidation of Bolivia's political system. In the 1980s, Philip covered the event in the sections on Bolivia in his book *Oil and Politics*, noted above.¹⁷ The lack of coverage over a period of so many years

¹³Daniel A. Cabral Marques and Edda Lia Crespo, "Entre petróleo y el carbón: Empresas estatales, trabajadores e identidades sociolaborales en la Patagonia austral, 1907–1976," in *Hecho en Patagonia: La historia en perspectiva regional*, ed. Susana Bandieri, Graciela Blanco, and Gladys Varela (Neuquén, Argentina, 2006), 301–47.

¹⁴Eleana Shever, "Powerful Motors: Kinship, Citizenship and the Transformation of the Argentine Oil Industry," PhD diss., University of California, Berkeley, 2008.

¹⁵Susana Torres, "Two Oil Company Towns in Patagonia: European Immigrants, Class, and Ethnicity, 1907–1933," PhD diss., Rutgers University, 1996.

¹⁶Gabriel Carrizo, "Trabajo, petróleo y ruptura populista: Los trabajadores del petróleo en la gobernación militar de Comodoro Rivadavia," *Estudios Digital* 2 (2009). <http://www.revistaestudios.unc.edu.ar/articulos02/articulos/carrizo.php>, accessed 28 May 2010.

¹⁷Herbert Klein, "American Oil Companies in Latin America: The Bolivian Experience," *Inter-American Economic Affairs* 18 (Autumn 1964): 47–72; Herbert Klein, "The Crisis of Legitimacy and the Origins of Social Revolution: The Bolivian Experience," *Journal of Inter-American Studies* 10 (1968): 102–16; Herbert Klein, *Parties and Political Change in Bolivia, 1880–1952* (Cambridge, U.K., 1969); Philip, *Oil and Politics*, 193–98, 452–68. Some official histories have also been published by Bolivia's state-owned company Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), including Jaime Augusto Rivera, *Historia del movimiento sindical petrolero boliviano* (La Paz, 1988); Hugo Castrillo, *Reseña histórica del petróleo en Bolivia* (La Paz, 1986). Other than presenting a general picture of the industry, these works do not contribute much to the historiography.

makes the study by Jayne Spencer invaluable. In her PhD dissertation, published in 1996, Spencer looks at the relations between Jersey Standard and the Bolivian government.¹⁸ Because of Spencer's premature death, her study was never turned into a book. Nevertheless, in her dissertation, she counters the accepted view that the country's war with Paraguay, which lasted from 1932 to 1935, was the catalyst for the expropriation, claiming instead that the Bolivian state had planned to nationalize its own oil before the war had even broken out. Spencer shows that, following expropriation, the Bolivian government not only managed the new state-owned company, YPF, in a pragmatic and depoliticized fashion but also avoided a confrontation with the United States over the issue.¹⁹ Some of the primary sources on foreign oil multinationals in Bolivia that Klein, Philip, and Spencer used in their research are available in major libraries and research universities.

Brazil

During most of the twentieth century, Brazil was a major consumer but a minor producer of oil. However, the promise of oil discovery prompted many foreign and private investors to launch explorations and galvanized the government into developing a nationalist agenda. In 1953, the Brazilian government created the state firm Petrobras as a monopoly over the first stages of the value chain (exploration, production, refining, and bulk transportation). The classic accounts by Peter Smith and John Wirth show that the two sides in the debate over oil policy represented opposing economic ideologies: liberals (consisting of Brazil's business elite, who wanted the oil to be developed by the private sector); and nationalists (represented by members of the military who advocated a state-owned monopoly). The latter side eventually triumphed.²⁰ This vertically integrated firm, Smith argues, became

¹⁸ Jayne Spencer, "Oil, Politics, and Economic Nationalism in Bolivia, 1899–1942: The Case of the Standard Oil Company of Bolivia," PhD diss., Los Angeles, 1996.

¹⁹ Other studies with general overviews of the history of Bolivian oil, supported by valuable statistical information, are: Augusto Vargas, *YPFB: Entre nacionalistas y liberales* (La Paz, 1996); Carlos Royuela, *Cien años de hidrocarburos en Bolivia, 1896–1996* (La Paz, 1996). For a study on indigenous community mobilization in Bolivia against the destruction of the environment by the oil companies in the 1990s, see Derrick Hindery, "Multinational Oil Corporations in a Neoliberal Era: Enron, Shell, and the Political Ecology of Conflict over the Cuiaba Pipeline in Bolivia's Chiquitania," PhD diss., University of California, Los Angeles, 2003.

²⁰ John Wirth, *The Politics of Brazilian Development* (Stanford, 1970), 133–216; John Wirth, "Setting the Brazilian Agenda, 1936–1953," in Wirth, *Latin American Oil Companies*, 103–44; Peter S. Smith, *Oil and Politics in Modern Brazil* (Toronto, 1976); Peter Smith, "Petrobras: The Politicizing of a State Company, 1953–1964," *Business History Review* 46 (Summer 1972): 182–201. For an analysis of the military's role in the nationalist oil program

politically untouchable in subsequent years (a situation that changed after passage of the 1995 constitutional amendment that ended Petrobras' monopoly), and Michael Weis argues that its creation strained the historically good relations between Brazil and the United States.²¹ Historians in particular will benefit from having access to reproductions of primary documents and statistical information gathered in the general Brazilian oil history written by Pedro de Moura and Felisberto Carneiro.²²

Since the 1990s, there have been several studies of Petrobras' evolution as a corporate organization. Laura Randall and José Luciano de Mattos Dias and Maria Ana Quaglino compiled a historical analysis and calculated the efficiency of each segment of Petrobras' value chain (exploration, production, transportation, refining, and marketing); they gave the firm's long-term performance and management good marks.²³ Drawing from government and corporate records, Randall focuses on the events of the 1980s, whereas Dias and Quaglino track the company's history through archival research, beginning with its creation. Dias and Quaglino analyze the evolution of Petrobras' corporate structure and show how the company's extreme politicization, particularly in the 1980s, undermined its performance. Eduardo Carnos Scaletsky studies how the politicization affected the company's labor relations in his oral history of Petrobras.²⁴

Eva Dantas and Martin Bell take a novel approach to the history of Petrobras.²⁵ They reveal that, between the 1960s and the 1980s, Petrobras passively acquired information and technology, and then, between 1985 and 1991, transformed itself into an active seeker of knowledge. Eventually, in 1992, the company became a major innovator and, after 1997, began transferring the resulting innovations to its partners.

As Brazil turns into a major producer, a trend that has increased after

written during the 1990s, see Lincoln de Abreu Penna, "Petróleo e soberania nacional," in *Petróleo no Brasil: Três ensaios sobre a Petrobras*, ed. Celeste Aparecida Dias e Souza (Rio de Janeiro, 2004). Another nationalist history is by Pery Cotta, *O petróleo é nosso?* (Rio de Janeiro, 1975).

²¹Michael Weis, "Roots of Estrangement: The United States and Brazil, 1950–1961," PhD diss., Ohio State University, 1987. A history written by a defender of the monopoly and thus more valuable as a primary source than as a work of historical research is by Maria Augusta Tibiriçá Miranda, *O petróleo é nosso: A luta contra o "entreguismo," pelo monopólio estatal: 1947–1953, 1953–1981* (Rio de Janeiro, 1983).

²²Pedro de Moura and Felisberto Carneiro, *Em busca do petróleo brasileiro* (Rio de Janeiro, 1976).

²³Laura Randall, *The Political Economy of Brazilian Oil* (New York, 1993); José Luciano de Mattos Dias and Maria Ana Quaglino, *A questão do petróleo no Brasil: Uma história da Petrobras* (Rio de Janeiro, 1993).

²⁴Eduardo Carnos Scaletsky, *O patrão e o petroleiro: Um passeio pela história do trabalho na Petrobras* (Rio de Janeiro, 2003).

²⁵Eva Dantas and Martin Bell, "Latecomer Firms and the Emergence and Development of Knowledge Networks: The Case of Petrobras in Brazil," *Research Policy* 38 (2009): 829–44.

2007, Petrobras' evolution, from a state monopoly in a nonproducing country to a global leader in offshore oil recovery, indicates the need for more in-depth historical studies of Brazilian oil.

Chile and Uruguay

Because Chile and Uruguay lack domestic oil resources and are relatively small countries, they will be treated together. While other countries were establishing more control over their sources of oil production, these two were developing nationalist policies in refining and distribution. In the 1930s, Uruguay created a state-owned company (ANCAP), and the Chilean government supported a domestic private corporation (Copec). Only a few histories have been written about the oil sectors of either country.

The best works on Uruguay were published in 1991 and then after 2000.²⁶ Alfonso Labraga and his colleagues studied the strategies that Jersey Standard and Shell adopted for controlling the domestic market before 1930.²⁷ The most thorough study to date, the official history of ANCAP up to 2006, was compiled by a team led by the renowned Uruguayan economic historian Benjamín Nahum.²⁸ This book is a sophisticated analysis of the evolution of the firm's internal organization and strategy within the framework of Uruguay's economic and political development. Statistical tables and appendices supplement the text, opening up the subject for further studies of the firm's corporate strategies and the evolution of Uruguay's oil sector. In another study, economic historians Reto Bertoni and Mar Rubio compare Uruguay's energy consumption with that of the rest of Latin America, using the statistic as a proxy for the structural changes and long-term performance of the country's economy.²⁹

²⁶ Previous short histories of the politics behind the creation of ANCAP were published by Raúl Jacob, *Inversiones extranjeras y petróleo: La crisis de 1929 en el Uruguay* (Montevideo, 1979), and Vivián Trias, *Imperialismo y petróleo en Uruguay* (Montevideo, 1963).

²⁷ Alfonso Labraga, Mario Núñez, Ana María Rodríguez, and Esther Ruiz, *Energía y política en el Uruguay del siglo XX: Del carbón al petróleo en manos de los trusts, 1900–1930* (Montevideo, 1991). This monograph was intended to be the first of a two-volume project on the oil history of Uruguay. Unfortunately, the second volume was never published. One of the coauthors wrote an unpublished paper on the relation between ANCAP and the foreign multinationals. See Ana María Rodríguez Ayçaguer, "Las compañías petroleras frente a ANCAP: De la incredulidad al hostigamiento, 1931–1932," Montevideo, n.d.

²⁸ Benjamín Nahum et al., *Lo que nos mueve es todo un país, 1931–2006: 75 años de ANCAP* (Montevideo, 2006).

²⁹ Mar Rubio and Reto Bertoni, eds., *Energía y desarrollo en el largo siglo XX: Uruguay en el marco Latinoamericano* (Montevideo, 2008). A similar methodology for comparing the long-term economic decline of Uruguay with the economic rise of Spain is used by Reto Bertoni, Carolina Román, and Mar Rubio, "El desarrollo energético de España y Uruguay en perspectiva comparada: 1860–2000," *Historia Industrial* 41 (2009): 161–93.

Before 2010, historical studies of the Chilean oil industry were limited to a short anniversary pamphlet and a few pages in some scholarly works.³⁰ In 2010, I published an article on the relation between the oil multinationals (Jersey Standard and Shell) and the Chilean state. Using the theory of collective action, I show that while the two multinationals controlled the Chilean market before 1934, after that year, the Chilean government forced them to create a cartel with Copec, a domestic firm. Initially, the multinationals opposed the idea and only accepted the plan at the government's insistence. Over the long term, however, the foreign firms benefited from this arrangement, because Copec's connections with the Chilean elite ensured that the cartel would not face any hostile actions from the government. This deal worked for both sides until the 1970s, when the Chilean government adopted free-market policies, ending the cartel.³¹ Using methodology similar to that employed by Bertoni and Rubio in their study of Uruguay, César Yáñez and José Jofré used Chile's oil consumption as a basis for understanding its long-term economic performance.³²

Colombia

Despite Colombia's importance as an oil exporter, scholarly studies of the country's oil history have retained a narrow focus. American firms (especially Jersey Standard) dominated Colombian production for decades, until 1951, when Jersey Standard's concessions expired and reverted to the Colombian government, which then exploited the oilfields through the state-owned firm Ecopetrol. For many years, the historical works by René de la Pedraja and Jorge Villegas on the politics of oil concessions awarded to foreign firms dominated the field.³³ These authors conclude that the U.S. government, the American multinationals, and the Colombian elite conspired to create an oil policy that disproportionately benefited both the foreign firms and Colombia's upper class.

³⁰ Sergio Villalobos, *Historia de la energía en Chile* (Santiago, 1983); Maurice Zeitlin, Linda Ewen, and Richard Radcliff, "'New Princes' for Old? The Large Corporation and the Capitalist Class in Chile," *American Journal of Sociology* 80 (1974): 87–123; Michael Monteón, *Chile and the Great Depression: The Politics of Underdevelopment, 1927–1948* (Tempe, Az., 1988); Philip, *Oil and Politics*.

³¹ Marcelo Bucheli, "Multinational Corporations, Business Groups, and Economic Nationalism: Standard Oil (New Jersey), Royal Dutch-Shell, and Energy Politics in Chile, 1913–2005," *Enterprise and Society* 11 (2010): 350–99.

³² César Yáñez and José Jofré, "Chile durante la primera globalización: Modernización económica y consumo energético," unpublished ms., Barcelona, 2009.

³³ For the long period between colonial times and 1930, see René de la Pedraja, *Historia de la energía en Colombia* (Bogotá, 1985). For oil politics between 1930 and the 1970s, see René de la Pedraja, *Energy Politics in Colombia* (Boulder, 1989). Jorge Villegas's main works are *Petróleo, oligarquía e imperio* (Bogotá, 1969) and *Petróleo colombiano, ganancia gringa* (Bogotá, 1971).

Scholarly works produced during the 1990s and after 2000 deal with new issues, including the oil industry's environmental impact, the relations of oil firms with indigenous communities, and the neglected topic of the Colombian elite's role in developing the oil before the arrival of Jersey Standard.³⁴ María Teresa Ripoll takes exception to the concept of economic enclaves. An economic enclave is understood as a delimited territory in an underdeveloped country dominated by a foreign firm, specialized in the processing of a natural resource for export, with no economic linkages with the rest of the country, and without alternative economic activities separate from those developed by the multinational.³⁵ She consults a rich body of primary sources to show the impact of foreign investment on the development of a domestic capitalistic class in northern Colombia, while Pamela Murray describes how the oil industry helped to create a scientific and technological elite in Colombia.³⁶ Eduardo Sáenz Rovner consults the archives of Colombia's main industrial association to examine the elite's role in creating Ecopetrol. He argues that class interests resulted in a final deal that disproportionately benefitted the multinationals.³⁷ Because organized labor had its beginnings in the Jersey Standard oilfields of Colombia in 1918, labor historians have concentrated on this area in their studies of the origins of Colombian labor unionism.³⁸

Among the recent works drawn from the multinationals' archival sources is my own study of their early negotiations for oil concessions in Colombia, based on the internal correspondence of the British firm Pearson and Son.³⁹ In my study, I argue that Colombian internal politics

³⁴ Renán Vega and Mario Aguilera, *Obreros, colonos y motilonos: Una historia social de la Concesión Barco, 1930–1960* (Bogotá, 1995). Alfonso Avellaneda, *Petróleo, colonización medio ambiente en Colombia: De la Tora a Cusiana* (Bogotá, 1998).

José F. Isaza and Luis Salcedo, *Sucedió en la Costa Atlántica: Los albores de la industria petrolera en Colombia* (Bogotá, 1991); María Tera Ripoll, *La actividad comercial de Diego Martínez Camargo, 1890–1937* (Cartagena, 1999).

³⁵ Manuel Castells, "Urbanización dependiente en América Latina," in *Urbanización y Dependencia*, ed. Martha Scheingart (Buenos Aires, 1973).

³⁶ María Tera Ripoll and Javier Báez, *Desarrollo industrial y cultura empresarial en Cartagena: La Andian National Corporation y la Refinería de Mamonal, 1920–2000* (Bogotá, 2003); Pamela Murray, "Know-How and Nationalism: Colombia's First Geological and Petroleum Experts, c.1940–1970," *The Americas* 52 (Oct. 1995): 211–26.

³⁷ Eduardo Sáenz Rovner, *Colombia años 50: Industriales, política y diplomacia* (Bogotá, 2002).

³⁸ Renán Vega, Luz Angela Núñez, and Alexander Pereira, *Petróleo y protesta obrera: La Unión Sindical Obrera (USO) y los trabajadores petroleros en Colombia (1923–2008)* (Bogotá, 2009); Aviva Chomsky, *Linked Labor Histories: New England, Colombia, and the Making of a Global Working Class* (Durham, 2008); Mauricio Archila, *Aquí nadie es forastero: Barrancabermeja, 1920–1950* (Bogotá, 1986); José Yunis and Carlos Hernández, *Barrancabermeja: Nacimiento de la clase obrera* (Bogotá, 1986).

³⁹ Marcelo Bucheli, "Negotiating under the Monroe Doctrine: Weetman Pearson and the Origins of U.S. Control of Colombian Oil," *Business History Review* 83 (Autumn 2008): 529–53.

and the U.S.-led secession of Panama led to an outcome that favored American corporations, rather than British firms. In another study, I examine the archival files of Imperial Oil Limited (Jersey Standard's Canadian subsidiary in Colombia), which reveal that some of the decisions made by that firm were determined not only by Colombian politics or relations with the United States, but also by political and economic developments in Canada.⁴⁰

One challenge faced by oil historians in studying Colombia is the lack of either an Ecopetrol archive or specialized serial publications covering an extended period. To date, the only resources available to researchers on this subject are diplomatic or company archives.

Ecuador

Because Ecuador did not begin to export oil until recently, only a small number of historians are now studying modern Ecuador in U.S., Canadian, or European universities and writing histories of the country's oil industry. Jersey Standard and Shell became active in Ecuador early in the twentieth century, but the country only became an important oil exporter in 1972, following Texaco's discoveries in 1969 and the country's entry into OPEC in 1973. Since then, oil has been a determining factor in Ecuador's internal politics and economic development. John Martz has written the most extensive analysis of the subject.⁴¹ Comparing the oil policies of Ecuador's military and democratic regimes, Martz concludes that the evolution of these policies cannot be explained by the type of regime (whether democratic or dictatorial), but are shaped by external factors, such as the international price of oil, and internal political struggles. Allen Gerlach shows that Ecuadorian society benefited from oil production during the early stages, right after the post-1972 oil era, but once international oil prices dropped in the 1980s, the country's heavy dependence on oil income led to political crises.⁴² Similarly, Christopher Murchison argues that Ecuador mismanaged its post-1972 oil wealth through wasteful spending. When prices fell, the government compensated for the drop in national income by easing regulations as a way of increasing production, which caused disastrous

⁴⁰ Marcelo Bucheli, "Canadian Multinational Corporations and Economic Nationalism: The Case of Imperial Oil Limited in Alberta (Canada) and Colombia, 1899–1938," *Entreprises et Histoire* 54 (2009): 67–85. Jonathan Brown also used Standard's internal files for the five pages he wrote on Colombia in "Jersey Standard and Latin American Oil Production," in Wirth, *Latin American Oil Companies*, 28–32.

⁴¹ John D. Martz, *Politics and Petroleum in Ecuador* (New Brunswick, 1987).

⁴² Allen Gerlach, *Indians, Oil, and Politics: A Recent History of Ecuador* (Wilmington, 2003): 33–50.

effects on the environment.⁴³ A recent account of the history of the Ecuadorian oil sector, although brief, provides useful basic information.⁴⁴ The history of the oil industry in Ecuador before 1972 has received little attention and thus offers considerable opportunities for research, since oil was already beginning to shape the country's domestic politics in those early years.

Mexico

Mexico's oil historiography is the richest among Latin American countries. The tension between the oil multinationals and the government during the Mexican Revolution (1910–20), which culminated in the expropriation of the properties of all the multinationals in 1938, followed by the creation of Pemex, has been covered in many articles and monographs. Scholarly writings on the Mexican Revolution are voluminous, and include works of high quality. Many of the studies of labor, political, and social history inevitably deal with oil. In this section, I focus on publications that specifically analyze oil.

Many works published during the 1970s and 1980s cover the actions taken by foreign powers (mainly Britain and the United States) to protect their companies' interests during the Mexican Revolution.⁴⁵ In the 1990s, historians dismantled some of the myths that had grown up around the Mexican Revolution. Jonathan Brown, in several works, including his detailed and often cited *Oil and Revolution in Mexico*, shows, first, that the prerevolutionary dictator Porfirio Díaz was not a servant of the multinationals, but was a politician who shrewdly negotiated with the foreign firms and forced them to compete with each other.

⁴³ Christopher Murchison, "Boom or Bust? A Study of the Ecuadorian Oil Industry and its Effects on the Nation, 1972–1996," MA thesis, University of New Mexico, 1998.

⁴⁴ Ramiro Gordillo, *¿El oro del Diablo? Ecuador: Historia del petróleo* (Quito, 2003). Official histories published by the Ecuadorian government oil agency include Mercy Guerra, *El petróleo en el Ecuador* (Quito, 2009) and Petroecuador, *El petróleo en el Ecuador: Su historia y potencial* (Quito, 2002).

⁴⁵ Lorenzo Meyer, *Los grupos de presión extranjeros en el México revolucionario, 1910–1940* (Mexico City, 1973); Jorge Basurto, *El conflicto internacional en torno al petróleo de México* (Mexico City, 1976); Lorenzo Meyer, *Mexico and the United States in the Oil Controversy, 1917–1942* (Austin, 1977); Friedrich Katz, *The Secret War in Mexico: Europe, the United States, and the Mexican Revolution* (Chicago, 1981); Lorenzo Meyer, "The Mexican Revolution and the Anglo-American Powers: The End of Confrontation and the Beginning of Negotiation," working paper, San Diego, 1985; Lorenzo Meyer, *Su Majestad Británica contra la Revolución Mexicana, 1900–1950: El fin de un imperio informal* (Mexico City, 1991); Lorenzo Meyer, "The Expropriation and Great Britain," in *The Mexican Petroleum Industry in the Twentieth Century*, ed. Jonathan Brown and Alan Knight (Austin, 1992). For a general history of the oil industry covering political (both international and domestic), economic, and labor issues, see Lorenzo Meyer and Isidro Morales, *Petróleo y nación: La política petrolera en México (1900–1987)* (Mexico City, 1990).

Brown also demonstrates that the revolution was not instigated by conspiratorial foreign capitalists, but was an entirely internal Mexican affair. Finally, he shows that the labor movement's actions against foreign firms were motivated more by concerns about job security than by patriotism.⁴⁶ In his study of the oil-company expropriation, Alan Knight rejects the idea that the Mexican government sought to achieve that outcome long before the actual event.⁴⁷

Looking back a half-century after the expropriation in 1938, some scholars have studied the fate of Pemex since that event. Fabio Barbosa, writing about Pemex's early years, explores the technical and economic challenges that faced this inexperienced company as it learned to produce, refine, and export oil. Isidro Morales shows how Pemex eventually succeeded in vertically integrating its operations.⁴⁸ In her evaluation of the company, Laura Randall argues that it was managed inefficiently during the first fifty years, while Esperanza Durán writes about the politics behind the firm's creation.⁴⁹ Noël Maurer, observing the events from another perspective, claims that, by the time of Mexico's expropriation, the oil was no longer an important asset for the companies and that the subsequent creation of Pemex did not produce more revenues for the Mexican government.⁵⁰ Catherine Jayne studies the British and

⁴⁶ Jonathan Brown, *Oil and Revolution in Mexico* (Berkeley, 1993); Jonathan Brown, "Acting for Themselves: Workers and the Mexican Oil Nationalization," in *Workers' Control in Latin America, 1930–1970*, ed. Jonathan Brown (Chapel Hill, 1997), 45–71; Jonathan Brown, "Domestic Politics and Foreign Investment: British Development of Mexican Petroleum, 1889–1911," *Business History Review* 61 (Autumn 1987): 387–416. Brown also analyzed how the Mexican oil industry operated before the expropriation, in Jonathan Brown, "The Structure of the Foreign-Owned Petroleum Industry in Mexico, 1880–1938," in Brown and Knight, *The Mexican Petroleum Industry*, 1–35. Alberto Olvera studied the internal conflicts among oil workers before the expropriation, while Ruth Adler analyzed these conflicts for the post-expropriation period. See Alberto Olvera, "The Rise and Fall of Union Democracy at Poza Rica, 1932–1940," in Brown and Knight, *The Mexican Petroleum Industry*, 63–89; Ruth Adler, "Worker Participation in the Administration of the Petroleum Industry, 1938–1940," in Brown and Knight, *The Mexican Petroleum Industry*, 129–53. Judith Herrera explains the rise of labor unionism in the oil sector as part of a larger global trend. See Judith Herrera, *Colaboración y conflicto: El sindicato petrolero y el cardenismo* (Mexico City, 1998).

⁴⁷ Alan Knight, "The Politics of the Expropriation," in Brown and Knight, *The Mexican Petroleum*, 90–128.

⁴⁸ Fabio Barbosa, "Technical and Economic Problems in the Newly Nationalized Industry," in Brown and Knight, *The Mexican Petroleum Industry*, 189–207; Isidro Morales, "The Consolidation and Expansion of Pemex, 1947–1958," in Brown and Knight, *The Mexican Petroleum Industry*, 208–255; Isidro Morales, "Pemex during the 1960s and the Crisis in Self-Sufficiency," in Brown and Knight, *The Mexican Petroleum Industry*, 233–55.

⁴⁹ Laura Randall, *The Political Economy of Mexican Oil* (New York, 1989); Esperanza Durán, "Pemex: The Trajectory of a National Oil Policy," in Wirth, *Latin American Oil Companies*, 145–88. A more recent work defending Pemex's economic performance can be found in Narciso Bassols Batalla, *Las etapas de la nacionalización petrolera* (Mexico City, 2006).

⁵⁰ Noël Maurer, "The Empire Struck Back: The Mexican Oil Expropriation of 1938 Reconsidered," Harvard Business School Working Paper 10-108, 2010.

U.S. governments' reactions to the expropriation, arguing that whereas the Americans tried to appease the Mexicans in order to avoid alienating them at a time when war was breaking out in Europe, the British chose to adopt a strategy of confrontation, as they were worried that the Mexican government's action would trigger a domino effect in other producing countries.⁵¹ Linda Hall analyzes the maneuvers taken by Mexican government in order to ensure its continuing good standing with the international financial community while at the same time it was developing hostile policies toward the oil multinationals.⁵² A later work by Enrique Velasco-Ibarra applies the theory of transaction-cost economics to study the consequences of the expropriation. He argues that the postrevolutionary structure of the industry disproportionately favored incumbent groups and therefore inhibited reform.⁵³

Other works published between 2000 and 2010 approach the subject from the perspective of economic, environmental, and business history. Following in the tradition of the new economic history, Stephen Haber, Armando Razo, and Noël Maurer analyze the reasons for the Mexican oil-industry boom and the increased foreign investment that took place from 1910 to 1921, the most difficult years of the Mexican Revolution.⁵⁴ The authors argue that political instability actually protected the foreign firms from expropriation, because the battling factions could not exploit the oil on their own, and they thus needed the income generated by the foreign companies.⁵⁵ Mar Rubio explains that the boom that occurred during the Revolution, which was followed by decline, was a response to the international shortages during the Revolution and the glut in global supply that came afterward, rather than being a result of Mexican politics or technical problems.⁵⁶ In a study that

⁵¹ Catherine Jayne, *Oil, War, and Anglo-American Relations* (Westport, Conn., 2001).

⁵² Linda Hall, *Oil, Banks, and Politics: The United States and Post-Revolutionary Mexico, 1917–1924* (Austin, 1995). For a legal history of the expropriation, see Javier Patiño, *La hazaña jurídica petrolera, 1914–1938* (Mexico City, 1990).

⁵³ Enrique Velasco-Ibarra, "The Political Economy of Institutional Change in the Mexican Industry," PhD diss., Johns Hopkins University, 2002.

⁵⁴ Stephen Haber, Armando Razo, and Noël Maurer, *The Politics of Property Rights: Political Instability, Credible Commitments, and Economic Growth in Mexico, 1876–1929* (New York, 2003), 190–235; Stephen Haber, Armando Razo, and Noël Maurer, "When the Law Does Not Matter: The Rise and Decline of the Mexican Oil Industry," *Journal of Economic History* 63 (2003): 1–32.

⁵⁵ A reconstruction of Mexico's trade statistics for the revolutionary period shows that the export boom was not limited to oil, but also included other goods. See Sandra Kuntz, "The Export Boom of the Mexican Revolution: Characteristics and Contributing Factors," *Journal of Latin American Studies* 36 (2004): 267–96.

⁵⁶ Mar Rubio, "The Role of Mexico in the First World Oil Shortage: 1918–1922—An International Perspective," *Revista de Historia Económica* 24 (2006): 69–96. This same author also published an analysis of the oil industry's impact on the Mexican economy and how its contemporaries perceived it. See, Mar Rubio, "Petróleo y economía en México, 1900–1930," *Caeteris Paribus* 1 (Mar. 2005): 13–18.

challenges the concept of an economic enclave, Ivonne Carrillo Dewar's regional history of Veracruz shows how the activities by foreign oil firms helped to develop links with other industries.⁵⁷ A study of the port of Tampico by Roberto Hernández, on the other hand, reveals that while this city benefited greatly from the oil boom, it could not sustain its prosperous economy once production declined after 1921.⁵⁸

In a novel environmental history of the Mexican oil industry, Myrna Santiago reinterprets the clashes of local communities and oil workers with the oil multinationals as a reaction not only to the foreign firms' racist policies and harsh working conditions but also to the industry's destruction of the environment, which took place over several decades, limiting the communities' opportunities to engage in other economic activities and affecting their general welfare.⁵⁹

The most straightforward business historical accounts of the Mexican oil industry were written by Joel Álvarez de la Borda, who analyzes the corporate records of the foreign firms operating in Mexico before 1938 in order to reveal their organizational evolution; by Andrew Godley, Lisa Bud Frierman, and Judith Wale, who trace the global growth of the British firm Pearson and Son, from the time of its earliest operations in Mexico; and by Guillermo Guajardo on the technological innovation and creation of know-how in the oil industry.⁶⁰ Aurora Gómez shows that, before 1917, many Mexican firms operating in the oil industry tried to take advantage of the high international prices.⁶¹ By focusing on the operations and evolution of firms, these works break with a tradition of politically or sociologically oriented studies. Among the books on entrepreneurs operating in Mexico are biographies of the American oilman Edward Doheny and a detailed study of Pearson and Son's operations in Mexico, by Priscilla Connolly.⁶²

⁵⁷ Ivonne Carrillo Dewar, *Industria petrolera y desarrollo capitalista en el norte de Veracruz, 1900–1990* (Mexico City, 1993).

⁵⁸ Roberto Hernández Elizondo, *Empresarios extranjeros, comercio y petróleo en Tampico y la Huasteca, 1890–1930* (Mexico City, 2006).

⁵⁹ Myrna Santiago, *The Ecology of Oil: Environment, Labor, and the Mexican Revolution, 1900–1938* (New York, 2006).

⁶⁰ Joel Álvarez de la Borda, *Los orígenes de la industria petrolera en México, 1900–1925* (Mexico City, 2005); Andrew Godley, Lisa Bud Frierman, and Judith Wale, "Weetman Pearson in Mexico and the Emergence of a British Oil Major, 1901–1919," in this issue of *Business History Review*; Guillermo Guajardo, "Aprendizajes de innovación y negocios en el petróleo y los ferrocarriles de México, 1952–1992," in *Innovación y empresa: estudios históricos de México, España y América Latina*, ed. Guillermo Guajardo (Mexico City, 2008).

⁶¹ Aurora Gómez, "The Beginnings of Oil Extraction in Mexico: When Mexican Small Private Companies Ruled," paper presented at the World Economic History Congress, Utrecht, 2009.

⁶² Margaret Leslie Davis, *Dark Side of Fortune: Triumph and Scandal in the Life of Oil Tycoon Edward L. Doheny* (Berkeley, 1998); Martin R. Ansell, *Oil Baron of the Southwest: Edward L. Doheny and the Development of the Petroleum Industry in California and Mexico* (Columbus, 1998); Priscilla Connolly, *El contratista de don Porfirio: Obras públicas, deuda, y desarrollo desigual* (Mexico City, 1997).

The disproportionate number of publications on Mexican oil compared with sparser coverage of other Latin American countries can be partially explained by the numerous sources available to scholars studying Mexico. The excellent Pemex archive in Mexico City, for example, contains a huge amount of well-organized information on the pre-1938 period. This archive publishes the *Boletín del Archivo Histórico de Petróleos Mexicanos*, a journal dedicated to providing information on archival sources for the study of Mexico's oil history. In addition, scholars have access to the impressive Archivo General de la Nación in Mexico City (with a section of files devoted to petroleum), and the microfilms at Biblioteca Miguel Lerdo de Tejada and the collections in El Colegio de México. Scholars also benefit from the guides to Mexican archives, published by Jonathan Brown and by Aurora Gómez and Mauricio Tenorio.⁶³ Carlos Marichal has organized an extensive Web site on Mexican oil history.⁶⁴ Thus, it is not hard to predict that the historiography of Mexican oil will continue to grow in the years to come.

Peru

In 1968 the left-wing Peruvian military government expropriated the assets of the International Petroleum Company (IPC), a subsidiary of Jersey Standard. That event inspired the publication of several scholarly works on the relations between this multinational firm and Peruvian society shortly after it took place, and they remain some of the best available accounts of the takeover. The pioneering work by Adalberto Pinelo shows that IPC meddled in the country's internal politics in order to maintain its privileges in Peru, while Rosemary Thorp and Geoffrey Bertram argue that IPC abused its power and did not benefit the Peruvian economy.⁶⁵ George Ingram makes the point that, although the expropriation was legitimate and rational, it had little positive effect on the Peruvian economy, because, by the time it occurred, IPC's operations in Peru were no longer profitable.⁶⁶ A later contribution to the

⁶³ Jonathan Brown, "Los archivos del petróleo y la revolución mexicana," *América Latina en la Historia Económica* 24 (2005): 49–60; Mauricio Tenorio and Aurora Gómez, *El Porfiriato: Herramientas para la historia* (Mexico City, 2006).

⁶⁴ See <http://www.colmex.mx/ceh/petroleo/present.php>, last accessed 28 May 2010.

⁶⁵ Adalberto Pinelo, *The Multinational Corporation as a Force in Latin American Politics: A Case Study of the International Petroleum Company in Peru* (New York, 1973); Rosemary Thorp and Geoffrey Bertram, *Peru, 1890–1977: Growth and Policy in an Open Economy* (New York, 1978).

⁶⁶ George Ingram, *Expropriation of U.S. Property in South America: Nationalization of Oil and Copper Companies in Peru, Bolivia, and Chile* (New York, 1974): 19–104. Another detailed study of IPC and other multinationals' political activities can be found in Charles Goodsell, *American Corporations and Peruvian Politics* (Cambridge, Mass., 1974).

historiography was Rory Miller's 1982 article on the development of the Peruvian oil sector by the British firm Lobitos Oilfields Limited before the era of IPC dominance.⁶⁷ In 1994, David F. C. Myers prepared his dissertation on the evolution of the Peruvian oil sector, supplementing the text with statistical information.⁶⁸

In 2008, Margarita Guerra Martinière edited a general history of Peruvian oil from the era of the Incan empire to the twenty-first century.⁶⁹ Several chapters are particularly valuable as business histories: Enrique Flóres, for example, examines the Peruvian corporations that exploited oil before 1900; Emilio Candela analyzes IPC's long legal defense of its operations; Víctor Torres describes the fate of the Peruvian industry after the expropriation, arguing that the state-owned company Petroperú performed well; and Daniel Parodi looks at relations between the government and foreign firms after the 1980s.⁷⁰ Other than this strong collection of writings, the field of Peruvian oil history is sparse and has room for growth. I took advantage of the relatively unexplored Canadian archives in compiling my study of Colombia, but they also hold material on Peru, as do U.S. and British diplomatic archives.⁷¹

Venezuela

As one of the world's largest oil producers and a country whose economy has depended heavily on oil exports since the early twentieth century, modern Venezuela's history has been synonymous with the history of oil. This unique characteristic has meant that most historical works on modern Venezuela have to deal with the oil industry. In this section, while I concentrate on works that are exclusively about the industry itself, I remind the reader that other, more general, works

⁶⁷ Rory Miller, "Small Business in the Peruvian Oil Industry: Lobitos Oilfields Limited before 1934," *Business History Review* 56 (Autumn 1982): 400–23.

⁶⁸ David F. C. Myers, "The Evolution of the Peruvian Oil Business and Its Place in the International Petroleum Industry, 1880–1950," PhD diss., Oxford, 1994. A very critical study of the oil policies of President Alan García, published in 1986, reproduces several primary sources that are useful for historians. See Carlos Malpica, *El Anti Imperialismo del APRA y los contratos petroleros* (Lima, 1986).

⁶⁹ Margarita Guerra Martinière, ed., *Historia del petróleo en el Perú* (Lima, 2008).

⁷⁰ Enrique Flores, "Nacimiento de la industria del petróleo en el Perú (1860–1900)," 103–30; Emilio Candela, "Los hidrocarburos en el Perú, (1931–1968), 169–230; Víctor Torres, "El gobierno revolucionario de la Fuerza Armada," 231–70; Daniel Parodi Revoredo, "Los hidrocarburos y lo últimos tiempos: Fluctuaciones políticas entre Morales Bermudez y Toledo," 271–325. These chapters are all included in Guerra Martinière, *Historia del petróleo*. In another book, Alfonso Quiróz shows how the politics surrounding IPC's operations reflect a long-time corrupt structure in Peru's politics. See, Alfonso Quiróz, *Corrupt Circles: A History of Unbound Graft in Peru* (Baltimore, 2008), 277, 306–7, 317–24.

⁷¹ Bucheli, "Canadian Multinational Corporations."

on Venezuelan history exist, as do useful works by scholars in other disciplines.⁷²

The classic works by Edwin Lieuwen, Franklin Tugwell, and Rómulo Betancourt describe the politics surrounding the rise of the oil industry and outline its economic contributions to Venezuela's development.⁷³ Lieuwen conducted his study during the post–World War II boom times when the Venezuelan oil industry was exploited by multinationals. Tugwell's study was published just before the nationalization of oil and the creation of PDVSA by the Venezuelan government in 1976. Former Venezuelan president Rómulo Betancourt chronicles the period after nationalization, dividing his account between the time when dictators allowed foreign firms to exploit the country and the more democratic era, when the Venezuelan people benefited from nationalization.

Studies written in the 1980s and 1990s raise several questions, such as whether the democratic governments had managed the oil industry any differently than their pre-1958 military predecessors, whether the nationalization of oil had been good for the country, and why, despite its enormous wealth, Venezuela had not joined the exclusive club of developed nations. In his analysis of Juan Vicente Gómez, the vilified dictator who ruled Venezuela from 1908 to 1935, just as the country was embarking on its role as a major oil exporter, Brian McBeth found that Gómez was not the puppet of the multinationals that he was reputed to be, but was, rather, a skillful negotiator, who managed to extract benefits from the firms.⁷⁴ Fernando Coronil took this observation even further, finding a continuum between the pre-1958 dictatorships and the post-1958 democratic regimes in their management of the income they derived from oil and the ways that this wealth shaped the country's political culture.⁷⁵ In an analysis of the long-term benefits that the oil

⁷² Although there are many general sources, one good one is by Miguel Izar, ed., *Política y economía en Venezuela, 1810–1991* (Caracas, 1992).

⁷³ Edwin Lieuwen, *Petroleum in Venezuela: A History* (Berkeley, 1954); Franklin Tugwell, *The Politics of Oil in Venezuela* (Stanford, 1975); Rómulo Betancourt, *Venezuela: Oil and Politics* (New York, 1979).

⁷⁴ Brian McBeth, *Juan Vicente Gómez and the Oil Companies in Venezuela* (New York, 1983). For a study of how the relations between the United States and Venezuela changed with the discovery of oil and were shaped afterward by the oil industry, see Judith Ewell, *Venezuela and the U.S.: From Monroe's Hemisphere to Petroleum Empire* (Athens, Ga., 1996). Jonathan Brown explains that the oil multinationals moved from Mexico to Venezuela in the 1920s as a result of technical problems with extracting oil that the companies faced in Mexico. See Jonathan Brown, "Why Foreign Oil Companies Shifted Their Production from Mexico to Venezuela in the 1920s," *American Historical Review* 90 (1985): 362–85. In a later study, McBeth argues that the U.S. tariff on Venezuelan oil in 1932 depressed international prices, making Gómez more vulnerable to the decisions of foreign firms. See Brian McBeth, "Venezuela's Nascent Oil Industry and the 1932 U.S. Tariff on Crude Oil Imports, 1927–1935," *Revista de Historia Económica* 27 (2009): 427–62.

⁷⁵ Fernando Coronil, *The Magical State: Nature, Money, and Modernity in Venezuela* (Chicago, 1997).

industry conferred on the economy, Laura Randall argues that the elected Venezuelan government's claims that the nationalization of the industry and the creation of PDVSA were highly beneficial did not entirely match reality, nor did the government succeed in diversifying the country's economy (one of PDVSA's original goals). Jorge Salazar-Carrillo and Bernadette West argue that the Venezuelan economy as a whole derived considerable benefits from the oil industry.⁷⁶ Charles Bergquist shows that the industry was a critical factor in the creation of a proletarian class in Venezuela, and he describes the pivotal role played by oil workers in modernizing labor relations during the decade following Gómez's death.⁷⁷ Diego Urbaneja's study showing how oil was embedded in Venezuelan political life during the twentieth century can be usefully read as background for Terry Lynn Karl's influential book *The Paradox of Plenty*.⁷⁸ Karl argues that oil was a curse, rather than a blessing, for Venezuela, because it led to the economy and the political system becoming extremely dependent on the product. Karl also maintains that the unequal distribution of oil rents among different political and social groups had a deleterious effect on the society. In Lynn's view, both factors added up to a recipe for both political and economic disaster.

Two excellent works on Venezuelan oil history were published in 2009. The first, by Jonathan Di John, challenges Karl's thesis, arguing that finding oil was not a curse that created a rentier state, nor did it homogenize the Venezuelan economy or create corruption.⁷⁹ Much of Venezuelan industrialization, he argues, took place during oil booms, and he points out that there was more corruption after the privatization of large parts of the oil industry in the 1990s than following the creation of PDVSA. In Di John's view, Venezuela's problems began when the state changed its industrialization policy. Whereas, at one time, the country's oil wealth subsidized many small firms, a shift occurred that resulted in the oil proceeds subsidizing only a small number of big firms. This change in policy generated political conflicts that led to the collapse of the two-party system in the late 1990s. Di John relies on a large body of theoretical literature in the field of political science, and he plans to develop his theory further based on this case.

⁷⁶ Laura Randall, *The Political Economy of Venezuelan Oil* (New York, 1987); Jorge Salazar-Carrillo and Bernadette West, *Oil and Development in Venezuela during the Twentieth Century* (Westport, 2004). For an analysis of PDVSA's operations in the 1980s, see Juan Carlos Boué, *Venezuela: The Political Economy of Oil* (Oxford, 1993).

⁷⁷ Charles Bergquist, *Labor in Latin America: Comparative Essays on Chile, Argentina, Venezuela, and Colombia* (Stanford, 1986), 191–273.

⁷⁸ Diego Bautista Urbaneja, *Pueblo y petróleo en la política venezolana del siglo XX* (Caracas, 1995); Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States* (Berkeley, 1997).

⁷⁹ Jonathan Di John, *From Windfall to Curse? Oil and Industrialization in Venezuela, 1920 to the Present* (University Park, Md., 2009).

The second work, by Miguel Tinker-Salas, challenges the idea that the oil camps were isolated economic enclaves. He argues that the multinationals' operations shaped not only the Venezuelan political system and economy but also the country's corporate culture, consumer patterns, gender relations, and even its national identity. In his view, the impact of the operations was not unidirectional, as, for their part, the multinationals had to adapt their corporate cultures to Venezuelan customs and mores.⁸⁰ Tinker-Salas's achievement demonstrates that Venezuela's many provincial and national archives have much to offer historians.

Comparative Studies

Although they can be enlightening, comparative studies are also challenging projects, and not many have been written since Mira Wilkins analyzed each stage of the oil value chain in South America during the 1920s and George Philip conducted a continent-wide study of oil politics.⁸¹ Thomas O'Brien studied the political, cultural, and social impact of the foreign oil companies on Latin America within the larger context of the historical entry of U.S. capital in the region.⁸² In two articles, Jonathan Brown and Peter Linder compare the Mexican and Venezuelan labor movements in the oil sector and analyze Jersey Standard's political strategies in several Latin American countries.⁸³ In the first, they argue that the Mexican labor force became better organized than Venezuela's because of the presence of more refineries in Mexico. In the second article, they maintain that Jersey Standard's failure to impose its will in Latin America forced the firm to adapt to changing local conditions.⁸⁴ Ruth Aguilera and I compare how Mexico, Colombia, and

⁸⁰ Miguel Tinker-Salas, *The Enduring Legacy: Oil, Culture, and Society in Venezuela* (Durham, 2009). For a study of the impact of philanthropic activities led by the foreign multinationals in Venezuela, see Darlene Rivas, *Missionary Capitalism: Nelson Rockefeller in Venezuela* (Chapel Hill, 2002).

⁸¹ Mira Wilkins, "Multinational Oil Companies in South America in the 1920s: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, and Peru," *Business History Review* 48 (Autumn 1974): 414–46; Philip, *Oil and Politics*. Philip also made a comparison between Latin American expropriations in George Philip, "The Expropriation in Comparative Perspective," in Brown and Knight, *The Mexican Petroleum Industry*, 173–88.

⁸² Thomas O'Brien, *The Revolutionary Mission: American Enterprise in Latin America, 1900–1945* (New York, 1996); Thomas O'Brien, *The Century of U.S. Capitalism in Latin America* (Albuquerque, 1999).

⁸³ Jonathan Brown and Peter Linder, "Trabajadores en el petróleo extranjero: México y Venezuela," in *Las inversiones extranjeras en América Latina, 1850–1930*, ed. Carlos Marichal (Mexico City, 1995), 244–71; Jonathan Brown and Peter Linder, "Oil," in *The Second Conquest of Latin America: Coffee, Henequen, and Oil During the Export Boom, 1850–1930*, ed. Steven Topik and Allen Wells (Austin, 1998), 125–87.

⁸⁴ A comparison of the political and technical differences between Mexico and Venezuela can also be found in Brown, "Why Foreign Oil Companies."

Venezuela constructed their oil policies toward Jersey Standard as strategies for political survival.⁸⁵ Rafael Sánchez shows that the wave of nationalizations across the Latin American continent in the 1970s did not hurt the multinationals, because they still remained in control of the international marketing network.⁸⁶ Economic historians Mar Rubio, César Yáñez, Mauricio Folchi, and Albert Carreras compared oil consumption in Latin American countries as a way to study those nations' historical economic development.⁸⁷ A comparison of Venezuela's (PDVSA) and Mexico's (PEMEX) state companies in the 1980s and 1990s, by Luisa Palacios, shows that the rigid organizational and legal structure of Pemex made reforms harder to accomplish in this company than in the more independent PDVSA.⁸⁸ Palacios's methodology is a good starting point for comparisons with other state-owned companies.

The best general studies comparing Latin America with the rest of the world continue to be the classic multi-volume history of Jersey Standard by Ralph and Muriel Hidy, George Gibb, Evelyn Knowlton, Henrietta Larson, Charles Popple, and Bennett Wall, Mira Wilkins's two volumes on multinational corporations, Louis Turner's general analysis of the oil companies' political relations of around the world, and the excellent recently published history of Shell by Joost Jonker, Jan Luiten van Zanden, Stephen Howard, and Keetie Sluyterman.⁸⁹

⁸⁵ Marcelo Bucheli and Ruth Aguilera, "Political Survival, Energy Policies, and Multinational Corporations: A Historical Study of Standard Oil of New Jersey in Colombia, Mexico, and Venezuela in the Twentieth Century," *Management International Review* 50 (2010), 347–78.

⁸⁶ Rafael Sánchez, "El desarrollo de la industria petrolera en América Latina," *Revista Mexicana de Sociología* 60 (1998): 157–79.

⁸⁷ Mar Rubio et al., "Energy as an Indicator of Modernization in Latin America: 1890–1925," *Economic History Review* (2010): forthcoming.

⁸⁸ Luisa Palacios, "Explaining Policy Choice in the Oil Industry: A Look at Rentier Institutions in Mexico and Venezuela, 1988–1999," PhD diss., Johns Hopkins University, 2002.

⁸⁹ Ralph Hidy and Muriel Hidy, *History of Standard Oil Company (New Jersey): Pioneering in Big Business, 1882–1911* (New York, 1955); George S. Gibb and Evelyn Knowlton, *History of Standard Oil Company (New Jersey): The Resurgent Years, 1911–1927* (New York, 1956); Henrietta Larson, Evelyn Knowlton, and Charles Popple, *History of Standard Oil Company (New Jersey), 1927–1950: New Horizons* (New York, 1971); Bennett Wall, *Growth in a Changing Environment: A History of Standard Oil Company (New Jersey) Exxon Corporation, 1950–1975* (New York, 1988); Mira Wilkins, *The Emergence of Multinational Enterprise: American Business Abroad from the Colonial Era to 1914* (Cambridge, Mass., 1970); Mira Wilkins, *The Maturing of Multinational Enterprise: American Business Abroad from 1914 to 1970* (Cambridge, Mass., 1974); Louis Turner, *Oil Companies in the International System* (Winchester, 1978); Joost Jonker and Jan Luiten van Zanden, *From Challenger to Joint Industry Leader, 1890–1939: A History of Royal Dutch Shell*, vol. 1 (Oxford, 2007); Stephen Howard and Joost Jonker, *Powering the Hydrocarbon Revolution, 1939–1973: A History of Royal Dutch Shell*, vol. 2 (Oxford, 2007); Keetie Sluyterman, *Keeping Competitive in Turbulent Markets, 1973–2007* (Oxford, 2007). An analysis of Latin American nationalist policies in an international context can be found in George Philip, *The Political Economy of International Oil* (Edinburgh, 1994), 91–102. A shorter, though extensive,

Conclusion

Before the 1980s, the historiography of the Latin American oil sector was dominated by diplomatic and labor histories that embraced theories of imperialism and a world labor division between the center and the periphery. These studies questioned why the oil sector had been traditionally dominated by foreign multinationals, asked what effect foreign control had on domestic politics and labor relations, and explored how the multinationals' home governments created environments that benefited their companies. Because of the direction of their questions, the construction of their theoretical frameworks, and the unavailability of corporate sources, these earlier historians had to rely heavily on diplomatic archives.

During the late 1980s and 1990s, as the nationalist wave subsided, governments either opened their doors to foreign investors or privatized the state oil companies, which were criticized as corrupt and inefficient and condemned by NGOs for their negative effects on indigenous communities and the environment. During those years, American historians shifted from following a Marxist paradigm to conducting cultural and identity studies, and an increasing number of Latin American scholars embraced business and economic history. Within this context, historians were drawn to new topics, such as the environmental and cultural impact of the oil industry, the evolution of state oil companies, the role of domestic elites in the industry, and the application of new theories of political science. The change in perspective revealed that the evolution of the oil industry was not only determined by the geopolitical interests of world powers or by domestic resistance to labor abuse, but was also driven by struggles among the domestic elites over the distribution of oil rents, by local hostility against the cultural and environmental changes imposed by the multinationals, and by strategies of political survival by local rulers. Some authors, like Santiago, Tinker, and Shever, have constructed models for studying the environmental impact of the oil industry in other countries. Others, like Labraga and his colleagues Dias and Quaglino, Dantes and Bell, and Nahum, have created useful methodologies for studying state oil companies. Di John, Haber, Razo, and Maurer, Aguilera, Velasco-Ibarra, and I offer models that apply political science theory to historical studies of oil. These methodologies can be usefully applied to countries outside Latin America. In

history of the oil industry can be found in Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York, 1991). Geoffrey Jones's work on the evolution of multinational corporations also has substantial sections dedicated to the oil industry. See Geoffrey Jones, *Multinationals and Global Capitalism* (Oxford, 2005).

2010, the literature is still dominated by studies on oil production, while not enough attention is paid to the other stages of the value chain. The scarcity of corporate primary sources and the secrecy that continues to shroud many of their activities are obvious limitations on research in most countries, with the exception of Mexico. Young researchers with insufficient time and funds may be tempted simply to follow in the footsteps of the large group that specializes in studies of Mexican oil, but, as this essay shows, creative researchers have demonstrated that it is possible to make significant inroads into the histories of other countries.

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