South America: Between Resources, Sovereignty, and New Forms of Power

Where the state once defined the limits of its authority, it is now resources — oil, gas, lithium, rare earths — that redraw the real boundaries of power. Access to the subsoil has become the central theater of a global reconfiguration, while control of the surface — land, populations, infrastructure — has become a geopolitical stake in its own right.

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From Caracas, Venezuela, to the Atacama Plateau in Chile, South America functions as a strategic laboratory for this geopolitics of access. Amended constitutions, revised production contracts, eliminated arbitration clauses: the right of access to energy resources has become an instrument of sovereignty as much as a lever for circumventing international law. Simultaneously, private security companies and non-state armed groups are redefining territorial control in regions once reserved for state authority.

In this fragmented environment, sovereignty now operates in depth — in both the geological and political senses. What might be called juridical energy sovereignty rests on hybrid arrangements: local institutions, asymmetric contractual frameworks, and non-Western alliances. As legal scholar Katharina Pistor has demonstrated[1], it is not the raw resource that creates wealth, but the legal devices that enable its transformation into capital. This sovereignty, far from being theoretical, conditions access to energy rents and restructures power relations.

In this reconfiguration, surface and subsoil are articulated within a single logic of power. Far from being residual, land structures inherited from the latifundio system, investment flows, and security arrangements form a coherent system.

Understanding this geopolitical grammar is now a strategic imperative for any actor — whether a company, a state, or an institution — engaged in the energy transition and the securing of global supply chains. Three states — Venezuela, Brazil, and Colombia — illustrate this dynamic and the rise of a geo-economy in which resources become levers of state sovereignty.

Venezuela: Legal Sovereignty as Geopolitical Strategy

Venezuelan geopolitics cannot be reduced to the abundance of its oil reserves: it embodies a reinvention of power through law. Since the 2000s, Caracas has developed a hybrid legal strategy, combining energy sovereignty, the marginalization of international arbitration, and asymmetric alliances, to redefine the terms of access to its resources.

As early as the 1960s, Venezuela was asserting, within OPEC, a sovereignty based on land royalties. But from 2005 onward, under the impetus of Vice-Minister Bernard Mommer and with the support of the law firm Curtis, Mallet-Prevost, Colt & Mosle LLP[2], this logic took an offensive turn: new exploration-production (E&P) contracts included an unprecedented clause excluding all international arbitration. Only national jurisdictions were henceforth competent, legally trapping foreign majors in an asymmetric framework inspired by the *Yukos Universal v. Russia* (2005) precedent[3].

This contractual architecture produces tangible geopolitical effects. When the Trump administration suspended Chevron's concessions in 2020 through OFAC (Office of Foreign Assets Control) sanctions, the company found itself legally paralyzed. In 2025, it still operates under License 41B, which prohibits any payment to the regime while allowing it to exchange oil for debt within a highly restricted framework[4].

In parallel, Caracas has strengthened its alliances with Russia and Iran. The Wagner Group, present since 2017 in the Orinoco Belt and even near the presidential palace[5], secures extractive infrastructure. In February 2016, Decree 2248 formalized the opening of the Arco Minero del Orinoco — a strategic region of 111,800 km² — to the exploitation of gold, coltan, and rare earths. Chinese companies such as Yankuang Group and CAMC Engineering, along with Russian and Turkish groups, provide operational control, circumventing Western sanctions.

This strategy is consolidated through the direct militarization of the extractive sector. The armed forces, integrated into management through the Venezuelan company CAMIMPEG, control infrastructure and economic flows, assuming both the role of energy rent actors and guarantors of regime security.

It is precisely this juridical sovereignty — articulated between national law, strategic alliances, and militarization — that produces a paradoxical resilience: despite its diplomatic isolation and the contestation of its legitimacy, the Caracas regime maintains economic ties with the West. In July 2025, Chevron continues its limited operations; TotalEnergies has reduced its stake but remains exposed through past agreements; Repsol, for its part, began a gradual withdrawal in April[6]. All remain, to some extent, bound by non-arbitrable contracts signed before 2010.

At the crossroads of blocs, the Orinoco Belt already prefigures a multipolar world: Chinese technologies, Russian security, trapped Western capital. Venezuela, far from being a failed state, is experimenting with a reconfiguration of power through law, where energy sovereignty no longer consists of owning the resource but of controlling the conditions of its access, its security, and its legitimation.

Brazil: Between Juridical-Petroleum Sovereignty and Climate Projection

This ambivalent energy power — torn between sovereign assertion and openness to foreign capital — did not wait for the discovery of exploitable deposits to codify its sovereignty over resources. As early as 1953, the creation of Petrobras under the Vargas government established a state monopoly underpinned by a doctrine of industrial autonomy. The slogan "O petróleo é nosso" ("The oil is ours") sealed a pact among unions, the military, and elites, whereby the energy rent became a lever of strategic independence. This architecture, still active in 2025, grants the military an institutionalized oversight role over the company, integrating energy into the national security apparatus.

Until the 1990s, Petrobras operated alone, consolidating vertical mastery over the sector. The gradual opening of the market, framed by the constitutional amendment of 1995 and the Oil Law of 1997, allowed the entry of private capital without dismantling the sovereign legal edifice. The state retains a golden share, delineates strategic blocks, and imposes a domestic jurisdiction clause in E&P contracts. This clause, already present in Petrobras offshore tenders since the 1990s, would later inspire other countries in the subcontinent, beginning with Venezuela.

The discovery of the "pre-salt" in 2006 reconfigured the energy equation: located more than 2,000 meters below the ocean floor, these offshore deposits propelled Brazil into the ranks of major producers. The 2010 law imposed on Petrobras an exclusive operator role with a right of first refusal over sensitive zones. This model legally locks strategic assets while allowing strictly supervised co-exploitation.

In this logic, Petrobras is not merely a national company: it embodies a geopolitical tool. At Kazan, during the BRICS+ summit in 2024, Brazil defended a "sovereign multipolarity" as an alternative to centralized Western norms. Petrobras participates in technical groups on energy security, legitimizing a model that combines state regulation and contractual compatibility. But this interface position is not free of tensions.

This paradox is also reflected at the continental level, where Brasilia is multiplying energy integration initiatives: electrical interconnections, bioenergy corridors, transnational gas projects. In a subcontinent where public oil companies still embody the organic link between sovereignty, rent, and legitimacy, Petrobras remains the armed wing of the Brazilian state. Not as a vestige of petroleum nationalism, but as the vehicle for a renewed juridical grammar where energy remains a tool of global positioning. This dynamic plays out on the global stage, where Brazil projects itself simultaneously as a climate leader — through COP30 in Belém — and as an influential oil player with its accession to OPEC+ in 2025. This dual membership — green and fossil — fuels a pivot-power strategy capable of articulating contractual protectionism, South American regionalism, and climate diplomacy.

Colombia: Fragmented Sovereignty and Security Diplomacy

Colombia represents a borderline case in the South American geopolitics of the subsoil. The only country in the region to have long admitted private ownership of underground resources, Colombia combines two explosive legacies: a fragmented legal framework over the subsoil, consolidated only with the Constitution of 1991[7], and a latifundio-type land structure. This combination has durably weakened state control, facilitating the emergence of armed sovereignties. Guerrillas, drug traffickers, and paramilitary groups have co-opted entire portions of the territory, transforming access to resources into a military issue.

With Plan Colombia (1999) and the Uribe presidency (2002–2010), the state attempted to reconquer the surface through counter-insurgency strategies centered on energy corridors and mining zones. But this recentralization came at the cost of increased militarization. Armed conflict did not disappear: it mutated. After 2016, with the partial withdrawal of American forces and the peace agreement with the Revolutionary Armed Forces of Colombia (FARC), new international actors occupied the freed spaces — notably companies linked to China or Russia, active in both security and extraction.

This redeployment gave rise to a ground-level diplomacy. Private security companies such as CSTG (China Security Technology Group) operate in gold- and coal-rich areas, notably in Antioquia, where they protect the assets of Zijin Mining. These firms, from the same structures operating in Africa or the Middle East, embody a flagless security geopolitics where protection becomes a condition of access to the subsoil.

Simultaneously, access to the surface becomes a juridical-political battlefield. Companies must not only sign contracts with the state but also negotiate with communities, environmental authorities, and sometimes armed groups. The intervention of international NGOs, supporting indigenous or ecological claims, introduces another form of sovereignty — fragmented but influential. In Colombia, sovereignty is negotiated, delegated, and contested.

Unlike Venezuela’s centralizing approach or Brazil’s hybrid regulatory model, Colombia applies an energy geopolitics forged from conflict itself. The surface is contested territory, and the subsoil is a militarized rent.

In the wake of geopolitical scholar Jean-Michel Valantin, one can affirm that South America has become a geopolitical terrain of a deregulated planet, where climate tensions, migratory flows, and contractual corrections on resources are redrawing the spaces of power. The energy transition is increasing pressure on critical metals, making this subcontinent a strategic node between old hydrocarbons and the minerals of the future. The Sino-Brazilian corridor, embodied by the Chancay mega-port, crosses ecologically vulnerable territories, revealing the contradictions of a "transition without transition," where extractive logics persist in renewed forms.

In this context, states no longer manage only the subsoil but integrate society as a lever of governance: poverty, land fragmentation, and indigenous claims become variables in international negotiations. Venezuela transforms juridical sovereignty into an instrument of circumvention, while Colombia sees armed conflict convert into a mode of territorial regulation, and Brazil mobilizes its institutions to navigate between OPEC+, COP30, and BRICS+. Three models that, each in their own way, signal the emergence of a geo-economy of sovereignty, where international norms are disputed, circumvented, or redefined.

South America is an advanced indicator of systemic tensions: electoral instability, energy transition, normative fragmentation, and the militarization of logistics routes. A geopolitics of access is taking shape — but without a shared compass. Should we speak of ecological transition or transition warfare? Can energy sovereignty and strategic conflict still be distinguished? Or must we acknowledge that in the era of algorithm-driven supply chains, resource governance has become one of the last bastions of political power?

Sarah Moya

Notes

(1) Katharina Pistor, *The Code of Capital: How the Law Creates Wealth and Inequality*, Princeton University Press, 2019.

(2) Curtis LLP continues to represent Venezuela in the litigation against ExxonMobil before the International Centre for Settlement of Investment Disputes (ICSID).

(3) "Yukos Universal Limited (Isle of Man) v. Russian Federation, PCA Case No. 2005-04/AA227," arbitrated at The Hague by the Permanent Court of Arbitration (PCA) in 2005; Russia was ordered to pay $50 billion.

(4) Office of Foreign Assets Control (OFAC), "Venezuela Sanctions Regulations 31 CFR part 591. General License No. 41B," May 24, 2025.

(5) European Parliamentary Research Service, "Russia's strategy for Latin America: Strengthening ties in the light of the 16th BRICS Summit in Kazan (Russia)," PE 762.473, October 2024.

(6) Reuters and internal PDVSA reports, April–July 2025.

(7) Subsoil sovereignty, although recognized in earlier texts such as the Hydrocarbon Code of 1953, was only fully consolidated with Article 332 of the 1991 Constitution.

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