

The Mining Industry and the Leftist Political Shift in LATAM: A positive perspective

Although it may not seem like it, the new political environment in LATAM could be a golden opportunity for mining companies.

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has turned to the left, as evidenced by the return of Lula Da Silva as president of Brazil and the governments of Gustavo Petro in Colombia, Gabriel Boric in Chile, and Peru's Dina Boluarte, who was the vice president under former President Pedro Castillo and is now struggling with both her former leftist party and the right-wing opposition in congress. All of these countries manage significant mining activity and thus have felt threatened by the rise of leftist leaders, whose agendas prioritize sustainability and care for the environment.

This political shift has created a complex context for an industry that, despite playing a critical role in these economies, does not communicate its value efficiently which has jeopardized its viability in the Americas.

However, there is good news: This new era could offer more opportunities than threats. Although it may seem counterintuitive, the rise of governments with ambitious social policy agendas opens the door for the industry to build reputational resilience by becoming a strategic ally to the region's leaders. Now more than ever, good communication can make a massive difference in the future of Latin America's mining operations.

From rising public spending to the boom of redistributive economic models, mining is a solution to many of the challenges these new governments are facing. To take advantage of this opportunity, mining companies must develop tailored communication strategies that respond to these developments, as well as to the incipient recession and spike in commodity prices.

After all, Latin America's highly polarized societies are not afraid of confronting public authorities, which means these new administrations will have to deliver. Positive short-term results and sustainable cash flows are crucial for financing campaign promises.

This is where the mining industry has a competitive advantage. According to the Inter-American Development Bank (IDB), this sector represents [4% of the region's annual GDP](#), making it the same size as the agricultural sector. In countries such as Chile and Peru, extractive industries make up more than 50% of their exports. In Colombia, the official figure for 2020 – in the middle of the full-fledged pandemic – was 25%, according to the National Mining Agency.

Mining companies must implement strategies that will help governments and communities recognize them as the allies they are. The key is finding common ground in governmental discourse and highlighting the many initiatives that make the industry part of the solution to our world's important challenges, such as the shift to renewable energy.

These topics currently have a great deal of momentum in public conversation, creating the perfect context to promote how the region's mining companies are creating value and achieving results for all of society. If industry players take a proactive approach to communication, they will be able to demonstrate that responsible mining benefits local communities, national economies, and global society.

This changing political environment is an opportunity to change the industry discourse, offering mining companies a chance to showcase how their industry can be an ally to left-leaning governments as well. This has the potential to create far-reaching effects, such as turning Latin America into an emblematic case study for the coexistence between environmental protection and modern development.

Mining professionals must work with experienced communications companies if they truly want to take advantage of this rare opportunity to rewrite their stories and secure a positive reputation for their industry.

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