



## ***West Africa and the Middle East: Cursed by Natural Resources***

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### ***1.1. Abstract***

It can be considered that a country with an abundance of natural resources has the advantage to grow faster in terms of the economy than a resource-poor country. But the reality seems different as the countries with a larger quantity of natural resources experience inferior economic development compared to the countries with fewer natural resources. The resource curse refers to a complex phenomenon that countries with plenty of natural resources fail to take benefit from these resources that other countries enjoy. This resource curse leads to conflicts; both internal and external. In the modern era, resource conflicts revolve around water, land, energy; particularly oil and gas, precious metals such as uranium and gold. This paper describes the existence of the resource curse in the Middle East and West Africa and how it plays a negative role in the underdevelopment of these regions.

**Key words:** Middle East, West Africa, Natural resources, Resource conflicts

## ***1.2. Introduction***

The presence of natural resources plays an important role in the economic development of any country. At times, it even becomes a hindrance to development. The presence of natural resources alone cannot benefit a country unless there are better institutions, rule of law, and good governance to ensure the fair distribution of resources that maximize the contribution of natural resources to the economic development of the country. In the developing world, poverty, corruption, and conflicts make the presence of natural resources a curse rather than a blessing. The natural resources are not evenly distributed across the world; also many of these deposits are located in politically unstable countries. Oil, minerals and several other natural resources can earn great profits. These account for more than one-third of international trade. It has been shown by some studies that countries are battling with each other over resources. Most of the world's untapped and non-renewable natural resources are found in underdeveloped countries of the world, where the risk of disputes is high.

Resource war is not a new phenomenon, historically, resources have been the root cause of colonialism. The colonial powers were after resources around the world, as they are today. In the contemporary world, the colonialists are collaborating with rulers of the developing world. They want their puppet government to stay in power so they can get what they want from the resource-rich countries. Like many countries in West Africa such as Mali, Nigeria, and Cote d'Ivoire are facing civil war mainly due to the natural resources they possess. The same case goes for some countries in the Middle East, like Iran, Iraq, Kuwait, and Syria as these countries are rich in oil reserves but they fail to take advantage of their natural resources and perform well in terms of their GDP.

## ***1.3. Research Questions***

- 1) Why are Africa and the Middle East still underdeveloped regions despite possessing so many natural resources?
- 2) How does foreign assistance play an important role in fuelling corruption in the Middle East and Africa?
- 3) What are the key factors which influence the foreign involvement in the Middle East and Africa?

## ***1.4. Hypothesis***

Natural resources are the root cause of poverty, underdevelopment and political, social, and economic inequalities in the developing countries.

## ***1.5. Conceptual Framework***

Resource wars are violent conflicts or intense fighting that is mainly driven by the struggle for control over significant natural resources, such as oil, gas, land, animals, water, gold, silver, gems, and other important minerals. Global Witness, an international non-governmental organization established in 1993, works to understand the relationships between the exploitation of natural resources, poverty, conflict and corruption, which lead to underdevelopment, and human rights abuses. Global Witness defines resource war as:

*Conflict resources are natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from or result in the commission of serious violations of human rights, violations of international humanitarian law or violations amounting to crimes under international law.<sup>1</sup>*

## ***1.6. Methodology***

The proposed study is descriptive in nature. It is undertaken through the Qualitative methodology of data collection which helped the researcher to critically analyze the collected data and to reach conclusions. Historical and analytical approaches are used in this research to trace out the importance of these resource rich regions. Moreover, the analytical approach to this study is employed to examine the secondary data. Secondary data included published literature such as books, various research journals, published research reports of international organizations, and different newspapers.

<sup>1</sup> Global Witness, "Definition of Conflict Resources", *Global Policy Forum* (August 2007)  
<https://www.globalpolicy.org/home/198-natural-resources/40124-definition-of-conflict-resources.html>

## ***1.7. Data Analysis***

### ***1.7.1. Natural Resources in West Africa***

Africa is important because it is richly endowed with mineral resources. West Africa, like other regions of Africa, has vast reserves of minerals. One of Africa's richest countries as far as the endowment of natural resources is concerned, is Guinea-Bissau. It has immense biodiversity and fertile soil. It has a multitude of mineral deposits. The world's biggest reserves of bauxite, an ore used in producing aluminum is found in Guinea-Bissau. The country also possesses small scale production of industrial minerals, such as clay, limestone, granite, sand and gravel. Besides, the immense potential exists for hydroelectric power. However, presently bauxite and alumina are the only major exports of the country.<sup>2</sup> Ghana, other West African country is also blessed with lots of natural resources. These include precious metals such as gold, diamonds, silver, and bauxite. It is also rich in cocoa and timber<sup>3</sup> and possesses vast rivers and lakes.<sup>4</sup> After Ivory Coast, Ghana is the second largest producer of cocoa in the world.<sup>5</sup> The country has the second biggest mines of gold in Africa, after South Africa and is also the third largest producer of aluminum metal and manganese ore.<sup>6</sup> Here a very pertinent question arises: Will Africa ever be able to benefit from its vast natural resources? This question has recently become more urgent and important for lately there have been more unearthing of coal, oil, and gas across West Africa. These discoveries have the potential to transform the global energy markets and there are some hopes that these will also metamorphose the economies and societies of the region.

### ***1.7.2. Natural Resources in Middle East***

The Middle Eastern countries made up a substantial portion of global oil and gas reserves. Iran, Saudi Arabia, Kuwait, Iraq, Oman, and the United Arab Emirates are all among the top exporters of crude oil. Apart from having half of the world's oil reserves, countries such as Oman, Bahrain, Qatar, Israel, United Arab Emirates, Iran, and Yemen

<sup>2</sup> USGS, "The Minerals Industry of Guinea-Bissau" *2014 Minerals Yearbook* (December 2017)  
<https://minerals.usgs.gov/minerals/pubs/country/2014/myb3-2014-pu.pdf>

<sup>3</sup> Dave Baxter, "Ghana benefits from natural resources" *Business Reporter* (12 May 2013)  
<https://www.business-reporter.co.uk/2013/05/12/ghana-benefits-from-natural-resources/#gsc.tab=0>.

<sup>4</sup> IBP USA, *Ghana Country Study Guide* ed.4th (USA: International Business Publications,2012),40.

<sup>5</sup> Ibid, 10.

<sup>6</sup> Kwesi Amponsah-Tawiah, "The Mining Industry in Ghana: A Blessing or a Curse" *International Journal of Business and Social Science* 2, no. 12 (July 2011)  
[http://ijbssnet.com/journals/Vol.\\_2\\_No.\\_12%3B\\_July\\_2011/8.pdf](http://ijbssnet.com/journals/Vol._2_No._12%3B_July_2011/8.pdf)

have natural gas reserves. Saudi Arabia has the world's second-largest oil reserves<sup>7</sup> and Iran is one of the world's largest copper producers. The countries in the Middle East are also blessed with lots of natural resources other than oil and gas. Apart from oil reserves, Syria is also rich in mineral resources such as gypsum, marble, silica, natural crude asphalt, salt, steel, and cement.<sup>8</sup> Israel mines diamonds, whereas Jordan is rich in potash and phosphates besides the presence of other natural resources include oil shale, gypsum, copper, manganese ore, and unrefined salt.<sup>9</sup>

Iran also possesses mineral resources such as lead, bauxite, coal, iron ore, zinc, lead, tin, manganese, aluminum, silver, and gold. Iran also mines gemstones like turquoise, amber, lazuli, and agate. Bahrain is the smallest country in the Middle East but has a strong economy. In the present time, the economy of Bahrain is focused on the production of fossil fuels, particularly oil and natural gas, but it also relies on other natural resources like arable land and minerals such as aluminum. Livestock is one of Bahrain's most important natural resources. Being an island state, the major food export of Bahrain is Fish.<sup>10</sup>

### ***1.7.3. Corruption in Government Sectors***

To run a country, a government has to collect revenues in various forms from its population. Since the people in democracies ultimately hold the purse strings through an elected legislation, they enjoy some control over their government. When governments fail to provide the basic services they had promised, the people have the power to either remove them or make sure that they are not re-elected.

In many African countries, which are rich in natural resources, there is a lack of transparency with regard to resource development and revenue generation. Not surprisingly, this facilitates corruption and the capacity of delivering the basic services like health and education by the government is severely handicapped. For instance, Equatorial Guinea, is a small oil-rich country that is said to have the highest per capita

<sup>7</sup> "Saudi Arabia Energy Profile: Second Largest Holder Of Proved Oil Reserves – Analysis" *Eurasia Review: News and Analysis* (16 Sept 2019) <https://www.eurasiareview.com/16092019-saudi-arabia-energy-profile-second-largest-holder-of-proved-oil-reserves-analysis/>

<sup>8</sup> "Economy of Syria and Business Opportunities" <https://www.globaltenders.com/economy-of-syria.php>

<sup>9</sup> Engr. AbeerRamadna, "Mining Sector in Jordan: Current Situation and Investment Opportunities" *Ministry of Industry and Trade Jordan* (Oct,2012) <http://ec.europa.eu/DocsRoom/documents/11342/attachments/8/translations/en/renditions/native>

<sup>10</sup> World Atlas, "What Are The Major Natural Resources Of Bahrain?"

<https://www.worldatlas.com/articles/what-are-the-major-natural-resources-of-bahrain.html>

income in Africa. However, despite the highest per capita income, life expectancy is below in the sub-Saharan African region and infant mortality is very high. Around half of the population is deprived of uncontaminated water.<sup>11</sup> Of course lack of clean water results in the spread of all kinds of diseases. The immunization rates for children are also among the lowest in the world.

In most of the Middle Eastern countries, some things in common like monarchy, exploitive nature of the government, no accountability and of course oil reserves. In the Middle Eastern countries, people cannot protest against any government policy. The rulers dependent on the rent from natural resources, tend to be oppressive, poorly managed, and corrupt. In these countries human resources are often ignored by the government. Instead of investing in human development, such as health and education, the government spend on luxurious products and military expenditures from which the only rulers get benefited.

It might appear anomalous to say that having more money and resources would be counterproductive for a poor country. Yet it has been observed by economists that countries that are abundantly endowed with natural resources, like oil or diamonds, prone to have more income inequalities, are less developed and more impoverished. Just as earnings from oil or diamonds, have a corrupting influence on developing county foreign aid, it also can spread the plague of corruption in a country and its governing elite are most vulnerable in this regard. Holding purse strings tends to make the government more despotic. Also the risk of civil war increases. This is so because in the developing world democracy is not well entrenched and there is less power sharing.

The wealth earned from natural resources becomes a prize worth fighting for among various regions in a country. Many scholars and analysts believe that the aid giving countries should be more circumspect and carry out more scrutiny to ascertain which practices have been effective and which have not.

#### ***1.7.4. Exploitation by Foreign Powers***

Foreign assistance most often hurts, rather than helps, the poor people of developing countries. In the mid-twentieth century onwards till the late eighties, it was argued by

<sup>11</sup> Daniel Bekele, "Equatorial Guinea: Why Poverty Plagues a High-Income Nation", *All Africa* (27 Jan 2017) <https://www.hrw.org/news/2017/01/27/equatorial-guinea-why-poverty-plagues-high-income-nation>.

economists that for stimulating growth in an already prosperous country or one that is aspiring to become richer — was to pump money into the said country's factories, railroads, roads and other infrastructure. Unfortunately, still mostly foreign-owned companies are engaged in resource exploitation, and they pay only nominal taxes to the governments of these countries. So how can these countries overcome underdevelopment and poverty?

It can be seen that the giant multinational companies around the world make their presence in the Middle East and West Africa. They want to control the resources to mine it by giving token money. They try to get the control either by bribing money or other forms of gifts to the rulers of that country. Also, sometimes by creating pressure from their own country's leadership to the resource owner country. Thus the multinational companies are spreading corruption in the region and resource-rich countries of the Middle East and West Africa could not perform well in terms of economic growth. Even the growth of some countries with abundant natural resources is negative.

### ***1.7.5. Role of Natural Resources in Civil Conflicts***

In the past two decades or so, diamonds have caused brutal civil conflicts in seven African countries, resulting in the deaths of thousands. The unfortunate countries are Sierra Leone, Liberia, Côte d'Ivoire, Angola, the Central African Republic, the Republic of Congo and the Democratic Republic of Congo.<sup>12</sup> Already existing civil conflicts and inter-state conflicts are intensified by the trade-in diamonds. These trade finances militaries and rebel militias. Diamonds are considered the most precious stones that are universally in demand. Since these are usually small in size, their trafficking is easy and difficult to trace.

The Arab Spring in 2010 was a series of pro-democracy demonstrations throughout the Middle East. These mostly peaceful protests turned into civil war in some countries. Most of these countries are oil-rich such as Syria, Iraq, and Bahrain. Kirkuk is one of the biggest and oldest oil fields in the Middle East, estimated to contain about 9 billion

<sup>12</sup> Paul Orogun, "Blood Diamonds and Africa's Armed Conflicts in the Post-Cold War Era" *World Affairs* 166, no. 3 (WINTER 2004), <https://www.jstor.org/stable/20672689>

barrels of recoverable oil.<sup>13</sup> Kirkuk, a province of Iraq, these days become the source of a major dispute between Baghdad, the Kurdistan Regional Government (KRG), and the other local political parties. This issue has paralyzed the provincial administration as well as shaken the local economy. It has triggered anger in local residents.

### ***1.7.6. Foreign Involvement in West Africa and Middle East***

The European countries and the United States' support of oppressive dictators in the Middle East and West Africa are an integral part of the resource conflicts. China is now stepping in predominantly around the world. The Middle East, especially the Persian Gulf has become the apple of eye for big powers. In the nineteenth century big powers colonized territories and states for its rich natural resources, today's big powers want these resources at a cheap price. Not only the former colonial countries, like Britain and France, but other major powers such as the United States and China have also entered in the race to explore gold, diamonds, uranium, gas, and oil.

#### ***The United States***

In the present times, the demand for oil can be clearly controlled in the financial and commodity markets. Oil companies, countries that produce oil, governments, and speculators employ sophisticated financial instruments to drive up the prices of the oil in the market. Virtual oil drilling can push its world market price both higher and lower. Oil prices can also be driven up by withholding the supply of oil from the markets. The US camouflages its ambition to dominate the world by using the slogans such as the War on Terror, humanitarian crises, upholding democratic values and capitalism, international peacekeeping and neoliberal economics. The US wants to control oil-rich regions and oil markets as a weapon to maintain its geo-political military supremacy over the world.

Africa is an important source of oil for the US, and it is an underdeveloped continent which can be easily controlled. As pointed out above, oil can be deliberately made scarce in the markets by oil companies. If there is the slightest threat of war anywhere

<sup>13</sup> John Davison and Dmitry Zhdannikov, "Explainer: Why are Iraq's Kirkuk oilfields so important?" *Reuters* (11 Nov 2018) <https://www.reuters.com/article/us-iraq-oil-explainer/explainer-why-are-irags-kirkuk-oilfields-so-important-idUSKCN1NGOAM>



in the world, but especially in the Middle East, it can cause oil prices to rise. The effect of the prospects of peace is just the opposite. It drives down the price of oil. The defiant oil producing countries such as Iran can be punished by imposing embargoes on them. Other oil producers' capacity for continuing production of oil can be halted by political instability, war, and civil violence.<sup>14</sup>

The US made an announcement of its withdrawal from northern Syria in October 2019, but still, around 500 troops are stationed there to guard oil facilities, along with Kurdish-led forces, who are the key beneficiaries of the production. In Syria's economy, the oil and gas sector has played a vital role, even though its reserves are small in comparison with the other Middle Eastern countries. Syria had an estimated 2.5 billion barrels of oil reserves in 2018, compared with Saudi Arabia's 297 billion, Iraq's 147 billion and Iran's 155 billion barrels.<sup>15</sup>

The United States has begun to enhance its presence in West Africa by declaring its interest in several humanitarian causes.<sup>16</sup> The uninterrupted supply of oil is essential for the running of an industrial or post-industrial economy, and caused by extension, a country's civil and political society. Since this natural resource is not infinite, its value, both in fiscal terms and in its perceived worth is high. As a consequence, in countries where oil in large quantities is present or discovered, the attention of the world is inevitably drawn towards them. However, it is not guaranteed that a country will benefit accordingly by such a discovery. The countries of West Africa and the Middle East are gaining the attention of the major oil companies in the world.

### The EU

A new strategy was launched by the EU in 2012 to tackle its dependence on imports of "strategically important raw materials", in particular metals such as cobalt, rare earth and titanium, along with wood and other minerals.<sup>17</sup> Having uninterrupted access to these materials were considered essential for maintaining the EU's industrial

<sup>14</sup> Matthew Taylor King, "All That Africa Could Be" *The American Interest*  
<https://www.the-american-interest.com/2017/06/27/all-that-africa-could-be/>

<sup>15</sup> "Syria war: Who benefits from its oil production?" *BBC News* (21 Nov 2019)  
<https://www.bbc.com/news/50464561>

<sup>16</sup> John Campbell, "United States Foreign Policy Priorities in West Africa" *Council on Foreign Relations* (18 August 2016) <https://www.cfr.org/blog/united-states-foreign-policy-priorities-west-africa>

<sup>17</sup> European Commission, "Security of supply and scarcity of raw Materials" (2013) <http://eplca.jrc.ec.europa.eu/uploads/RawMat-scarcity-of-raw-materials.pdf>

competitiveness. To gain access for EU companies to more supplies of these raw materials, Brussels has been maneuvering for some basic changes in other countries' trade policies. The EU is keen that the developing countries should stop putting a restriction on exports of these materials and to jettison investment policies that would deprive EU companies' access to them. In this regard, the countries that are being mainly targeted are Russia and Ukraine as well as the African countries. Here the issue involved is that such "protectionist" trade policies can be critically important for alleviating poverty. The EU ideologues on free trade continue to reject such assertions.

The EU insists that its companies be given the same right of access to raw materials by other countries as the local businesses. The very idea that the less developed countries should have the power to restrict foreign investment in order to promote industrialization is rejected by the EU. It is not only the hindering of development that is involved in this regard, the EU's new resource grab can also cause an escalation in tensions among the world's major power blocs. China and the West are fierce rivals for control over raw materials,<sup>18</sup> and Africa is a continent that is troubled by conflict over diamonds, oil, and timber.

Cooperation agreements on fisheries with West Africa's Sub-Saharan coastal states are perceived by the European Union as purely commercial deals that are meant to allow unrestricted access to this region's coastal state fishery resources.<sup>19</sup> This would also be a means to secure employment for Europe's harvesting and processing industries, besides supplying their seafood consumption markets at the lowest possible prices.

Brussels provided financial compensation to the West African countries for fishing rights that covers two-thirds or more of the license fees and is a means for subsidizing European fishing vessel owners. Owing to this arrangement the EU is in the position of being a favored user of the coastal resources. It tends to displace foreign investors and local businesses in the coastal states, besides distorting the economics of the European

<sup>18</sup> David Pilling, "Africa ties with China are about more than raw materials" *Financial Times* (4 October 2015) <https://www.ft.com/content/e6b692ec-5e2f-11e5-a28b-50226830d644>.

<sup>19</sup> Vlad M. Kaczynski and David L. Fluharty, "European policies in West Africa: who benefits from fisheries agreements?", *Marine Policy* 26 (2002) <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.474.3758&rep=rep1&type=pdf>

fishing enterprises. Not surprisingly it exerts excessive pressure on the marine resources thereby causing grave harm to the marine environment in West Africa.<sup>20</sup>

It is quite apparent that the EU's trade policies are dominated by European business, which is determined to lay its hands on raw materials at cheap prices. Thus it is not very surprising that there is mounting opposition against EU policies from most African countries. Some of these countries have been opposing the signing of investment agreements with the EU. The initiative on raw materials should also be opposed by Europe's citizens, for it deflects attention from the need to reduce their own consumption. Presently, Europeans consume around four times more than the average African. It is actually in their own ultimate interest to support new international action for prudently and equitably managing the consumption of the world's limited natural resources.<sup>21</sup> They must not forget the dire need for sustainability in the use of natural resources.

Geographically, the Middle East is adjacent to Europe and viewed as Europe's backyard. This region has historical ties with the EU as some of the EU member states such as France, Italy, the United Kingdom, and Spain had their former colonies in the Middle East. Europe is the largest importer of oil and gas and most of the energy comes from the Gulf region, Russia and North Africa. The Middle Eastern gas supplies are also significant to Europe, especially those from Iran and Algeria.

The Joint Comprehensive Plan of Action (JCPOA) is an agreement was signed on 14 July 2015 by Iran, the P5+1, and the EU, to ensure Iran's nuclear programme remains peaceful in exchange for lifting restrictions against the country. Recently the tension between Iran and the U.S. have intensified due to the US' withdrawal from the agreement in January 2018. This US decision put most of the European countries in a difficult position, whether they should follow the US or pursue an independent policy to warm up relations with Iran. The EU tried to come up with measures to continue doing business with Iran as it is Iran's main trading partner along with China and UAE.

<sup>20</sup>Vlad M. Kaczynski and David L. Fluharty, "European policies in West Africa: who benefits from fisheries agreements?" *Marine Policy* 26, Issue 2, (March 2002), 75-93.

[http://www.spcsrp.org/sites/default/files/csrp/ressouces\\_documentaires/825.pdf](http://www.spcsrp.org/sites/default/files/csrp/ressouces_documentaires/825.pdf)

<sup>21</sup> Mark Curtis, "The EU's ugly resource grab" *The Guardian* (14 November 2010)

<https://www.theguardian.com/commentisfree/2010/nov/14/european-raw-materials-development-countries>

## China

The newly emerged economic giant People's Republic of China (PRC) has growing investments in Africa. It has shown a lot of interest in Africa, and this has been reciprocated by the African countries.

The PRC claims that it wants a partnership with African countries not only to earn profits for itself, but also to help in the development of the continent. This win-win policy of China includes loans with nominal interest, partial or total forgiveness of debt, grants, shared investments, and plans to assist African countries to eradicate poverty and consolidate their sovereignty and independence. This scenario is alarming for Western powers. They fear that it will make China ascendant in the developing world.

Africans are not shy of saying that China is a less selfish partner than Europe or the US. However, China has been earning billions of dollars from exploring Africa's resources, which are being used to manufacture goods which are then sold back to the Africans at a hiked price. China has gained influence in the developing countries, particularly Africa by extending loans<sup>22</sup> but without the harsh austerity measures imposed by the IMF and the World Bank on aid recipients and debtor countries. The business-like China that emerged in the late eighties does not subject African or other developing country elites to lectures on corruption, transparency, human rights and democracy as do the US and Europe. This suits the corrupt and apathetic elite of Africa.

Since the last decade, China has significantly increased its economic and political involvement in the Middle East. It has become the biggest trade partner and made an investment in many countries in the Middle East. Due to the increasing demand for energy and the Belt and Road Initiative (BRI), China initiated its relationship with the Middle East in 2013. Very soon, just after two years China officially became the biggest global importer of crude oil from the Middle East in 2015.<sup>23</sup>

By far, the China-Pakistan Economic Corridor (CPEC) is one of the most ambitious components of China's Belt and Road Initiative (BRI). Apart from its transformational impact on Pakistan, CPEC will also enhance China's naval presence in the Indian

<sup>22</sup> George T. Yu, "Sino-African Relations: A Survey" *Asian Survey* 5, no. 7 (July 1965)  
<https://www.jstor.org/stable/2642291>.

<sup>23</sup> "China's Great Game in the Middle East" *European Council of Foreign Relations*  
[https://www.ecfr.eu/publications/summary/china\\_great\\_game\\_middle\\_east](https://www.ecfr.eu/publications/summary/china_great_game_middle_east)

Ocean as well as the Persian Gulf. As mentioned earlier, the Middle East is the largest supplier of crude oil and natural gas to China. Presently these resources are transported via sea routes to eastern China, but once the CPEC railways and pipelines are constructed, it will be economical for the transportation of commodities to the Gwadar port in Pakistan and, from there to western China.

The US has a massive trade deficit with China, so it is important to keep China from developing its own oil supplies at the sources. It is beneficial for the US dollar for China to purchase oil from the world market to fulfill its increasing demand for energy. Since China now also poses a military challenge to the US, weak though it is, the US must have the means to cut off China's oil supply if ever a war broke out between the two. Vice Versa, China, to boost its national security, China seeks secure sources of oil supplies rather than having to rely on the world market in oil. Also, China wants to turn its holding of US dollars into productive assets. To expand its economy, China needed to go global.<sup>24</sup> For all of the reasons stated above, Africa, as well as the Middle East are very important for China. The both regions are sources of oil, various minerals, and raw materials, markets and even land for their huge population. The US has woken up to the fact that China has made vast inroads into resource-rich Africa and the Middle East. China's investments have been in grant aid, infrastructure projects and favorable loans. Indeed this is smart diplomacy to win over new trade and economic partners.

### **1.8. Conclusion**

Countries that are rich in natural resources are vulnerable exploitation by foreign powers and manipulation through trade organizations and trade agreements. These hinder poor countries from developing their own value-added industries, by keeping their economies dependent on the export of raw materials. Corrupt developing world leaders, who are only interested in enriching themselves, are only too willing to sell out their own countries through under-the-table deals with foreign countries and corporations. God gave the natural resources to mankind to share justifiably with all future generations. These resources do not belong to rulers only. It belongs equally to all citizens. It must be managed in such a way that all future generations receive similar benefits.

<sup>24</sup> François Lafargue "China's Presence in Africa" *China Perspectives* 61 (2005)  
<https://journals.openedition.org/chinaperspectives/519>

Countries are prevented from controlling foreign investors owing to inequitable trade agreements. These foreign investors often purchase the common land cultivated by poor peasants dependent on the produce for sheer survival. Plantations of exotic crops for export use up scarce water from irrigation projects. Extraction of minerals in a callous manner leaves behind polluted air, land and water. The clearing of natural habitats of animals, birds, and plants for timber and for export-drives agriculture is endangering rare species of flora and fauna.

The economic and social trends and policies discussed need to be seriously addressed alongside the several challenges such as, price volatility shocks, bad governance, widespread unbridled corruption, and a growing parallel criminal economy. Inefficient governance, inept policy-making, and corruption pose a serious challenge to economic development. Governance is indifferent owing to the concentration of power in the central executive branch of government, which is hardly accountable to either the citizens or the other branches of government.

Military interventions, weak economic growth as a result of government incompetence in managing the economy, poor management of natural resources and corruption are the reason behind the prevailing situation of resource-rich Sub-Sahara African and the Middle Eastern countries. Following are the measures that governments of both region should be taken:

- Resource-rich countries should make sure that they do not slide into corruption, and armed conflicts, or become a rent-seeking economy. This should be the guiding principle for the resource-rich and other developing countries.
- The countries in question should make maximum efforts to become the best suppliers for the international commodity markets. Their main objective should be to relentlessly pursue the path of development.
- In the Middle East, it is the fact that much of the land has not been explored using modern techniques and equipment. Whereas, in Africa, over 30% of the

world's global mineral reserves are found.<sup>25</sup> Most of the Middle Eastern and African countries have either recently introduced or are working on new mining laws in order to seek more investment. It will be beneficial for the economic development of both regions.

- The governments of the African and Middle Eastern countries need to take strong actions to curtail corruption for the regulation and monitoring of both small and large-scale mining operations. Actions should also be proposed for ensuring that companies involved in the mining business in Africa and the Middle East are diligent about observing international standards of human rights in their mineral supply chains.
- Governments must take appropriate steps, otherwise, the development of natural resources will continue to wreak more harm than good, it will not only increase the risk of conflict but also lead to a lack of trust in governments with the result in civil wars.



<sup>25</sup>BusaniBafana, "Africa's Mineral Wealth May Just have to Stay in the Ground to Protect a Changing Climate"  
*Inter Press Service: News Agency*  
<http://www.ipsnews.net/2019/10/africas-mineral-wealth-may-just-have-to-stay-in-the-ground-to-protect-a-changing-climate/>