

Name:- Snabil Ali

Batch :- 157

Paper:- English Essay

Topic:-

Natural Resources : Blessing
or Curse?

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Natural Resources are the most reliable commodities in producing energy surplus of about 90-95%, according to UNFCCC.

It shows that importance of natural resources cannot be overruled in a country's economy.

Natural resources have an ever-lasting effect in a country's economy by boosting the exports, attracting foreign direct investments, and being a commodity for fastest economic growth. On the other hand, it also has some negative impacts including corruption, climate change, weak governance leading to chaos and increase in authoritarianism. Pakistan being a country having surplus natural resources should try to benefit from the rising shift in global order and make the natural resources a blessing for his people.

Natural resources includes fossil fuels, minerals, rare earth metals and some basic needs like water, forests etc. They have

an unending importance in the lives of human beings in general and for the states in particular. As Pakistan is a developing country, the natural resources play an important role in its economy. The geographical importance of Pakistan can be seen as it contains biggest reservoirs of Sui Gas, coal, rare earth metals like germanium, marbles and other fossil fuels. The use of natural resources in a right way can improve the economy of any country.

For example, in the case study of Botswana, we can see that they are seen as ~~the~~ one of the fastest economically growing country as they started using diamonds for their own benefit with proper mechanisms.

Therefore, we can say that periodic table is considered as a blessing because if used and utilized properly they can have a growing impact on a country's economy increasing boost in economy. In Pakistan, there are biggest reservoirs of marbles in the whole world other than Italy and Afghanistan. Marbles are one of the key elements in building

infrastructures.

According to UNFCC, one of the biggest importer of marbles is Italy. Pakistan on the other hand, only uses 20% of its marble for local use and 80% of its reservoirs are still to be used. There are also various rare earth metals like Reko Diq and Sein Diq and they have the ability to attract investment of plus 50 billion dollars.

Natural resources are one of the competing commodities in the world as we can see in the case study of Botswana. Furthermore, if we talk about the Middle East and Central Asian Republics we can see that their biggest economic factor is the export of oil, according to the World Bank.

The largest importer of oil in the whole world is Middle East and they have a total GDP of about 1 trillion plus. On the other hand, we can also keep in view the economy of Norway, who got its boost after the discovery of surplus oil. Today, the biggest exported commodity in the economy of

Norway is oil : a natural resource.

Natural resources are also a beneficial way to attract foreign direct investments (FDI). In Pakistan, there are many reservoirs in surplus that are not being used just because, it doesn't have enough money to extract them and then refine them.

On the other hand, Russia and China are the biggest exporters of rare earth metals like lithium and copper and they also have the industries to refine them.

In totality, there is a geographical blessing for Pakistan in the presence of water, minerals and agriculture. **Indus Water** is considered as one of the greatest irrigation systems of the world. It can help in the boost of agricultural system that is one of the main commodity of Pakistan economy.

On the contrary, Pakistan suffers from water scarcity because of mismanagement of water usage and immense loss of water in agriculture.

Secondly, Pakistan also contains one of the greatest reservoirs of physical assets like coal, Sui gas, marbles, rare

earth metals etc. All of these are present mainly in Global South. It can be seen as that "Global North is the biggest importer of natural resources. On the other hand, Global South is the biggest exporter."

Global North is the biggest producer of virtual assets like technology, cell phones, motors etc. The biggest production of motors is done in USA. The batteries used in these technologies includes rare earth metals like lithium, copper etc.

Afghanistan is found to be the biggest reservoir of lithium along with China and Russia but both the later countries are using it for the benefit of its economy but Afghanistan is not.

All of the above aspects of using natural resources for boosting the economy is not feasible until they are properly used in balance. Although, natural resources are a blessing to some countries but it is also posed as a curse to others due to various reasons.

According to World Bank,

"Natural resources are not a

blessing ; governance is."

It shows that if there is weak governance then there is no benefit of having surplus reservoirs of natural resources. A good governance includes political stability that will cause the attraction of foreign direct investments (FDI).

Furthermore, the surplus of economy can only be attained if the natural resources are exported without any impurity and that is also included in the role of governance. In Pakistan, due to less political stability the investors are unsure about the credibility of having benefits in these kind of projects therefore, it is still unable to use benefits of natural resources in its full capacity.

Resources as a Curse is a book written by Richard Austny that tells that how natural resources can become the cause of corruption, civil wars and also colonization. The biggest example is Africa.

Africa is the hub of various natural resources and the main reason for its colonization was to extract those resources

and send them to their own country and this main motive was completely shadowed in the light of "white men burden".

Even after post-colonization era, Nigeria is still facing corruption and civil wars ~~that~~ and the biggest trigger is the attainment of natural resources. Mongolia is also facing the same chaos.

Furthermore, if we talk about the environmental impact of natural resources, then it will again be putted in the table section of curse. Use of natural resources have the biggest and the greatest impact on climate change. The burning of fossil fuels releases hydrocarbons that leads to the harming of ozone layer.

Destruction of ozone layer causes an increase in the global temperature. According to UNFCC,

"There is 1.5°C increase in the global temperature."

The 1.5°C increase in temperature can be compared as one to two degree temperature increase or decrease is enough to make

the whole world a snowy planet.

The major contributor in the increase of global temperature is the use of fossil fuels that releases hydrocarbons.

President Obama said:-

"Climate change is a biggest threat posed to humanity."

The climate change in result causes floods, tsunamis, heat waves etc that becomes a natural curse for the human beings.

In addition to that, over-reliability on natural resources also leads to the boom of economy. In the case study of Venezuela, we can see that the surplus use of oil resources caused a boost in their economy but after that it caused a major loss to economy when the prices of oil suddenly decreased.

This shows that there must be a striking balance between the usage of resources and other exporting commodities in order to create a surplus in economy.

This aspect can be studied under the 'Resource Disease Theory' that explains that how the use of natural resources

can first lead to surplus benefits and then it reduces with the time being just like how a disease reduces the health of a person along the time.

Another aspect is authoritarianism, that can also be seen as a curse related to natural resources. According to 'Streit theory', it explains that how the places having the reservoirs of natural resources causes authority above the other states and reeks them as weak states.

In the Middle East, we can see that the cities having oil reservoirs and contributing to the GDP of the Kingdom of Saudi Arabia asserts their authority on the the other weaker states.

All of the above aspects leads to the result of natural resources as a curse but if we talk in the context of Pakistan then the rising shift in the Global Order may leads to natural resources as a blessing for Pakistan and its people.

In the start of 2025, after Donald Trump entered the White House he

put tariffs on the goods of every country. After that, he went on a trade war with China. This war emerged a debate named physical assets vs virtual assets. Physical assets includes natural resources and Global South is the biggest importer of this mainly Russia and China.

On the other hand, virtual assets includes technologies, motors, batteries etc and Global North is the biggest producer of this mainly USA. The production of virtual assets includes natural rare earth metals and due to trade war between China and USA and also conflicts of USA with Russia in Ukraine War is making it difficult for USA to export these natural resources.

All these aspects caused the emergence of the importance of natural resources in the global world. Therefore, in the current scenario every country is trying to invest in rare earth metals.

On the other hand, Pakistan contains the biggest reservoirs of various earth metals that are needed on a global

level

The main projects like Rego Dig and Sein Dig are of bigger interests and many countries like USA, Canada and China are interested to invest in these projects. This shows that it is very beneficial for Pakistan's economy to have a rising shift in global order.

In order to increase the global economy of Pakistan as a developing country following actions should be taken that includes,

Firstly, the proper reforms and mechanisms to extract the natural resources and also attract investments so that Pakistan can use the resources at local level and also export them on international level.

Secondly, the political stability and good governance is also very important so that investors will see the credibility of investment in Pakistan and more foreign direct investments can come in our country.

For example, from 2021 - 2025 China is demanding two conditions :- one is

decrease the risk of militancy and protection of the lives of Chinese people and second is the political stability." Only after that China will invest in Pakistan.

Therefore, political stability is also an important factor in boosting the economy by using natural resources.

Thirdly, proper mechanisms should be made for irrigation system in Pakistan so that more water can be saved from going into wastage and it can also reduce water scarcity in the world.

Not only, good governance is needed, there should also be proper implementation of rules and regulations so that corruption can be reduced and more fruitful projects can be made.

For example, Neelum-Jhelum Project is the biggest example of bad governance and corruption that led to the upper-hand of India in controlling the water and leading to water scarcity.

In conclusion, we can say that natural resources are a blessing if used with proper precautions and under good governance that maintains a proper

striking balance. But on the other hand, it can also become a curse if used vigorously without any precautions. Physical assets has a lot of importance in boosting the economy of a country. Therefore, Pakistan should try its level best to maintain and manage its natural resources on the national level and also attract the global investors to make fruitful use of the resources that are still underneath the ground. In this way, Pakistan having a geo-strategic importance can use its natural resources as a blessing.

