Q. Natural Resources: Blessing or Curse?

Outline

1) Introduction

1.1) Hook

1.2) General Information

1.3) Thesis Statement: Once upon a time natural resources were a means to measuring the potential of a country, not just through its wealth, but through its self sustainability too. At present day, the narrative has since evolved and begs the question whether natural resources are a blessing or a curse when in fact it is a double edged sword.

2) The need for natural resources and their importance

2.1) They provide a foundation for life via water etc.

2.2) Energy production through fossil fuels and wind, solar, or hydro power.

2.3) The provision of raw materials for industries and trade.

3) How are natural resources a blessing?

3.1) Generation of wealth ie economic growth

3.2) Job creation as manual skilled labour is crucial for the processing and extraction of natural resources.

3.3) Improvements in infrastructure and development of society as revenue generated can be utilized.

3.4) They can be a sought after asset, the need for which can be so high that it can lead to industrialization.

4) How are natural resources a curse?

4.1) Environmental degradation through industrialization, urbanization etc

4.2) Exhaustion of natural resources

4.3) Can be breeding grounds for poor governance and corruption

4.4) Natural resources can be weaponized for eg India weaponizing water against Pakistan.

4.5) "The Dutch Disease" originated from Netherlands 1959. It says that over-reliance on natural resources for revenue leads to neglect of other sectors.

5) Case Studies of it being a blessing v. curse

5.1) Blessing: Norway ~~as it~~ through a sovereign wealth fund, Canada as it is a diversified economy upholding regulations and environmental standards, and Botswana due to transparent governance.

5.2) The 'resource curse' where abundance intersects with corruption, over reliance and conflict. Some prime examples are Afghanistan which is often war torn and riddled with political instability, despite its possessing $1 trillion in minerals, Pakistan due to water scarcity, political instability, circular debt and energy crisis, and Venezuela who boasts the largest oil reserves in the world yet remains underdeveloped due to economic collapse from overdependence on oil.

~~6) Bridging the gap: How to turn the blessing into~~

6) Bridging the gap: How to turn the curse into a blessing

6.1) Good governance and transparency through anti corruption measures and transparent revenue management

6.2) Economic diversification by not putting all the eggs in one basket and investing in sectors such as manufacturing and technology.

6.3) Developing human capital by prioritizing education, health and skills for lasting prosperity

6.4) Natural resources are finite, they must be used with caution, e.g. forests and water abundance have lasting benefits if sustained well.

7) Conclusion

Pakistan boasts the world's" largest ~~untapped~~ underdeveloped copper and gold digs at Reko Diq with estimates of 5.9 billion tonnes of ore. It possesses an estimated $6 trillion of mineral wealth with at least 92 known minerals yet its development and economy do not reflect such richness. Natural resources are a finite resource, they are raw materials pre-existing in the environment and are crucial for human survival and development. They are truly Earth's life sustaining gifts and are inclusive of water, minerals, rare earth elements and fossil fuels as well as many more. They are invaluable assets which fuel economies, build societies and provide essential sustenance thus them being categorised as a blessing, but they can very easily turn into a curse through depletion, poor governance and corruption. Natural resources come in every shape and form ie renewable such as solar, wind, water, and forests as well as non-renewable ie coal, oils and metals. Natural resources are oft considered to be a double edged sword, it showcases a complex paradox with respect to ~~its~~ resource wealth becoming a root cause for instability, and poverty rather than development and wealth. Once upon a time natural resources were categorised as a mean to measuring the potential of a country not just through its wealth, but through the self sustainability it enriches a country with too. At present day, the narrative has since evolved and begs the question whether natural resources are a blessing or a curse when in fact it is a double edged sword. A World Bank report in 2023 best summarized the paradox "The abundance of natural resources is often a mixed blessing, offering great potential, but also posing significant challenges."

Natural resources are the foundation of human life, they are crucial for not just development, but survival too via the food, shelter and energy they provide. The words of Jane Lubchenco, a marine biologist phrase it best, "We depend on nature, not just for resources, but for our very survival." Natural resources are often construed as a mere means to an end, an immediate ~~survival~~ tactic. however, they are so much more than that. They had the power to ensure future ~~prospect~~ prosperity and ensure the livelihoods ~~for~~ of all future generations, but for that sustainable management is necessary. Minerals such as copper and iron are oft utilized in building infrastructure whereas metals create technology, timber provides shelter, water, air and social sustain life and agriculture, whilst fossil fuels are turned for energy thus showcasing the importance of fossil fuels and highlighting them as a blessing.

Natural resources as aforementioned, provide raw materials for innumerous things, however they do ~~such~~ so much more than that. They have the potential to organically boost economic growth as not only can they ~~exp~~ generate export revenue via foreign exchange, they can also attract foreign direct investment (FDI). Pakistan's Reko Dig in Balochistan has attracted a significant amount of traction and recognition due to the resources it retains. Not only has Saudi Arabia expressed interest in a 15% stake, Japan too has made its interest evident. The FDI Reko Dig could get Pakistan has labelled the abundant resources as a "game changer". The International Finance Commission (IFC) even provided funding i.e a $300 million loan in April 2025, and $700 million in June 2025. Another prime example of such is the Sui Gas Field in Balochistan which was given FDI by the UK whereas it's rare earth elements were granted investment by the US. Moreover, a surplus ~~is~~ of such resources allows a country to export them thus balancing the trade deficit and increasing GDP.

The process of excavating, extracting and processing ~~raw materials for use~~ natural resources to be turned into raw materials for use is a lengthy and tiresome one. It requires manual labor, and is one of the few jobs where technology cannot fully preside over. Whether its mining, farming, fishing, agriculture or forestry, it provides an abundant number of jobs for eg in the US it provides millions per industry whereas in Pakistan, a 2019 report by SMEDA indicated at least 1300,000 direct jobs in the mineral sector alone. An increase in available jobs gives ~~you~~ people the opportunity to earn money and alleviate their financial status as a job deficit can lead to a higher crime rate due to an increase in the number of robberies. The natural resource sector provides stable and consistent means of livelihood worldwide.

~~Often~~ Sites of natural resources are often in barren or isolated areas, and once extraction of such resources begins, there is a dire need for proper infrastructure hence in lieu of that natural resources once again prove themselves to be blessings. Alternatively they can also do so by other means if a country's earning a significant amount due to natural resources, it often directs a substantial portion of that revenue into societal development and infrastructure.

Natural resources are indubitably a diamond in the rough; at face level the whole industry or sector seems straightforward or simple, however it is complex in the best way possible. The excavation of natural resources. Once the raw material is extracted it must be processed and manufactured before being distributed for use in any sector whether it be medical (surgical tools), aviation or cars etc. Underdeveloped or third World countries with abundant natural resources often extract the raw material and send it off to a country such as Brazil, India or Indonesia (developing countries) who then sell it to developed countries (US) who make the finished product and sell it to countries of all economies. This is a concept often elucidated in the study of international relations under the ambit of the international division of labor wherein primary industries extract natural resources, sell them to secondary industries which manufacture the raw material and sell it to tertiary industries which provide a service or a finished good made from the raw material. If a country is earning enough revenue from its natural resources, it can use these to promote rapid industrialization hence cutting out the middle industries, and reaping profits whilst also ~~providing in~~ creating jobs, thus industrialization, employment, and higher GDP are the aftermath of the blessings that are natural resources.

However, it is crucial to denote that with every blessing there may be a curse as whilst natural resources possess the potential to do all of the aforementioned, they can also be hinderances or obstacles if not utilized affectively. Such was elaborated in a World Bank Report in 2023, "The abundance of natural resources is often a mixed blessing, offering great potential but also posing ~~a~~ significant challenges." The extraction of natural resources such as coal, copper, gold, diamond etc are not only labour intensive, they are also severely ~~[illegible]~~ damaging to the environment. Natural beauty is often destroyed for industrialization, forests locked down for urbanization (so the labourers can live close to the site). Such degradation has long lasting affects on the environment and thus human life as we know it. This speeds up global warming through intensive climate change.

Moreover, as aforementioned, most natural resources are tangible and finite, they cannot self replenish, and once they are depleted, that is the end of it. Furthermore, the process of excavation itself is harmful to laborers health, and without proper gear and protection, working in such strenuous conditions can lead to bronchitis, asthma, and many other severe health complications.

Natural resources have the power to shift and completely transform the economy of a country as the revenue can be reinvested in other sectors as it is indeed quite profitable. However, this surplus of wealth often entices politicians or people in power to get greedy hence it can lead to corruption, and bad governance wherein rather than the revenue generated being used mindfully it is spent rashly. As per the IMF, "The resource curse is not inevitable, but it is a real risk where governance is weak", as was aforementioned in the argument above.

As of 2025, in April, the world witnessed water, an ~~indes~~ indispensible natural resource being weaponized by India against Pakistan. Such weaponization not only shifts power balances, but can also lead to a full fledged war due to the importance and need of such natural resources. Hence, whichever country is upper riparian controls the waterways thus posing an immense threat. A prime example is when India threatened to cut off Pakistans water supply and obey the IWT, they feared China would as the upper riparian do the same to them.

Last, but not least, a major curse ~~in~~ levitating around natural resources is the Dutch Disease. This originated from the Netherlands in 1959 and refers to how some countries over-rely on natural resources which are limited in number, and thus neglect to develop other sectors which may grace them with temporary wealth, but until the potential of natural resources is not utilized hand in hand with that of other sectors, a country will never ~~to~~ have long term riches. This is a prime example of the mismanagement of natural resources as was articulated by Jeffery Sachs of the Economist, "Natural resources are neither a curse nor a blessing; they are an opportunity. The challenge is to manage them well."

There are innumerous success stories, i.e. examples of how countries have enabled the use of natural resources to the fullest thus reaping all the benefits. Norway does such through a sovereign wealth fund which not only ensures intergenerational equity and stability, but has also allowed its GDP/capita to be among the highest globally. The fact remains that ~~whilst~~ even though

Norway enables the use of non-renewable resources. It ~~to~~ still holds first position in renewable energy (CCPI) too thus boosting its environmental performance, and balancing the scales, ~~Canada~~ too all of which is possible due to strong governance and transparency. Canada too is abundant in natural resources and its robust regulations, diversified economy, and environmental standards keep it successful ~~and~~ i.e. natural resources are a blessing for them. Botswana is one of the most abundant countries for diamond mines, and its efficient management, transparent governance, lack of corruption, and development allow it to thrive. As was once stated in the UNDP, "When managed wisely, natural resources can be a powerful engine for sustainable development."

On the flip side, we will be showcasing countries who have failed to materialize the blessing that natural resources are hence it seems as a curse for them. The 'resource curse' is an oft talked about phenomena wherein abundance intersects with a myriad of internal problems such as corruption, over reliance and conflict. Afghanistan is ~~ff~~ spewing over with natural resources such as lithium, copper, iron and water however it is riddled with political instability, barely negligible infrastructure and exploitation. It has ~~barely~~ recovered from being war torn ~~and~~

thus unable to fulfill the potential of its $1 trillion in minerals. Pakistan is another example as whilst it has great potential for hydropower, copper, gold and natural gas, its consistent clashes with water scarcity, political instability, circular debt, and dependence on imported oil lead to it not living upto its potential as the "cross-roads" of the region. Venezuela has the largest oil reserves in the world, yet suffers from hyper-inflation, economic collapse and political instability thus proving the resource curse, that countries that are most abundant are often the ones unable to reap its benefits.

However, there is a solution, a way forwards one that can ~~can~~ blur the fine line between a blessing and a curse. All the countries whose economies are flourishing due to their natural resources have ~~some~~ a myriad of facets in common such as good governance, economic diversification, and developed human capital ~~and~~. Transparency can be achieved through anti corruption measures thus revenue management can be controlled. Moreover, investments in other sectors will decrease the over reliance on natural resources, and balance the economy whilst boosting it. Sectors such as manufacturing and technology will improve countries such as Afghanistan and Pakistans standing from primary industries, to secondary and tertiary ones. Consistent development in human capital must also be sought through prioritizing education, health and skills for lasting prosperity whereas much needed caution with finite resources such as forests and water will ~~lead to~~ prevent environmental degradation, whilst ensuring the sustainability of such limited resources. As the Financial Times highlighted, "The secret to turning resources into prosperity lies not in the ground, but in governance" thus proving that if managed effectively, natural resources are indubitably a blessing; ~~and as Jeffery Sachs said, "Natural resources are neither a curse nor a blessing; they are~~

Natural resources are a natural phenomena often construed as a double edged sword, lingering between being a blessing or a curse, showcasing a true paradox. However, any worthwhile substance or thing if mismanaged leads to conflicts, difficulties and losses. As Mahatama Gandhi said, "The earth has enough resources for our need, but not enough for our greed," hence showcasing how crucial it is to ensure that natural resources are treated, and ~~utilize~~ utilized as the true blessings that they are. Transparency, good governance, and diversification are deeply harmonious with the blessings natural resources provide hence in order to fulfill the true underlying potential, some good governance is crucial.