

The resources which would never be used for Benefit!

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Pakistani people are dying while sitting in a land full of riches. Perhaps this is the horrid yet true picture of reality in most developing countries in the world.

Pakistan covers an area of 796,095 km² (307,374 sq mi), approximately equaling the combined land areas of France and the United Kingdom. It is the 36th largest nation by total area although this ranking varies depending on how the disputed territory of Kashmir is counted. Apart from the 1,046 km (650 mi) coastline along the Arabian Sea, The country is strategically located between South Asia, Central Asia, and the Middle East. Land is a valuable natural resource which include an extensive natural gas supply, some oil, hydro power potential, coal (although not high quality), iron ore, copper, salt, and limestone. Agricultural products are wheat, cotton, rice, sugarcane, eggs, fruit, vegetables, milk, beef, and mutton. Primary industry includes textiles, food processing, pharmaceuticals, construction materials, shrimp, fertilizer, and paper products. Major exports are textiles, rice, leather goods, sports goods, carpets, rugs, and chemicals. Pakistan imports petroleum, machinery, plastic, edible oil, iron, steel, tea, and paper.

Many Pakistanis are proud of their motherland. Every elementary school student is taught that the country is rich in natural resources. The citizens' pride is rooted in the fact that the country is geopolitically important and can survive on its own - unlike Singapore, for example, which basically lives from its neighbors' resources.

Ironically, these same children have to grow up witnessing or experiencing extreme poverty. This is more painful given the dreams they hold after being taught about the richness of their land.

There is a long list of cases in which corporations - local and foreign - exploited and polluted the land, leaving toxic waste behind for the local people. From the human rights violations and destruction of peoples' livelihoods caused by mining companies, to the environmental damage

by the leather industry in Karachi, to a plethora of cases of mercuric materials in drinking reservoirs, corporations have brought evil consequences to Pakistani people.

Joseph Stiglitz, the 2001 Nobel Prize recipient for economic sciences, famously remarked, "Most countries with large (production) of natural resources do more poorly than those without, which is an irony." The film "Blood Diamond" depicts a related situation in Africa, where exploration for diamonds institutes a civil war, disrupts a nation's political stability and subjects its people to torment and anguish. One character vividly remarks, "I hope they do not find any more diamonds, otherwise we will start killing each other". The same is for Pakistan where we would not find any more natural resources, otherwise we will start killing each other again.

Though it may sound treacherous, at some points I almost wish this land were poor - and that may indeed be the wish of many Pakistanis. The very inception of economic principles stems from resource scarcity; that is why their core mantra is one advocating efficiency in modes of production.

Imagine if the world provided sufficient natural resources that people could simply pick basic necessities - food, water, housing materials and clothes - from their immediate surroundings. In that scenario, economic principles may not even be needed. There are several caveats to ponder.

First, is it even true that our world does not provide sufficient resources to make this a reality? Is it even the case that resources are scarce, or is it human activity - greed, pure and simple - that makes it so? Humans always want to have what others have, even if they have more. Is it axiomatic that nature cannot naturally reproduce resources that humans have consumed?

Secondly, assuming that natural resources are scarce by nature, not by human greed, is it morally acceptable to suggest that those who are the most efficient at

production get the biggest share of natural resources, while others who are less efficient should live at their mercy?

This is not to suggest that there is no place for economic principles, but they are not without flaws and not without vested interests. I would argue that those deficiencies manifest as the root cause of the torment many developing countries



are suffering.

The very idea of insufficiency, or "resource scarcity," pushes those with so-called "technology and capacity" to take over the management of the world's resources; the idea of not having enough makes them look elsewhere. Natural resources become the prima donna, and everyone fights over her.

Without the technology and capacity developed countries command, developing countries will always lose in a game of resource management and accumulation. That is why in the fields of oil, gas and mineral extraction, developing countries rabidly engage in joint venture agreements with foreign corporations from developed countries. The popular myth is that without foreign corporations, developing countries would not be able to extract these resources.

Do you know that;

- Pakistan recently discovered one low and four low-to-medium quality coal seams in the Punjab. Low sulphur coal was recently reported at the Baluchistan and near Islamabad. Bituminous, sub-bituminous, and lignite coal have been found in Pakistan.

Coal reserves are estimated at 175 billion tons. This would equate to 618 billion barrels of crude oil. When compared to oil reserves it is more than twice the amount of the top four countries. If at KSA's current usage, the reserves would last more than 200 years.

- Natural gas production is at a high level in Pakistan. Estimated reserves are 885.3 billion cubic meters (as of January 2009). Gas fields are expected to last for another 20 years. The Sui gas field is the largest, accounting for 26% of Pakistan's gas production. Daily production is 19 million cubic meters a day. Under the barren mountains of Balochistan and the sands of Sindh, there are untouched oil and gas reserves.
- Forests are limited to 4% of Pakistan's land; nonetheless the forests are a main source of food, lumber, paper, fuel wood, latex, and medicine. The forests

are also used for wildlife conservation and ecotourism.

- Pakistan has large gold/copper ore deposits at Saindak. There are large deposits of rock salt in the Pothohar Plateau. Pakistan's mineral resources include reserves of gypsum, limestone, chromites, iron ore, rock salt, silver, precious stones, gems, marbles, tiles, sulphur, fire clay, and silica sand.
- About 28% of Pakistan's total land area is under cultivation. Pakistan boasts one of the largest irrigation systems in the world. According to Wikipedia, "the most important crops are cotton, wheat, rice, sugarcane, maize, sorghum, millets, pulses, oil seeds, barley, fruits and vegetables, which together account for more than 75% of the value of total crop output." The fertile lands of Punjab are ready to feed a population twice that of current Pakistan.
- Pakistan has a long history of exporting small amounts of uranium. In 2006 Pakistan produced about 45 tons of uranium.
- The fishing industry plays a role in the national economy of Pakistan. The coastline is 814km and fishery resources still have room to grow. Fishing in Pakistan is a major source of export earnings.

But for every exploration we have to look towards other countries. Perhaps it would remind you about the Saindak Metals and many more alike.

According to economic schemas imported by developed countries, developing countries would not be able to extract those things "efficiently." In reality, the uneven playing field is exploited by huge corporations that wield mighty bargaining power in their domestic economic-political arrangements - which in Pakistan are called "corruption" and dictate the share division of natural resources and the procedural rules for their extraction. The practical implications are not only frowned upon, but also suffered by many people in Pakistan. That is the cancer of the irony, purely because of unrestrained human greed.

Quots of the Quarter

"It sounds extraordinary, but it's a fact that balance sheets can make fascinating reading."

Mary, Lady Archer
(1944-), British scientist

The economy depends about as much on economists as the weather does on weather forecasters.

Jean-Paul Kauffmann

The waste of money cures itself, for soon there is no more to waste.

M.W. Harrison

In the old days a man who saved money was a miser; nowadays he's a wonder.

Author Unknown

Inflation is taxation without legislation.

Milton Friedman

When written in Chinese the word "crisis" is composed of two characters - one represents danger and the other represents opportunity.

John F. Kennedy,
Address, 12 April 1959

When a man is in love or in debt, someone else has the advantage.

Bill Balance

The government's view of the economy could be summed up in a few short phrases: If it moves, tax it.

If it keeps moving, regulate it. And if it stops moving, subsidize it.

Ronald Reagan

If all the economists were laid end to end, they'd never reach a conclusion.

George Bernard Shaw

We musalmans in general and youngmen in particular do not know the value of money. A paisa saved today is two paisa tomorrow, four paisa after that and so on and so forth. Because of our addiction to living beyond means and borrowing money we lost our sovereignty over this Sub-continent.

Quaid e Azam Muhammad Ali Jinnah
(In Ziarat Balouchistan, 1948)