

The background of the image is a dark blue and purple night sky filled with numerous white stars of varying sizes. In the foreground, there is a dark silhouette of a forest of evergreen trees. The overall aesthetic is serene and celestial.

TOPIC OF THE WEEK

JUNE'19 (30 May to 05 JUN)

Resources Rich Countries End up with Poverty

Countries endowed with natural resources should be better and grow faster than countries without valuable natural capital. However, the reverse is often the case; moreover, some countries with abundant natural resources are marked by more poverty, more inequality and more conflict than others less well-endowed. Generally, most of the poor countries, have some resources like oil, gas, mineral which could have helped them to improve their economic situation, however the opposite is the situation. Let us take for example the Sub Sahara African countries, like Nigeria, Liberia, DRC but also Venezuela, Russia where there are a lot of mineral resources and yet more than half of the population lives on less than a dollar, have poor transport systems, don't have access to clean water and sanitation, don't have access to electricity and have poor education and health facilities.

One of the biggest issues is the continuous over extraction of the resources in these poor countries by multinational companies from rich countries with very minimum benefits for the poor countries. Usually these multinational usually extract the minerals, process them

and then sell to these poor countries at very huge profits. Most of the times, these multinational companies come with promises things like investment, technology transfer and capacity building which unfortunately are not fulfilled, hence no win-win situation, leaving these poor countries more poor and with no resource, no investment no technology transfer and no capacity. Since many of these poor countries lack the financial muscle, technical skills as well as human skills to process these resources into valuable assets or wealth, they are subjected to manipulations by multinational companies. It is also unfortunate that even where they try to process the mineral into valuable assets, they still face a lot of competition on the market and sometimes are forced to sell the products at very low profits which cannot improve the country's economic situation.

On the other hand there are also issues and challenges within these poor countries which affects their ability to use their resources to achieve sound development, and the major one being corruption due to poverty, weak policies and institutions but also poor governance. This results in over exploitation of the resources be it financial or non financial by some individual leaders at the expense of the majority of the population. In some

countries this selfness ends up in civil wars which disrupts everything and increases the levels of poverty of the majority.

We tend to think that technology is the answer to poverty, but in fact, the opposite seems to be true. The disparity between the rich and the rest of the world is larger than ever before. It is not easy to explain the rise in inequality, and it is particularly complicated to determine the role of technology in this, although it is believed to be the main driver of the increasing inequality.

Trade and technology present an opportunity when they are able to leverage existing capabilities, and thereby provide a more direct and reliable path to development. When they demand complementary and costly investments, they are no longer a shortcut around traditional manufacturing-led development. New technologies reduce the prices of goods and services to which they are applied. They also lead to the creation of new products. Consumers benefit from these improvements, regardless of whether they live in rich or poor countries. There are instances of technology improving the lives of poor people. But for technology to make a real and sustained contribution to development, it must not only provide better and cheaper products; it

must also lead to more higher-paying jobs. In other words, it must help poor people in their role as producers as well as consumers.

Today we may be seeing a new wave of similar fears as we begin to wonder whether the ways we use and rely upon technology today are making us susceptible to new, dangerous forms of manipulation. Artificial intelligence expert Jerry Kaplan says those whose jobs involve ‘a narrow set of duties’ are most likely to see their work replaced by automation. Concern over manipulation by government and companies has never really gone away, with fresh controversies emerging periodically, but today we may be seeing a whole new wave of concern—and of reason to be worried. There have been several stories in recent months highlighting ways that today’s technology could be used to manipulate and control. Among them was the uproar over “experimentation” by Facebook, which manipulated the “mood” of posts seen by some users to see if it affected the happiness or sadness of the content posted by those users.

With globalization and cooperation from developed countries advanced technologies can be infused into Third World countries. Integration of technology in Third World countries will produce several advantages such as

economic growth and development. Through integration of technology, Third World countries will have the opportunity to have a better connection with the rest of the world. The World Wide Web technology is one of the most popular inventions that support growth theory in economics and is considered to be one of the greatest solutions to increase the Third World countries current economic situation. The United States and other developed countries use all kinds of existing technological devices and practices to help them work on new ideas and implement them into reality. Therefore, marginal productivity rates in those nations are directly related to the technological discoveries their people make that allow them in gaining a sustainable economic growth over their competitors. On the contrary, Third World countries are typically positioned far from this economic growth that could boost their economy due to lack of available technological resources.

In many Third World countries the unemployment rate is found to be very high. Driving technology can decrease the unemployment rate by creating more job opportunities in those countries. During recent years the United States and other developed countries have been using advanced technologies to significantly contribute

to their market development and increase productivity, which Third World countries can also benefit from. For instance, a project done in West Africa called e-Ghana has created 1,000 job opportunities from integrating technology. The project's main goals were to develop an electronic tax application and create new jobs for West Africans (Woodman & Long, 2014). Additionally, by integrating technology in Third World countries more IT companies will be able to open and this will lead to an increase in job opportunities. With the support of the technological transformation the benefits will be remarkable and it will build upon local technical skills in the Third World countries

Last year, 124 million people around the world faced food crises that required humanitarian action. The figures from the United Nations Food Programme show that more than 39 million people starved as a result of droughts. With so many people affected, it would be easy to assume that there is not enough food to feed the world's growing population, but this simply isn't true. While there is sufficient food to go around, many developed countries lack the farming and supply chain techniques to ensure that each harvest gets to the people who need it, before it spoils. Advancements in

technology could also enable livestock farmers to improve their results. Dr Stefan Weiskopf, chief executive of farming intelligence group Antelliq, says he expects adoption of precision agricultural techniques to be rapid in the years ahead. The latest international statistics on malnutrition make for uncomfortable reading, but evidence shows that the solutions exist through supply chain management and precision agriculture techniques. For these solutions to be successful, there will need to be buy-in at global level from both government and investor stakeholders. Ultimately, it is these two groups that have the greatest opportunity to banish malnutrition for good.

With today's technology and its latest features all of its aspects could be utilized in every industry. The emergence of new services is one of the benefits advanced technologies offers to all different kinds of industries. Today, mobile phones and other computer software make those services accessible for everyone online. Third World countries can benefit from those provided services through advanced technologies in different fields such as agriculture, healthcare, and education. For example, in Kenya a project called e-Warehouse uses mobile phone services to help small

farmers store their crops (Dobush, 2015). A variety of industries can be advanced through integrating technology in Third World countries. However, indicating the appropriate technological elements in different organizations will be crucial for Third World countries to reach economic success.

In conclusion, it is not only the mineral resources that are important for a country to become economically rich and well developed but rather the capacity to process these into valuable asset or wealth which can be used for social economic activities in those poor countries. In current situations where these poor countries lack the capacity to process the resources, then we are far away from alleviating global poverty.

For reference:-

- <https://www.richardvanhooijdonk.com/en/blog/technological-advances-causing-increased-poverty-inequality/>
- <https://www.eoi.es/blogs/tabithahmkandawire/2012/05/07/why-resource-rich-countries-are-actually-poor/>
- <https://www.weforum.org/agenda/2018/10/will-new-technologies-help-or-harm-developing-countries/>

- <http://www.icglconferences.com/articles/infusing-technology-into-third-world-countries/>

Suggestion for extra reading:-

- <https://www.theguardian.com/commentisfree/2019/may/27/the-guardian-view-on-facebook-power-without-responsibility>
- <https://www.theguardian.com/commentisfree/2019/may/19/the-guardian-view-on-minecraft-all-human-life-is-here>
- <https://www.theguardian.com/commentisfree/2019/may/17/the-guardian-view-on-the-venice-biennale-migrant-boat-pushing-the-limits-of-art>
- <https://www.nytimes.com/2019/05/17/opinion/ceo-pay-raises.html>