

civil conflict in the last decade<sup>6</sup>. Conversely, "peace is most commonly found, where economic growth and opportunities to share in that growth are broadly distributed."<sup>7</sup>

A recent study by the World Bank indicates that "countries which have a substantial share of their income (GDP) coming from the export of primary commodities are dramatically more at risk of conflict," in particular during periods of economic decline<sup>8</sup>. Moreover, "in some cases, average per capita growth rates actually have been lower [in resource rich] than in resource poor developing countries, and some resource-rich developing countries remain among the world's poorest"<sup>9</sup>.

Conflicts in Sierra Leone, the Congo and Nigeria demonstrate the absence of a critical factor needed to translate resource wealth into widely-shared peace and prosperity. While resource scarcity has often been a focus for environmental security research, it forms only one of the ecological sources of violent conflict. It follows that abundant valuable natural resources should provide the basis for peace, yet the opposite situation often applies in the presence of resource abundance.

Foreign Direct Investment in the minerals sector, and the resulting economic development, can diminish the likelihood of conflict. Yet the expected development gains from large-scale development projects often fail to materialize for the affected communities, thus exacerbating instead of reducing existing social tensions. Why is it that natural resource wealth often does not translate into a peaceful and prosperous society ?

**Inequitable Distribution of Benefits and Consequences:** This gap between natural resource wealth and social prosperity is often explained by the distribution of impacts and benefits. The World Commission on Dams concluded that "groups bearing the social and environmental costs and risks of large dams, especially the poor...are often not the same groups that receive...the social and economic benefits".<sup>10</sup> A 1998 IFC/World Bank assessment of four natural resource extraction projects in Colombia, Papua New Guinea and Venezuela concurred, stating that "frequently...national governments reap the most benefit from these projects, while social and environmental costs tend to be borne by local communities"<sup>11</sup>. This represents a failure to involve affected communities in decisions that affect them.

**Over-Reliance on Single Commodity:** In many instances, the large stream of income

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<sup>6</sup> *Human Development Report*; (UNDP, 1999).

<sup>7</sup> Carnegie Commission. *Preventing Deadly Conflict: Executive Summary*. (Washington: Carnegie Endowment for International Peace, 1997) p. xxxii.

<sup>8</sup> Collier, P., *The Economic Causes of Civil Conflict and their Implications for Policy*; (The World Bank, 2000), page. 7

<sup>9</sup> World Bank Group Activities in the Extractive Industries. World Bank Mining Department/Oil Gas and Chemicals Department, August 2001. Mimeo.

<sup>10</sup> World Commission on Dams. *Dams and Development: A New Framework for Decisionmaking*. Earthscan, 2001.

<sup>11</sup> McPhail, K. "How Oil, Gas and Mining Projects Can Contribute to Development". *Finance and Development*, (Washington: IMF, December 2000, Vol. 37, No. 4).