

THE GLOBAL INSTITUTIONAL ORDER AND THE PROBLEM OF RESOURCE CURSE

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ABSTRACT

This paper is aimed at analysing the role of the global institutional order in resource curse. To achieve this aim, the author discussed the complexity of resource curse and the multifaceted nature of the activities that cause resource curse. Despite the complexity of resource curse and the multifaceted nature of the activities that cause resource curse, the particular role of the global institutional order is identified, among different causal roles played by different agents, and thus attributed causal responsibility to the global institutional order. This attribution of causal responsibility is based on the implicit argument, which pervades this paper, that any actor or agent that contributes to causing resource curse is responsible on the 'level', and to the extent, the actor or agent contributes to causing resource curse.

Keywords: *Global Institutional Order, International Borrowing Privilege, International Resource Privilege, Property Right, Resource Curse.*

Resource Curse:

If anyone ever wonders why the lives of the inhabitants of places such as the Niger Delta (Nigeria), Cabinda (Angola), Malabo (Equatorial Guinea), Katanga (Democratic Republic of Congo), Bo, Kenema, Kono District, Pujehun District (Sierra Leone), etc, are nasty, brutish and short, the answer is 'resource curse' (Abumere, 2015: 12). Such places have epitomised resource curse and their inhabitants live in a Hobbesian state of nature where it is not necessarily the war of all against all, yet it is a state of nature where life is nasty, brutish and short. One thing that characterises such places is the presence of poverty in spite of the presence of abundant natural resources. The resource curse concept explains the causal linkage (or correlation) between the endowment of abundant natural resources and poverty.

Richard Auty (1993: 1) introduced the term 'resource curse' into development economics to describe a phenomenon that development economists started wrestling with in earnest three and half decades ago (since early 1980s). Resource curse means a situation whereby despite their being endowed with abundant natural resources, some states are poor and their poverty is directly or indirectly linked with their natural resource-endowment. Resource-rich countries

"often perform worse in terms of economic development and good governance than do countries with fewer resources" (emphasis is original) (Humphreys, et al., 2007: 1).

Other things equal, a resource-rich country is supposed to be economically well-developed. However, in the case of resource-cursed countries, the reverse is always the case; hence the term 'resource curse.' Furthermore, the situation is also known as paradox of plenty because plenty resources, other things equal, should lead to economic development rather than poverty. Hence it is a paradox when plenty resources lead to poverty or when high level of poverty persists despite plenty resources.

It is not that every resource-rich country is resource-cursed. Australia, Botswana, Canada, Norway, Qatar, South Africa, United Arab Emirates, United Kingdom, United States of America, etc., although have a lot of natural resources, are exceptions to resource curse because they avoided the Dutch disease and have a relatively low level of rent-seeking (these are the two major factors responsible for resource curse). On the basis of their manufacturing and export industries, countries - without the endowment of abundant natural resources - such as Japan and the Asian Tigers (Hong Kong, Singapore, South Korea and Taiwan)

have been able to develop economically (Sachs and Warner, 1995). But in many resource-rich countries the situation led to lack of economic development and social cohesion.

It is not the claim of the resource curse concept that whenever and wherever a country is endowed with abundant natural resources such country must be resource-cursed. Rather, the claim of the concept is that many resource-rich countries such as Angola, the Democratic Republic of Congo, Equatorial Guinea, Nigeria, Sierra Leone, Venezuela, etc. are economically worse-off today due to their natural resources. About forty years ago, in the mid-1970s, “Indonesia and Nigeria had comparable per capita incomes and heavy dependencies on oil sales. Yet today, Indonesia’s per capita income is four times that of Nigeria” (Ross, 2003; Humphreys, et al., 2007: 2).

This situation is not peculiar to oil and gas countries such as Nigeria. It is also true of resource-cursed countries that do not have oil as the mainstay of their economy but are diamond, gold, uranium, etc. producing countries. If we compare countries endowed with abundant diamond such as Botswana and Sierra Leone, we will find out that from 1971 to 1989, while the economy of Botswana grew seven per cent at an average, averagely Sierra Leone’s per capita GDP from 1971 to 1989 dropped thirty-seven per cent, and from 1991 to 2001 the country was ravaged by a civil war (Humphreys, et al., 2007: 2).

A major oil producing country like Norway is top-ranked at the United Nations Human Development Index (UNHDI). Also, oil producing countries such as Argentina, Brunei, Kuwait, Mexico, Qatar and United Arab Emirates are high-ranked. However, some of the lowest-ranked countries are oil-producing countries such as Angola, Chad, Equatorial Guinea, Nigeria, Democratic Republic of Congo, Yemen, etc (Humphreys, et al., 2007: 2). “Variation in the effects of resource wealth on well-being can be found not only across, but also *within* them. Even when resource-rich countries have done fairly well, they have often been plagued by rising inequality – they become rich countries with poor people” (emphasis is original) (Ibid.). Although the living standard and the general economic well-being of the citizenry of some resource-cursed countries have improved over the years, the facts are: (i) given the natural resources they have, they should have been better-off; (ii) their being worse-off relative to non-resource-rich countries is directly or indirectly due to their being endowed with abundant natural resources.

Moreover, the taxation of natural resources, at least theoretically, is a guaranteed source of revenue. Many natural resources, for instance oil and gas, are immobile. Oil and gas, being immobile commodities, are not like mobile assets, for instance capital, which can be moved away from a country because of high tax. Furthermore, given that tax proceeds from oil and

gas (given their ‘immobility’) are guaranteed, and in view of the fact that these proceeds can and ought to go into creating better economic conditions for everyone, it is plausible to expect oil and gas-rich countries to have, in economic terms, lesser degrees of inequality and higher degrees of equality among their citizens (Ibid.). This is true as well for many solid mineral-rich countries containing uranium, diamond, gold, copper, etc.

Rent-Seeking and the Dutch Disease:

While there are many problems associated with resource curse, rent-seeking and the Dutch disease are the two major problems (Abumere, 2014: 112). Rent-seeking concerns using political means at the political realm to try to get economic rent. By economic rent, it is meant the variation between the total cost of production and the total price of the product. The product can be goods or services or both. Rent-seeking is an economic term. Adam Smith introduced the term ‘rent’ into economics. But it is David Ricardo’s usage of the term ‘rent’ that is closer to the notion of rent-seeking. By rent Ricardo meant “the payment to a factor of production in excess of what is required to keep that factor in its present use” (Henderson).

In the context of extractive industry, economic rent would mean “the difference between the value of production and the cost to extract it. The extraction cost consists of normal exploration, development, and operating costs as well as a share of profits for the industry” (Humphreys, et al., 2007: 379-80). Based on the Ricardian notion of rent, Gordon Tullock (1967: 224-32; 1989: vii) originated the idea of rent-seeking in 1967 and the actual term was first used by Anne Krueger in 1974 (1974: 291).

Rent-seeking is rife because the value of natural resources usually far outweighs the cost of their extraction; anyone who is able to secure the license to exploit the resources is automatically in a lucrative business. For this reason, there is usually a scramble for exploration of natural resources which often leads to negative political and economic consequences in resource-cursed countries. In other words, a gap commonly referred to as economic *rent* exists between the value of that resource and the costs of extracting it. In such cases, individuals, private sectors or politicians, have incentives to use political mechanisms to capture these rents.

Related to rent-seeking, the abundance of natural resources contributes to resource curse in two other ways. First, because the government can always extract a natural resource and get revenue for it, it does not bother about making any investment. Hence the country becomes a spendthrift rather than an investor. Second, since it is very easy for the government to get revenue from natural resource, the government will not (sufficiently) tax its citizens. And

given that the citizens are not (sufficiently) taxed, they may not bother to check the government's income and expenditure because the citizens may not have the feeling that their personal money is being spent. This makes the country a rentier state, i.e., a state suffering the rentier effect, a socially undesirable economically and politically harmful situation in which governments use large revenues accruing from the sales of natural resources to pacify pressure and opposition, evade accountability and abstain from institutional reform (Sala-i-Martin and Subramanian, 2003: 4).

The Dutch disease simply means "the currency appreciation due to resource revenue and its negative effect on the competitive position of other industries" (Soros, 2007: xi). The term 'Dutch disease' was first used by *The Economist* in 1977 to describe the economic situation of the Netherlands (Lawson-Remer, 2012). The Dutch disease, as the name suggests, originated in the Netherlands when the country discovered natural gas in the North Sea in 1960s/70s. The Netherlands shifted focus from manufacturing industries to the gas industry which resulted in the poor performance of the manufacturing sector.

The Dutch disease has the following pattern:

A sudden rise in the value of natural resource exports produces an appreciation in the real exchange rate. This in turn makes exporting non-natural resource commodities more difficult and competing with imports across a wide range of commodities almost impossible (called the 'spending effect'). Foreign exchange earned from the natural resource meanwhile may be used to purchase internationally traded goods, at the expense of domestic manufacturers of the goods. Simultaneously, domestic resources such as labour and materials are shifted to the natural resource sector (called the 'resource pull effect') (Humphreys, 2007: 5).

The above scenario leads to a situation whereby the prices of manufactured goods will rise, and this will in turn raise the cost of manufacturing. In a nutshell, shifting focus to the exploration and exploitation of natural resources leads to the abandoning of other sectors. In the case of Netherlands, shifting focus to the exploration and exploitation of natural gas led to the abandoning of the manufacturing sector. In the case of developing countries, shifting focus to the exploration and exploitation of natural resources usually leads to the abandoning of the agricultural sector (Ibid.). For instance, in the case of Nigeria, shifting focus to the exploration and exploitation of oil and gas led to the abandoning of the agricultural sector. The solution is not that the Netherlands should have focused on manufacturing or developing countries should focus on agriculture or Nigeria should focus on agriculture rather than oil and gas, rather the solution is that, taking into consideration

absolute and comparative advantages, diversification is the best possible option. A diversified economy - rather than a mono-product economy or an almost mono-product economy - is safer for stable economic growth in particular and economic development in general.

Natural Resource Wealth and Overlapping Curses:

The foregoing discussion has been centred on the problem that many countries, notably less developed countries, that get a huge proportion of their revenue from the export of very valuable natural resources are liable to the affliction of resource curse. Wenar asserts that they are liable to be afflicted by three overlapping curses. The first curse is proneness to authoritarianism. The second and the third are higher risk of civil conflict and lower rates of growth respectively (Wenar, 2008: 3). In the same vein, Pogge (2002) argues that underdevelopment and conflicts characterise many resource-rich developing countries because of the lure of the benefits from governing such countries. In resource-rich developing countries which are usually filled with corrupt leaders, a huge part of the funds realised from the selling of the resources goes into the private pockets of the corrupt leaders. Furthermore, such leaders can use the natural resources of their countries as collaterals to get loans. Like the revenues from the sales of resources, a huge percentage of the loans borrowed by such corrupt leaders is embezzled. Since a huge percentage of money borrowed goes into the private pockets of such leaders at the expense of the country, this incentivises them and gives them the funds required to perpetuate their power. These situations worsen the condition of resource-rich developing countries, and encourage rogues to compete for power because of the benefits (Pogge, 2002: 143).

Similarly, Wenar argues that there is a correlation between resource curse and authoritarianism because authoritarians can enhance their power by selling valuable natural resources and use the huge revenue to boost their repressive apparatus in order to repress and suppress any domestic resistance to their authoritarian rule. In addition, since authoritarians do not have to levy tax to get any revenue, they have no sense of responsibility for or accountability to the people or tax payers. Finally authoritarians can use their slush funds to bribe persons or leaders or movements that pose any threat of resistance to their regime (Wenar, 2008: 3-4).

In terms of civil conflicts – civil war and *coups d'état* – the desire to gain control over abundant valuable natural resources and the enormous economic benefits from such control lead to civil wars and *coups d'état*. Without these resources or the revenues accrued from them: many rebels and military governments cannot sustain their militaries or prosecute expensive civil wars; also the incentives for *coups d'état* would have been lower (Pogge, 2002: 113-115, 163). Although

many coup plotters cite injustice, unfairness and bad governance as their reasons for carrying out a coup, the two major reasons are power and money actually. No wonder when they take over they become, sooner than later, just as ruthless and corrupt as their predecessors or just as guilty of the charges they levelled at the regime they toppled.

Without the economic incentive, the power incentive would often be the only major incentive for *coups d'état*; hence reducing the instances of coups. Also, since many people, corporations and states that support military regimes do so because of the economic incentive, they too will have no incentive to support military regimes (Wenar, 2008: 3). When many resource-cursed countries are observed, it can be inferred that conflicts, *coups d'état* or strong men can drive countries to the brink.

When we combine the two curses of authoritarianism and civil conflicts with corruption, the Dutch disease, price volatility, unequal expertise, insufficient investments, etc. then we have a recipe for low growth; hence the third curse namely low rates of growth. "The more a country relies on exporting minerals, the worse its standard of living tends to be. Resource dependence is correlated, for example, with...higher poverty rates and lowers life expectancy" (Wenar, 2008: 5).

The above sort of over-dependence on natural resources by resource-rich states is *internal* over-dependence. There is another sort of over-dependence which is *external* over-dependence. In external over-dependence, powerful countries over-depend on the natural resources of developing countries. This leads to aggressive resource competition which in turn is likely to result in resource conflicts and consequently underdevelopment and insecurity. There is no doubt that the scramble for Africa and the subsequent partitioning of Africa by European colonialists had, among other things, a lot to do with natural resources. In post-independence Africa there is still what Dino Mahtani (2008) refers to as 'the new scramble for Africa's resources' and what John Ghazvinian (2007) refers to as 'the scramble for Africa's oil.' There is nowhere in the world that the resource curse and the overlapping curses of resource curse are more manifested than in Sub-Saharan Africa.

The factors responsible for resource curse are the handiwork of individual actors or agents, collective actors or agents, corporate actors or agents, the state (government) actor or agent and the global institutional order. So it is possible to have different levels of analysis for these different actors or agents. The role of individuals can be analysed at the individual level of analysis. Likewise, the collective, corporate, state (government) and the global institutional order can be analysed at their respective levels. But this paper is only aimed at discussing the role of the global institutional order in resource curse.

The Role of the Global Institutional order in Resource Curse:

Before analysing how the global institutional order contributes to resource curse, let us briefly look at what is meant by 'the global institutional order'; which will provide a helpful background for the appreciation of our analysis. Firstly, 'the global institutional order' may be referred to as 'the global political and economic order' or simply as 'the global order' (Risse, 2005: 2). Secondly, the term 'global institutional order' as used in this paper is borrowed from Thomas Pogge (2002).

Thirdly, by 'the global institutional order' it is meant the current set of political, economic, legal and social institutions, rules, regimes and norms which systemically, directly and indirectly regulate, shape and affect the relationships, interactions, competitions and cooperation among persons, collectives, peoples, states, corporations, and organisations globally. Although different organisations and regimes carry different weights which are important to different degrees, fundamentally they are all part and parcel of the same global institutional order.

To analyse how the global institutional order contributes to resource curse, it suffices to focus on Thomas Pogge's and Leif Wenar's analyses because their analyses of the subject are deemed adequate. Pogge and Wenar are not the only thinkers that have dealt with the subject. Nevertheless, they have done some of the most authoritative analyses of the subject. Furthermore, their analyses do not only sufficiently show the correlation between the global institutional order and resource curse, they also successfully make policy recommendations to tackle the problem. Hence a combination of Pogge's analysis of 'international borrowing privilege' and 'international resource privilege' with Wenar's analysis of 'property right and resource curse' will suffice.

In his analysis, Wenar argues that in itself the abundance of natural resources is a blessing rather than a curse. "The 'curse' results from a defect in the rules that allocate control over these resources. The fault is not in nature, but in human institutions....Only human practices can turn what should be a national asset into a collective liability" (Wenar, 2008: 8-9). Hence Wenar opines that the story of resource curse is only partially about the abundance of natural resources in a country. The other part of the story is the revenue or foreign exchange dictators and corrupt regimes earn through exploiting these resources (Wenar, 2008: 8).

In the same vein, as earlier discussed, Pogge argues that regardless of how any group comes to power - how it exercises power and whether the citizenry supports or opposes it - as long as such group has the preponderance of the means of coercion or near monopoly of force within the state, it is internationally recognised as the legitimate government of the state

(Pogge, 2001: 19-20). In spite of the fact that: the nature of its coming to power; the nature of its exercise of power and; the opposition of it by the citizenry; make it illegitimate. By recognising such group as the legitimate government the international community consequently bestows upon it two crucial privileges namely international resource privilege and international borrowing privilege. These privileges respectively allow the government to sell the natural resources of the country and to borrow money in the name of the country (Pogge, 2001: 20).

Such despotic governments, given their corrupt and unaccountable natures, borrow at will without considering the impact it will have on the population. Worse still they use the money to perpetuate themselves in power and for other self-aggrandisements and for their cronies, without any commitment to developing the country or making the plight of the population better. Nevertheless:

Any successor government that refuses to honour the debt incurred by a corrupt, brutal, undemocratic, unconstitutional, repressive, unpopular predecessor will be severely punished by the banks and governments of other countries; at minimum it will lose its own borrowing privilege by being excluded from the international financial markets. Such refusals are therefore quite rare, as governments, even when newly elected after a dramatic break with the past, are compelled to pay the debts of their ever so awful predecessors (Ibid.).

Although in the above paragraph Pogge only mentioned the banks and governments of other countries, sometimes the Bretton Woods institutions - the International Monetary Fund (IMF) and the World Bank Group - can even do more damage. From the Structural Adjustment Programme (SAP) to the Washington Consensus, there are unfavourable conditionalities for receiving 'help' from IMF and World Bank. Just like IMF and World Bank, the World Trade Organisation (WTO) has the capacity to cause its own fair share of damage especially.

Pogge argues that the international resource privilege goes beyond the global institutional order's acceptance of the group in power as having the power of control over the natural resources of a country. This privilege involves the global institutional order recognising both *de facto* and *de jure* the group in power as *legitimate government* that possesses the power and authority to transfer the ownership rights of these natural resources legally as well as validly to whomever they wish (Ibid.). When this happens, while the benefits are usually very lucrative for the benefactors, the consequences are usually very dire for the helpless victims.

Consider the following true case scenario. For instance, "a corporation that has purchased resources from...Sanni Abacha, has thereby become entitled to be - and actually *is* - recognised anywhere in the

world as the legitimate owner of these resources" (emphasis is original) (Ibid.). Indeed Abacha allocated oil wells to himself and military generals who were members of his Provisional Ruling Council. Abacha and his generals sold their oil wells to oil companies that retain legal titles to those oil wells today. Also the generals who decided to keep their oil wells rather than sell them retain legal titles to those oil wells today. When we add these immoral legalities to the billions of dollars Abacha, his family, military generals and other cronies stole from oil revenues, and then the consequences of Pogge's international privileges become horrific.

Comparing the above international case with a commercial law case; a serious problem can be deduced from the former. "A group that overpowers and takes control of a warehouse may be able to give some of the merchandise to others, accepting money in exchange" (Pogge, 2001: 20-21). Neither the group nor the buyers are legally recognised as the rightful owners of the merchandise. But in the case of a group that illegitimately takes over power by force and sells off the natural resources of the country, "the purchaser acquires not mere possession, but all the rights and liberties of ownership, which are supposed to be - and actually *are* - protected and enforced by all other states' courts and police forces" (emphasis is original) (Pogge, 2001: 21). Juxtaposing the international case with the commercial case, it can be observed that while commercial law is close to principles of domestic justice, international law is far away from principles of global justice.

Corroborating the above commercial law case, Wenar argues that in legal parlance when a thief steals one's watch the thief has no title to the watch, he or she only has possession of the watch. Even if the thief sells the watch to someone else, the transfer will be invalid, hence illegal. So the owner of the watch still owns the title to the watch - although the possession is lost - while the thief merely sells a stolen good and the buyer only has possession of a stolen good (Wenar, 2008: 12). Employing the legal maxim, *nemo dat quod non habet* (no one can give what he or she does not have), Wenar argues that the thief cannot give, sell or transfer the watch to another person legally because the thief does not own the watch and one has not authorised the thief to dispose of it. In legal terms, the thief's title is void and whoever buys or gets the watch will consequently have a void title (Wenar, 2008: 18-19).

While military regimes gain possession of natural resources through force (having come to power through the barrel of the gun) corrupt civilian regimes usually gain possession of natural resources through fraudulent means either by stolen ballots, administrative opacity or both. But the international system treats them as if they were the rightful owners of the resources. The foreign states and corporations that buy these resources know too well how they are

ill-gotten. These foreign states and corporations act as if there were nothing wrong with their trade. Even if there is nothing legally wrong with such international trade as the international system currently deems it, but surely there is something morally wrong with it. In other words, even if it is legally procedural, it is not legally substantive.

Wenar argues that there is a daily violation of national ownership principle. This daily violation is made possible by an outdated “provision in the international system that invites the seizure of natural resources by violence and threat” (Wenar, 2008: 12). This argument is based on the grounds that “the property rights of a people are violated, as any owner’s right would be, whenever someone gains control of this property through theft, deception, force, or extreme manipulation”(Wenar, 2008: 16).

Wenar supports his arguments with some international covenants. Article 1 of the International Covenant on Civil and Political Rights states that all peoples have the right to “freely pursue their economic ...development”, and “for their own ends, freely dispose of their natural wealth and resources.” In corroboration, Article 21 of the African Charter on Human and Peoples’ Rights states that “all peoples shall freely dispose of their wealth and natural resources. This right shall be exercised in the exclusive interest of the people. In no case shall a people be deprived of it.” Based on the above articles Wenar aptly argues that the natural resources of a country belong to the people of that country. This property right or principle of ownership is recognised by international law and enshrined in many state constitutions (of course except some monarchies) and legitimated by several UN declarations (Wenar, 2008: 10). But recognition of this property right is not enough. It also needs to be respected.

In view of the foregoing discussion, Wenar argues that international trade, as it is today, permits the selling and buying of stolen goods. “The raw materials used to make many of these goods have been taken – sometimes by stealth, sometimes by force – from some of the poorest people in the world. These goods flow through the system of global commerce under cover of a rule that is little more than a cloak of larceny” (Wenar, 2008: 2). Therefore, for Wenar, many of the products sold and bought can be considered to be stolen goods (Ibid.).

Pogge’s and Wenar’s notions of property rights re-echo that of William of Ockham who was a fourteenth century Franciscan friar and philosopher. He developed his notion of property right when he sided with the then Minister-General of the Order of Friars Minor (a.k.a. Franciscans) Michael Cesena against Pope John XXII in Avignon on their dispute on the correct biblical meaning of the vow of poverty. Here, rather than rehash the historical context in which Ockham developed his notion of property right, I will

simply state the content or substance of the notion. Ockham’s notion of property right holds that the owner of a thing/property has authority over, and retains the right to, the thing/property. Although others can use the property, they can only use the property with the consent of the owner and according to the intention of the owner, and the owner can recall the property if s/he so wish (Kilcullen, 1999: 302-25). Applying Ockham’s notion of property right to resource curse, in political theory, and historically since the French Revolution, it is generally accepted that sovereignty lies with the people rather than the government. The government is a mere agent while the people are the principal. The agent cannot be a representative of the principal without the consent of the principal, and the agent should not act contrary to the intention of the principal. The agency of the agent is derived from the principal and the principal has authority over, and retains a right to withdraw, the agency. So the resources of the state belong to the people. It is the people who give the government agency to manage the resources on behalf of the people and for the interest of the people. When this agency does not come from the people or when the people cannot withdraw this agency or when the government utilizes the resources contrary to the intention of or against the interest of the people, then the agency is illegitimate or null and void.

In the context of resource curse the corrupt politicians/military dictators are the illegitimate agents while the people are the rightful principal. But the global institutional order is on the side of the ‘illegitimate’ agents rather than respecting the property rights of the rightful principal. The position of this paper is that if the global institutional order respects Ockham’s, Pogge’s and Wenar’s notions of property right, the causes of resource curse will be minimised and the problem alleviated.

Conclusion:

Without the role of the global institutional order in resource curse, the causes of resource curse will be minimised in the following related ways. First, obviously because rather than having five levels (individual, collective, corporate, state and global institutional order) on which resource curse is caused, we will be left with only four levels since the problem on the global institutional order level will be resolved. Second, while the major economic problem of the Dutch disease will still remain, at least the major political economy problem of rent-seeking will be reduced to some extent.

Third, the resource curse triangle or tripod - “proneness to authoritarianism, higher risk of civil conflict and lower rates of growth” (Wenar, 2008: 3) - will lose at least one of its angles or legs thereby reducing its negative effectiveness. For instance, authoritarians will have less money to finance their

repressive apparatus, coup plotters will have less incentive to take over power and rebels will have no funds or will have fewer funds to finance their rebellion. Consequently there will be fewer conflicts which may in turn lead to higher growth.

Moreover, given the standard conceptions of responsibility, there is no doubt that the global institutional order contributes to resource curse. If we had doubt about the role of the global institutional order in resource curse, given Pogge's analysis of the international borrowing privilege and the international resource privilege, and Wenar's analysis of resource curse and property right, at least we have enough grounds, and good grounds, to hold the global institutional order responsible.

Consequently, commensurate to its causal role in resource curse, the global institutional order is saddled with both negative and positive duties that are *pro tanto*. Like individuals and collective agents, corporations and the state, the global institutional order has a negative role to refrain from contributing to the causation of resource curse and a positive role to remedy the harm it has already done.

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