Economic Diversification Policies in Natural Resource Rich Economies

Sami Mahroum 2016-08-05

Economic diversification remains at the top of the agenda for hundreds of regions around the world. From the single commodity economies of African countries and the Caribbean, to many single industry regions of Europe and North America, as well as the oil and gas rich but volatile hydrocarbon economies. Economic diversification policies have been around for almost a century with varying degrees of success and failure. Economic Diversification Policies in Natural Resource Rich Economies takes a special interest in the policy experiences of a set of different countries that have extractive industries representing significant drivers of their economies and subsequently are significant contributors to government revenues. It explores twelve cases including upper-middle to high income economies such as Canada, Australia, Iceland and Norway, emerging economies such as Latin America, the GCC (Saudi and UAE), Kazakhstan, Malaysia and Russia, as well as the developing economy of Uganda. Each chapter provides a review of economic diversification experiences including policy environment, diversification strategies, desired outcomes, the role of government, and a critical evaluation of achievements. This book is suitable for those who study environmental economics, development economics and resource management.

Diversification and Cooperation in a Decarbonizing World

Grzegorz Peszko 2020-07-24

This book is the first stocktaking of what the decarbonization of the world economy means for fossil fuel-dependent countries. These countries are the most exposed to the impacts of global climate policies and, at the same time, are often unprepared to manage them. They depend on the export of oil, gas, or coal; the use of carbon-intensive infrastructure (for example, refineries, petrochemicals, and coal power plants); or both. Fossil fuel-dependent countries face financial, fiscal, and macro-structural risks from the transition of the global economy away from carbon-intensive fuels and the value chains based on them. This book focuses on managing these transition risks and harnessing related opportunities. Diversification and Cooperation in a Decarbonizing World identifies multiple strategies that fossil fuel-dependent countries can pursue to navigate the turbulent waters of a low-carbon transition. The policy and investment choices to be made in the next decade will determine these countries’ degree of exposure and overall resilience. Abandoning their comfort zones and developing completely new skills and capabilities in a time frame consistent with the Paris Agreement on climate change is a daunting challenge and requires long-term revenue visibility and consistent policy leadership. This book proposes a constructive framework for climate strategies for fossil fuel-dependent countries based on new approaches to diversification and international climate cooperation. Climate policy leaders share responsibility for creating room for all countries to contribute to the goals of the Paris Agreement, taking into account the specific vulnerabilities and opportunities each country faces.

Diversified Development

Indermit S. Gill 2014-02-26

Eurasian economies have to become efficient more productive, job-creating, and stable. But efficiency is not the same as diversification. Governments need to worry less about the composition of exports and production and more about asset portfolios natural resources, built capital, and economic institutions.

Natural Resource Abundance, Growth, and Diversification in the Middle East and North Africa

Ndiamé Diop 2012-10-01

MENA holds more than 60% of oil and nearly 50% of gas reserves, making its economy very vulnerable to price fluctuations. This volume investigates the effect of natural resources and the role of policies on achieving higher and sustained growth through economic diversification.

Promoting and Financing Industrial Diversification in Resource-dependent Developing Countries

Sultan Altowain 2018

Economic Diversification in the GCC

Mr. Tim Callen 2014-12-23

Abstract: The economies of the six Gulf Cooperation Council (GCC) countries are heavily reliant on oil. Greater economic diversification would reduce their exposure to volatility and uncertainty in the global oil market, help create jobs in the private sector, increase productivity and sustainable growth, and help create the non-oil economy that will be needed in the future when oil revenues start to dwindle. The GCC countries have followed many of the standard policies that are usually thought to promote more diversified economies, including reforms to improve the business climate, the development of domestic infrastructure, financial deepening, and improvements in education. Nevertheless, success to date has been limited. This paper argues that increased diversification will require realigning incentives for firms and workers in the economies—fixing these incentives is the “missing link” in the GCC countries’ diversification strategies. At present, producing non-tradables is less risky and more profitable for firms as they can benefit from the easy availability of low-wage foreign labor and the rapid growth in government spending, while the continued availability of high-paying and secure public sector jobs discourages nationals from pursuing entrepreneurship and private sector employment. Measures to begin to address these incentive issues could include limiting and reorienting government spending, strengthening private sector competition, providing guarantees and financial support for those firms engaged in export activity, and implementing labor market reforms to make nationals more competitive for private sector employment.

Rents to Riches?

Nazzneen Barma 2011-12-08

This volume focuses on the political economy surrounding the detailed decisions that governments make at each step of the value chain for natural resource management. From the perspectives of public interest or good governance, many resource-dependent developing countries pursue apparently short-sighted and suboptimal policies in relation to the extraction and capture of resource rents, and to spending and savings from their resource endowments. This work contextualizes these micro-level choices and outcomes.

Mining for Change

John Page 2020

An open access title available under the terms of a CC BY-NC-SA 3.0 IGO licence. For a growing number of countries in Africa the discovery and exploitation of natural resources is a great opportunity, but one accompanied by considerable risks. Countries dependent on oil, gas, and mining have tended to have weaker long-run growth, higher rates of poverty and greater inequality than less resource-abundant economies. For these resource producing economies relative prices make it more difficult to diversify into activities outside of the resource sector, limiting structural change. Mining for Change: Natural Resources and Industry in Africa presents research undertaken to understand how better management of the revenues and opportunities associated with natural resources can accelerate diversification and structural change in Africa. It begins with essays on managing the boom, the construction sector, and linking industry to the major issues that frame the question of how to use natural resources for structural change. It reports the main research results for five countries-Ghana, Mozambique, Uganda, Tanzania and Zambia. Each country study covers managing the boom, the construction sector, and linking industry to the resource. Mining for Change argues that good policy can make a difference and sets out ideas for policy change and widening the options for structural change. An open access title available under the terms of a CC BY-NC-SA 3.0 IGO licence.

Understanding Export Diversification: Key Drivers and Policy Implications

Rahul Giri 2019

We identify key factors, from large set of potential determinants, that explain the variation in export diversification across countries and over time using Bayesian Model Averaging (BMA), which addresses model uncertainty and ranks factors in order of importance vis-a-vis their explanatory power. Our analysis suggests, in order to diversify, policy makers should prioritize human capital accumulation and reduce barriers to trade. Other policy areas include improving quality of institutions and developing the financial sector. For commodity exporters
developing countries and their prospects for export diversification. It offers
conference on trade and development (unctad) 2020-06-21 the study
challenges, policy options, and the way forward

natural resources and divergence - cristian ducoing 2021-08-22 is the
'natural resource curse' destiny? are different ways to link natural
resources and economic development? using two particular regions as case
studies, this edited collection examines the divergent development paths of
natural resource rich countries over the past two centuries. bolivia, chile
and peru are neighbour states with a common history and are globally
known by their mining endowments. norway and sweden have also a strong
common history, and different natural resource endowments (forestry,
mining and fishing) are essential to understand their current economic
success. by comparing natural resource management in the long run in
these two divergent regions, this book can help rethink how developing
countries can better take advantage of their natural resource endowments.
specifically, the book examines the interaction between natural resources
and different key determinants of long-term development: trade, fiscal
policy, sustainability, human capital accumulation and business strategies.

kazakhstan's diversification from the natural resources sector - irina
heim 2020-09-15 this book explores opportunities for diversifying modern
kazakhstan's economy, which is still heavily dependent on its natural
resources, as well as looking at economic opportunities for the whole
central asian region arising from the chinese government's belt and road
initiative (bri). the book is comprised of four parts. part 1 explores the first
main theme of the book: development of the economy based on the resource
sector with the example of kazakhstan. part 2 examines opportunities for
diversification arising from bri: a rise of transport and communication
infrastructure along the belt and road route. part 3 explores the view from
china on the perspectives of regional development, not least the
economic reasons for the launch of this programme, investments and
planned effects. part 4 discusses other internal sources for diversification of
the economy in kazakhstan based on development of local industry in the
oil and gas sector, small- and medium-sized enterprises and tertiary sector of
the economy. this book will be of value for students, academics, policy-
makers, and practitioners focused on economic development and business
in the central asian region, as well as those who are working on the design
of instruments for economic development in their own countries.

breaking out of fragility - 2020

the bottom billion - paul collier 2007-05-25 in the universally acclaimed
and award-winning the bottom billion, paul collier reveals that fifty failed
states--home to the poorest one billion people on earth--pose the central
challenge of the developing world in the twenty-first century. the book
shines much-needed light on this group of small nations, largely unnoticed
by the industrialized west, that are dropping further and further behind the
majority of the world's people, often falling into an absolute decline in living
standards. a struggle wages within each of these nations between reformers
and corrupt leaders, and the corrupt are winning. collier analyses the
causes of failure, pointing to a set of traps that ensnare these countries,
including civil war, a dependence on the extraction and export of natural
resources, and bad governance. standard solutions do not work, he writes;
aid is often ineffective, and globalisation can actually make matters worse,
driving development to more stable nations. what the bottom billion need,
collier argues, is a bold new plan supported by the group of eight
industrialized nations. if failed states are ever to be helped, the g8 will have
to adopt preferential trade policies, new laws against corruption, new
international charters, and even conduct carefully calibrated military
interventions. collier has spent a lifetime working to end global poverty. in
the bottom billion, he offers real hope for solving one of the great
humanitarian crises facing the world today. "set to become a classic.
crammed with statistical nuggets and common sense, his book should be
compulsory reading." - the economist "if Sachs seems too saintly and
easterner too cynical, then collier is the authentic old africa hand: he knows
the terrain and has a keen ear... if you've ever found yourself on one side or
the other of those and who you think you are? then you simply must read
this book." - niall ferguson, the new york times book review "rich in both
analysis and recommendations.... read this book. you will learn much you do
not know. it will also change the way you look at the tragedy of persistent
poverty in a world of plenty." - financial times

challenges, policy options, and the way forward

united nations conference on trade and development (unctad) 2020-06-21 the study
examines the trade and development challenges facing asian landlocked
developing countries and their prospects for export diversification. it offers
recommendations based on the cases of the selected countries. the
report argues that, despite complex trade and development challenges, the
countries studied have significant potential to diversify their economies into
the production and export of higher-value-added products in several
sectors. these include agriculture (including agro-processing), light
manufacturing (such as textiles, leather, and leather products), information
and communications technology, tourism, and the construction sectors.
using the product-space approach, the report also identifies specific
products that hold potential for export expansion and diversification in each
country. for instance, agriculture and, to a lesser extent, manufacturing,
are promising sectors for diversification, including niche products such as
mandarin oranges (bhutan), cashmere (mongolia), silk (turkmenistan), and
cereal (kazakhstan). the rich cultural heritage and varied geography of
deresults are also conducive to tourism. in addition, there can be
synergies between tourism and improvements in the quality of some local
food and manufacturing products. however, a number of improvements in
micro- and macro-economic policies and institutions are necessary to realize
this potential.

economic diversification policies in natural resource rich economies - sami mahroum 2016-08-05 economic diversification remains at the top of the agenda for hundreds of regions around the world. from the single commodity economies of african countries and the caribbean, to the many single industry regions of europe and north america, as well as the oil and gas rich海湾 oil and gas rich gulf (gcc)-bahrain, kuwait, oman, qatar, saudi arabia, and
the united arab emirates-over the last three decades.

are commodity price booms an opportunity to diversify? - clément
anne 2016

commodities and development report 2017

food and agriculture organization of the united nations 2018-11-08 commodity prices are projected to increase marginally until 2030. the challenge for developing countries is to foster an environment that combines fiscal, sectoral and social policies to prevent price volatility from impacting national economies.

GCC countries-Mr. Ugo Fasano-Filho 2003-09-05. This paper presents an overview of the unprecedented economic and social transformation witnessed by the member countries of the Cooperation Council of the Arab States of the Gulf (GCC)-Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates-over the last three decades.

Macroeconomic Policy Frameworks for Resource-Rich Developing Countries—Analytic Frameworks and Applications-International
World Economic Situation and Prospects 2020-United Nations 2020-01-16 This is the United Nations definitive report on the state of the world economy, providing global and regional economic outlook for 2020 and 2021. Produced by the Department of Economic and Social Affairs, the five United Nations regional commissions, the United Nations Conference on Trade and Development, with contributions from the UN World Tourism Organization and other intergovernmental agencies.

Economic Diversification and Growth in Africa-Obontunde E. G. Johnson 2016-06-18 This book presents a coherent framework for assessing economic policy making in developing countries, with special reference to those in Africa. The chapters focus on key economic issues in three critical areas that are of major importance in the African context: capacity building for domestic resource mobilization; regional integration in Africa and intra-regional trade; and export diversification of individual African countries. Although applying economic theory as well as using case studies and empirical evidence from the economics literature, the book is written in a way that makes the material accessible to those with a basic knowledge of the technical economics involved. Economic Diversification and Growth in Africa is a timely study which demonstrates how developing countries in Africa can improve their policy making strategies to diversify their economies and accelerate economic development.

Man Out-Andrea L. Yarrow 2018-09-11 The story of men who are hurting—and hurting America by their absence Man Out describes the millions of men on the sidelines of life in the United States. Many of them have been pushed out of the mainstream because of an economy and society where the odds are stacked against them; others have chosen to be on the outsides of twenty-first-century America. These men are disconnected from work, personal relationships, family and children, and civic and community life. They may be angry at government, employers, women, and the system in general—and millions of them have done time in prison and have cast aside many social norms. Sadly, too many of these men are unsure what it means to be a man in contemporary society. They resent the fact that others access the advanced knowledge of the technical economics involved. Economic Diversification and Growth in Africa is a timely study which demonstrates how developing countries in Africa can improve their policy making strategies to diversify their economies and accelerate economic development.

Botswana - A Modern Economic History- Ellen Hillbom 2018-03-14 Together with Mauritius, Botswana is often categorized as one of two growth miracles in sub-Saharan Africa. Due to its spectacular long-run economic performance and impressive social development, it has been termed both an economic success story and a developmental state. While there is uniqueness in the Botswana experience, several aspects of the country’s opportunities and challenges are of a more general nature. Throughout its history, Botswana has been both blessed and hindered by its natural resource abundance and dependency, which have influenced growth periods, opportunities for economic diversification, strategies for sustainable economic and social development, and the distribution of incomes and opportunities. Through a political economy framework, Hillbom and Bolt provide an updated understanding of an African success story, covering the period from the mid-19th century, when the Tswana groups settled, to the present day. Understanding the interaction over time between geography and factor endowments on the one hand, and the development of economic and political institutions on the other, offers principle lessons from Botswana’s experience to other natural resource rich developing countries.

Rethinking the Resource Curse-Benjamin Smith 2021-04-30 This Element documents the diversity and dissensus of scholarship on the political resource curse, diagnoses its sources, and directs scholarly attention towards what the authors believe will be more fruitful avenues of future research. In the scholarship to date, there is substantial regional heterogeneity and substantial evidence denying the existence of a political resource curse. This dissensus is located in theory, measure, and research design, especially regarding measurement error and endogenous selection. The work then turns to strategies for reconnecting research on resource policies to the broader literatures on democratic development. Finally, the results of the authors’ own research is presented, showing that a set of historically contingent events in the Middle East and North Africa are at the root of what has been mistaken for a global political resource curse.

Azerbaijan: Moving Toward More Diversified, Resilient, and Inclusive Development-Aimee Hampel-Milagrosa 2020-08-01 Azerbaijan has set the course for the economy to reduce its dependence on oil by promoting new drivers of growth. By 2025, under the government’s Strategic Roads Maps, a more diversified economy should take shape led by three sectors: agriculture, tourism, and manufacturing. Bold reforms need to strengthen areas of the economy that could otherwise impede this transition, and policy makers must resolutely stay on the reform path. The core message of this publication is diversification toward non-oil sources of growth alongside efforts to reduce macroeconomic risks and the high cost of finance, make the education system responsive to the needs of the labor market, close infrastructure gaps, and help economically significant state-owned enterprises become more efficient.

Does What You Export Matter?-Daniel Lederman 2012-06-18 Does what economies export matter for development? If so, can industrial policies improve on the export basket generated by the market? This book approaches these questions from a variety of conceptual and policy viewpoints. Reviewing the theoretical arguments in favor of industrial policies, the authors first ask whether existing indicators allow policy makers to identify growth-promoting sectors with confidence. To this end, they assess, and ultimately cast doubt upon, the reliability of many popular indicators advocated by proponents of industrial policy. Second, and central to their critique, the authors document extraordinary differences in the performance of countries exporting seemingly identical products, be they natural resources or ‘high-tech’ goods. Further, they argue that globalization has so fragmented the production process that even talking about exported goods as opposed to tasks may be misleading. Reviewing evidence from history and the world, the authors conclude that policy makers should focus less on what is produced, and more on how it is produced. They analyze alternative approaches to picking winners but conclude by favoring ‘horizontal-ish’ policies—for instance, those that build human capital or foment innovation in existing and future products that only incidentally favor some sectors over others.

Extractive Industries-Tony Addison 2018-10-04 This volume is about the challenges and opportunities facing developing countries in using their extractive industries to achieve inclusive and sustainable development. It
recognises explicitly the greatly increased importance of mining, oil and gas in many lower income countries.

Soaring of the Gulf Falcons-Reda Cherif 2014-09-24 A key priority for the Gulf Cooperation Council (GCC) countries is to create a dynamic non-oil tradable sector to support sustainable growth. Since export diversification takes a long time, it has to start now. We argue that the failure to diversify away from oil stems mainly from market failures rather than government failures. To tackle market failures, the government needs to change the incentive structure for workers and firms. Experiences of oil exporters that managed to diversify suggest that a focus on competing in international markets and an emphasis on technological upgrade and climbing the "quality ladder" are crucial.

Natural Resources, Neither Curse nor Destiny-Daniel Lederman 2006-10-23 'Natural Resources: Neither Course nor Destiny' brings together a variety of analytical perspectives, ranging from econometric analyses of economic growth to historical studies of successful development experiences in countries with abundant natural resources. The evidence suggests that natural resources are neither a curse nor destiny. Natural resources can actually spur economic development when combined with the accumulation of knowledge for economic innovation. Furthermore, natural resource abundance need not be the only determinant of the structure of trade in developing countries. In fact, the accumulation of knowledge, infrastructure, and the quality of governance all seem to determine not only what countries produce and export, but also how firms and workers produce any good.

Community Management of Natural Resources in Africa-Dilys Roe 2009 Provides a pan-African synthesis of community-based natural resource management (CBNRM), drawing on multiple authors and a wide range of documented experiences from Southern, Eastern, Western and Central Africa. This title discusses the degree to which CBNRM has met poverty alleviation, economic development and nature conservation objectives.

Brunei Darussalam - Challenges for Economic Diversification-P. M. Yakub Othman 2012 The book is an ambitious attempt to answer important questions for resource dependent countries in general and Brunei in particular regarding the role and effectiveness of national planning in the drive for economic diversification. It reviews the history of economic planning in Brunei from the First National Development Plan to the present one. Economic planning should bring forward dynamics of change and help provide a clear direction to government policies and expenditure programs and initiate effective measures to set in motion the required structural and institutional changes to enable both the government and the private sector to make their full contribution. The book also contains extensive case studies on other resource dependent countries' experiences and applies statistical techniques to relevant data in an attempt to measure the extent of Dutch Disease in Brunei. This is an original research and as such it makes a significant contribution to the understanding of the resource curse, or Dutch Disease, phenomenon. The book gives an extensive literature review of Dutch Disease.

The Least Developed Countries Report 2020-United Nations 2021-01-06 This series contains the decisions of the Court in both the English and French texts.

Resources Blessed-Giacomo Luciani 2012 The four volumes in this major research collection address the key economic issues which affect the future development and diversification of the member states of the Gulf Cooperation Council (GCC), namely Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman. The work brings together state-of-the-art analysis by some 40 international scholars who participated in a major joint initiative by the EU and the GCC, the al-Jarir Gulf-Europe Research Program. This collection will prove an essential reference work for policy makers and scholars on all the critical issues facing the Gulf countries as their economies develop beyond dependence on the oil and gas sector and forge new international alliances.

Economic Diversification-Raed A. Algoweer Almahmood 2018 The first chapter aims at investigating the factors that might reduce the Saudi Arabia's dependence on crude oil as the only source of income and therefore diversifying its source of revenue. The research will achieve this by constructing the first tailored diversification model of the Saudi Arabian economy. The aim of second chapter is to ascertain the sectors that are either positively or negatively influenced or affected the most by trade liberalization or the openness of trade. Knowing this we provide a more rational understanding of the Kingdom's trade policies and one step forward to diversify the Saudi's economy by stimulating those non-oil sectors through trade openness. Furthermore, through this analysis we could determine the economic sectors that might be negatively affected by trade openness. Therefore, imposing trade policies that reduce trade liberalization on those negatively affected sectors. The third chapter's objective is to confirm whether rich natural resource countries adapt the same non-parametric estimation results produced by Imb & Wacziarg (2003). Indeed, it will be interesting to investigate whether natural resource countries will have a u shape relationship between their level of diversification and their per capita revenue as it has been estimated and observed by Imb & Wacziarg (2003).

Economic Diversification in the Gulf States-Yesenn El-Radhi 2018-06-24 A long-standing economic policy goal of the oil-dependent GCC countries is to increase economic diversification. Over the last decades, GCC governments fostered the development of non-oil economies through large-scale public investments in the stocks of human and physical capital. This book takes a new look at economic diversification efforts by examining the impact of different public expenditure categories (capital, education, health) on non-oil GDP and labour productivity developments in the three GCC countries - Bahrain, Oman and Qatar since the 1970s. Building both on an econometric analysis and detailed country studies, this book analyses not only whether public expenditure has been an important driver of overall non-oil economic growth but also how public expenditure impacted different potential sources of non-oil economic growth such as economy-wide investment or productivity losses. By elaborating on trade policies that reduce trade expenditure tends to impact non-oil economic growth in Bahrain, Oman and Qatar, this book contributes to the academic and public debate about the effectiveness of ongoing diversification strategies in the GCC countries.

Tourism in Africa-Iain Christie 2014-06-19 This book presents how tourism initiates economic development and how constraints to the growth of tourism in Sub-Saharan Africa can be addressed. With 24 case studies that illustrate tourism development, it reveals that despite destination challenges, the basic elements needed to initialize or intensify success are applicable across the region.

Economic Diversification in Oil-Exporting Arab Countries-International Monetary Fund 2016-04-29 countries face similar challenges to create jobs and foster more inclusive growth. The current environment of likely durable low oil prices has exacerbated these challenges. The non-oil private sector remains relatively small and, consequently, has been only a limited source of growth and employment. Because oil is an exhaustible resource, new sectors need to be developed so they can take over as the oil and gas industry dwindles. Over-reliance on oil also exacerbates macroeconomic volatility. Greater economic diversification would unlock job-creating growth, increase resilience to oil price volatility and improve prospects for future generations. Macro-economic stability and supportive regulatory and institutional frameworks are key prerequisites for economic diversification...

World Economic Situation and Prospects 2019- The United Nations definitive report on the state of the world economy, providing global and regional economic outlook for 2019 and 2020. Produced by the Department of Economic and Social Affairs, the five UN regional commissions, the United Nations Conference on Trade and Development, with contributions from the UN World Tourism Organization.