

## **Imperialism and Natural Resources\***

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There is an overwhelming asymmetry between the level of “development” and the possession of natural resources among countries of the world. Take the group of most advanced countries, the G-7 comprising the US, the UK, Germany, France, Italy, Japan and Canada. This group, while accounting for only 10 per cent of the world’s population, possessed over half of global net wealth as of 2020, and roughly two-fifths of the gross domestic product of the world (I have taken for convenience the mid-point of a range of estimates that lie between 32 and 46 per cent). Its economic might is indubitable; and yet in terms of reserves of natural resources it is quite poorly endowed.

Let us consider the most important natural resource of the present time, oil and natural gas. Estimates of world oil and gas reserves vary greatly, as do estimates of their distribution across countries. Yet certain points are so clear that variations in estimates do not affect their veracity. Of the total proven oil reserves in the world, according to the Energy Information Administration (EIA) of the United States, the G-7 countries possessed only about 13 per cent, and that too mainly on account of Canada (which has nearly 10 per cent of the world oil reserves). True, this figure excludes shale oil towards which the US has been moving of late, because shale oil reserves of most countries are still not known; but even the inclusion of shale oil would not make much difference to the basic fact that the bulk of the world’s oil reserves lie outside the boundaries of the most advanced countries.

Now consider the reserves of natural gas. Here again we have significant variations in estimates of total reserves and their distribution across countries. But taking EIA estimates for the end of 2020 for G-7 countries and dividing by total estimated world gas reserves of 188 trillion cubic meters, we find that the G-7 share of the world reserves comes to just over 8 per cent. Shale gas again is excluded from these estimates, but the conclusion is unmistakable that the bulk of world gas reserves lie outside of the most advanced countries. And yet the dependence of these countries on oil and gas is overwhelming. True, there are efforts of late by some of them to move away from these fuels, with France becoming more reliant on nuclear energy; and fears of climate change have somewhat hastened this diversification. But the fact remains that as of now the reliance of the advanced countries on oil and gas still remains very substantial, while the availability of these resources within their boundaries remains extremely limited.

We have not talked so far about agricultural goods, in whose case the capacity of the advanced countries is limited by geographical considerations. The cotton textile industry was the harbinger of the industrial revolution in Britain and hence of industrial capitalism; but Britain cannot grow any raw cotton at all which was entirely imported. Likewise the capitalist metropolis, located as it is mainly in the temperate regions of the world, simply cannot grow a whole range of crops, or cannot grow them in adequate quantities, or all the year around; the tropical and subtropical regions on the other hand can grow these crops and supply them to the metropolis. The metropolis therefore remains heavily dependent on the tropical and sub-tropical regions for a steady, year-round, supply of a range of crops, from beverages to fibres

to food items. True, in recent years the advanced countries have started producing a surplus of foodgrains; but this fact does not alter their heavy dependence on the tropical and sub-tropical regions. Indeed their foodgrain surpluses have been used to force the third world countries, located mainly in the tropical and subtropical regions of the world, to abandon foodgrain production and shift to the production of those crops which the metropolis desires.

The indubitable fact remains therefore that the most advanced countries of the world are overwhelmingly dependent for a whole range of primary commodities, both mineral resources and agricultural goods, on the “outside” world. They have to obtain a steady supply of these commodities at low prices. Under colonialism they got a substantial part of these commodities from outside without any payment at all, i.e. gratis, as the physical form of the “drain of surplus” from colonies and semi-colonies; but their need for such supplies remains paramount whether or not they possess colonies.

Such a smooth flow at low (or zero) prices of a whole range of essential goods from “outside” to the metropolis, which simply cannot produce these goods, is ensured by imperialism of which the colonial phase was a part. Installing regimes in third world countries, including oil-producing ones, that toe the line of the metropolis is one way that the latter imposes its will. Trapping countries within a neoliberal world order where they are compelled to abjure any protection of their domestic economies and forced to become trade-dependent, is a more general tactic towards the same end.

The removal of “disobedient” regimes in the third world is effected through a variety of means, ranging from CIA-sponsored coups to the imposition of sanctions against countries with such regimes. It is a hallmark of the growing resistance against imperialism that the number of countries being targeted through sanctions has been growing of late; and therein lies the Achilles heel of imperialism.

If sanctions are imposed against just one or two countries then they can be effective for imperialism; but if the number of sanction-hit countries grows then that poses a serious threat to the imperialist world order. The targeted countries can get together to escape the adverse effects on them individually, of sanctions; and even other countries that belong neither to the metropolis nor to the list of sanction-hit countries, will have an incentive to by-pass the sanctions in order to avoid damaging consequences for their own economies. Likewise, if the sanction-hit country is large and itself quite diversified, then the sanctions against it have a good chance of boomeranging against imperialism, as has happened of late with the sanctions against Russia.

The western media present the Ukraine war as if it began only a year ago and was the result of a large power’s aggressive behaviour towards a smaller neighbour. In fact however the conflict began nearly a decade ago when Viktor Yanukovich, the democratically elected president of Ukraine, was overthrown in a neo-con planned, CIA-aided operation. Underlying the current conflict therefore there is a more fundamental conflict between western imperialism and Russia which has vast reserves of natural gas, that amount to one-fifth of total world reserves and constitute the largest among all countries; and it also has about 5 per cent of the world’s oil reserves.

Even those commentators on international affairs who locate the Ukraine war within a conflict between western imperialism and Russia, see this conflict entirely as an attempted transition from unipolarity to multipolarity; the western desire to control the vast Russian natural resources scarcely ever figures in such discussions. But the potency of this desire cannot be underestimated. Imperialism had succeeded in controlling Boris Yeltsin who had reportedly been surrounded always by scores of CIA personnel; with Putin however, no matter what his other faults, this western domination over Russian affairs has come to an end. It is hardly surprising that US President Joe Biden blurted out the other day that the American objective in the Ukraine war was a regime change in Russia, that is, installing a regime “obedient” to the capitalist metropolis.

But having sanctions simultaneously imposed on so many countries, including even a large country like Russia, is beginning to take its toll on western imperialism. It is not only the people in the targeted countries who are suffering from their effects but even the working people in the countries imposing sanctions. The hardships they have been pushed into because of the absence of natural gas imports has brought thousands of workers into the streets all across Europe in anti-war, anti-inflation demonstrations, whose scale has been unparalleled since the 1970s. And contrary to what one expects when sanctions are imposed, namely a depreciation in the currency of the targeted country and an acceleration of inflation there, the rouble has actually climbed up relative to the dollar, and the countries imposing sanctions are themselves being ravaged by inflation. There can be little doubt that imperialism has currently entered what for it are trying times.

\* This article was originally published in the [Peoples Democracy](#) on March 12, 2023.