

A Dual-track Strategy for Managing Mauritania's Projected Oil Rent

Richard Auty, Nicola Pontara

First published: 07 December 2007

<https://doi.org/10.1111/j.1467-7679.2008.00398.x>

The views expressed are those of the authors and not of the World Bank. They are particularly grateful to Alan Gelb, Jean Le Dem, Eleodoro Mayorga-Alba, Alexandra Pugachevsky, Hawa Wague Cisse and Francois Rantrua for helpful comments on an earlier draft.



Abstract

High rent creates contests for its capture that, unless skilfully managed, degrade political institutions and distort the economy, leading to a collapse of growth if unreformed. Mauritania's projected oil stream risks such an outcome because past rent-driven growth has left a legacy of Dutch disease effects, rent-seeking and dependent social capital. This article proposes a dual-track strategy for deploying the oil rent as a *politically* practical means of managing social tensions and improving the economic outcome. Track one promotes a dynamic market economy in the hitherto neglected rural areas, while track two gradually reforms the rent-driven urban sector, thus postponing confrontation with established rent-seekers while the dynamic sector drives competitive diversification of the economy and builds a pro-reform political constituency.

References

Abidin, M. Z. (2001) 'Competitive Industrialization with Natural Resource Abundance' in R. M. Auty, (ed.), *Resource Abundance and Economic Development*. Oxford : Oxford University Press.

[Google Scholar](#) 

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

Auty, R. M. (1997) Competitive Industrial Policy and Macro Performance: Has South Korea Outperformed Taiwan?, *Journal of Development Studies* 32: 445–63.

[Web of Science®](#) [Google Scholar](#)

Auty, R. M. and Gelb, A. H. (2001) ' Political Economy of Resource-abundant States' in R. M. Auty, (ed.), *Resource-based Industrialisation: Sowing the Oil in Eight Exporting Countries*. Oxford : Oxford University Press.

[Google Scholar](#)

Baldwin, R. E. (1956) Patterns of Development in Newly Settled Regions, *Manchester School of Social and Economic Studies* 24: 161–79.

[Web of Science®](#) [Google Scholar](#)

Barnett, S. and Ossowski, R. (2002) *Operational Aspects of Fiscal Policy in Oil-Producing Countries*. IMF Working Paper WPsol;02sol;177. Washington , DC : International Monetary Fund.

[Google Scholar](#)

Bevan, D., Collier, P. and Gunning, J. W. (1987) Consequences of a Commodity Boom in a Controlled Economy: Accumulation and Redistribution in Kenya, *World Bank Economic Review* 1: 489–513.

[Web of Science®](#) [Google Scholar](#)

Bonte, P. (2001) *La Montagne de Fer. La SNIM (Mauritanie). Une Entreprise Minière Saharienne à l'Heure de la Mondialisation*. Paris : Karthala.

[Google Scholar](#)

Boone, P. (1996) 'Politics and the Effectiveness of Foreign Aid', *European Economic Review* 89 (1): 22–46.

[Google Scholar](#)

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

Davis, J., Ossowski, R. and Fedelino, A. (2003) *Fiscal Policy Formulation and Implementation in Oil-Producing Countries*. Washington , DC : International Monetary Fund.

[Google Scholar](#) 

Eifert, B., Gelb, A. and Tallroth, N. B. (2003) ' The Political Economy of Fiscal Policy and Economic Management in Oil-exporting Countries' in Davis et al. Extractive Industries Transparency Initiative (EITI) (2006) <http://www.eitransparency.org/index.htm>.

[Google Scholar](#) 

Findlay, R. and Wellisz, S. (1993) *The Political Economy of Poverty, Equity and Growth: Five Small Open Economies*. New York : Oxford University Press.

[Google Scholar](#) 

Flatters, F. and Jenkins, G. (1986) *Trade Policy in Indonesia*. Cambridge , MA : Harvard Institute for International Development.

[Google Scholar](#) 

Gelb, A. H., Knight, J. and Sabot, R. (1991) 'Public Sector Employment, Rent Seeking and Economic Growth', *The Economic Journal* **101**: 1186–99.

[Web of Science®](#)  | [Google Scholar](#) 

Gelb, A. H. and Associates (1988) *Oil Windfalls: Blessing or Curse?* New York : Oxford University Press.

[Google Scholar](#) 

IMF (2006) *Mauritania: Selected Issues Paper and Statistical Appendix*. Washington , DC : International Monetary Fund.

[Web of Science®](#)  | [Google Scholar](#) 

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

Leite, C. and Weidmann, J. (2002) ' Does Mother Nature Corrupt? Natural Resources, Corruption and Economic Growth' in G. Abed and S. Gupta, (eds), *Governance, Corruption and Economic Performance*. Washington , DC : International Monetary Fund.

[Google Scholar](#) 

Li, S., Li, S. and Zhang, W. (2000) The Road to Capitalism: Competition and Institutional Change in China, *Journal of Comparative Economics* 28: 269–92.

[CAS](#)  | [Web of Science®](#)  | [Google Scholar](#) 

MacIntyre, A. (2000) ' Funny Money in Indonesia' in M. H. Khan and K. S. Jomo, (eds), *Rents, Rent-Seeking and Economic Development*, Cambridge : Cambridge University Press.

[Google Scholar](#) 

Marchesin, P. (1994) Origine et Evolution des Partis Politiques en Mauritanie, *Politiques Africaines* 55: 20–30.

[Google Scholar](#) 

Marty, M. (2002) 'Mauritania: Political Parties, Neo-patrimonialism and Democracy', *Democratization* 9 (3): 92–108.

[Google Scholar](#) 

McPherson, C. (2003) ' National Oil Companies: Evolution, Issues, Outlook' in Davis *et al.*.

[Google Scholar](#) 

N'Diaye, B. (2006) 'Mauritania, August 2005: Justice and Democracy, or Just Coup?', *African Affairs* 105 (420): 421–41.

[Web of Science®](#)  | [Google Scholar](#) 

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#) 

Manage Preferences

Accept All

Reject Non-Essential

Ould Cheik, M. (2006) ' Document de Synthèse sur le Contexte Socio-culturel de la CAS 2006-2010 en vue de l'Atelier du 15-16 Mars 2006', Nouakchott (mimeo).

[Google Scholar](#) 

Ross, M. (2001) 'Does Oil Hinder Democracy?', *World Politics* 53 (3): 325–61.

[Web of Science®](#)  | [Google Scholar](#) 

Sachs, D. J. and Warner, A. M. (2001) 'The Curse of Natural Resources', *European Economic Review* 45 (5): 827–38.

[Google Scholar](#) 

Sala-i-Martin, X. and Subramanian, A. (2003) *Addressing the Natural Resource Curse: An Illustration from Nigeria*. IMF Working Paper No. 03sol;130. Washington , DC : International Monetary Fund.

[Web of Science®](#)  | [Google Scholar](#) 

Sandbu, M. (2006) 'Natural Wealth Accounts: A Proposal for Alleviating the Natural Resource Curse', *World Development* 34 (7): 1153–70.

[Web of Science®](#)  | [Google Scholar](#) 

Timmer, C. T. (2007) ' How Indonesia Connected the Poor to Rapid Economic Growth' in T. Besley and L. J. Cord, (eds), *Delivering on the Promise of Pro-Poor Growth*. Washington , DC : World Bank.

[Google Scholar](#) 

Wade, R. (1990) *Governing the Market: Economic Theory and the Role of Government in East Asian Economies*. Princeton , NJ : Princeton University Press.

[Google Scholar](#) 

Woolcock, M.; Icham, J.; Britchett, J. and Busby, C. (2005) 'The Varieties of Resource Experience: How Natural

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

World Bank (2006b) *World Development Indicators 2006*. Washington , DC : World Bank.

[Google Scholar](#) 

World Bank (2005a) *Rizculture: Compte d'Exploitation d'un Hectare*. Nouakchott : UC-PDIAM.

[Google Scholar](#) 

World Bank (2005b) *Project for Second Phase of the Integrated Development Programme for Integrated Agriculture in Mauritania*. Washington , DC : World Bank.

[Google Scholar](#) 

World Bank (2003) *Mauritania: Accelerating Diversified, Private Sector-Led Growth*. Report 26200-MAU. Washington , DC : World Bank.

[Google Scholar](#) 

Citing Literature



[Download PDF](#)

ABOUT WILEY ONLINE LIBRARY

[Privacy Policy](#)

[Terms of Use](#)

[About Cookies](#)

[Manage Cookies](#)

[Accessibility](#)

[Wiley Research DE&I Statement and Publishing Policies](#)

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)



[Manage Preferences](#)

[Accept All](#)

[Reject Non-Essential](#)

CONNECT WITH WILEY

The Wiley Network

Wiley Press Room

Copyright © 1999-2026 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)



Manage Preferences

Accept All

Reject Non-Essential