The last few years have seen a significant increase in political concern about issues of resource scarcity, especially in the areas of food, energy, land and water. This concern has followed both volatility in food and oil markets, and growing awareness of longer-term challenges such as climate change and the need to meet major increases in demand for these basic goods.

This paper begins by providing a brief overview of resource scarcity issues in the four areas of food, water, land and energy, in each case focusing primarily on the global level and setting out the basic supply and demand drivers involved. The paper then discusses why it may make sense to see these issues as an interconnected set rather than as discrete single issues. Finally, Part 1 discusses whether concerns over resource scarcity are misplaced, given that Malthusian concerns about resource depletion have often been misplaced in the past.

The second part of the paper then discusses some of the ways in which resource scarcity could affect development and human wellbeing. In doing so, the paper considers three different approaches to assessing wellbeing – the economic or resource-based approach, the subjective or ‘happiness’ approach, and the capability or freedom approach – and discusses how resource scarcity could impact each of these forms of wellbeing.

Finally, the paper concludes with a brief discussion of some of the questions and policy options that the resource scarcity and development agenda may introduce for governments, aid donors and philanthropic foundations.

The paper argues that:

- Resource scarcity is likely to be an increasing concern in the international development context. This is not to suggest a deterministic ‘Malthusian’ outlook: on the contrary, markets, institutions and communities are likely to innovate and adapt to resource challenges as they always have in the past. But this process of adaptation will involve significant time lags, during which risk levels will be substantially heightened – especially for poor people and poor countries.

- Using a wellbeing-based frame of analysis can help to highlight a range of ways in which resource scarcity will affect international development. Scarcity impacts will not merely affect how poor people and countries meet their material needs, essential though this dimension is. They will also affect a much wider range of ‘consequences of consequences’ – in areas including governance, migration, political economy and conflict risk – implying the need for a broad-based resilience agenda both on the ground in developing countries, and at international level.

- Within developing countries, philanthropic foundations should focus on and invest in scaling up humanitarian assistance capacities, investing in social protection and safety nets, policies to address unsustainable population growth, investment in agriculture and food security, and equitable and accountable systems of natural resource governance. None of these areas was well covered in the Millennium Development Goals agenda; but the approach of the 2015
MDG deadline provides an opportunity to bring these areas closer to the centre of development policy.

- Finally, philanthropic donors should also recognise that the challenge of responding to resource scarcity is not just an in-country agenda. It is at international level that there is arguably most to be done, given that the key drivers of the challenge are global. Accordingly, foundations should also consider scaling up their advocacy work on areas like policy coherence for development, global public goods and international institutional reform. Above all, they should recognise that the emergence of natural resource limits (even if only temporary) is a fundamental game-changer for political agendas on equity and fairness, and that these considerations may increasingly come to be seen as a new front line for international development over the next decade and beyond.