

# CAN AFRICA BREAK THE RESOURCE CURSE?

**T**he resource curse, also known as the paradox of plenty, refers to the paradox that countries with an abundance of natural resources (like fossil fuels and certain minerals), tend to have less economic growth and worse development outcomes than countries with fewer natural resources. Africa is not a stranger to this phenomenon.

Why is it that the rise in commodity prices does not usually correspond to a rise in revenues for African governments by equal measure?

To tackle this dicey matter, the Africa Mining Vision was crafted in 2009 by the African Union with the goal of facilitating transparent, equitable

and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development. The aim is to capacitate African Governments to develop national mining visions and policies developed from a fully transparent and inclusive process.

While the index price of precious metals and base minerals has increased by over 200% in the last decade, industry leaders and policy makers agree that the current contribution of minerals to Africa's economic development is not commensurate.

In underscoring the need for beneficiation and value addition and

linkages in the mineral value chain, it is beyond reasonable doubt that minerals have to contribute to structural transformation whilst there is need for a stronger manufacturing sector in Africa going forward.

According to industry experts, Canada, Australia and Chile have used the minerals sector for industrial transformation and the composition of their GDP has seen a growth in the contribution of manufacturing. Commodities have not been a curse but rather a blessing for these countries, thus the diversified and rich mineral resource base can do the same for Africa