



## MINERALS AND DEVELOPMENT

Over the past three decades, mining policy has been driven by the attraction of foreign investment into the extractive sector as a means of boosting production and revenue. Within the framework of structural adjustment programmes (SAPs), African governments abandoned economic developmental and social objectives of mining, concentrated on their share of revenue generated by foreign mining companies, and put generous fiscal policies and minimal regulation to facilitate their operation.

While this boosted mining production, the benefits were shared unequally as the mining companies kept the overwhelming proportion of profits and national elites captured the bulk of the leftover, with communities barely able to recover their loss of livelihoods. At the same time, the contribution of mining to the economy as a whole was very limited, as it remained an enclave with little or no connections to – or spill-over benefits for – the other sectors of the economy.

In the mid-2000s, years of civil society advocacy aimed at redressing the multiple effects of this situation received a boost. The phenomenal rises in the prices of minerals on the global market awoke African governments to how little of the windfall came to their coffers under their over-generous fiscal and other policies. Further, the global financial and economic crises demonstrated sharply how little mining activity had contributed to redressing structural vulnerabilities in their economies.

This atmosphere contributed to the creation of the African Mining Vision (AMV), adopted in 2009 by African Heads of State. The AMV has subsequently been translated into a package of policy measures and an action plan for more resilient and prosperous economies, according to three basic pillars:

- a) improved shares of mining revenue to Africa and improved management of this revenue in support of broad-based economic development;
- b) strengthened rights for socio-economic constituencies implicated in and affected by mining; and
- c) developing and enhancing mining-based linkages to economic sectors for diversified economic development.

Despite its broad support among a large section of African society, progress towards the objectives of the AMV has been stymied. Mining companies that benefit from the current situation and leading institutions that promoted existing policies have worked to limit the scope and realisation of the Vision. Under pressure by mining companies, many African governments have already drawn back even from policies aiming for greater share of windfall profits. The more radical and innovative but at the same time complex and difficult elements of the AMV, in particular the development of mining based linkages, are set to fare worse in future policy efforts.

At the same time, the enduring effects of the global financial and economic crises as well as the slow-down in China and other global manufacturing powerhouses and their effects on demand for minerals have served to pose anew long-standing questions around primary commodities, their long-term decline in value, and their unpredictability as bases of a sustained economic development. As these questions have returned to the fore-front of policy discussions, a missing element is the constituency of citizens to mobilise to support the substance of the Vision. Strengthening this engagement as well as connections with the global forums of discussion on the sustainability of enclave mining policies are essential in moving the AMV and its development objectives forward.