

Mineral-based Rural Development in South Africa

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South Africa has less than 1% of the global land surface yet it is ranked highly in terms of remaining mineral resources. Mineral wealth has not translated into a better life for all and poverty still grows, particularly in rural areas. This study seeks to identify a solution or partial solution to this situation.

The need to develop rural areas is well researched and has the additional benefit of reducing poverty in those areas, slows migration to already overcrowded urban centres and reduces the need for government spending on temporary job creation. A review of rural poverty in South Africa and identified that: returns to uneducated labour are so low that claims on other economic or social assets are necessary to lift a family above the poverty line; and financial constraints limit the poor's ability to effectively utilise productive assets and endowments (e.g., land or mineral wealth) which they do have. Rural entrepreneurs amongst others, hold the key to unlocking mineral wealth but the support they receive is either inadequate or absent. Interviews conducted from 2006 - 2010 with people making a living off minerals support the view that government is complicating its own role and not supporting rural entrepreneurs. The key recommendations made includes: the completion of a national rural mineral-asset audit; the use of the information to demarcate rural-regions that can be developed as national and international competitive regions (clusters and corridors); and provision of an easier way to launch mineral-based rural enterprises and incentivise rural development for accelerated growth.

The model presented here is of the types of rural development than can be successfully attempted.

Lessons for other parts of Africa, where rural development can be mineral-based are also emphasised.