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***EVADING THE 'RESOURCE CURSE' IN AFRICA:
Economics, Governance, and Natural Resources***

by
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Introduction

A striking claim advanced in many recent studies of economic growth is that countries 'blessed' with abundant natural resources tend to grow more slowly than their less endowed counterparts. Sitting on top of large deposits of minerals and oil or possessing ecological conditions conducive to producing lucrative cash crops, these studies suggest, is not a blessing but a curse. And the 'resource curse' is not just economically harmful: natural resources also appear to reduce public-service effectiveness, feed corruption, undermine prospects for democracy, and even raise the risk of civil war.

The prospect of a 'resource curse' is particularly worrying for Africa. Aside from the Middle East, the continent remains the region whose exports are most skewed toward primary commodities (see the table on the next page), and evidence of the dysfunctions attributed to the curse is not difficult to find. Economically, the income and poverty gap between Africa and other developing regions has widened over the past three decades, and within the continent economic 'collapses' have been concentrated in resource-rich countries. Meanwhile, corruption levels in Africa remain high on average (despite substantial intraregional variation), and major oil and mineral exporters are consistently among the worst culprits. Politically, the current wave of democratization has faced heaviest resistance in resource-dependent countries, and resource wealth has been deeply implicated in protracted violent conflicts from Sierra Leone to Angola. The recent surge of oil exploration and production along the Atlantic coast of West and Central Africa – including small, fragile states like Equatorial Guinea and São Tomé – makes the spectre of the resource curse even more ominous for the continent.

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