

Change of the perspective of relationships in the mining industry in Africa – proposal

Jourdan (2010) proposes that Africa should preserve its mining resources in the ground (for exploitation at some future date) if relationships cannot be established. His recommendation is based on the fact that while foreign capital – via multinational companies – is used to exploit resources, it is unlikely that market forces will naturally establish relationships because multinational companies already have their global relations for optimizing output.

Facts on the extractive industry over the past 50 years seem to corroborate this argument. Even then, the author contends that the inconveniences linked to foreign capital may be eliminated or mitigated thanks to Government strategies that compel or encourage multinational companies to establish local relationships.