

MMCP

MAKING THE MOST FROM COMMODITIES PROGRAMME

1. Project overview

1.1 Title: Making the Most from Commodities Programme (MMCP)

1.2 Current Funding Institutions: International Development Research Centre (Ottawa); Hewlett Foundation, Washington; Oppenheimer Award, Centre for African Studies, University of Cape Town.

1.3 Estimated Duration: 24 months

1.4 Objectives: The general objective of MMCP is to assist SSA countries to minimise the potential costs of this boom in commodity prices and to maximise the opportunities which it provides to promote sustainable growth, and to ensure widespread access to the fruits of this growth in a context of good governance

Three specific objectives of the MMCP are:

- To contribute to filling key knowledge gaps which are required to inform policy and to further the empirical and theoretical understanding of the significance and nature of the boom in commodity prices for low income economies.
- To enhance research and policy capabilities within the research community in SSA and build the competency of a younger cadre of researchers to undertake interactive research and policy work in the commodities sector.
- To interact with key stakeholders in order to provide early access to research results, to better inform policy design and delivery, and create a sustainable network focused on maximising the impact of a commodity based industrialisation path for SSA.

1.5 Abstract:

The disruptive entry of China into the global economy, with its thirst for minerals and energy and its prowess in manufacturing, has had a major impact on the terms of trade. India's impending entry is likely to exacerbate this shift in relative prices. This shift in relative prices poses both challenges and opportunities for SSA, including constraining the prospects of the manufacturing sector.

The Making the Most of Commodities Programme (MMCP) addresses the opportunities opened for SSA minerals and energy producing economies. Its primary focus is on how to enhance these economic and social opportunities arising from the exploitation of primary commodities. This requires policies to exploit SSA mineral resources particularly through the alignment of the National System of Innovation with the commodities sector. Furthermore the MMCP will focus on the opportunities

of an expanded commodities specialisation for other productive sectors (upstream and downstream linkages), inequality and governance.

With this distinctive focus on primary level research the MMCP addresses five knowledge gaps:

1. What are the strengths and weaknesses of the National Systems of Innovation (NSI) in relation to the commodities sector, and how might it be more effectively utilised to enhance the exploitation and value addition of the commodities sector?
2. What determines the size, nature and development of upstream linkages feeding into the minerals sector?
3. What determines the size, nature and development of downstream linkages using the output of the minerals sector?
4. What are the distributional outcomes consequent on the exploitation of commodities, including ownership, labour utilisation and size-composition of upstream and downstream linkages?
5. What are the implications of the entry of new foreign investors in the SSA commodities sector and policy levers can be employed to gain maximal national advantage?

This research agenda will be pursued in a context which strengthens research capabilities in SSA, builds and sustains research networks and interfaces closely with policy makers at the national, regional and global level. Primary research will be conducted with key informants in the NSI, and upstream and downstream linkages in the commodities sector.

2. Administrative Information

2.1 Project Leaders:

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2.3 Collaborating Institution: The Open University, Milton Keynes MK7 6AA, United Kingdom.

3. Problem and Justification

3.1. Context

Occasionally “disruptive events” emerge which challenge social, political and economic trajectories. They require a rethinking of policy responses, and the generation of appropriate data-bases and conceptual frameworks. They demand new capabilities to analyse the nature and sources of the disruptive challenges and to develop and implement effective policy responses. They have significant implications both for the rate of economic growth and the distribution of benefits from growth,

The rise of the very large Asian Driver economies of China and India challenges development strategy conventional wisdom. Since the 1960s, based on the widely-accepted recognition that the terms of trade were changing in favour of manufactures and at the cost of primary commodities, the received wisdom on economic growth for developing countries has been to advise a labour intensive industrialisation path focused on developing manufacturing capabilities (Kaplinsky 2005, 2006; Kaplinsky and Morris 2008). Consequently, the development trajectory for much of SSA has targeted diversification away from a specialisation in commodities. However, Asian Driver capabilities in manufacturing are leading to a fall in the relative price of global manufactured products (or at least those produced by low-income economies), whilst their demand for hard commodities is driving up the price of oil and gas and metals-based commodities. The derived demand for food grains as meat and milk consumption grows in the rapidly emerging middle classes in China and India, coupled with the diversion of food crops to produce the bio-fuels needed to respond to Asian-Driver-induced energy scarcity, is driving up the price of many soft commodities

There are now thus sound reasons to believe that, at least in the medium term, the terms of trade are turning back in favour of primary commodities, and at the expense of manufactures.

This disruptive change creates enormous challenges for SSA. Rising relative prices of commodities offer many *opportunities* to a resource-rich continent. But they also pose significant *threats* to governance, macroeconomic management, industrial development, and the environment. These challenges are not only – indeed perhaps not primarily – economic in nature. Rising commodity prices also challenge the social and political fabric - in terms of stable political governance, corruption, and social inequality - which is both the ultimate source and objective of the development agenda. In particular, rising prices of fuels and hard commodities may well accentuate social exclusion and foster increasing social conflict.

Developing a suitable response to this disruptive change is important if SSA is to make the most of the opportunities offered by rising commodity prices. It is also important if SSA is to avoid the risks associated with rising commodity prices – war, corruption, and a series of macroeconomic dangers (such as rising exchange rates and the squeezing of non-minerals traded goods sectors) – and to minimise and hopefully reverse trends towards social exclusion.

Much of the literature adopts a strongly negative stance on the development prospects for commodity producing countries (Gylfason 2001, Isham et al. 2003). Influential studies by Auty (1993, 1995, 2001), Sachs and Warner (1995, 1997) find evidence that natural resource exports and growth are inversely related. Their later work further confirms the so-called “resource curse”. “What the studies based on post-war experience have argued is that the curse of natural resources is a demonstrable fact, *even after controlling for trends in commodity prices*...Almost without exception, the resource-abundant countries have stagnated in economic growth since the early 1970s, inspiring the term ‘curse of natural resources.’ Empirical research has shown that this curse is a reasonably solid fact” (2001, 828, 837).

This approach leads to a policy *cul de sac*. There is no reason for government to enhance performance in respect of commodities if commodity production undermines development. We will explore a different approach. The development experiences of a number of highly successful industrialising countries, the United States of America in the late 19th and early 20th century and contemporary Australia and Norway for example, appear to belie the notion of any ineluctable curse. In all three countries, exploitation of natural resources, particularly mineral resources, was undertaken simultaneously with, and indeed was highly complementary to, the development of industry and specialist services. In both countries, the degree of reliance on commodity exports rose at the same time as economic activity broadened (Wright and Czelusta, 2004). Rather than focusing attention on developing alternatives to commodities as the resource curse literature would suggest, governments played a major role in enhancing resource production. *Inter alia* public good provision included: strong property rights; major investments in infrastructure; education and research and development. Strong property rights and enhanced public investments have dramatically increased the returns to commodities and have extended the life of resource endowments (David and Wright 1997). In these three countries, research and tertiary education institutions have been closely linked to the knowledge and skill requirements of the commodities sector. The national systems of innovation (NSI) accordingly functions as an effective support to the commodities sector. Commodities, notably the minerals, oil and gas sector, have become knowledge intensive activities. Moreover, this knowledge has spread to other applications and sectors such that commodities have become integral to the development of the knowledge economy (Wright and Czelusta, 2004).

The strategic challenge to SSA is thus sharp, and historically significant. The rise of the Asian Driver economies challenges a path of outward-oriented labour-intensive industrialisation. At the same time, Asian driver demand for commodities provides opportunities for most SSA economies since they have significant commodity deposits. Drawing on international experience (David and Wright, 2004), the challenge for SSA in the 21st Century is whether it will lapse into a “low road” structure of simple, enclave extraction of commodities for export (as occurred through much of the 20th century in Latin America as well as SSA). Or, alternatively, whether it will utilise the opportunities provided by mineral endowments to deepen and build the related knowledge, industrial and services sectors and hence to provide for sustainable income growth (the “high road”).

3.2. The Commodities Sector in SSA

Hitherto, there have been few signs of SSA economies taking the high road in the development of their mineral sectors. It is a path which requires long-term investments. It is thus imperative that the building blocks be laid in place now if the future exploitation of resources is to provide for sustainable, equitably distributed and high incomes in the future. Achieving these objectives requires an understanding of the dominant current features of SSA's mineral economies.

3.2.1. SSA's engagement in global commodities markets is below its potential

Sub-Saharan Africa (SSA) has major mineral endowments. For a large number of minerals, SSA has the largest reserves of any region, frequently in excess of half of the global total. However, what is evident is that SSA's share of global production falls far short of its share of global reserves.

Africa's Share Of Global Production And Reserves (%)

Mineral	Production	Reserves
Platinum Group Metals	54	60+
Gold	20	42
Chromium	40	44
Manganese	28	82
Vanadium	51	95
Cobalt	18	55+
Diamonds	78	88
Aluminium	4	45

Source: African Development Bank (2008)

3.2.2. Weak forward and backward linkages

In addition to its relatively weak performance as a global producer of commodities, SSA's commodities sectors are poorly linked to the rest of the economy. In many countries, backward linkages are confined to the provision of basic foodstuffs and low level wage goods to those engaged in commodity production or associated construction activities. Upstream linkages are even more limited as product is generally exported in raw or semi-processed form. A number of complex and interacting factors are associated with the poor performance of the commodities and related sectors. These included weakly developed industrial structures, low levels of skills, inefficient and costly infrastructure, inappropriate and volatile regulatory regimes which are often also poorly enforced, and corrupt governance structures.

3.2.3. Weak development spillovers

Commodities specialisation in SSA is associated with both high levels of inequality and poor governance in Africa, and, indeed many other low-income economies (Rosser, 2006). This arises from a number of factors. Mining production and minerals processing technologies are generally much more capital intensive than those in manufacturing, services and agriculture. Backward and forward linkages, which have the potential for greater labour-intensity and local ownership have been limited. High capital costs require the concentration of wealth, and often necessitate foreign

ownership of the resources and resource-extraction. Concentrated sources of revenue lend themselves to corrupt appropriation. At a more subtle level, the ability of the state to gain its revenue from concentrated export revenues allows it to insulate itself from the need to legitimate its operations with a tax-paying public (Herb, 2003; Moore, 2004).

3.2.4. The Asian Drivers are new players in the commodities sector

Historically, with the exception of South Africa, the exploitation of SSA's fixed-point commodities sector overwhelmingly involved foreign ownership. In virtually all fixed-point sectors, this foreign investment has emanated from the OECD economies. However, from the late 1990s, as China began to run out of raw materials, and then in the early 2000s as India and other Asian economies (such as Malaysia) woke to the impending heightened demand for commodities, new Asian actors have begun to flood into minerals and oil-gas sectors in SSA (Kaplinsky and Farooki, 2008). At least by hypothesis, this Asian investment is different in character to western investment (Power et al. 2008;). It is associated with lower levels of conditionality, pays less attention to concerns of good governance and transparency and appears to make less intensive use of local suppliers and local skills (Burke and Corkin, 2006). However, much of these conclusions on the character of Chinese and other Asian sources of FDI in the minerals sector is based on very thin evidence, and involves the repetition of considerable hearsay.

3.3. Identifying the Knowledge Gaps

SSA needs to develop a strategic response to the boom in commodities prices which, already is less volatile and more long-lived than previous spikes in commodity prices. There are strong analytical reasons for believing that this boom will be sustained for some years.

There is increasingly widespread recognition of the challenges posed for SSA by the commodities boom. Almost without exception, though, policy agendas have been offered at a high level of abstraction (Collier, 2007; Geneva Trade and Development Forum, 2007). These weaknesses at the level of detailed policies reflect the vacuum of primary research into the nature and consequences of the commodities boom in individual sectors and economies in SSA.

Meeting the challenges of enhancing the efficiency of minerals extraction and processing, deepening efficient downstream and upstream linkages and promoting more equitable and sustainable development outcomes requires a range of policy responses, and for a variety of public and private stakeholders. Each of these policy sets has associated knowledge gaps which need to be filled if effective responses are to be identified.

In the context of this policy agenda, the MMCP will be focused on a restricted set of knowledge gaps which need to be filled if effective policies are to be designed and implemented to enhance production efficiency in the commodities sector, to strengthen upstream and downstream linkages and to promote more equitable distributional outcomes.

In the context of a paucity of primary research in the commodities sector, the MMCP will focus on five knowledge gaps:

1. What are the strengths and weaknesses of the National Systems of Innovation (NSI) in relation to the commodities sector, and how might it be more effectively utilised to enhance the exploitation and value addition of the commodities sector?
2. What determines the size, nature and development of upstream linkages feeding into the minerals sector?
3. What determines the size, nature and development of downstream linkages using the output of the minerals sector?
4. What are the distributional outcomes consequent on the exploitation of commodities, including ownership, labour utilisation and size-composition of upstream and downstream linkages?
5. What are the implications of the entry of new foreign investors in the SSA commodities sector and policy levers can be employed to gain maximal national advantage?

3.4 The Project Legacy

Strengthening established researchers, and more particularly, developing new researchers, will be a direct outcome of this research project. Researchers will develop country and commodity specific knowledge. At the same time, the project will build a research network, providing workshops and engagements whereby researchers – senior and newly established - will share their knowledge with other researchers.

Currently government makes limited use of research conclusions in the development and implementation of policy. Policy makers do not engage actively with the research or the outcomes of the research. The private sector is similarly not engaged. In addition to building a research network, the project will accordingly develop a policy forum - regular engagements between the researchers, policy makers and the private sector. These engagements will entail researchers, policy makers and the private sector interacting around the policy implications that flow from the research findings, policy the sharing of policy experiences and the defining of further research that could inform policy.

The research network and the policy forum will be a significant activity during the duration of the project. However, the strong intention is that both the research network and the policy forum will continue after the project has been completed.

This project legacy – an ongoing research network and policy forum – is further underpinned by two factors. First, the project leaders have a proven track-record in creating and developing similar research networks and policy fora. Second, UNIDO will lend considerable legitimacy and support, more particularly for the policy forum.

3.5 Team Competencies

The research and policy activities envisaged in the MMCP requires a particular set of research and policy competencies which go beyond classic academic research experience. For the nature of the MMCP involves building research networks to create a mutually reinforcing relationship between analytic knowledge, interactive research activities, policy formulation, and policy dialogue workshops. The leadership team of Profs Kaplan, Kaplinsky and Morris have extensive experience in undertaking similar projects combining action research with policy formulation and dialogue with key stakeholders. Examples of their experience, capabilities and competencies cover the following:

- Producing interactive industrial policy networks between the research community and policy makers at a regional level (AERC Asian Drivers programme for SSA), at a national level (Industrial Strategy Project in South Africa), at a local level (Industrial Restructuring Project and the Western Cape Micro Economic Development Strategy in South Africa).
- Working with, or being employed by, national governments on industrial and technical policy in Africa, Europe, Latin America, and Asia.
- Engaged in a policy generating process with firms in value chains and clusters in a variety of sectors in Africa, Europe, Central Asia, Latin America and Caribbean.
- Building, leading and managing large research teams to budget and on-time.

4. Objectives

4.1. General objective

The general objective of MMCP is to assist SSA countries to minimise the potential costs of this boom in commodity prices and to maximise the opportunities which it provides to promote sustainable growth, and to ensure widespread access to the fruits of this growth in a context of good governance

4.2. Specific Objectives

Three specific objectives of the MMCP are:

1. To contribute to filling key knowledge gaps which are required to inform policy and to further the empirical and theoretical understanding of the significance and nature of the boom in commodity prices for low income economies.
2. To enhance research and policy capabilities within the research community in SSA and build the competency of a younger cadre of researchers to undertake interactive research and policy work in the commodities sector.

3. To interact with key stakeholders in order to provide early access to research results, to better inform policy design and delivery, and create a sustainable network focused on maximising the impact of a commodity based industrialisation path for SSA.

These specific objectives have implications for methodology, for dissemination and for interactions with users.

5. Methodology

The methodology reflects the Specific Objectives set out above, and is informed by our long-term vision of a multi-year, multi-country and multi-sector research programme. This first 24 month stage of the MMCP is essentially a pilot phase, investigating the research questions in a select group of countries and developing a robust methodology which can be rolled-out on an extended basis for an larger sample of countries and sectors in stage 2 of the MMCP.

5.1 Specific Objective 1: Filling the knowledge-gaps

Research capacities in African countries that seek to address these issues are extremely limited. Commodities, and particularly minerals, have a high level of location specificity. No two deposits are alike and hence the importance of developing knowledge *in situ* is particularly important. The development of country-specific research capacities is accordingly a critical objective of this project.

Research capacity levels in SSA universities, research institutions, and policy think tanks, are relatively weak. Senior researchers and academics are often overstretched and consequently not at the international cutting edge. This has a negative impact on the younger generation of researchers. This is particularly evident in respect of microeconomic research and research on commodities. There is currently a virtual absence of any doctoral and post doctoral research in this area. There is thus an urgent need to bring up to speed the knowledge levels of established senior researchers, and more importantly to provide opportunities to build the capacity levels of a new generation of younger researchers. Strengthening established researchers, and more particularly, developing new researchers, will be a direct outcome of this research project.

Filling the key knowledge-gaps identified above has implications for the use of theory, for sample, selection, for data-gathering and for data analysis. The development of these detailed methods will be undertaken through a launch and methodology workshop held in the first quarter of the MMCP, and then reviewed at meetings involving the full team of researchers.

5.1.1. Drawing on theory

The design of detailed methodology is informed by related theoretical literatures; in some cases, the Principal Investigators have been significant contributors to this literature, both at a global level and with specific relevance to SSA. The alignment between the NSI and the minerals sector (Research Question 1) draws on the literatures on National Systems of Innovation (Freeman, 1995; Lundvall, 1992;

Kaplan 1999), World Class Manufacturing (Schonberger, 1986) Manufacturing Excellence (Barnes et al. 2003), Innovation Management (Tidd et al. 2005), Dynamic Capabilities (Teece et al.1992) and Industrial Clusters (Kaplan 2005, Morris and Barnes 2007, Nadvi and Schmitz, 1995). Research Questions 2 and 3 (upstream and downstream linkages) are informed by value chain theory (Kaplinsky and Morris, 2001; Gereffi et. al., 2005), supply chain management (Bessant et al. 2003), Knowledge Intensive Business Services (KIBS) (Miozzo and Grimshaw 2006), as well as the literature on National Systems of Innovation. Question 4 - mapping the distributional patterns in upstream and downstream linkages - draws on value chain research (Kaplinsky 2000; Kaplinsky and Morris, 2001), and Research Question 5 draws on the literature on Foreign Direct Investment and ownership relations (Dunning, 1991; Buckley and Ghauri, 1999).

The MMCP proposes not just to draw on, but also to contribute to these and related theoretical agendas.

5.1.2. Sample selection

Three sets of factors which have a strong influence on the nature and significance of the impact of the commodity boom inform sample selection - sector determinants, ownership determinants and country determinants.

With respect to sectors, the resource curse literature distinguishes point-commodities (immobile, and generally underground) from soft-commodities (Rosser, 2006). Soft-commodities are commonly subject to greater competition and benefit less from the Ricardian rents which are widespread in the fixed-point commodities sector. The MMCP will only focus on fixed-point commodities.

Within fixed point commodities, oil-and gas are distinctive. They tend to involve very large deposits, and are therefore more likely to outweigh other productive sectors in the economy. They are also particularly likely to benefit from increasing prices as peak-oil is reached. Therefore, sample selection is informed by the need to incorporate both oil-gas and other mineral commodities in the research programme

In each case study the impact and the opportunities presented by changing ownership structures will be examined. New foreign investors, particularly the rise of Asian, especially Chinese, but also South African, are playing an increasingly prominent role.

With respect to countries, sample selection is informed by the need to ensure that all the major regions of SSA are represented.

We intend to select five countries that satisfy the above selection criteria, subject to the identification of junior and senior research capacity being available.

In addition, given South Africa's unique role as provider of mining investment and services in SSA, there will be a distinctive case study of South African investment and export of inputs and specialist services into the mining industries of SSA and the implications for country and regional development.

In respect of each case study, a sample of actors in each of the major commodities value chains and in the supporting national systems of innovation will be identified. Interviews will also be conducted with key informants in government and the research and technology organisations (RTOs).

5.1.3. Data collection

For each country, desk-based research, using national and international sources (eg the academic literature, National Censuses, COMTRADE, UNIDO,) will provide an overview of country-specific factors of relevance

Primary research in each of these countries will be undertaken utilising a common methodology developed during methodological workshops conducted at the outset of the MMCP. This methodology will be informed by theoretical and empirical literatures mentioned above. For example, patterns of supply chain development will utilise a six-stage schema developed by Bessant, Kaplinsky and Lamming which was adopted by the UK DTI (Bessant et al 2003). Similarly, the role of RTOs will be examined through the lens of the NSI literature, focusing on linkages between the science and production system and the extent to which these are pulled by users as opposed to being pushed by the science system (Lundvall, 1992). Mapping the distributional outcomes of commodities production will draw on methods developed by value chain analysis (Kaplinsky, 2001; Kaplinsky and Morris, 2001). The use of a common methodology and training workshops is important both to build capacity amongst younger African researchers, and also to facilitate comparisons and integrative analysis from the cross-country research projects.

This primary research will predominantly be of a qualitative nature, searching for motivations and process-links, although detailed quantitative indicators will also be utilised to assess performance (for example, on local content, human resource capacities, etc).

5.1.4. Data analysis

Drawing on this common methodology, two primary forms of data-analysis will be involved. The first is at the level of individual countries, since the country-focus is the primary focus on the primary research process. The second is at the integrative level, involving comparison between sectors, countries and regions.

5.2. Specific Objective 2: Enhancing research and policy capabilities

Enhancing research capabilities requires addressing the needs of both established senior researchers, and a generation of new, younger researchers. This objective will be met by

- employing young SSA researchers as country specific research officers,
- providing PhD scholarships under supervision of the project leaders utilizing the methodological and theoretical framework developed in the First Quarter of the MMCP.

- involving selected SSA senior researchers in the methodology and results workshops as well as playing a supervisory role over country research officers

Through its capacity-building nature, it is anticipated that the project will make a significant contribution to social science research capability in SSA.

Enhancing the capacity of policy stakeholders will be addressed by:

- on completion of the Stage 1 research, involvement of public and private sector stakeholders in a Policy Dialogue Workshop where the research and policy conclusions are discussed and disseminated.
- the research will result in a series of Policy Briefs.

The empirically based research papers will also be available in academic journals, and one or more books.

5.3 Specific Objective 3: Interacting with key stakeholders

Building a productive relationship with stakeholders is a key objective of the proposed MMCP. It is proposed that interaction and dissemination will take the form of research and policy capacity building, generation of research conclusions, assistance in national and regional policy formulation, publication of research papers and policy briefs.

We have identified four sets of key stakeholders:

- The research community in Sub-Saharan Africa.
- SSA governments.
- Regional multilateral agencies - NEPAD, the Economic Commission for Africa, and the African Union
- The corporate sector operating in SSA immersed in short-run objectives and in the specificities of their own operations.

The objective of interacting with key stakeholders will be achieved through:

- the participation of the researchers in research workshops, international conferences, and publications.
- providing key policy makers in specific countries, as well as within regional bodies, with early and easy access to research conclusions and potential policy agendas through discussion in workshops, as well as structured concise policy briefing papers.
- informing stakeholders from the multilateral agencies with regard to issues that cut across national borders and require multi-country cooperation
- assisting RTOs to align themselves more effectively to meet the needs of the commodity sector

- alerting the corporate sector in upstream and downstream activities to recognize the importance of significant disruptive changes in their external world, opportunities for innovation, knowledge intensive governance interventions on sectoral and governmental levels, as well as potential linkages up and down their value chains
- providing the platform whereby the researchers will interact with SSA policy-makers and disseminate the policy conclusions. This will be undertaken in collaboration with the United Nations Industrial Development Organisation using its close cooperation with the ECA and AU as well as its own technical assistance program throughout SSA.

6. Results and dissemination

6.1 Outputs

The major outputs of the project will be:

- research publications to fill knowledge gaps and disseminate the results to the academic and research community and implementing stakeholders
- policy briefing papers to provide concise information to government and multilateral agency stakeholders
- training and capacity building workshops to build research and analytic skills in the academic and research community
- on completion of the research a policy dialogue workshop to provide an interactive forum with various categories of stakeholders
- research networks to link country specific researchers with each other and share common research and policy problems

The policy dialogue workshop on completion of Stage 1 of the MMCP will propose to the stakeholders the creation of a long term policy forum to allow researchers, policy makers and the private sector to interact around the policy implications that flow from the research findings.

6.2 Dissemination

The research, analytic, empirical and policy outputs will be disseminated through research papers, journal publications policy briefing papers, and a book. The IDRC will be accorded the right to disseminate the research and policy conclusions so as to ensure that the results are circulated to as wide an audience as possible. Intellectual property will remain with the researchers as per IDRC policy.

7 Ethical considerations and Risk Assessment

We are guided by the ethical guidelines of the Royal Geographical Society's Developing Areas Research Group (<http://www.gg.rhul.ac.uk/DARG/ethical.html>). The University of Cape Town has a well developed internal ethics policy in respect of research (<http://web.uct.ac.za/depts/socialanth/dev/ethics/cerc.pdf>). The Open University has a code of good practice in research (<http://www.open.ac.uk/research-school/Documents/CodeGoodPracRes.pdf>). All respondents will be provided with written assurance that nothing obtained during the course of interviews will be put in the public domain without their prior approval.

8 Institutions and Personnel

The University of Cape Town (South Africa) is the principal institution managing the MMCP. The collaborating institution is the Open University (United Kingdom). Both institutions have a long history of engaging in development research in Africa. UCT is acknowledged as the premier university in South Africa (indeed in Africa as well) and is currently ranked as 200 in the world. The Open University has a history of engagement in Africa, especially through its undergraduate and post graduate distance programmes. The University of Cape Town has collaborated with the IDRC in a number of projects.

The three principal researchers and programme leaders are: Prof Mike Morris, Prof David Kaplan and Prof Raphael Kaplinsky have a long history of engagement with, and funding through, the IDRC:

2001 - 2002 '*A policy oriented value chain research handbook*' (Morris/Kaplinsky)

2000 - 2001 '*The impact of the information economy and e-business on South African industry*' (Morris)

1999 - 2002 '*Donor roles in post-conflict Southern Africa*', (Morris)

1996 - 1998 '*Industrial restructuring in KwaZulu-Natal*', (Morris)

1992 - 1995 '*Industrial Strategy Project*' (Kaplan/Kaplinsky)

1991 - 1994 '*Violence, class differentiation and urban policy*', (Morris)

In addition to his research and supervisory roles, Prof Morris will be responsible for managing the project and will be engaged on a half time basis by the MMCP. Prof Kaplan and Prof Kaplinsky will play the role of researchers, supervisors and research advisors in the MMCP. Their programme leadership time is an in kind contribution from their respective universities.

9 Timetable

GANTT Chart of project phasing

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8
Preparation/assembly researchers								
Launch/Methodology/training		WS						
Research								
WIP workshop					WS			
Researchers write-up, Workshop							WS	
Synthesis write-up								
Publications final write up								
Policy Dialogue workshop								WS

WS= workshop

Months	Activity
0-3	Preparation and assembly of research team
4-5	Launch, Methodology and training workshop of research team
6-21	Undertaking of research
14-15	Work-in-progress workshop with researchers
18-20	Analysis of data and write-up of material, feedback
21-22	Workshop of integrated results
23-24	End-of-programme Policy Dialogue Workshop

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