

**Mining Booms in Africa and Local Welfare Effects:
Labor Markets, Women's Empowerment and
Criminality**

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Abstract

The role that extractive industries can play in processes of economic development is frequently described as, at best non-existent, or at worst, persistently negative. Extractive industries, while focusing on unearthing large sub-soil wealth, are sometimes linked to adverse political and macroeconomic outcomes in developing countries. Its local economic effects have long been thought to be close to zero, due to little revenue accruing to local administrative budgets and weak linkages to local economies. The extractive industries---oil, natural gas and minerals---have been booming in Africa during the last decades. The four essays in this dissertation focus on measuring the local welfare effects of large scale mining investment, covering a broad range of outcomes. Together they give a picture of positive and negative effects on social development. The first chapter gives a broad introduction to local effects of natural resources. Chapter two analyzes the potential for local structural shifts in mining communities across 29 African countries. It finds that large scale mining investments create local structural shifts whereby men and women shift out of farming activities, and into manual labor and service sector employment. The effects are at place while the mine is still producing: upon mine closure, the newly stimulated sectors contract. Chapter three analyzes the effects of the opening of new gold mines on women's empowerment and infant health across 9 countries. The gold mines create local industrial shocks, which has strong effects on women's empowerment and gender norms. It also substantially reduces infant mortality rates. Chapter four analyzes the role of the South African mining industry in determining labor market outcomes, migration and criminality. Criminality and mining are negatively associated. Whereas mine opening can lower local crime rates, mine closures significantly increases local crime rates coinciding with a contracting local economy. Overall, the findings indicate that it might be a challenge to generate sustained long run local growth from extractive industries.

JEL Classification: O13, O55, O44, Q33, J16, R23

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