

ABSTRACT

The mining industry is an important sector of the South African economy contributing approximately 10% to the GDP in the last decade. It is also the largest contributor to the country's exports, bringing in the necessary foreign income.

The strength of the South African mining industry stems from the country's mineral endowment and mining expertise built over many years of mining. Some of the legacies of mining in South Africa are the establishment of cities of Johannesburg and Kimberley and the creation of the biggest stock exchange and economy in Africa. However South Africa is crippling with one of the highest income inequalities in the world, high unemployment rate, and poverty despite its mineral endowment, stable political climate, and constitutional democracy.

To fight inequality, unemployment, and poverty, this document proposes the use of Resource-based Research and Enterprise Development Model or the Linkage Model as one of the instruments at the disposal of the government. The Linkage Model is strategic in nature and is primarily based on the economic linkage theory. It comprises of six components or pillars, namely government support, research funding, functional research institutions, adequate research skill supply, resource-based research output, and commercialisation of research findings. Through the latter, it is hoped that employment opportunities will be created in industries that support the mining industry.