

From Primary Commodity Dependence to Diversification and Growth.

*Absorptive Capacity and Technological Catch Up in Botswana and Mauritius*

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This thesis analyses how reliance on primary commodity export in developing countries can slow their development. Our analysis shows that long-term development remains elusive in the absence of domestic skills and capacity to use foreign technologies and efficiently produce diversified (strategically varied), globally competitive goods and services. This study finds that dependence on natural resources and the inability to acquire sufficient technological capabilities for a diversified production hinder development in Sub-Saharan African countries. Our results indicate that some threshold levels of export diversification capacity are indispensable for long-term growth. We therefore recommend that development effort be geared towards building a stronger export diversification capability.