

## **‘Fancy Figures and Ugly Facts’ in Botswana’s Rapid Economic Growth**

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### **Abstract**

Botswana is arguably one of the most “successful” and “stable” countries in Africa and beyond; politically and economically. It attained independence from Britain in 1966, and was the second poorest country in the world, next to Bangladesh. Its Gross Domestic Product (GDP) per capita was a paltry US\$80. Today, Botswana is classified as an Upper Middle-Income country, with a GDP per capita (PPP) of US\$17, 779, and FOREX reserves of over US\$10 billion. It remains the only country in the world which sustained an uninterrupted and rapid annual economic growth rate of 9.2 per cent for three decades (between 1966 and 1996) averaging 8.2 per cent. It is the largest producer of diamonds by value in the whole world. It is also ranked among the top least corrupt countries and investor friendly by the World Bank. Despite these “fancy figures”, “the ugly facts” about this “Switzerland of Africa” are down-played. Botswana’s poverty incidence is 30 per cent, while the Gini-coefficient is 0.63, and unemployment rate is 17.6 per cent. It has the second highest HIV/AIDS prevalence rate in the world at 37.3 per cent (UNAIDS, 2004).

### **1. Introduction**

An appreciable corpus of literature on economic performance of sub-Saharan Africa countries abounds (see, for instance, Patterson, 2006; Kiiza, 2006; Tiruneh, 2004; Acemoglu et. al. 2001; Maundeni, 2000; Leith, 2000; IMF, 1999; Rodrik, 1998). Interestingly, almost in all, this ‘eye-catching’ statement is noticeably pervasive: ‘Botswana stands out in SADC<sup>1</sup>, the region, and globally, as a country that has experienced remarkable consistent growth’ (Clover, 2003: 1). Botswana is thus described as “Africa’s best kept secret”.<sup>2</sup> Botswana received 68.6 per

cent rating in the Heritage Foundation 2008 Index of Economic Freedom; ranking number 36 in global rankings. The Index of Economic Freedom has been developed by the Heritage Foundation and Wall Street Journal and base rankings on ten factors.<sup>3</sup> In 2004, Botswana was assigned “A” grade credit rating by Moody’s and Standard and Poor’s.<sup>4</sup> These sovereign ratings indicate that Botswana remains one of the most “successful” and “stable” countries in Africa and beyond; politically and economically. According to Clover (*ibid.*), Botswana’s excellent credit ranking place it ‘... on a par with some of the best performing emerging market economies’. How it achieved this, remains a ‘puzzle’ and an academic ‘controversy’. This ‘controversy’ is unequivocally evident in Scott Beaulier’s (2003) article. Beaulier, after grappling with myriad and complex theories, trying to explain the ‘magic’ behind Botswana’s remarkable success, concludes that: ‘Each theory has some explanatory power, yet each has its problems’ (*ibid.* p. 227). The present paper sets out to critique Botswana’s ‘well-celebrated’ rapid economic growth, and expose its limitations and challenges. The limitations to this envied economy such as youth unemployment, unrelenting socio-economic inequalities, sky-scraping HIV/AIDS prevalence rate, and endemic poverty are the major concern of this paper. Youth unemployment, in particular, has been neglected, and this has a direct link with HIV/AIDS in Botswana. This paper suggests some strategies that can be adopted to ensure that Botswana’s ‘riches’ proliferate to all.

Economists and other social scientists alike are over-ambitiously interested in explicating the reasons why economic growth record of sub-Saharan Africa has been so poor since the 1960s, writes Robin Sherbourne (*The Namibian*, 1999). Generally, in sub-Saharan Africa, “good economics” has variously proved not to be politically feasible (Acemoglu et. al. 2001; Chabal, 1994; Bayart, 1993; Ayittey, 1992). Professor Tony Hawkins, of the University of Zimbabwe, once observed that: “Whenever economics gets in the way of politics, politics wins every time” (cited in BBC Africa News, 13 March, 2002 and 1 April, 2008).<sup>5</sup> But, Botswana seems to be an exception in this regard. Its political leaders have been, compared to their counterparts, impressively commended for implementing “good” or “sound” economic policies, which propelled the country to stardom (Patterson, 2006; Acemoglu et. al. 2001; Leith, 2000; Harvey and Lewis, 1990). Botswana follows a Westminster Parliamentary System. It held regular, free, peaceful, and “fair” general elections since 1965. Its clean record of the longest “working” liberal democracy, together with Mauritius, makes the two countries unique in the whole politically “unstable” continent (Kiiza, 2006; Tiruneh, 2004; Stedman (ed.). 1993). Interestingly, in Botswana, all the general elections were won, with landslide victory, by the ruling party, Botswana Democratic Party (hereafter BDP), prompting some critics to label Botswana ‘a de facto, one-party state’<sup>6</sup> (Mokopakgosi and Molomo, 2000; Danevad, 1995). The primacy of politics in development issues, in general, is discussed at length by Leftwich (2000). Leftwich generates a model of the ‘developmental state’ as a particular sub-type of state in the modern world, and argues the case for the primacy of politics in development (also Leftwich, 1995). Botswana has been extensively, but contextually, described as a ‘developmental state’ (Taylor, 2002; Mhone and Bond, 2001; Maundeni, 2000; Jefferis, 1998; Edge, 1998).

This paper acknowledges that macro-economically; Botswana has done superbly well, and even surpassed some of the most progressive economies. Between 1966 and 1996, Botswana experienced rapid, uninterrupted, longest, and stable economic growth rate in the world, ‘... leaving behind the Southeast Asian tiger economies with its average annual growth rate of about 9 per cent’ (World Bank, 2007). Marroquin (2004) describes this growth as ‘notorious’. At independence, Botswana was the second poorest country in the world, next to Bangladesh (Leith, 2000; Edge, 1998; Hope, 1998; Harvey and Lewis, 1990). Sadly, its ‘world class’ achievements have diverted attention away from the “ugly facts” and tragic realities buried underneath this “best kept secret”. Botswana’s rapid economic growth has been, and, is, notoriously accomplished and promoted at the expense of fighting youth unemployment, radical socio-economic inequalities, and extreme rural poverty. Because of these gross limitations

and not-to-be ignored challenges, Mogalakwe (2004) argues that Botswana (re)presents a "case of mistaken identity" or, more satirically, a "jobless growth". This paper's position is that neither the burying of the heads in the sand-ostrich-fashion, nor the praise-naming of Botswana's economic growth will emancipate the downtrodden and lift them from the unremitting poverty, radical inequalities, and the tragic realities of being jobless. These shortcomings present a major setback to Botswana's internationally acclaimed liberal democracy and economic 'stability'. Botswana's mineral (diamond) led economy fails shamelessly to absorb the many youths who graduate from secondary and tertiary institutions. This is in spite of the fact that this sector contributes heavily to GDP and government revenue. Generally, the 'trickle-down' effect in this "Switzerland of Africa" (Stedman (ed.). 1993), has not been felt by the large sections of its citizenry. The tourism industry is one of the viable sectors that can help in the diversification of the economy and create employment. However, the sector is dominated by the largely foreign-owned safaris, lodges, motels, and other adventures which deter local citizens from fully participating in it.

## 2. Methodology

The paper adopts a critical approach (interdisciplinary) to the economic development and its challenges in post-independence Botswana. Various sources (published books, journal articles, conference papers, policy/official government documents, and news paper reports) related to the political economy, economic history, and policy issues of Botswana have been extensively consulted and rigorously critiqued, with the view of producing an informed analysis of post-independence Botswana's economic development. The paper also consulted various data bases of institutions such as the World Bank (WB), International Monetary Fund (IMF), World Health Organization (WHO), Botswana Government Statistics Office (GoB-CSO), and World Development Indicators (WDI) to get deeper insights on the issues related to this topic. By so doing, this enabled the paper to make a comparative analysis of Botswana's economy with other African countries. A comparative analysis strategy boosts the arguments advanced hereafter. This has been accomplished through descriptive and argumentative analysis. Quantitative method (statistical data) is thus used conveniently to corroborate qualitative analysis, and buttress the discussions, recommendations, suggestions, and conclusions reached herein.

## 3. Botswana as 'a developmental state'

Although Botswana is inexhaustibly described as 'a developmental state', its economic structure differs profoundly from that of the 'Asian tigers' (other developmental states). The 'Asian tigers' have developed a robust manufacturing and service sectors. However, it is important to define and explain what we mean by Botswana being 'a developmental state'. This description or (re)interpretation is solely based on the socio-economic and political context of Botswana. What remains clear is that Botswana's mineral sector (particularly diamonds) has dominated the economy, resulting in the economy being 'enclave' (Mhone, 1996) or a 'single commodity driven'. There is no qualm that Botswana's economy is state-driven. To validate this, most importantly, in 1975, the state successfully negotiated with De Beers Diamond Company for a 50-50 share ownership in all of the country's diamond mines (compared to the previous 85-15 per cent share in favour of De Beers). According to Taylor (2002: 3-4), 'This more equitable share holding has provided the state with influence over the mines' wage policies as well as the ability to authorise expansion when deemed necessary'. As this paper shows, an abundance of mineral wealth on its own explains nothing in looking at Botswana's success- as the case of diamond-rich Sierra Leone, for example, demonstrates. Taylor (2003a: 37) has this to say in this regard: 'Natural resources may in fact sabotage nation-building and development'. But, in Botswana, the first president, Sir Seretse Khama, nationalized all

minerals, and vested mineral rights on the state unlike in other African mineral-rich countries. However, Leith (2000: 4) also remarks that, 'the growth of the Botswana economy is not simply a story of a mineral enclave...'

From a plethora of literature consulted (Stein, 2000; Woo-Cummings, 1999; Mkandawire, 1998; Leftwich, 2000, 1995), it is clear that there is a major problem and controversy in defining 'a developmental state' simply from its economic performance. In a contextually endeavour, this paper treats Botswana as an illustration of a state that has pursued certain policies in the construction of what might be regarded as 'a developmental state' (Taylor, 2002). Botswana, as a state, pursues policies that co-ordinate investment plans; has a national development vision—implying that the state is an entrepreneurial agent; that engages in institution building to promote growth and development; and that finally, plays a role in domestic conflict management (Chang, 1999: 192-99). According to one expert in this discourse, six major components define the 'developmental state model'. These are; determined developmental elite; relative autonomy; a powerful, competent and insulated bureaucracy; a weak and subordinated civil society; the effective management of non-state economic interests; and legitimacy and performance (Leftwich, 1995: 405). All these are evident in Botswana's political economy, and thus, warrant the description of Botswana as 'a developmental state'. For example, Botswana's diligent and committed bureaucrats involved in development planning process have been described as one of the best in Africa (Charlton, 1991; Colclough, 1976). Furthermore, the government is legitimate, democratic, and the political elites are committed to economic development (Beaulier, 2003; Samatar, 1999; Hope, 1998). Interestingly, the civil society is weak in Botswana (Holm, Molutsi and Somolekae, 1996; Molutsi and Holm, 1990), a common feature in 'developmental states' (Taylor, 2002). As already pointed out, Botswana has been ruled uninterruptedly by the BDP for four decades now. The opposition parties are weak, poorly funded (Molomo and Sebudubudu, 2005), and always break up due to ideological and personal differences, and elite conflict (Makgala, 2006). The definition of 'a developmental state' is an academic morass because not all countries with good economic growth rates are 'developmental states'. As Mkandawire (1998: 2) remarks: 'the definition of the 'developmental state' runs the risk of being tautological since evidence that the state is developmental is often drawn deductively from the performance of the economy. This produces a definition of a state as developmental if the economy is developing, and equates economic success to state strength while measuring the latter by the presumed outcomes of its policies'. Referring to Africa specifically, Mkandawire (ibid.) observes that:

In Africa, we have many examples of states whose performance up until the mid-1970s would have qualified them as 'developmental states' in the sense conveyed by current definitions, but which now seem anti-developmental because the hard times brought the economic expansion of their countries to a halt. Recognition of episodes and possibilities of failure leads us to a definition of a 'developmental state' as one whose ideological underpinnings are developmental and one that seriously attempts to deploy its administrative and political resources to the task of economic development.

Botswana's political leaders have thus, beginning with the first president, exuberantly and tirelessly invested their energy and resources in economic development. The nation building motto has been a driving force; hence Botswana's four national principles are: Democracy, Development, Self-reliance and Unity. Woo-Cummings (1999: 8) has argued that nationalism and a national vision lies at the heart of 'a developmental state'. In Botswana, the slogan: *ditiro tsa ditlhabololo* ('work for development') underpinned the trajectory post-1966 under Khama with a strong sense of nationalism (Taylor, 2003a). Khama once asserted that:

When we attained independence in 1966, we had no economic base from which to proceed with the

development of our country. Our chances of survival as a viable country were almost nil but we were not discouraged nor could we ever willingly return to the old days of colonial neglect. Having accepted the challenges of independence we had no other alternative but to get down to work to make our independence a meaningful one (Khama, 1980: 323).

The importance of developing a long-term socio-economic development perspective was given recognition through the development in 1997 of "A Long Term Vision for Botswana: Towards Prosperity for All", popularly known in short as Vision 2016. The Vision 2016 is supposed to be a national manifesto to guide future National Development Policies (NDPs) as well as broad government policy and is a statement of long term goals with proposals for a set of strategies to meet these (GoB, 1997). This Vision 'characterizes what Botswana should be by the year 2016 by identifying goals to be reached, the major challenges that must be met and opportunities that must be productively exploited to attain these national aspirations' (ibid. p. 13). The Vision calls for the transformation of Botswana into a nation which is 'educated and informed', 'prosperous, productive and innovative', 'compassionate, just and caring', 'safe and secure', 'open, democratic and accountable', 'moral and tolerant', and 'united and proud' (ibid.). It is from this background that we consider Botswana as 'a developmental state'. The government has taken an active role in managing and directing the development process. Admittedly, as shall be illustrated with the unfolding of the paper, this 'developmental state' has not succeeded in diversifying its economy.

#### 4. Botswana: A short (economic) history

Writing on political, economic, social, and development issues in post-independence Botswana would be devoid of academic rigour, if such work entirely ignores history. Hazleton (2002: 5) recognizes the central role of history in Botswana's (economic) development when he says: 'Much of what has occurred in Botswana can only be understood in terms of the country's unique history –at least unique compared to most of other African countries'. How Botswana was ruled as a "protectorate state" not a "colony" by the British, for eighty years, is "controversially" credited for economic prosperity and political stability the country has enjoyed, so far (Tiruneh, 2004; Acemoglu et. al. 2001). Botswana, formerly known as the Bechuanaland Protectorate (hereafter BP), was a British protectorate from 30 September, 1885 until it attained political independence on 30 September, 1966. The imposition of this "protection" is seen in some quarters as part of a wider late nineteenth century scramble for Africa (Ramsay, 1998). The British intention to occupy southern Botswana was announced in an Order-in-Council on 27 January, 1885 (ibid.). This was, perhaps, in pursuant to Article 34 of the infamous Berlin Act of 1885, which obliged a signatory to the Act to inform others of their action to take possession of any part of Africa (Chirenje, 1977). European to-be-colonial powers met at Berlin Conference of 1884-1885 after the invitation by the then German Chancellor, Otto von Bismarck, to decide on how they can share or partition Africa among themselves (de Courcel, 1988). After this incongruous conference, the "scramble for Africa" ensued relentlessly and, by the end of the 19<sup>th</sup> century, all countries in Africa, with the exception of Liberia and Ethiopia (Wallerstein, 1961: 30), were colonized and their societies brutally crushed. Thereafter, a process of 'development of underdevelopment' took its toll unabated, as it did elsewhere in the colonized world (Frank, 1969). For Botswana<sup>7</sup> rulers/chiefs (tribal leaders), the British "disguised protection" came as a shock because they had not asked for it. Ramsay (1998: 62) points out, with regard to Botswana, that: 'no chief asked for it... and [the chiefs] were consulted afterwards'. It is believed that the word "protectorate" was to be used to reassure Botswana that they were not a colony (ibid.). The two words; "colony" and "protectorate" are seen as merely academic terms, which are very hard to distinguish, in practice, because colonial policies, although with some slight variances, had almost similar repercussions in the

colonies as well as in the protectorates (Kiiza, 2006; Mogalakwe, 2006). The British swift move in early 1885 to “protect” Botswana, after decades of vacillation, was largely motivated by the need to ‘tame’ the passions of the Germans, who had occupied most of South West Africa (SWA) (now Namibia) (Maylam, 1980; Chirenje, 1977). In March, 1885, Germany was notified by the British that BP was now under British “protection”.

Critics argue that British colonialism in Botswana was detrimental to its social, economic, and political fabric, as elsewhere in the colonized world (Mogalakwe, 2006). That the British “minimal” involvement during the colonial era (Acemoglu et. al. 2001) or “benign neglect” (Dale, 1995) contributed to Botswana’s post-independence success seems to be heavily problematic, if not, uninformed, writes Beaulier (2003). The present paper argues that despite this “minimal” involvement, there were some harsh policies which were introduced by the British, and such policies undermined and compromised Botswana’s development in the colonial period. Steenkamp (1991) controversially argues that in Botswana, colonial policies did not retard development during the colonial period, as some scholars believe (Mogalakwe, 2006; Massey, 1978). What was retarded, according to Steenkamp, was the development of capitalism. He asserts that the colonial officials were receptive to the values of feudalism rather than capitalism and sought to preserve the pre-capitalist order from the onslaught of capitalism (for his critique, see Mogalakwe, 2006). Nevertheless, excessive labour recruitment by the British owned South African (mainly gold) mining companies, the “hut tax” (Massey, 1978), and the tendency by the British colonial administration to promote and protect the economic interests of a small white elite class over the majority of Batswana contradict the notion of “protection” (Mogalakwe, 2006).

For Batswana, in general, and their leaders, in particular, British “benign neglect”, during the colonial era, is now seen as a ‘blessing in disguise’ because after independence, the diamonds and other minerals, for example, copper, nickel, soda ash, and coal were discovered. In fact, the ‘unlucky’ British left in 1966, and in 1967, the first diamonds deposits were discovered at Orapa, the largest by volume in Africa, and later at Jwaneng, the richest diamond mining town in the world (Hazleton, 2002; Mogotsi, 2002). Hazleton (2002: 5) states that: ‘In Botswana, the very lack of known economic assets at independence likely contributed to its political stability and its future economic prosperity’. Many wonder what could have happened had the British discovered the minerals before granting independence to Botswana. The British “ineffective” colonialism (Kiiza, 2006) ‘worked well’ for post-independence Botswana. However, other African countries which experienced “full-blown” colonialism such as Zimbabwe, Angola, and Mozambique, to name but few, experienced massive looting of their natural resources and the destruction of the indigenous social and political institutions. After independence in the 1960s, and, to-date, the legacy of colonialism has become a major stumbling bloc towards political and economic stability in sub-Saharan Africa, particularly in the former colonies (Mamdani, 1996; Ayitteh, 1992). Since the British had no serious (economic) interests in Botswana, they did not leave much, if any, social and physical infrastructure (Harvey and Lewis, 1990).

## **5. From economic doom to economic boom: ‘The magic behind this’**

The crucial factors which contribute (d) to Botswana’s economic and political success are varied, but interwoven. The relatively less corrupt and transparent political leadership; small and nearly homogenous population of about 1.8 million; favourable relations with the Breton Woods institutions (IMF and the World Bank); the rule of law; market-friendly<sup>8</sup> institutions and policies (Beaulier, 2003; Leith, 2000); and, most importantly, the abundance of gemstone diamonds (Hazleton, 2002), all play (ed) critical role. The conspicuous absence of the white settlers/population in the country during the colonial period, compared to neighbouring countries, meant that the grievance and ‘hatred’ towards the British “colonizers” was not so formidable like in

Zimbabwe. Sir Seretse Khama<sup>9</sup> appealed for 'nation building', and ensured that his relation with the British was nurtured and maintained. Khama advocated for a state-active-role (developmental state) in managing the 'new found wealth' (diamonds) for the betterment of the country at large. He made it clear in 1965 that no tribal ethnic group shall claim ownership/royalties of the minerals found in tribal territory, when he stated that: '... leaving mineral rights vested in tribal authorities and private companies must necessarily result in uneven growth of the country's economy, as well as deprive the central government of an important revenue for developing the country...' (cited in Hazleton, 2002: 5). Thus, in Botswana, unlike in other African countries, mineral rights are fully vested in the government. The local/indigenous institutions, most importantly, the *kgotla*<sup>10</sup> continue to play critical role in development issues (Maundeni, 2000). The *kgotla* in "colonial" Botswana was preserved by the British. It was used as a link between the chiefs, their subjects and the colonial administration; through the policy known as "indirect rule". The current government disseminates development policies through the *kgotla*, among other forums. In other African countries (fully colonized), traditional institutions (chieftainship/*kgotla*) were brutally crushed; since they were contemptuously viewed as subversive to the colonial interests. Landell-Mills (1992) argues that Botswana took opportunity of this favourable colonial heritage, and used it wisely to implement "sound" economic policies. In short, 'The Botswana proceeded modestly and prudently blending the traditional and modern in a pragmatic way' (ibid. p. 544).

At independence, Botswana's economy was primarily agrarian, based largely on cattle production (Hope, 1998; Picard, 1980), labour exportation to South African gold mines (Massey, 1978), and custom fees arising from a nebulous dependence upon a hegemonic partner, South Africa (Edge, 1998). After the discovery and exploitation of the mineral wealth in the 1970s (diamond, copper, and nickel), and (soda ash) in the 1990s, Botswana bounced back rapidly to become an African 'star performer' (Hazleton, 2002; Jefferis, 1998; Harvey, 1992). Today, Botswana has the second highest GDP per capita (PPP) of US\$ 17, 779 (GoB, 2008) in sub-Saharan Africa after Seychelles (Kiiza, 2006). It is the largest producer of 'gemstone' diamonds by value in the whole world, producing over 30 million carats per year (Mining, Review Africa, 2006; Mmegi News Paper, 4 October, 2006; Hazleton, 2002). According to Harvey (1992: 3), Botswana supplies 30 per cent of the world's gem diamonds. Leith (2000) describes Botswana as "the cheetah of Africa". He compares Botswana's stable economy to that of the 'Asian tigers' and concludes that '... the indigenous, leaner, swifter, and equally rare cheetah is a more appropriate symbol' (ibid. p. 2). This exceptionality of Botswana also prompted one of the renowned scholars on Botswana's economic discourse to comment that: 'In whichever way measured, or determined, Botswana is one of Africa's star performers. [It] is exceptional, both within Africa and among less developed countries, as a whole, when comparison is made of macro-economic performance, development management, and good governance' (Hope, 1998: 539). Even the World Bank commends Botswana when it states that: 'Botswana has a reputation for excellent macroeconomic management, modest inflation, and extremely rapid growth' (World Bank, 2007, data base). Evidently, Botswana is in 'sharp contrast to the economic stagnation and deterioration of most of Africa' (Hope 1998: 540).

At independence, Sir Seretse Khama made it unequivocal that he wanted to establish Botswana government as a 'financially viable entity' (GoB, 1966). Khama and his successors admirably achieved this. By 2008, Botswana has over US\$ 10 billion in foreign reserves (Bank of Botswana, 2008, data base). With a proven clean record of political stability, continuity, transparency, and the rule of law, investors are discovering the country to be a valuable destination for their operations in the region and beyond. President Festus Mogae once stated that: "Botswana has been, is, and will always be open for business. We welcome investors, we welcome tourists, we welcome all people. It is part of our culture, but it is also in our economic interest."<sup>11</sup> There is a strong consensus among scholars that "exceptional" leadership and 'Policy choice— not historical determinism— is the real story of

Botswana's development in particular and sub-Saharan Africa's stagnation in general' (Beaulier, 2003: 239). In his polemic article, Beaulier concludes authoritatively that: 'One good leader, like Khama, is all it would take for an African nation to escape poverty' (ibid.). Beaulier seems to have been unaware that when he authored his article, 33 per cent of Batswana were living below the poverty line, and the GINI-coefficient was 0. 63.

## 6. Botswana and the diamond boom

There is no doubt that diamonds contribute (d) profoundly to Botswana's rapid economic growth (IMF, 1999; Jefferis, 1998). In short, diamonds are 'the engine of growth' in Botswana (Mogotsi, 2002). Unlike in Namibia and South Africa, De Beers (a company mining diamonds in Botswana) faced no competition. De Beers quickly formed a jointly-owned Company with the government of Botswana (Good, 2003; Hazelton, 2002). This Company is called De Beers-Botswana Mining Company (Debswana), and is a private unlisted company, with the government and De Beers, each holding 50 per cent ownership (Hazelton, 2002: 3). Good (2003: 18) says that 'The importance of diamonds and Debswana to Botswana is patent'. The diamonds statistics world-wide are unbelievably astonishing. Botswana is the world's largest producer of diamonds by value at 29 per cent ahead of the Federation Republic of Russia at 18 per cent, and Canada at 15 per cent. In 2000, Debswana produced 24. 65 million carats and sold it all to De Beers for US\$1. 9 billion (Debswana Annual Report, 2000: 8). This yielded a gross profit of US\$1. 67 billion for Debswana (Hazelton, 2002: 3). All in all, approximately, 85 per cent of government revenue is derived from diamonds (Debswana Annual Report, 2000). Recognizing the critical role the diamonds play in the country's economy and general welfare, the then vice president of Botswana, Festus Mogae, once said that: "The partnership between De Beers and Botswana has been likened to a marriage. I sometimes wonder whether a better analogy might not be that of siamese twins" (F. G Mogae, March, 1997, cited in Debswana website). In September 2006, the government of Botswana announced that it had discovered additional diamond deposits in a small village called Lerala in the north of the country. The Lerala diamond mining kicked-off in early 2007. A report from Botswana Stock Exchange says that the project will have low capital cost of about US\$15 million, assuming mining contract generates high operating cash flow of US\$100 million over ten years on revenue of US\$230 million at forecast diamond prices (The Voice News Paper, 19 September, 2006). This mine employs 250 people because mining is exclusively capital intensive. In 2006, the diamond-mining sector employed 6, 300 people (Mmegi News Paper, 4 October, 2006).

Unlike in other sub-Saharan Africa countries, rich in diamonds, Botswana's diamonds have contributed to large FOREX reserves, amounting to more than US\$10 billion by 2008 (Bank of Botswana, 2008 data base). These reserves 'can act as an economic shock absorber when required' (Hazelton, 2002: 8). Many countries, rich in diamonds, notably: Sierra Leone, Angola, and the Democratic Republic of Congo (DRC) have been, for the better part of their post-colonial history, plagued by bloody and costly civil wars, political volatility, corruption, and rent-seeking (UN, 2002, 2001). Collier and Hoeffler (2001) study on 'Greed and Grievance in Civil War' shows that countries with a dependence of more than 32 per cent of GDP on a single primary commodity export are in 'peak danger of civil war'. Diamonds in Botswana contribute about 33 per cent to its GDP, and this is likely to remain so, as the country's effort to diversify its economy remains a mammoth task. Botswana proved Collier and Hoeffler's theory wrong, and it stands out as a rare exception in this regard. Collier and Hoefflers' theory is 'silent' on why some countries (such as Botswana), which literally 'survive' on minerals, have not been plagued by civil war and political mayhem. For most people, when reading about theory, they wonder if it works in practice. Interestingly, for 'economists when they see things working in practice, they wonder if they work in theory' (Hausmann and Rigobon, 2002: 1). This sharp contrast has been an academic 'controversy' surrounding the natural

“resource curse” theory. According to Ng (2006: 1), ‘it is not clear whether the “resource curse” is due to the endogeneity of resource dependence...’ Resource curse is not primarily a result of the ‘excessive’ contribution of a single primary commodity to GDP. Instead, transparency, good governance, the rule of law, and accountability are the main ingredients to the prudent management of (natural) resources. In all the African cases where diamonds’ conflicts have been the order of the day, it should be critically noted that these conflicts were not caused by the abundance of diamonds per se. Diamonds, because of their ready-market, have been used by the warring parties to finance and escalate conflicts (UN, 2002: 26), which were, in the first place, caused by political and social grievances. However, in the course of the conflict, ‘greed’ surpasses ‘grievance’ although the latter would have compelled the belligerents to take up arms in the first place. It is also complicated to elucidate when ‘grievance’ becomes ‘greed’ or vice versa. This blurred demarcation remains a major challenge to this theory.

Historically, it had been proved that the end of the Cold War, in the late 1980s, affected mineral-rich countries; particularly Angola and DRC (Ayitteh, 1992), and later Sierra Leone. In relation to African politics, Ekeh (1975: 93) argues that ‘It is to the colonial experience that any valid conceptualization of the unique nature of African politics must look’. Botswana was, even during the cold war hey-days, ‘neutral’ and thus remained relatively ‘untainted’ by isms. Botswana’s first president rejected communism/socialism, and thus maintained pro-market institutions; while his counterparts immortalized Marxism-Leninism and Maoism. Satirically, Ayittey (1992: 10) notes that after independence, many African leaders, proclaiming themselves ‘free and independent under black rule, hauled down the statues of European monarchs and erected, not those of Martin Luther King, Jr. or Kankan Musa, but of another set of white aliens—Marx and Lenin’. The destruction of indigenous social and political institutions elsewhere in colonial Africa meant that during the ‘hasty’ decolonization period, Africans were left with corrupt, illegitimate, and weakened institutions. This is the main reason why such institutions failed to support and consolidate democracy. The post-colonial leaders, who ruled with vengeance and indiscriminate killings, emerged in mineral-rich DRC, Sierra Leone, and Angola (Ayitteh, 1992). The theory of ‘greed’ and ‘grievance’ as presented by Collier and colleague seems inherently problematic and inconclusive. Botswana, supported by its “favourable” colonial heritage and the commitment of the “clean” political leadership explain why the ‘diamond conflict’ is unlikely to take course in the country. Surprisingly, despite its clean record, Botswana has done badly in terms of poverty reduction, compared to other diamond-rich rich countries.

Botswana’s poverty incidence as presented in table 4, is higher (28. 0 per cent) than in South Africa (10. 7 per cent), despite Botswana having a higher GDP per capita (PPP). Botswana’s economy is mineral (diamond) led, compared to that of other countries in the region, for example, Namibia and South Africa (table 1). However, all the three countries (shown in table 1) have invested heavily on education and the provision of clean water to their citizens. Infant mortality rate is high in Botswana and South Africa mainly because of the high rate of HIV/AIDS infection (table 4). The same explains their low life expectancy. HIV/AIDS prevalence rate in South Africa is 18 per cent, while in Botswana is 37. 3 per cent (UNAIDS 2004). Sierra Leone, DRC, and Angola have done poorly in basic social indicators because of civil wars (associated with diamonds) which plagued them in the 1990s to early 2000s. It is almost true that in mineral-led economies; ‘the trickle-down’ effect is hard to come by. In the case of Botswana, this has been observed (Bar-On, 1999; Good, 1993, 1999; Curry, 1985, 1987).

Namibia’s large poverty incidence (34. 9 per cent, shown in table 4) is directly related to its colonial past. Namibia, in the region, to date, has the largest number of white-landed settlers, about 89 per cent of them, as compared to other countries. These extremely rich and propertied individuals, who control more than 80 per cent of the fertile land, ensure that poverty, landlessness, and desperation of black Africans retain its colonial heritage. In South Africa and Namibia, the racist colonial policies placed the white man over the entire black population; politically, socially, economically, and materially. Hazelton (2002: 13) sums up the Namibian predicament when he

says: 'One of the legacies of the South African domination of Namibia<sup>12</sup> and the apartheid era is that income distribution is one of the most unequal in the world'. Similarly, the South African case is that of disbelief and despair. Although South Africa is regarded as an Upper Middle-Income country like Botswana; '[its] income disparities are among the most extreme in the world' (ibid.). For example, 13 per cent of South Africa's population (about 5.4 million) live in the 'First World' conditions. At the bottom of the ladder is a pool of about 53 per cent (about 22 million) extremely poor people, living in the 'Third World' conditions (ibid.). South Africa's unemployment rate is also among the highest in the world, at 26 per cent. In Botswana too, the diamond-led economy has created a few, but wealthy individuals, and a massive pool of a poverty stricken hoi-polloi. The situation of 'extractive industries and the poor' exists in Africa as a whole (Ross, 2001).

**Table 1:** Contribution of diamonds to the economies of Botswana, Namibia and South Africa

Country	Contribution to GDP	Contribution to Total Exports	Contribution to Formal Sector Employment	Contribution to Total Government Tax Revenue
Botswana	33 %	79 %	3 %	60 %
Namibia	13 %	25 %	1.2 %	6 %
South Africa	0.88 %	8 %	0.10 %	0.07 %

Source: Hazleton (2002: 20). The statistics for exports and contribution to GDP for South Africa include polished as well as rough diamonds.

**Table 2:** GDP annual growth (percentage) for the major diamond mining countries in Africa

Country	Years								
	1980	1990	1999	2000	2001	2002	2003	2004	2005
Botswana	12.0	6.8	7.2	8.2	5.2	5.6	6.2	6.2	4.0
Namibia	-	2.5	3.6	3.5	2.4	6.7	3.5	6.0	4.2
South Africa	6.6	-0.3	2.4	4.2	2.7	3.7	3.0	5.0	5.1
Angola	-	-0.3	3.2	3.0	3.1	14.5	3.3	11.2	20.6
Sierra Leone	4.8	3.4	-8.1	3.8	18.1	27.5	9.3	7.4	7.3
DRC	2.2	-6.6	-4.3	-6.9	-2.1	3.5	5.8	6.6	6.5

Source: African Development Indicators (2007: 24).

**Table 3:** GDP growth rate (annual average) for the major diamond mining countries in Africa

Country	1980-1989	1990-1999	2000-2005
Botswana	11.5 %	6.1 %	5.9 %
Namibia	1.1 %	4.1 %	4.4 %
South Africa	2.2 %	1.4 %	3.9 %
Angola	2.7 %	1.0 %	9.3 %
Sierra Leone	1.1 %	-4.3 %	12.2 %
DRC	1.8 %	-5.5 %	2.2 %

Source: African Development Indicators (2007: 24).

**Table 4:** Socio-economic indicators in the major diamond mining countries in Africa

Country	GDP per capita (PPP) [US\$]	Adult Literacy Rate (%)	Pop. with access to improved water (%)	Infant Mortality Rate (%)	Pop. Living below US\$1/day (%)	Life Expectancy (years)
Botswana	12,387	81.2	95	87	28.0	48.1
Namibia	7,586	85.0	87	46	34.9	51.6
South Africa	11,110	82.4	88	55	10.7	50.8
Angola	2,335	67.4	53	154	-	41.7
Sierra Leone	806	34.8	57	165	57.0	41.8
DRC	714	67.2	46	129	-	45.8

Source: UNDP (HDR) (2007/2008) [compiled].

**Table 5:** Sector contribution to GDP in the major diamond mining countries in Africa

Country	Year	Agriculture	Industry	Services
Botswana	2006 (est.)	1.6 %	51.5 % (including 36 % mining)	46.9 %
Namibia	2007 (est.)	10.6 %	30.8 %	58.6 %
South Africa	2007 (est.)	2.2 %	27 %	70.9 %
Angola	2007 (est.)	9.6 %	65.8 %	24.6 %
Sierra Leone	2001 (est.)	49 %	31 %	21 %
DRC	2000 (est.)	55 %	11 %	34 %

Compiled from CIA, The World Fact Book (last updated on 1 May 2008).

**Table 6:** Botswana: Structure of the economy (average annual growth per sector)

Percentage of GDP	1986-1996	1996-2006	2005	2006*
Agriculture	2.6	-1.5	-7.5	-0.7
Industry	4.0	7.3	4.9	0.6
Manufacturing	7.2	2.4	1.9	1.2
Services	11.3	6.0	3.6	5.2

Source: World Bank (2007 data base). <http://devdata.worldbank.org/AAG/bwa-aag.pdf>

\*2006 data are preliminary.

However, the South African and Namibian economies are more robust and diversified than that of Botswana. Diamonds do play an important role to Namibia's economy, but not as important as in Botswana. Namibia's manufacturing, agricultural, business service and fishing sectors are doing well. This means that both the formal and informal non-diamond sectors in Namibia represent a higher proportion of income earners than in Botswana (Hazleton, 2002: 13). This trend in Namibia explains why the country, with an annual per capita GNP about half that of Botswana, and with a relatively stagnant economic growth rates, ranks slightly above Botswana in UNDP, HDI Report of 2000. In this report, Namibia ranks 111<sup>th</sup> while Botswana is placed at 114<sup>th</sup> (UNDP, 2000). Table 5 and 6 show that the industry sector (comprising largely of diamonds) dominates Botswana's economy, while agriculture has declined tremendously. In fact, table 6 indicates that the agriculture sector's annual growth has been

deteriorating since 1996, recording negative. In 2000, Namibia was ranked the fifth largest producer of diamonds by value in the whole world, while South Africa was ranked the third largest (Hazleton, 2002: 10).

## 7. The limitations and challenges to Botswana's rapid economic growth

The very limitations and challenges to Botswana's rapid economic growth and liberal democracy are profound (Thapelo, 1998). Such limitations and challenges are an 'eye-opener' that: 'if we concentrate too much on aggregate macro-economic data ["fancy figures"]; we fail to appreciate the outliers ["ugly facts"]' (Rodrik, 1998). Many questions, diverse and deep explanations arose regarding Botswana's skewed economic development, "ugly facts", in spite of "fancy figures" presented by authoritative sources (GoB, 2008; World Bank, 2007 data base; IMF, 1999). These questions are, to some extent, dealt with, problematically, by radical scholars (notably Good, 2003, 1999, 1993; Thapelo, 1998). The conclusion deduced is that: 'it is not that we have to stop asking so many questions about economic growth. We just have to stop expecting the international data to give us all the answers' (Mankiw, 1995: 303-7). The international community (less radical scholars, foreign journalists, and Think Tanks) have fed the world with "fancy figures" about Botswana's exceptionality, keeping much silence on its "ugly facts". Thus, Botswana's "mistaken identity" has been achieved through different means. For example, Botswana has been compared with "failed" states such as Somalia (Samatar, 1999), war-ravaged and politically weak Uganda (Kiiza, 2006), and economic and politically crippled Zimbabwe (Maundeni, 2000). If Botswana's story is to be convincingly explicated and justified satisfactorily, a comparison with the "best" is needed. Mogalakwe (2004:14) supports this, and states that: 'there is very little to be gained by comparing the best with the worst, but a lot to be gained by comparing the best with the best, and therefore gauging the best out of the best, rather than the best out of the worst'.

Affluence, extreme poverty, and severe socio-economic inequalities have been and, are, since 1966, the 'triplets under the same skin' in Botswana. This tear-jerking relationship has, in the recent past, attracted mild to rigorous academic scrutiny (Jefferies and Kelly, 1999; Gulbrandsen, 1996). But the issue of youth unemployment, in particular, has been largely neglected by researchers. According to Thapelo (2003: 103), poverty and socio-economic inequalities in Botswana are seen '... within the Botswana body politic as an indictment of the post-colonial development trajectory'. The reasons why: "poverty amidst plenty" (Jefferis and Kelly, 1999; Curry, 1987; Wikan, 2001; Good, 1999, 1993) exists in Botswana are complex, complicated, and intractable. The government's inability to tame the passions of the cattle barons and an emerging bureaucratic bourgeoisie, whose interests are conterminous with those of the ruling class coalition, has resulted in public policy bias (Thapelo, 2003). Picard (1987: 264) observes this when he says: 'the primary beneficiaries of government policy in the areas of economic and rural development have been the organizational elites, bureaucratic, professional [and] political, who dominated the system'. This is seen as a problem arising from a heavily mineral-driven economy. Robert Curry, Jr. reiterates this when he says 'The economic plight of Botswana's poor has worsened as a direct consequence of the mining sectors success' (Curry, 1987: 71). An emerging ruling elite has amassed unparalleled wealth beyond the imagination of an ordinary citizen (Thapelo, 2003). This is true in a country where the GINI-coefficient is 0.63 (HDR, 2004). In Botswana, the close-knit coalition of the bureaucratic bourgeoisie, the cattle barons (mainly politicians), and the ruling class is uncompromising in its promotion of elitist policies, a contrast to the principles of social democracy.<sup>13</sup> This class-coalition's intent is to perpetuate elitist development through public policy bias and manipulation. Because of the huge disparities and radical inequalities in the country, there is a strong feeling among Botswana, in general, that this undermines social democratic principles. Democracy is heavily challenged by scholars. How can citizens be equal politically, if their incomes are unequal? (Tiruneh, 2004). Political arrogance

and complacency by the ruling elites in Botswana contribute to social ills. A local news paper editor agitated that ‘[the] ruling party elite... has no respect for the principles of a democratic republic’ (Mmegi News Paper, 10 October 2005). The fact that the same party, BDP, has been ruling since 1966, has promoted complacency, inefficiency, and public policy bias. This ‘de facto-one party state’ means that the democratic input has been weak (Molutsi and Holm, 1990). Table 7 below shows the domination of one party in Botswana’s politics.

**Table 7:** Botswana’s general elections results, 1965-2004

Party	1965	1969	1974	1979	1984	1989	1994	1999	2004
BDP	28	24	27	29	28	31	27	33	44
BNF	-	3	2	2	5	3	13	6	12
BPP	3	3	2	1	1	0	0	-	-
BIP/IFP	0	1	1	0	0	0	0	-	-
BCP	-	-	-	-	-	-	-	1	1
BAM	-	-	-	-	-	-	0	0	0
Total	31	31	32	32	34	34	40	40	57

Source: Taylor (2003: 13); for 2004 source, see <http://africanelections.tripod.com/bw.html> (assessed on 25 October 2007). BDP: Botswana Democratic Party; BNF: Botswana National Front; BPP: Botswana Peoples Party; BIP: Botswana Independence Party; BCP: Botswana Congress Party; BAM: Botswana Alliance Movement. Total means the total number of seats.

### 7.1 Poverty and youth unemployment in Botswana

Studies elsewhere have appeared focusing on poverty and its dimensions. In Botswana, about 30 per cent of the 1.8 million people live below US\$1 a day. The definition of poverty has led to a protracted academic debate among scholars, researchers, and observers alike. However, from almost all these various studies, there is an overwhelming consensus that ‘poverty... exists and is indeed undesirable’ (Buthali, 1997). Poverty as defined by the World Bank (2001) is ‘the pronounced deprivation in well-being. Such deprivation includes hunger, lack of shelter, poor health, lack of education, social exclusion, powerlessness, lack of voice, and vulnerability to diseases and natural disasters’. It is clear from the above definition that poverty is a multi-faceted phenomenon, with the most common feature being income poverty. Income poverty is defined as ‘lack of income to satisfy essential needs beyond food, including shelter, clothing and energy’ (ibid.). As one scholar rightly states, ‘nothing sets a stronger limit on the liberty of the citizen than a total absence of money’ (Galbraith, 1994). The very poor in Botswana have been pathetically described as ‘people who own nothing but head lice’ (Bar-On, 1999: 101). The majority of them do not own productive assets (ibid.).

Unemployment rate is officially put at 17.6 per cent (CSO, 2006), and unofficially at a shocking 40 per cent (CIA, 2008). Although Botswana labour force was growing at an average of 3.4 per cent per annum between 1991 and 1996, formal employment was growing at only 1 per cent per annum. And, as can be expected, this caused mismatch between the supply of labour and its demand resulting in growing unemployment (Mogalakwe and Siphambe, 2001). Although unemployment rate was reported to be about 14 per cent in 1991, the 1995/96 Labour Force Survey revealed that 34.6 per cent of the labour force was unemployed (CSO, 1997). This figure went down to 21.5 per cent when the so-called “discouraged” job seekers were discounted. The youths, those between 12 and 34-years-old, were reported to be the hardest hit by unemployment and underemployment, accounting for about 70 per cent of the unemployed (Mogalakwe and Siphambe, 2001). Underemployment is also a major problem in the

“Switzerland of Africa”. The 1995/96 Labour Force Survey also revealed that the underemployed, defined as those who worked for less than 35 hours in the reference survey week for an economic reason, but who said that they were available for more work, stood at 8.3 per cent (CSO, 1997). Mogalakwe (2004: 6) observes that ‘the crisis of social inequality and unemployment is closely linked to poverty’. In 1993/94, a Household Income and Expenditure Survey revealed that 38 per cent of Botswana households were living in poverty and that poverty was higher in the rural areas than in urban (CSO, 1995). Thus, 64 per cent of the rural households were living below the national poverty line in 1994, compared to 30 per cent in urban. However, disposable income inequalities were high in the urban areas. The GINI-coefficient in urban areas was 0.54, whereas in the rural was 0.41 (CSO, 1995). What is particularly interesting in the analysis of unemployment in Botswana is that some of the unemployed are described carelessly as “discouraged” job seekers. Really are they discouraged? If they are, what makes them discouraged? And, again, in 1995/1996, 70 per cent of the unemployed were the youths ‘the cradle of Botswana’s future’. Seers (1969), argues that the purpose of development is to reduce poverty, inequality, and unemployment. His contention is that if all the three have become less severe, then, this has been a period of development in the country concerned. But if one or two of these central problems have been growing worse, especially if all the three, it would be strange to call this development. Considering Seers analogy, it is evident that what Botswana experienced is a grossly skewed development; inequality and unemployment have worsened.

Botswana’s unemployment rate of 17.6 per cent is still high when we look at the trend of unemployment in the country (CSO, 2006). It seems that the rate is just the same as it was in the 1990s as shown in table 9. In 2006, the total employed population was 548,594, of which 287,303 (52.4 per cent) were males and 261,290 (47.6 per cent) were females. The major industrial employers were agriculture at 30.9 per cent, rental (14 per cent), public administration (10.9 per cent), and education (7.9 per cent) (CSO, 2006: 1). The least employer was foreign missions (0.2 per cent). In 1991, unemployment rate was 13.9 per cent, and by 2004, it had risen to 24.6 per cent. In 2004, with 24 per cent of unemployment rate, Botswana’s GDP growth rate was a good 6.2 per cent (Africa Development Indicators, 2007: 24). The annual average GDP growth between 2000 and 2005 was 5.9 per cent (ibid. p. 24). Male unemployment rate was 15.3 per cent, and 19.9 per cent for the female. Female youths (12-29-years-

**Table 8:** Unemployed population and unemployment rate by sex and age group in 2006

Age Group	Unemployed Population		Total *	Unemployment Rate %		Total %
	Male	Female		Male	Female	
12-14	46	172	218	0.6	3.5	1.7
15-19	5,225	5,524	10,749	21.6	34.9	26.8
20-24	16,220	20,564	36,784	30.7	39.7	35.2
25-29	10,836	14,000	24,836	20.1	26.0	23.1
30-34	4,750	8,558	13,308	11.0	18.2	14.8
35-39	4,099	5,571	9,670	11.3	14.8	13.1
40-44	2,963	4,059	7,022	11.2	12.5	11.9
45-49	2,489	2,705	5,194	9.8	10.3	10.0
50-54	2,120	1,222	3,342	10.8	6.6	8.8
55-59	909	607	1,516	6.9	5.2	6.1
60-64	555	304	859	6.5	4.5	5.6
65+	664	259	923	3.3	2.0	2.8
<b>Total</b>	<b>50,876</b>	<b>63,545</b>	<b>114,421</b>	<b>15.3</b>	<b>19.9</b>	<b>17.6</b>

Source: CSO (2006: 7). \* Worked out by authors.

old) unemployment rate was 31.8 per cent, while male of the same age group was 23.3 per cent. Overall, youth unemployment rate was 27.4 per cent (*ibid.* p. 2). A country with a literacy rate of over 80 per cent and such a high unemployment rate is socially, economically and politically "unhealthy". The youths (between 15 and 24-years-old) have a literacy rate of 94.0 per cent (UNDP, 2008).

### 7.1.2. "Educated unemployment"

First of all, it is worth mentioning that Botswana provides free and compulsory ten-year basic education. Enrollment rate at primary level (national) for girls was 49.3 per cent in 2004, and the boys took the remainder (CSO, 2006). A twelve-year-old child in Botswana (considered youth) is in standard 7, the last level of primary education. After the completion of 7 years in primary schools, children/pupils proceed with their studies, automatically to Form One (Junior Secondary Schools). This automatic transition means that nearly 100 per cent of students receive ten-year basic education. This is the main reason why only 1.7 per cent of this group is considered unemployed (table 8). Although this group is included in the youth category, the present paper is not much concerned about them being unemployed; since they are supposed to be in school. In the second level (Junior and Senior Secondary Schools), girls enrollment rate was 51.9 per cent in 2004 (*ibid.*). At around 18 or 19-years-old, students complete their secondary education in Botswana, and prepare to enter tertiary institutions for higher education. This is the group which constitutes the bulk of the unemployed youths (26.8 per cent). With only one university in the country and very few other tertiary institutions, these youths end up failing to enroll in tertiary institutions, not that they had done badly, but mainly because the opportunities (tertiary institutions) are few. In 2004, 60.7 per cent of female students were admitted at Teacher Training Colleges (TTCs) (to train as primary school teachers), while 37.7 per cent of them, as opposed to their male counterparts, were absorbed by the Vocational and Technical Training Institutions (*ibid.*). At Colleges of Education (training secondary school teachers), 58.8 per cent of female students were enrolled. Only 25.6 per cent of female students were enrolled at the only Botswana College of Agriculture (BCA) in 2004. Interestingly, in 2004, at the only University of Botswana, female enrollment was 52.1 per cent, surpassing that of males. At all Education levels, female enrollment was 49.9 per cent (*ibid.*). According to table 8, the youths, who are aged between 20 and 24, are the hardest hit by unemployment, with 35.2 per cent of them being unemployed. Most of them are secondary school graduates (out-of-school youths).

In Botswana, Degree courses at the university take a maximum of five years and a minimum of four years to complete, while Diploma courses take mainly three years. This means that the youths, who are aged between 19 and 25-years-old, are either at tertiary institutions or unemployed as shown in table 8. In this age group; 20 to 24-years-old girls are the most affected. This puts them in vulnerability to health hazards such as HIV/AIDS, which is prevalent in Botswana (table 11). Youth unemployment rate among those who are aged between 25 and 29 years is also high (23.1 per cent). This group composes of those who had just graduated from various tertiary institutions, and the University of Botswana. One businessman in Botswana, Elias Dhewah, described Botswana's situation as "educated unemployment" (cited in Sunday Standard, 3 October, 2006). Those who are between 30 and 34-years-old are also facing this problem. Thus, 14.8 per cent of them are unemployed, meaning that some of them are about to pass their youths' stage without having been on "pay roll". A similar case applies to those who are between 35 and 39-years-old. Those who are between 15 and 30-years-old are just being left to 'rot'. They do not contribute meaningfully to the economic growth. Botswana's economy is "self-driven", with the diamond sector "working itself" (capital intensive). Although the country has relatively low crime rate, youth unemployment which continues unabated is likely to breed criminal gangs. This, in itself, will undermine Botswana's democracy and stability. However, youth unemployment seems to be a major government concern only on paper. The government

**Table 9: Unemployment rate in Botswana, 1991-2006**

Year	Unemployed		Employed		Labour Force		Unemployment Rate %	
	Male	Female	Male	Female	Male	Female	Male	Female
1991	31, 852	29, 413	239, 573	140, 365	271, 425	169, 778	11. 7	17.3
Aggregate	<b>61, 265</b>		<b>379, 938</b>		<b>441, 203</b>		<b>13.9</b>	
1993/1994	54, 959	52, 764	222, 661	169, 938	277, 620	221, 907	19.8	23.8
Aggregate	<b>107, 723</b>		<b>391, 804</b>		<b>499, 527</b>		<b>21.6</b>	
1995/1996	45, 461	49, 067	189, 301	156, 104	234, 762	205, 171	19.4	23.9
Aggregate	<b>94, 528</b>		<b>345, 405</b>		<b>439, 933</b>		<b>21.5</b>	
1998	56,709	58, 994	248, 913	192, 302	305, 622	251, 296	18.6	23.5
Aggregate	<b>115, 703</b>		<b>441, 215</b>		<b>556, 918</b>		<b>20.8</b>	
2000	46, 274	44, 455	269, 425	214, 007	315, 699	258, 462	14.7	17.2
Aggregate	<b>90, 729</b>		<b>483, 432</b>		<b>574, 161</b>		<b>15.8</b>	
2001	51, 916	57, 596	268, 024	185, 361	319, 940	242, 957	16.2	23.7
Aggregate	<b>109, 512</b>		<b>453, 385</b>		<b>562, 897</b>		<b>19.5</b>	
2002/2003	66, 880	77, 580	245, 408	216, 959	312, 288	294, 539	21.4	26.3
Aggregate	<b>144, 460</b>		<b>462, 366</b>		<b>606, 826</b>		<b>23.8</b>	
2004	86, 233	99, 583	259, 219	311, 110	345, 452	410, 693	25.0	24.2
Aggregate	<b>185, 816</b>		<b>570, 329</b>		<b>756, 143</b>		<b>24.6</b>	
2005/2006	50, 876	63,546	287, 303	261, 290	331, 584	319, 880	15.3	19.9
Aggregate	<b>114, 422</b>		<b>548, 594</b>		<b>651, 465</b>		<b>17.6</b>	

Source: CSO (2006).

**Table 10: Employed population by industry in Botswana (2006)**

Industry	Male	Female	Total
Agriculture	103, 924	65, 407	169, 331
Mining	12, 396	1, 716	14, 112
Manufacturing	16, 020	19, 963	35, 982
Water and Electricity	2, 697	1, 537	4, 234
Construction	22, 169	4, 265	26, 434
Rental and Trade	28, 791	50, 804	79, 596
Hotel and Restaurants	3, 848	10, 968	14, 816
Transport and Communication	10, 292	5, 381	15, 674
Financial Intermediaries	3, 018	5, 406	8, 424
Real Estate	15, 338	9, 778	25, 116
Public Administration	34, 372	25, 417	59, 789
Education	15, 190	27, 907	43, 177
Health and Social Work	5, 505	8, 612	14, 114
Other Community Services	5, 277	5, 283	10, 560
Private Households	8, 013	18, 247	26, 261
Foreign Missions	456	439	895
Not Stated	-	78	78
<b>Total</b>	<b>287, 303</b>	<b>261, 290</b>	<b>548, 594</b>

Source: CSO (2006: 5).

tried, in the recent past, by introducing the Young Farmers Fund, a policy which aims at attracting the youth into agriculture. When launching this policy in 2007, the then President of Botswana, Festus Mogae, remarked that: "The sector's [agriculture] strong linkage to our rural economy is therefore an important consideration in government's efforts to revive agricultural production" (The Voice News Paper, 02 March, 2007). But the policy has not had much positive impact since the youths are said to shun agriculture. The government is also to blame because it has, for decades, promoted the cattle sector at the expense of the arable sector. What should also be observed is that Botswana has a small population, making adventure into any business risky.

Table 10 (above) shows that the agriculture sector dominates the employment sector. But it should also be noticed that the same sector has experienced negative growth since 1996 (table 6). The mining sector (dominated by diamonds), although it dominates the economy, employs only 14,112 people. These are some of the "ugly facts" about Botswana's mineral-led economy. High unemployment rate has a direct link to poverty in Botswana. Poverty has only slightly lessened since 1966, but still more than 500,000 people are living below the poverty line. This is unacceptable, particularly in a country where GDP has soared at an unprecedented and unrivalled rate, for more than three decades. However, we should not forget the assumption put forward by Seers (1969) that even if the GDP soared, if there is inequality, or severe poverty, this cannot be called development. The distribution of cattle is also highly skewed, which also means that the majority of peasants are trapped in the vicious cycle of poverty in rural Botswana (Wikan, 2001). Botswana's social problems relate to the nature of the political economy of public policy and class-conflict (Mogalakwe, 2004; Thapelo, 1998).

## **8. HIV/AIDS pandemic: 'Digging mass grave for Botswana's economy'**

Botswana faces a bleak future, health-wise, if not extinction of its small population, as a result of HIV/AIDS pandemic. The first case of HIV was reported in Botswana in 1985 but, today, it is not a matter of 'a case', but 'a catastrophe'. There are many theories, both substantiated and mediocre, which try to explain why this 'dragon' thrives in Botswana. With or without theories, HIV poses a major threat to Botswana's 'envied' economy. Botswana is not only ranked among the highest economic performers in the world, but also ranks the second highest in HIV prevalence rate at 37.3 per cent (UNAIDS, 2004). Botswana's HIV prevalence rate is much higher than the average sub-Saharan Africa (table 11). As of the end of 2003, there were about 350, 000 people living with HIV/AIDS in Botswana, or more than a third of the country's adult population (CIA, 2005; UNAIDS, 2004). The epidemic has already had a profound effect in Botswana, posing significant development challenges to this middle-income country (UNAIDS, 2004). The Government of Botswana created a National AIDS Coordinating Agency (NACA) in 1999, and is currently operating its National Strategic Plan on HIV/AIDS for 2003-2009.

There is a direct link between HIV/AIDS and unemployment in Botswana. Table 8 shows that a large number of the youths are unemployed. In all the age groups, women are the hardest hit. About 30 to 45 per cent of young women, aged between 15 and 24-years-old, were found to be living with HIV/AIDS virus in 2001. And, 12.9 per cent to 19.3 per cent of the male youths of the same age group were infected/ living with the virus in the same year. In all, 58 per cent of the women were living with the virus in Botswana in 2003, a very high rate compared to sub-Saharan Africa average of 8.9 per cent. In 2006, the Labour Survey Report (CSO, 2006) found that about 37 per cent of young women, aged between 15 and 24-years-old, were unemployed. This is the group which is also hardest hit by HIV/AIDS, meaning that there is a direct link between HIV/AIDS and youth unemployment in Botswana. For example, 26.0 per cent of the (young) women aged between 25 and 29-years-old were unemployed in 2006. In 2005, 42, 000 patients were receiving antiretroviral therapy (ART). About 75, 000 infected people were in need of ART in 2004. Botswana, by 2003, had about 120, 000 orphans. Although the government takes care of

**Table 11: HIV/AIDS situation in Botswana**

Indicator	Botswana	Sub-Saharan Africa	Global
Estimated number of people living with HIV/AIDS (2003)	350, 000	25 million	37.8 million
Percent of adult population estimated to be living with HIV/AIDS (2003)	37.3 %	7.5 %	1.1 %
Estimated number of deaths due to HIV/AIDS (2003)	33, 000	2.2 million	2.9 million
Women as percent of adults estimated to be living with HIV/AIDS (2003)	58 %	57 %	48 %
Percent of young women, ages 15-24, estimated to be living with HIV/AIDS (2001)	30.0 – 45.0 %	8.9 %	1.4 %
Percent of young men, ages 15-24, estimated to be living with HIV/AIDS (2001)	12.9 – 19.3 %	4.4 %	0.8 %
Estimated number of AIDS orphans (2003)	120, 000	12.1 million	15 million
Number of people estimated to be receiving antiretroviral therapy (ART) (June 2005)	42, 000 (March est.)	500, 000 (June est.)	970, 000 (June est.)
Number of people estimated to be in need of ART (December 2004)	75, 000	4.0 million	5.8 million

Sources: UNAIDS (2004); CIA, World Fact Book (2005); WHO (2005).

'all' the orphans, this drains the country's national coffers. Botswana's horrific realities of HIV/AIDS present themselves as the "ugliest facts" about this "economic miracle".

## 9. Socio-economic inequalities in Botswana

Botswana is one of the most economically unequal countries in the world, on par with Brazil and Colombia (Good, 1999). Inequalities in Botswana are higher than in South Africa (ibid.). According to Good (ibid. p. 185), the U.S.A 'is both the wealthiest and the most inequitable country in the developed capitalist world'. This is mainly because '...its rich receive more than their counterparts in other countries...[and] those who are poor get so much less' (Hacker, 1997: 49, 53). Literature on Colombia reveals that in 1991, the lowest 20 per cent of the population received 3.6 per cent of the total income, while the highest 20 per cent commanded 55.8 per cent of the total income. This highest quintile is further divided to reveal that the highest 10 per cent of Colombians received 34.5 per cent of the total income (Gersovitz, 1999: 13). According to a Household Income and Expenditure Survey Report of 2005, Botswana's already high GINI-coefficient of 0.537 in 1993/94 had increased tremendously to 0.573 by 2002/ 2003 (CSO, 2005). Hillden and Mesterton (2005: 34) conclude that: 'the critical observer will claim that a poverty ratio of 30 per cent in a country that had the highest growth rate in the world for decades is still far from acceptable'. There is no doubt that the severe economic inequalities sharpened poverty in Botswana. The Human Development Report (2004) found that the richest 10 per cent in Botswana got 56 per cent of the national income, and the richest 20 per cent commanded 70.3 per cent, the poorest 20 per cent received only 2.2 per cent, and those in the very bottom decile got 0.7 per cent of the country's national income. The gap between the top and

bottom deciles was 77.6 per cent. The GINI-coefficient was 0.63 per cent (HDR, 2004: 90). Inequalities in the cattle sector were also severe, with 2.5 per cent of farming households owning 40 per cent of all the cattle in 2005 (HDR, 2005). Some conservative sources estimate that 70 per cent of the rural households had no cattle. This is not only unacceptable, but a perpetuation of injustice. And 'the result is an unprecedented exposure of the weakness and fragility of Botswana's liberal democratic credentials' (Thapelo, 2003: 93).

## 10. The causes of socio-economic problems in Botswana

With exactness, it is academically difficult to pin point the causes of the socio-economic problems in Botswana. However, using circumstantial evidence, inferences, and statistics, this section argues that the major problem emanates from an economy which is single commodity driven. The factors which led to this economy being diamond driven are discussed hereafter. In 1966, Botswana was one of the poorest countries in the world, but by the 1990s, it was considered a Middle-Income country. Botswana's rapid economic growth meant that the 'trickle-down' was slow to have positive impact on the population at large. Mineral-led economies are notoriously known for producing a rapid and uneven economic growth. The main reason why Botswana's economy has failed to diversify relates to the government 'negative' attitude towards other sectors like agriculture which has since stagnated or recorded negative growth as shown in table 6. This neglect meant that large sections of the rural population were left out (Wikan, 2001). Statistics show that about 70 per cent of the rural households had no cattle by 2005, while a mere 2.5 per cent of the households owned 40 per cent of all the cattle which were estimated at around two and a half million (HDR, 2005). In 2001, Botswana's beef exported to Europe netted US\$72.2 million in revenue (IRIN, 16 January, 2004). Most of the political leadership, bureaucrats, and other ruling elites are large cattle farmers (Beaulier, 2003; Acemoglu et. al. 2001; Samatar, 1999). For example, Seretse Khama was a well-known cattle rancher. Acemoglu et. al. (2001: 44) observe that 'the emergence of the BDP and the political elite that emerged after 1966 had important interests in the cattle industry, [the second most] main productive sector of the economy'. With around two and half million cattle, Botswana is the largest exporter of beef to European market. Furthermore, the fact that most of the rural people are cattle-less contributes to inequalities. For example, the Botswana Meat Commission (BMC) (a parastatal organization) processing and exporting beef to Europe pays high prices to cattle farmers, who are, in this case, few and mostly ruling elites. Why we have cattle-less and cattle barons in Botswana relates to the history of wealth accumulation among most African chiefdoms during the pre-colonial and colonial epochs (Good, 1999). This matter is therefore beyond the comprehension of this paper. However, it is important to note that the cattle sector has a long tradition of support (monetary, logistical, expertise) from the government since the colonial era (Samatar, 1999). In the 1930s, drilling of boreholes became popular among the cattle barons. This scheme was financed through the help of the British. The post-independence government introduced the Tribal Grazing Land Policy (TGLP) in 1975, to boost the cattle industry. This policy aimed at demarcating 8km x 8km ranches and gave them to the rich cattle farmers. TGLP resulted in further worsening inequalities as the vast tracts of land belonging to peasants were zoned into ranches. The same rich cattle farmers held dual grazing rights. During the rainy season, they grazed their cattle in communal areas, only to withdraw to their ranches when the communal pastures were depleted. In 1991, the National Policy for Agricultural Development (NPAD) demarcated more ranches (Cullis and Watson, 2005).

A small population also makes it difficult for industrial boom/ expansion (market wise). Botswana's population is currently about 1.8 million. In 1998, a Hyundai company (manufacturing cars) relocated from Botswana to South Africa citing problems of poor market in the country, and difficulties in exporting cars from Botswana. Being a landlocked country has negatively affected Botswana. According to one source, landlocked

countries suffer negatively (economic hardships) from their geographical locations.

Due to their remoteness, landlocked countries are dependent on neighbouring transit countries for their external trade and suffer from high trade transaction costs. Huge transport costs, inadequate infrastructure and bottlenecks associated with importation and exportation requirements can be a serious stumbling block to their integration into the global economy, impairing export competitiveness or the inflow of foreign investment.<sup>14</sup>

Thus, Botswana's manufacturing sector has also been affected by its geographical position. All industrial equipments have to be shipped through South Africa. South Africa, which borders Botswana in the south, has a robust industrial sector, large population (market), access to international sea ports; thereby giving Botswana a tough competition. This explains why the manufacturing sector is poorly developed in Botswana. The mineral sector's link with other sectors is also very poor. Generally, diamond mining is capital intensive. For all these years, since the discovery of the diamonds in the 1970s, until this year (2008), Botswana has been mining and exporting semi-processed diamonds to foreign markets to be cut, polished and processed into finished products. Recently, a diamond cutting and polishing Company was opened in Gaborone (Botswana capital city).

The government invested heavily on education, safe drinking water, and infrastructure but failed to tackle poverty as expected. Although in 1966, the population living below the poverty line was 59 per cent, one would expect that by 2008, looking at Botswana's booming economy, poverty incidence would be around 10 per cent not 30 per cent as it is the case. The GINI-coefficient is very high (0.63). This is mainly because wealth distribution in Botswana is disproportionately distributed, a typical case in many mineral-led economies. Those who are employed in the mineral sector receive relatively high wages and they are few in number (table 10). Unemployment in Botswana is mainly a result of undiversified economy. The diversification of the economy is, somehow, difficult and has frustrated the political leaders to date. The difficult part of this is that Botswana is a landlocked country compared to, for example, Hong Kong, Taiwan or Singapore. This, in itself, is a major stumbling bloc to attract Foreign Direct Investment (FDI). In Botswana, for all along, the revenue from the diamond sector has propelled the economy to stardom, resulting in complacency on the part of development policy makers. However, since the late 1990s, the economy has gone down (tables 2 and 3), sending a clear message to the government that diversification is inevitable. Botswana's education system has expanded tremendously since the 1970s. However, some have blamed it for being theoretically based; thereby not responding to the needs of the industrial and the globalizing world. Most of the graduates are not equipped with life skills, making it difficult for them to survive on their own without government support. What is needed is 'education with production'.

As for HIV/AIDS, it is difficult to say why it is so prevalent in Botswana. This is because the literacy rate is very high (82 per cent), and above 95 per cent among the youths, who are mostly affected and infected. Teenage pregnancy continues to be one of the major sexual and reproductive health concerns, with 17 per cent of teenage girls being mothers and over 85 per cent of these being unplanned (GoB, 2007). This is a worrying trend particularly in this era of high HIV prevalence rate among the young people (table 11). One of the possible causes could be that, all along, since HIV virus was discovered in Botswana in 1985 until recently, HIV issue was not incorporated in the school curriculum. Like in many African cultures, discussing sexual matters has also been a 'taboo' in the Tswana society. The government, however, has tried to include HIV in the school curriculum, national radio stations, television, and it is discussed in many other forums. For example, the Adolescent Sexual and Reproductive Health Programme infused in the education policy has been designed in such a way that facts about sexuality and health, including HIV/AIDS, are part of the examinable curriculum (ibid.). Botswana has also a

high percentage (about 58 per cent) of urbanized population. In a rapidly growing economy, one would expect that societal values change rapidly too. HIV, therefore, relates to behavioural changes in the society, social dislocations, and other moral issues inherent within a rapidly urbanizing society-which is still patriarchal in orientation. Like elsewhere in Africa, adherence to rigid patriarchal values has resulted in exploitation of the 'weaker sex' (women and young girls).

Botswana, together with South Africa, has attracted lot of immigrants who are fleeing from their countries (in the region) due to economic and political hardships. With the hope of getting jobs, these unskilled and often illegal foreigners (and mostly women) engage in illicit sexual activities. This partly spreads the HIV/AIDS since such people; because of their illegal status do not have 'easy' access to medical care. Studies and government documents have shown that more than 36,000 Zimbabweans are deported each year from Botswana, even though the numbers could be higher as they keep on coming back. As the crisis in Zimbabwe has worsened, the illegal immigrant situation in Botswana has become steadily worse. Botswana might be having as many as 200,000 illegal immigrants from Zimbabwe. This is against a background of 1.8 million people in Botswana (Lesetedi and Modie-Moroka, 2007: 7).

## 11. Conclusion

This paper concludes that Botswana's 'well-celebrated' economic growth is faced with critical and litigious challenges such as youth unemployment, HIV/AIDS, severe poverty, and radical socio-economic inequalities. Youth unemployment and HIV/AIDS, in particular, have direct link to each other as pointed out in the paper. The two were also found to be directly linked to poverty. Sadly, most of the literatures (reviewed) have not identified youth unemployment as a major problem. The only exception is Mogalakwe (2004), although he mentions it in passing. However, in this paper, this issue is given utmost priority. The paper argues that the "educated unemployed" youths in Botswana pose serious economic, political and security/social problems. More than 95 per cent of the youths are literate in Botswana, with a good number of them holding Diplomas and Degrees. But because of the nature of the economy, which is mineral-led (capital intensive industry), most of the youths remain unemployed. The agriculture sector which employs large number of people has recorded negative growth since 1996. The inequalities and poverty sharply increased in the rural areas as shown by the inequitable ownership of cattle (the mainstay of the rural economy). HIV poses a major crisis to Botswana in many ways. Firstly, the pandemic has taken lives of the many skilled and unskilled workers, mercilessly. Secondly, the government spends millions in providing ARTs and taking care of the orphans. The present paper has also explained the magic behind Botswana's success; from historical and as well as economic perspective. The diamonds in Botswana, unlike in other African countries, have handsomely propelled the economy to stardom. Botswana thus, avoided the endemic conflicts associated with the abundance of minerals. But it has suffered dearly from "structural violence". The case of Botswana (success through diamonds) is rare in Africa. Although the tourism industry could act as one of the sectors which can create jobs, it sadly requires lot of capital. In Botswana, safaris, lodges, motels, and game viewing are mainly dominated by the white foreigners. It is a business adventure beyond the reach of the ordinary citizens.

Definitely, for Botswana to solve its problems is a mammoth task and requires collective and even regional responsibility. For example, when we talk of HIV/AIDS, which is partly exacerbated by the influx of illegal immigrants from neighbouring countries, in particular, Zimbabwe, one has to reconsider diplomatic and regional solution to the crisis in Zimbabwe. The current situation of political and economic crisis in Zimbabwe has led to misery and impoverishment in that country. We are not saying that foreigners are solely responsible for spreading

HIV/AIDS in Botswana, but their large numbers (estimated at around 200,000) is a major challenge to a country which, itself, cannot provide jobs to its own citizens. However, in Botswana, menial jobs such as cattle herding, farm labouring, construction, and domestic chores are shunned by Botswana youths, who prefer 'white collar' jobs. The Zimbabweans, therefore, take these jobs. But not all of them are absorbed, since they come in large numbers. In the fight against HIV/AIDS, the government has committed itself to educating the population and providing ATRs as shown in table 11. HIV/AIDS related issues have also been infused in the curriculum. As for poverty, the government must redirect its focus to the agricultural sector and introduce schemes which can empower the citizens to produce crops intensively. Botswana imports about 80 per cent of its food from South Africa. The government is mainly a welfare state which means that available social welfare schemes such as drought relief projects (cash for work), and destitute programs promote a culture of dependence syndrome among the citizens. This does not solve the problem of poverty and inequalities. By investing in the cattle sector, the government is neglecting the majority of the rural people who, most of them, survive on rain-fed arable farming. Botswana should develop a pro-poor rural development policy. This policy should be of a bottom-up model.

Inequalities can only be addressed through diversification of the economy. The government should consider financing the rural people in tourist hubs to engage themselves robustly in the industry. Small scale projects in the north (tourism hub) of the country can be promoted through rural development initiatives. At the moment, the tourism industry is dominated by the large safaris (owned by white foreigners), and the government is yet to assist the locals to invest in this industry. Youth unemployment too, is difficult to address unless the economy diversifies. This issue also relates to the nature of the education policy. Currently, the education system is largely theory based. Technical colleges, vocational training centres, brigades, and polytechnic education must be prioritized in Botswana. In the recent past, some have called on the government to 'scrap off' the humanities subjects from the curriculum since they are not responsive to the industrial demands. "Education with production" is what we recommend for Botswana. If students are exposed to life skills oriented subjects like Agriculture, Development Studies, Design and Technology, Sports, Music, Engineering, and Business Studies, the problem of youth unemployment might be minimized. Botswana is in the process of building a second university, University of Science and Technology, which the government says will be the leading centre for academic excellence in Africa. This project is welcome and is in line with ameliorating the problem of youth unemployment since science-based universities impart life skills.

## End Notes

- <sup>1</sup> Southern Africa Development Committee (SADC) was founded in 1980, and composes of 14 member states. SADC aims to resolve the problems related to security, economy, hunger, and political instability in the region.
- <sup>2</sup> The Swedish ambassador to Botswana, Annika Jagander, reiterated these words that Botswana is "Africa's best kept secret". She said this in February 2005, at the inauguration of "The Botswana Launch of Open Trade Gate Sweden". This Swedish initiative facilitates trade for Botswana exporters, through cost-free and user-friendly trade regulations (Mmegi News Paper, 1 March, 2005).
- <sup>3</sup> These factors are; Business Freedom; Trade Freedom; Fiscal Freedom; Government Size; Monetary Freedom; Investment Freedom; Financial Freedom; Property Rights; Freedom from Corruption; Labour Freedom. Botswana's record was impressive in all of them. <http://www.bedia.co.bw/news/news.php?lang=&NewsID=13> (accessed on 10 April, 2008).
- <sup>4</sup> It was for the second time that Botswana was awarded "A" grade by Moody's and Standard & Poor's. [http://www.foreignaffairs.or/sponsored\\_sections/country\\_focus/botswana/BOTSWANA\\_1Page-web.pdf](http://www.foreignaffairs.or/sponsored_sections/country_focus/botswana/BOTSWANA_1Page-web.pdf) (accessed on 10 April, 2008).

- <sup>5</sup> Zimbabwe is the immediate north-eastern neighbour of Botswana. Today, Zimbabwe is a "failed state". Politics, combined with grievance over the colonial master, Britain, has resulted in the country implementing draconian laws in a bid to frustrate the West. Zimbabwe remains isolated from the international world/affairs as the IMF and the World Bank suspended their aid.
- <sup>6</sup> Recently, there has been a critical debate in Botswana concerning the "Presidential Automatic Succession Model" which the country follows. The public views are that the President must be directly elected. But, the government insists that the present "automatic succession model" is "working" for Botswana. The Government refusal to accept change to the status quo undermines Botswana's "shining liberal democracy".
- <sup>7</sup> Batswana (plural) means the citizens of Botswana; Motswana (singular). The National language is Setswana.
- <sup>8</sup> The political leaders of Botswana shun (ned) communism/socialism, and strongly advocate (ed) and support (ed) free market economics.
- <sup>9</sup> Sir Seretse Khama was the first president of Botswana. He was a trained lawyer from Balliol College, Oxford, United Kingdom (UK). He married a Breton woman, Ruth Williams. Seretse Khama is well-known for having repudiated Marxism/Communism/Socialism unlike most of his contemporaries; Julius Nyerere of Tanzania; Kenneth Kaunda of Zambia; Kwame Nkrumah of Ghana; Dr. Kamuzu Banda of Malawi; Jomo Kinyatta of Kenya, and later, Robert Mugabe of Zimbabwe. His willingness to imbibe market-friendly policies, at a time when African leaders were busy experimenting with Marxist-Leninist-Maoist ideologies is often credited for Botswana's post-colonial prosperity (Beaulier, 2003).
- <sup>10</sup> A public forum where tribal leaders meet with the people (villagers) to discuss village socio-economic and development issues, not politics.
- <sup>11</sup> Botswana's tourism industry is among the best in Africa. However, the sector is largely dominated by foreign-owned safaris and motels. The government recognizes the need to promote this sector. [http://www.foreignaffairs.org/sponsored\\_sections/country\\_focus/botswana/BOTSWANA\\_1Page-web.pdf](http://www.foreignaffairs.org/sponsored_sections/country_focus/botswana/BOTSWANA_1Page-web.pdf) (accessed on 4 April, 2008).
- <sup>12</sup> Namibia was first colonized by the Germans, and later South Africa until 1990, when it became independent. Colonial past in Namibia explains the huge inequalities in both income and other social assets (HDR, 2004). More than 80 per cent of the fertile land is held by the few Whites in Namibia; something which makes land reform too political to undertake.
- <sup>13</sup> The ruling party, BDP, which has been in power for over 40 years, claims to be practicing social democracy. But some critics have criticized the government it is leading for being a "pseudo-welfarist state" (Thapelo, 1998).
- <sup>14</sup> <http://www.gfptt.org/Entities/TopicProfile.aspx?tid=b32e2af7-5931-4b20-9d68-edb1a268ee70> (accessed on 14 June, 2008).

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