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Adaptation of Botswana's Development Strategy to Meet Its Peoples' Needs for Land, Jobs: The Southern African Capitalist Democracy Can Maintain Its Growth by a New Problem-Oriented Policy

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# **Adaptation of Botswana's Development Strategy to Meet Its Peoples' Needs for Land, Jobs:**

## ***The Southern Africa Capitalist Democracy Can Maintain Its Growth by a New Problem-oriented Policy***

By ROBERT L. CURRY, JR.\*

ABSTRACT. The history of *Botswana's economy* reflects the development of an open, *multi-party democracy* through which group, class and regional *conflicts* have been resolved. Four *socioeconomic problems* have been emerging in ways which challenge this process and thereby threaten the bases for *Botswana's* material *progress* and *social and economic stability*. The problems involve a growing *income and asset* ownership gap among Botswana, an expanding demand for *scarce water*, a decreasing output of *cereal crops*, and a growing *economic dependence* on the Republic of *South Africa*. In response to the problems, matters of which the governing class is clearly cognizant, these key *development policy* measures have been undertaken: the *Arable Lands* Development Program; the Tribal *Grazing Lands* Policy; and the *Financial Assistance* Program. The measures' contents are designed to expand rural, agricultural *employment* and generate *rural incomes*, expand cereal crop production, lessen food dependency on South Africa, and improve water management. However, the measures need to be modified to insure the maximum developmental impact.

### I

#### **Introduction**

THE GOVERNMENT OF BOTSWANA has initiated three domestic measures to deal with the socioeconomic problems that have emerged from the pattern of mineral sector-led growth that the country has experienced. The three measures are the Arid Land Development Program (ALDEP), the Tribal Grazing Land Policy (TGLP) and the Financial Assistance Program (FAP). The measures have been designed to improve access to employment and income-earning opportunities and to acquiring assets. The Government's intent is to reduce the inequalities which characterize the country. It also intends to expand agricultural output—mainly of food, to explore alternative methods of recovering groundwater supplies and to improve rainfall watershed capacities. These domestic measures

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have been accompanied by external initiatives to acquire official development assistance appropriate to implementing the measures, and to participate in the Southern African Development Coordinating Conference (SADCC). This initiative is designed to reduce the degree of regional economic dependency on the Republic of South Africa.

The purpose of this paper is to describe and analyze the contents of the measures, and to propose some added policy dimensions to maximize the development impact of current policies.

## II

### **The Arable Land Development Program (ALDEP)**

ALDEP WAS PROPOSED in the National Development Plan V, covering the 1979–1985 period. It was initiated during the early 1980s, and it will be prominent during the next plan period. ALDEP's goals are three-fold:

1. to increase production to achieve sustained self-sufficiency in basic grains and legumes at rural household and national levels plus export surpluses for these and cash crops in all but the poorest rainfall years;<sup>1</sup>
2. to raise rural incomes (both self-employed and waged) through improved agricultural productivity, and to optimize income distribution effects by concentrating on smallholder development; and
3. to create employment in the lands areas to absorb rural underemployment and reduce rural-urban drift.<sup>2</sup>

The strategy underlying ALDEP is first to choose a target population, and then to serve it with technical and resource support and a broader set of policies related to water availability, fencing and marketing.

For production and equity reasons, ALDEP's target population is the 60,000 to 70,000 small-scale farmers ploughing less than 10 hectares. These farmers provide the bulk of the nation's crop production. They are probably efficient users of the scant resources they possess, and they know how to use additional resources. This does not mean ignoring larger-scale farmers since they will inevitably benefit from some measures aimed at small farms. This means tailoring research, extension, marketing, credit to the resource needs and potentials of smaller-scale farmers. Due to the location of the main crop production areas and the concentration of population, the primary target areas are the communal lands areas of eastern Botswana and the Ngamiland.

Within the broad target group, sub-groups are characterized by additional production problems. A prime sub-target-group are the 30,000 to 35,000 households who do not have direct access to draught (oxen) power (whether owned or held under *mafisa*). As a result, they plough less and obtain lower yields. Another target group is the 30 percent of households that are female-headed

and generally characterized by shortages of labor, capital and draught power. An important constituent of this group's income is employment on other farms. Government expects that farm employment opportunities and returns will be enhanced as a result of ALDEP.

Ninety percent of the smaller-scale farmers use traditional technology. Raising production, productivity, income and employment are the main thrusts of ALDEP. To do so, ALDEP will assist smaller-scale farmers to adopt improved farming methods based on such ideas as row planting techniques. Selected inputs will be subsidized in combination with smallholder credit programs. For example, a donkey draught animal credit and subsidy scheme is designed specifically for the target group lacking draught animals. For the broader groups, credit and subsidy schemes are introduced to accelerate the adoption of ox-drawn planters and cultivators. A credit package of this nature was introduced in 1979 through the National Development Bank. It offers a subsidy of 30 percent on ALDEP loan financing of the technical package which it offers to target group farmers.

Once arable lands are obtained by farmers, lack of water in autumn and spring and the scarcity of draught animals, *e.g.* oxen and mules, are the greatest constraints to better crop production. While an expansion in the numbers of small dams and boreholes is necessary for livestock watering, water development for irrigation may best be dealt with by small-scale technology providing supplies on or near the farm.

ALDEP pilot projects are underway to encourage the adoption of proven methods of small-scale water supply by providing improvement grants for small farmers. Water development units in each district may also be set up. To protect arable land from wild and grazing animals, ALDEP assists fencing of such lands through a grant to cover a proportion of the capital cost.

Input supply access and marketing are parts of ALDEP. The main issue here is to take marketing and input supply points nearer to farming communities. Wherever possible, the two functions will be combined. The Botswana Agricultural Marketing Board (BAMB) and the cooperative movement have agreed to expand their roles for the purposes of ALDEP. In addition to the existing eleven BAMB depots and ten cooperative depots, a further six BAMB depots will be provided. Forty small (200 tons or less) lock-up stores will also be provided at rural area service centers.

To enable BAMB to set prices prior to the beginning of the harvest season, a stabilization fund has been introduced. Substantial increases in output prices are important factors in providing the levels of financial incentive required to encourage farmers to invest more time, energy and capital in what is intrinsically a risky enterprise.

A variety of other measures relating to land inventory and allocation, area

planning, crop processing, implement maintenance and repair, seasonal credit, tractor use, seed production and distribution, agricultural research, the management and monitoring of ALDEP, and soil conservation are under review and appropriate programs will be devised.<sup>3</sup>

Measures directly related to crop production will be supplemented by the improvement of social and physical infrastructure in rural areas. Improved forms of farm technology require an intensification of labor inputs. This implies a reinforcement of the trend towards permanent settlement in the development areas. Practicing autumn ploughing and timely planting to make full use of the planting rains will extend time spent at the cultivated areas. The present lack of year-round water supplies, the absence of schools and health facilities and inadequate rural roads are strong disincentives to settlement there. This is taken into account in the plans for provision of rural infrastructure which will be coordinated with the ALDEP program through the District planning machinery and with the support of aid donors such as the United States Agency for International Development (USAID) and the World Bank.<sup>4</sup>

ALDEP has encountered several problems. The program's size and the difficulty of its task have taxed the Ministry of Agriculture's ability to manage it effectively. It is no easy task to bring the ALDEP package to remote, low productivity areas. The package includes a range of measures, *e.g.* guidance to improve land management in terms of timely planting, weeding and harvesting as well as subsidized loans for cultivators, oxen power, water tanks, fences, and fertilizer. Another problem has been the drought. It has hampered those farmers who use the ALDEP package. The drought has contributed to an extremely high rate of delinquency in repaying ALDEP loans. The high delinquency rate, in turn, has dampened the Ministry's enthusiasm for the program. However, perhaps the most serious problem with ALDEP, as it presently stands, is that it seeks to help only cereal and vegetable farmers. If present trends in the economy continue, then raising the incomes of small farmers is going to have to involve enabling them to acquire a viable stake in the cattle economy and building the links between cattle and crops. As a first move in this direction, Professor Michael Hubbard suggests that the Arable Land Development Program and communal Tribal Grazing Land Policy be combined into a single planning effort. The target groups of both policies are the same, and mixed farming is the most viable farming system to which small farmers can aspire.<sup>5</sup>

### III

#### **Tribal Grazing Land Policy**

THE TGLP WAS INTRODUCED during the late 1970s. It was based on a recognized need to ensure the conservation of the country's range resources, and to provide

access to land for every Batswana. Under its provisions, land was categorized as commercial, reserved and communal (tribal).

Commercial areas are those held on State leases to use State land for fifty years. These go to owners of medium-size ranches. Preference was given to groups of small owners, and particularly to those without ranches already. The amount of land owned by any one individual was controlled. In this way, the Government intends to improve access to land for all Batswana.

Reserved areas are freeheld lands owned by large-scale ranching interests—mainly families of early White settlers from Germany, South Africa and England—and more recently to large-scale farmers who are among the more successful members of Botswana's emerging salariat class.

Communal (tribal) grazing lands are assigned smaller-scale family farms via a combination of traditional and modern law. The Government imposes limitations on the number of livestock a household can graze on a specific area to protect against over-grazing and to encourage farmers to collectivize into larger-scale and more efficient ranches through the TGLP.

The traditional tenure system regarding tribal (communal) lands hinges on a three-fold division of land: residential, ploughing, and grazing. Each villager is entitled to a residential plot plus an arable holding. If he or she is a livestock holder, she or he may also have a cattle post in the grazing lands. Each household has a parcel of residential land and a holding for ploughing to raise cereals and vegetables. However, use of the grazing land is communal. The Tribal Grazing Land system has as its basis the collectivization of small-holder cattle farms into larger and more efficient units. Communal grazing, then, may be done by individuals either on those lands designated as TGLP ranches, or on open communal lands.

Traditionally, landholders receive some or all of their residential and arable land from their parents via inheritance. Under the traditional system, such land was first allocated to wards; that is, kin groups based on common descent from an ancestor in the male line. Traditional authorities within each ward allocated land to individual households. When a ward's land became crowded, it was allocated new land for new households. The ward allocated land to an individual, and he or she was secure in that holding for life. Traditionally, such land passed by inheritance to his or her heirs because there was no traditional recognition of wills or sales of land. More recently, it has become acceptable to dispose of a building on land and, with it, the land through sale. Today such dispositions of land are recognized, but they require approval of the Land Board, an instrument of modern government and law. Approval of a transfer is usually obtained without difficulty, particularly where the transfer is to a tribesman.

The importance of the ward system in physical allocation of land has declined

considerably. Land Board allocations of tribal lands have come to be made by the Land Board, not to wards but to individual households, with scant attention being paid to ward boundaries. In villages, landholding patterns at the center of each village still show the imprint of the ward system. However, at the periphery of the village, the site of recent allocations, people from different wards are mixed together as the village boundaries move outward.

In the crop land areas, the ward system is also of decreasing importance. Today new household heads obtain land either through inheritance or, if parental land is inadequate, directly from Land Boards. In areas where effective Land Board control has been established, the role of traditional land allocators has been reduced to completion of certificates of no objection. These indicate that the land requested has not been allocated to anyone else. There is still, however, some land allocation being made by lower-level traditional authorities in areas where modern land boards have yet to establish their authority effectively.<sup>6</sup>

As yet, there is generally little shortage of residential and crop land, save in the smaller tribal areas. This is largely because residential land has expanded freely into formerly arable areas, and arable land has expanded into grazing land. Scarcity of grazing land has, however, become a problem in some areas, and may become widespread in the next decade as boundaries among residential, arable and grazing land stabilize and as all worthwhile land comes under full utilization.<sup>7</sup>

A recent Presidential Commission on Land Tenure noted that in its consultations in some rural areas it heard significant criticism of TGLP. It is apparent both from that criticism and the experience of Land Boards in administering TGLP that the initial zoning of grazing land as commercial and communal overestimated the amount of unused land which could be zoned commercial, particularly as residential land moved into arable areas which, in turn, moved into grazing areas. This has necessitated some rezoning. Commercial enterprises, then, were in competition with TGLP ranches for range lands which remained after the intrusion of arable land zoning.<sup>8</sup> The Commission, in the course of its consultations, received expressions of continuing concern that communal grazing area development is seriously neglected in comparison with commercial areas.

Overstocking continues to be a problem and the extension of arable land is encroaching seriously on grazing land in some areas. The solution lies partly in land use planning but must also ultimately involve changes in productive methods and management practices.

The Commission noted also that communal grazing areas do not appear to be enjoying the relief anticipated by the TGLP through the removal of large

herds to TGLP ranches. There are probably two main explanations for this: the initial planning for TGLP over-estimated the amount of vacant land available for commercial zoning; and some TGLP ranch holders have not, as expected, confined their herds to their ranches but continue to use communal grazing areas. The Commission stated that the confinement of herds from TGLP ranches to those ranches is an important element in TGLP policy, both in terms of relief for the communal grazing areas and for the proper intensification of development on the TGLP ranches themselves.<sup>9</sup>

The Commission also heard complaints that Land Boards discriminate against applicants from outside their tribal areas. The Commission was unable to verify them, but nevertheless urged the Land Boards to consider applications from all applicants on the same basis. In addition, people in the North East, South East and Barolong areas expressed concern over the shortage of land in these areas. They requested that government purchase freehold farms and convert them to tribal land for both communal grazing and TGLP. Since the Commission's report, the Government has purchased freehold farms to augment the tribal areas in the North East and South East Districts.

Some of the issues raised in the report showed clearly that it is not too early to start thinking about shortage of land in Botswana. This is particularly important because many people in rural areas have no other means of earning a living except from the land. Most people will continue to live in the rural areas because the modern employment sector cannot absorb a large proportion of the population. It is therefore crucial to ensure that rural people continue to have access to some land. The traditional right of a tribesman to a residential plot, a piece of land to plough, and to use the communal grazing lands ensures that every person may acquire the means to exist. Through this system, the Government believes, no able-bodied person needs to be a burden on the other members of the community.

The Commission noted that there is nothing that can be done to stop the problem of shortage of land from occurring, but it can at least be delayed. Possible solutions should be sought now rather than to wait for a crisis that might force radical land reforms. The Commission, after considering the issue of land shortage, urged government to examine in depth the need to protect villagers' right to land in respect to these points:

1. The desirability of continuing to allow access to residential and arable land by tribesmen who have moved into the urban sector and who may no longer reside in a village;
2. Phasing out an individual's rights to use the communal grazing land when he or she is no longer permanently resident in the village;
3. Curbing large cattle holdings on communal grazing lands;



4. Ensuring that people are not allocated land in excess of what they need;
5. Reallocation of the unused or under-utilized land.
6. Reallocation of some currently freeheld land.<sup>10</sup>

ALDEP, then, is designed to provide resource support and incentives to smaller-scale cultivators of arable lands. TGLP is designed to provide land for grazing. Integrating the two programs is crucial because most smaller-scale farming in Botswana is composed of cultivating and grazing. In addition to resource, incentive and land-access support, smaller-scale farmers, and those moving to medium-size, more economically efficient units, also need financial assistance as provided by the Financial Assistance Program.

#### IV

##### **The Financial Assistance Program**

THE FINANCIAL ASSISTANCE PROGRAM (FAP) of 1982 was a major innovation. It established a special fund to channel public revenues collected mainly from mining operations into new ventures and expansions in the private sector. Its objectives are to expand employment opportunities in the productive sectors and to speed up the diversification of the economy. The sectors covered by FAP are manufacturing, small- and medium-scale mining, and most of the non-cattle agricultural sector not covered by ALDEP, *e.g.* the medium-size farms.

The basic concept underlying the FAP is that there are activities with an acceptably high economic return from the perspective of national development which would not be undertaken without assistance because the return would be unacceptably low or too risky from a private perspective. FAP provides some extra inducement, over a limited five-year period, for each specific undertaking, by encouraging extra investment in the sectors covered. The forms in which assistance is provided are such as specifically to encourage unskilled labor-intensive processes and additional training.<sup>11</sup>

It is still too early to form conclusions about the effectiveness of the program. A number of small-scale activities have been aided, as have a growing number of larger projects. Implementation is proving to be skilled manpower intensive. Both in local government and in central government, there is at present not enough manpower available to consult with prospective grantees, to help them fill out the application forms, to evaluate the applications, and to monitor those projects that have been approved. It has always been accepted that the FAP is just one tool among many to be used to meet the employment and diversification objectives. As the financial constraint on new activities and expansions is eased, other constraints have become clearer, and these in turn are being tackled. A major bottleneck has been that neither government nor the private sector has

the capacity to provide the business advisory services that most small-scale citizen applicants need. This constraint should be eased somewhat at the medium-scale level by a new government scheme that will provide funds to help medium-scale applicants pay reasonable costs charged by private sector consultants to fine-tune applications for FAP assistance. The scheme is limited to the project preparation stage, however, and does not provide financial assistance for ongoing business advisory services once the project is underway.<sup>12</sup>

Table I  
Summary of Financial Assistance Grants  
Approved as of June 1983

<u>Category</u>	<u>Number of Projects</u>	<u>Total Investment</u>	<u>Value of FAP Grants</u>	<u>Citizen Jobs Created</u>	<u>% of Grants to Projects of Citizens</u>
Small Scale	271	900,000	550,000	799	100
Medium Scale					
Automatic	13	NA	NA	488	9
Case-by-case	37	7,068,732	6,092,479	1,337	42

Source: Ministry of Finance and Development Planning, Midterm Review of NDP V, op. cit., p. 55

Table II  
Projects Approved Through the End of June 1983

	<u>Value of Grants Over 5 Years (Pula)</u>	<u>Percentage Distribution</u>
Sectoral		
Agriculture	2,008,005	33
Manufacturing	3,635,102	60
Mining	449,372	7
Location		
Rural	3,903,825	64
Urban (including peri-urban)	2,188,654	36
Distribution of FAP Grants by Ownership of Project		
Citizen	2,588,408	42
Non-citizen	1,816,990	30
Joint venture	1,687,081	28

Source: See Table I, p. 55.

While not exclusively directed toward rural agriculture, this sector has been aided. Tables I and II summarize some of the main characteristics of the FAP grants approved thus far. One-third of the medium-scale case-by-case grants have gone to agricultural projects, and almost two-thirds of the grants have gone to projects located in rural areas. Forty-two percent of the medium-scale case-by-case FAP grants thus far have been committed to projects owned by citizens (with another 28 percent going to businesses owned jointly by citizens and non-citizens). All of the small-scale projects are citizen-owned and 81 percent are located in rural areas. Altogether, the FAP grants approved so far involve

the creation of roughly 2,600 citizen jobs—slightly more than 2 percent of total formal sector employment in 1982.

The success of the ALDEP, TGLP and FAP policy package hinges on the availability of water, Botswana's most scarce and unreliable resource. The problem of an adequate water supply is perpetual throughout most of the country; drought intensifies the problem. Its seriousness was recently emphasized by Dr. Gaositwe Chiepe, Minister of Mineral Resources and Water Affairs. She stated that,

Great care must be taken to ensure that it is not unduly exploited at a rapid rate. It is the rarest and most important commodity and its exploitation has to be carefully managed so as to meet the existing and projected water demands of the country.<sup>13</sup>

Botswana ministries have identified a five-point program for water recovery and utilizations. They are:

1. sinking of open wells (boreholes) where cost and hydrogeological conditions permit;
2. manufacturing low-cost rainwater catchment tanks suitable for capturing water from thatched roofs of rondovels (huts);
3. better utilizing sand rivers from which underground water could be drawn;
4. better integrating the variety of waterpoints which include springs, open wells, seep wells and surface dams; and
5. improving herd management to prevent over-grazing in the wet season in order to use such lands for fallback grazing during the dry season.<sup>14</sup>

## V

### **Added Policy Dimensions: Maximizing Development**

IN PREPARING *NDP VI*, the Government faces an array of problems having to do with the measures' effectiveness in confronting the country's socioeconomic problems. ALDEP offers a technical package but fails to improve land acquisition. Its incentives to produce are only marginally effective because its activities are not integrated with the Agricultural Marketing Board's pricing decisions. TGLP only focuses on land and grazing and it should be integrated with ALDEP because, traditionally, Botswana agriculture mixes cultivating and grazing. The FAP often finances larger-scale, non-rural, non-agricultural enterprises involving foreigners (generally from South Africa).

Dealing effectively with the socioeconomic problems requires commitment by government and donors and a set of incentives designed to promote the expansion of agricultural (food) output. Obviously, incentives center on prices paid for agricultural output and material inputs. The importance of such incentives is not a matter open to debate. Nor is the importance of material incentives and participation. The divergence is on *which* incentives are most effective and *how* to package them in specific contexts. Incentives are all aspects of a farmer's environment which affect her or his willingness to produce and sell.

Broad coverage means designing and implementing basic needs and appropriate infrastructure projects. Designing and implementing such projects must be a high priority for both the Government and aid donors. This basic needs-appropriate rural infrastructure orientation to government and donor cooperative efforts was once preeminent in Botswana. However, it has been relegated from its previous role because the Government has lost some of its development zeal since the death of Sir Seretse Khama. In addition, the United States—Botswana's most prominent aid donor—has shifted its focus away from a forthcoming, basic needs approach to a narrower, more self-interest one.

The current administration has abandoned the basic needs approach, turned its back on the Congressional mandate, and elevated military and security support to places of *preeminence* within the U.S. official assistance program to Africa. As a result, according to Representative Howard Wolpe, chair of the House Subcommittee on *Africa*, only 20 percent of such assistance to the continent actually reaches rural and agricultural development efforts.<sup>15</sup> The U.S. program is *blatantly* inconsistent with Botswana's (and *Africa's*) need to produce more food, generate more employment and income-earning opportunities among its rural poor, stem the tide of new urban immigrants, and reduce overcrowding, unemployment and *underemployment* among the new urban poor.

The Reagan administration's turn away from the basic human needs approach is based upon a misunderstanding of BHN logic. A high-ranking Reagan official, Chester Crocker, Assistant Secretary of State for *Africa*, linked “. . . *unsatisfactory* results of aid” to the contention that “. . . the development policy emphasis of the 1970s was basic human needs . . . (which) became divorced from the recognition that productivity—economic growth—is a *sine qua non* for development.”<sup>16</sup> This claim, dismissing basic needs as irrelevant, permitted the Secretary to stake out a policy option for the Reagan Administration—a policy option that determines that “. . . bilateral assistance will increasingly emphasize areas of strategic and political priority to the U.S.”<sup>17</sup>

The Secretary's point about BHN fails to account for the fact that the logic does not divorce productivity and *growth* from development. What the logic does do, however, is to show that the process of generating growth and development is long-term, and that in the *shorter term*, evidence of growth might be scant. The logic calls for patience, commitment and *insight*—features clearly not in evidence in the United States' approach to aid in Africa. But with such features to U.S. aid, there could be an effort to foster the following *four-fold* approach to development in Africa with appropriate assistance from the U.S. and other donors.

As a consequence of the administration's approach under President Carter, 60 percent of all U.S. aid to sub-Saharan Africa was development assistance and

food aid under PL 480 (see Table III). It was directed at the constraints to agricultural and general development. However, as the table's data reveal, a dramatic shift in emphasis has occurred under President Reagan's approach. In 1985, for example, such aid was projected to decline to 50 percent with the other half going to security and military support.

The United States program to Botswana has reflected this shift in emphasis, e.g. from a direct focus on rural infrastructure and agricultural sector basic needs projects to more generalized budget assistance. The basis for the United States program is that the United States is interested in promoting political stability and economic development in this strategically important region of southern Africa. Botswana, a member of the "Front-Line States," has been a moderating influence in attempts to work out peaceful solutions to problems of achieving

Table III  
U. S. Assistance to Sub-Saharan African  
(millions of dollars), 1981-1985

	FY 1981		FY 1982		FY 1983		FY 1984		FY 1985	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Development Assistance	300	40	328	25	316	35	350	32	390	33
PL 480 (Agriculture)	225	30	228	24	223	25	205	19	210	17
Economic Support Fund	162	22	294	32	286	32	409	37	395	33
Military Sales	55	7	73	8	61	7	129	11	196	16
Military Training	5	1	6	1	7	1	10	1	13	1
Total Assistance	747	100	929	100	893	100	1,103	100	1,204	100

Source: U. S. Agency for International Development, *Annual Budget Submissions to Congress*, (Mimeographed: Washington, D. C., April 1983 and 1984), summary tables.

majority rule within the region, particularly in Zimbabwe and Namibia. Botswana's pragmatic economic policies, free market economy, political stability and excellent human rights record illustrates adherence to principles of democracy.<sup>18</sup>

The Botswana Government has consistently demonstrated its willingness to assist the United States, as evidenced by the construction in Botswana of the NASA ground-tracking station and the construction of a major Voice of America transmitter.

United States economic interests in Botswana are increasing. The American-owned AMAX Corporation is a partner in copper and nickel mining near Selebi-Phikwe. ESSO is interested in petroleum exploration. Other United States firms are studying the feasibility of developing coal and soda ash deposits. Botswana is also a potential export market for United States products and technology. It is in the interest of the United States that Botswana remain democratic, politically stable, economically sound and favorably disposed towards the United States.

Botswana's short-term economic difficulties, increasing population and growing unemployment, particularly in urban areas, are forces which could disrupt Botswana's internal equilibrium as well as the balance she maintains with her politically varied neighbors. USAID's program objectives are to generate employment, train people, develop the rural areas to stem urban migration and generally improve the quality of life for Botswana.

USAID's strategy is directed towards workforce training and employment creation. The nature of USAID's project portfolio is such that indirect benefits will accrue to other areas such as agriculture, rural development, and private enterprise. Botswana is a country with considerable potential for economic growth and development, but is presently confronted with growing unemployment, low agricultural productivity, lack of rural employment opportunities and shortage of skilled labor. The Botswana Government is committed to free enterprise and actively encourages private initiative and investment to enhance economic growth.<sup>19</sup>

The Government, with the support of aid donors, could improve the development impact of the ALDEP, TGLP and FAP measures by taking the following steps:

1. improving price incentives via activities of the Botswana Agricultural Marketing Board;
2. subsidizing the Board via a transfer of funds from the FAP (government is encountering difficulty in finding suitable local projects in which to invest the entire annual FAP allotment);
3. integrating the ALDEP and TGLP in order to support more effectively rural, mixed farming;
4. reallocating certain freeheld lands to Tribal Grazing Land ranches;
5. forcing larger-scale farmers to graze on their lease-held lands rather than tribal lands;
6. designing and implementing additional rural, agricultural development projects to deal with problems such as inadequate water supplies, improving rural infrastructures, etc.;
7. negotiating to receive official development assistance in designing and implementing such projects; and
8. strengthening regional ties with regional neighbors so as to lessen dependency on South Africa.<sup>20</sup>

## VI

### **Summary and Conclusion**

MINERAL WEALTH has transformed Botswana from a least-developed country to one of the Third World's fastest growing and highest per capita income nations. Sound macroeconomic management has complemented the country's resource endowment. On the fiscal side, the Government has been able to maintain a strong tax effort via effective bargaining with transnational companies. It has managed public revenue holdings such that the economic downturn of the early 1980s had a minimum impact on the country's citizens. Externally, foreign ex-

change earnings have permitted development-related imports to grow, reserves to accumulate, and debt accumulation to be avoided.

However, the impressive growth in Botswana's employment, income earning and asset accumulation has been dramatically uneven. Disparities in income-earning opportunities and ability to acquire assets have become extensive in terms of economic sectors, geographic regions, individuals and classes. Other socioeconomic problems compound the country's difficulties: food production has been declining substantially; demand for water has been growing rapidly, despite its uncertain supply—particularly during the current drought—and dependency upon the Republic of South Africa has been growing extensively.

These socioeconomic problems could challenge Botswana's material progress, as well as the political stability which has served as a basis for the nation's growth. However, there are three factors which tend to mitigate against the potential threat to political stability: first, the country's political economy reflects a history of multi-party politics, broad participation and free and open elections; second, the philosophy of *Kagisano*—inherited from Botswana's founding president, the late Sir Seretse Khama—calls for community recognition of common problems and collective commitment to deal with them; and third, economic planning and policy development have often been sound, programs and projects have generally been well designed and effectively implemented, and official development assistance has been obtained to support the projects and programs.

The Government has instituted three measures to deal with socioeconomic problems: the ALDEP, the TGLP and the FAP. With their implementation, the Government intends to expand the output of foodstuffs, generate income-earning opportunities, improve access to land and other assets, improve water supply and usage, and reduce food dependency on South Africa.

The Government could improve the measures' combined effectiveness by (a) taking the eight steps previously noted, (b) seeking to acquire official development assistance to support basic needs and appropriate rural infrastructure projects, and (c) continuing to participate in the Southern Africa Development Coordinating Committee (SADCC).

#### Notes

1. Ministry of Finance and Development Planning, *National Development Plan: 1979–1985* (Government Printers: Gaborone, November 1980), pp. 150. For a discussion of the factors underlying the specific nature of ALDEP, see Ministry of Agriculture, *ALDEP Initial Discussion Papers, Nos. 1–23* (Division of Planning and Statistics: Gaborone, 1978–1979).

2. *Ibid.*, p. 150.

3. *Ibid.*, pp. 150–51.

4. *Ibid.*, pp. 151–52.

5. Michael Hubbard, "Botswana Economic Analysis with Particular Reference to Rural Areas,"

*Democracy at Work* (Botswana Democratic Party: Gaborone, 1982) pp. 120–21. Also see Ministry of Agriculture, *ALDEP Special Studies Conducted in 1982–83* (Division of Planning and Statistics: Gaborone, 1983), pp. 1–99.

6. Government of Botswana, *President's Commission on Land Tenure in Botswana: Final Report* (Government Printers: Gaborone, 31 December 1983), pp. 4–5.

7. *Ibid.*, p. 5.

8. *Ibid.*, pp. 10–11.

9. *Ibid.*, pp. 11–13. Also see Charles Kerven, *Rural-Urban Migration and Agricultural Productivity in Botswana*, (Central Statistics Office: Gaborone, November 1980), pp. 1–21; and R. P. Werbner, *Land Reform in the Making: Tradition, Public Policy and Ideology in Botswana*, (London: Rex Collins, 1982), Chs. I–V. Also see the 1981 Census Preliminary Results reported in the *Statistical Bulletin September 1981*, Vol. 6, No. 3, (Government Printers: Gaborone), pp. I–V; and National Migration Study, *Final Report, Migration in Botswana, Patterns, Causes and Consequences*, (Government Printers: Gaborone, 1979).

10. *Ibid.*, pp. 14–15. It has been noted that "Land tenure is part of a complex set of social arrangements used to regulate access to valued productive land. The social arrangements of land tenure . . . are not based on monetary transactions and legal documents. Rather, they are based on unwritten rules and shared understandings which are deeply embedded in social organizations of local farming communities. Therefore, changes in tenure imply changes in other aspects of social and economic life, . . . local ecology and . . . types of cultivation, . . . and farmer motivation." Anthony Sutherland, *Report on Land Tenure in Western Botswana* (Ministry of Lands and Local Government: Gaborone, March 1981), pp. 21–22. Also see Anthony Sutherland, "Rural Competition and Social Change in North Western Botswana," *Botswana Notes and Records*, Vol. 8, No. 2 (1976), pp. 300–301.

11. Ministry of Finance and Development Planning, *Midterm Review of NDP V* (Government Printers: Gaborone, August 1983), p. 50.

12. *Ibid.*, pp. 51–52.

13. "Water: Our Most Precious Mineral," *Botswana Daily News*, No. 147 (August 3, 1984), p. 1.

14. Ministry of Mineral Resources and Water Affairs, *Water News*, Nos. 1–3 (Government Printers: Gaborone, 1978 and 1979); Botswana Society, *Proceedings: Symposium on Drought in Botswana* (Clark University Press: Hanover, New Hampshire, 1979); Ministry of Agriculture, *Water Points Survey* (Government Printers: Gaborone, 1981), pp. 1–450; and Ministry of Agriculture, *Water Use in Eastern Botswana* (Government Printers: Gaborone, 1981), pp. 1–96.

15. U.S. Congress. House Subcommittee on Africa. *Hearings and Markup on Economic and Security Assistance Programs*, Statement of Hon. Howard Wolpe (Government Printing Office: Washington, D.C., April 1983), p. 1.

16. Chester A. Crocker, "The African Private Sector and U.S. Policy," *Current Policy No. 348* (Department of State: Washington, D.C., November 19, 1981), p. 1. Also see, Robert L. Curry, Jr., "United States Policy and the African Private Sector," *Journal of Modern African Studies*, Vol. 20, No. 3 (September 1982), pp. 503–11.

17. *Ibid.*, pp. 2–3.

18. Agency for International Development, *Annual Budget Submission: FY 1984, Botswana* (USAID: Washington, 1983), pp. 402.

19. *Ibid.*, p. 403.

20. Botswana has sought to strengthen its economic and political ties with its regional neighbors through its membership in the Southern African Development Coordinating Committee (SADCC). The arrangement's focus is two-fold: (a) to promote national development through regional



projects which strengthen water, power, transportation and communications networks; and (b) to redirect economic linkages from the Republic of South Africa to regional neighbors. See SADCC, *Proceedings* (SADCC: Blantyre, Malawi, 1981), pp. 1–19. Botswana can achieve little economic gain from its SADCC association. In the more immediate term, its benefits are political, e.g. the resolution of regional conflicts. In the longer term, economic benefits via stronger regional (e.g. inter-SADCC) linkages which lessen dependency on South Africa could be forthcoming. See David Cownie, "Botswana and SADCC: Expanding External Options Through Regional Cooperation," African Studies Association Meetings (Washington, D.C., October 25, 1984), pp. 1–22.

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