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Organized Interest Groups, Development Strategies and Social Policies

*A Review of Poverty Reduction
and Policy Regimes in Botswana*

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prepared for the UNRISD project on

Poverty Reduction and Policy Regimes

February 2008 • Geneva



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Introduction

Today, any analysis of poverty in Botswana must invariably examine it as a problem that affects some sections of the national population. But at independence in 1966, poverty was a characteristic that defined the country as a whole: including particularly the emerging modern state which did not command even basic resources to cover its budgetary needs. Not surprisingly, therefore, Botswana's first attempt at poverty alleviation involved a strategy that focussed on aggregate income growth and not any specifically poor target group.

In the context of the post World War period the idea that nations could engineer development through resource mobilization, planning and allocation had become acceptable and in fact it was believed that such engineering could bring about world peace and prosperity. The American President, Woodrow Wilson, had sold this idea to the world when he proposed that the poor nations could be assisted out of their poverty by a transfer of resources accompanied by relinquishment of territorial colonies [Rist, 1997¹]. American academics like WW Rostow provided theoretical frameworks translating this idea into a set of propositions on how poor nations could be modernized. And the United Nations system turned these propositions into practical assistance programs with time frames that were packaged initially as the First Development Decade in the 1960s and made available to poor nations such as Botswana [Singer and Roy, 1993; Mason, 1997]².

Botswana entered state nation-hood in 1966 as one of the bottom poorest countries in the world and therefore a prime candidate for development assistance. In its eighty odd years under British protection it never generated enough meaningful wealth to justify full colonization and was thus administered with a skeletal structure at minimum cost to the colonizing power. This meant that unlike other colonial territories where some expenditure had been made towards developing the human capital, infrastructure and institutions that would form a base for future independent sovereignty, for Botswana the base was exceptionally low. A lot more challenges were to be met before this country could develop the institutional, infrastructural and human capital that would provide a base for sustainable growth. The story of how Botswana transformed itself from rags to riches, and from a legacy of colonial neglect to practical sovereignty as a viable modern state has been told many times and very ably by a string of scholars. It is not the intention of this paper to repeat it.

Suffice it to state that the development strategy that had initially focussed primarily on economic growth to reduce general poverty was soon tempered by concern over the fact

¹ Rist, Gilbert (1997) **The History of Development: From Western Origins to Global Faith** (Zed Books: London and New York; UCT Press: Cape Town)

² Singer, Hans W and Sumit Roy (1993), **Economic progress and prospects in the Third World: Lessons of development Experience Since 1945** (Edward Elgar: Aldershot; Mason, Mike (1997), **Development and Disorder: A History of the Third World since 1945** (University Press of New England: Hanover and London)

that the resulting economic growth increased the incomes and wealth of some citizens while leaving out the vast majority of the population. Poverty increasingly came to be associated with lack of access to the modern economy by certain vulnerable groups such as subsistence farmers, the non-waged, women, rural populations, those living in remote and small settlements, etc. This necessitated a policy shift towards development programs that directly targeted the productive capacity of the vulnerable groups in order to raise their personal income and wealth. And as national wealth further improved, another major policy shift in policy resulted in embracing the notion of social protection and welfare. This particularly targeted those vulnerable groups deemed outside the reach of production related intervention programs. These included, for instance, orphans, the aged, the disabled and others lacking capability to graduate out of destitution.

The outcomes of the policies and strategies pursued over the entire independence period differed in their overall impact on poverty and income distribution. Happy Siphambe³ has noted that when measured in terms of just reduction of income poverty [ie from 59% in the 1980s approximately 30% this century], the policies could generally be classified as having been pro-poor. However, measured in terms of both poverty reduction and reduction in income inequalities, then only the period up to the early 1990s could still be classified as pro-poor because it reduced both income poverty and inequality rates. The period since the 1990s would fail the pro-poor test because the policies pursued resulted in increased inequalities while poverty reduction was achieved at a significantly lower rate than the rate of economic growth.

In this paper we examine the role that was played by organized interest groups in the choice of development strategy/social policy, and the associated outcomes in the extent of poverty reduction. Specifically this paper is intended to provide answers to six key questions on the role of Botswana's organized interest groups in economic and social policy development as well as poverty reduction. The questions are as follows:-

- What are the institutional arrangements that structure relations between the state and organized groups, including organized business, in pursuing development, social risk management and poverty reduction?
- Under what conditions have organized groups, acting separately and collectively, impacted development strategies and social policies?
- In what contexts are groups likely to accommodate or internalise goals of national development and macroeconomic stability in their policy preferences?
- To what extent have the interests of the unorganized poor been incorporated in the preferences of organized groups and in public policy?
- Have organized groups been able to construct effective links with political parties to influence the direction of social policy and poverty reduction strategies?
- And how have different groups coped with pressures for neo-liberal policy reform in advancing group welfare?

³ Happy Siphambe, 2007, "Development Strategies and Poverty Reduction in Botswana". Draft paper for the UNRISD study on Poverty Reduction and Policy Regimes.

These questions are examined with the ultimate goal of providing a basis for comparative analysis between this country case study and other country case studies that are part of a larger project seeking to establish, *inter alia*, the effects of such interests on policy and the reproduction, intensification or amelioration of poverty. The comparative project seeks to contribute to debates and policy on poverty reduction by examining the role of social policy and the relationships among various types of policy regimes and institutions. The project has drawn on the lessons of research on social policy by the United Nations Research Institute for Social Development (UNRISD) to highlight some of the issues that need further investigation in order to facilitate better understanding of the concept of policy coherence and the ways in which policies and institutions might work more synergistically to promote inclusive and equitable development. A “policy regime” framework has been adopted for the country case studies and used to examine systematically the ways in which social policy, economic policy and the political/institutional context affect poverty reduction, and how they might be mutually reinforcing.

In this case study the key interest groups whose interaction with the state in public policy making is considered are those representing labour and employees on the one hand and those representing employers and business on the other as significant players in economic activity. These social actors are key players in the production process and the ones directly affected by economic and related public policy decisions. However, there are other significant social players who, while not directly involved in production, have nonetheless played an important role in articulating the interests particularly of less articulate and non-organized social groups. Their intervention in policy and institutional development will also be included in the examination. How and to what extent have these groups influenced policy? In turn how have policy regimes and different development strategies impacted on these interests groups?

The role of non-state interest groups in shaping the outcomes of development policies/programs and the nature/character of political organization and behaviour has received considerable research attention during the past two decades. The economic and political failures that visited many African countries during and since the era of structural adjustment and drastically deteriorating terms of trade for primary goods producers in the 1970s and 1980s, led to a critical examination of the role of both the state and civil society in the complex network of processes and agencies that created this state of affairs.

Goran Hyden [2000]⁴, for instance, while noting that the public realm is an arena in which both the state and civil society associations interact and compete for influence, also observed that in Africa, both the state and civil society have lacked capability to get things done: a state of affairs manifested “in the deteriorating conditions in which large groups of citizens ... find themselves as a result of both inadequate state performance in the past and the current frailty of non-governmental organizations” [Hyden, 2000: 8]. He argued that “Much of the crisis that Africa has gone through for almost two decades now

⁴ Goran Hyden [2000] “the Governance Challenge in Africa” In Goran Hyden, Dele Olowu and Hastings Okoth-Ogendo [eds] **African Perspectives on Governance** [Africa World Press, Trenton and Asmara]

(with no end insight) can be attributed ... to an inadequate performance at policy level” [Hyden, 200:17].

Botswana has received particular scholarly interest as an African exceptional case whose economic and policy performance has given the state a level of legitimacy and practical sovereignty that has not been enjoyed by most other post-colonial African countries. And yet the available literature generated by studies on Botswana would suggest that policy performance and the dramatic transformations that have seen this country rise from the ranks of the world’s poorest to a middle income economy have happened in the context of a weak civil society. Specifically, Botswana’s organized interests groups are adjudged by most of the existing literature as fairly weak, of recent development, and having historically played an insignificant role in development policy and strategy. For instance, on the basis of a study they conducted in 1991, and using the criterion of the ability of organizational leaders “to exercise influence over government on behalf of their members”, Holm and Molutsi (1992; 85) and Holm, Molutsi and Somolekae (1996; 43) observed that there was a lack of robust interest group activity and limited challenge to policy up till the 1990s. What then influenced public policy and how does that explain the nature, character and direction of poverty in Botswana?

Holm, Molutsi and Somolekae (1996; 48) further argue that even when the early interest groups emerged, none had much impact on government policy unless top officials saw some benefit to be gained from them in terms of citizen mobilization. And still further, that development programs that occurred did not do so on account of organized social group support for them, but rather as a result of inter-ministerial competition for the expanding government income provided by the diamond industry. However, elite interests have also been consistently identified as having played quite a significant role in shaping choice in development policy and strategy. How did these interests get articulated and reflected in policy? Deborah Brautigam, [2000: p19], suggests, in relation to the commercial cattle interests and their impact on the liberal trading policy, that the influence was probably through informal channels as “there is little evidence that this influence operated through organized interest associations.” What accounts for informal channels taking precedence over the formal?

Other observers [notably Parson, 1981; Charlton, 1991; Acemoglu, Johnson and Robinson, 2001] identified the coincidence of the membership of commercial cattle interests with that of the policy-making political and bureaucratic leadership as ensuring that the private interests of these individuals were reflected in policy decision making through their dual membership: thus presumably obviating the need for the formation of a separate, non-state forum to articulate private interests. Tsie (1996; p606), notes however that since the 1970s, the employers’ organization [firstly as Botswana Employers’ Federation and later as Botswana Confederation of Commerce, Industry and Manpower, BOCCIM] has been influential in the formulation of wages, employment and incomes policy as well as labour legislation while organizations representing labour have had relatively less influence. In more recent years, there has been increasing

acknowledgement that organized interests are making significant impact on policy [see for instance, Land⁵, 2002; Woolcock, 2001⁶, Herzberg and Wright, 2005⁷].

What explains the apparent ineffectuality of organized interests before the 1990s, given that some of these pre-date independence? And, more importantly, what has changed to make organized interest groups more effectual in policy making in recent times? These are some of the questions this paper addresses in attempting to answer the key questions stated at the beginning of this introduction. We start by examining the evolution and character of the institutional structures that have framed and in turn been shaped by the interaction between the state and organized interests.

Institutional Structures and State-Organized Interest Groups Relations

Undoubtedly, among all the national actors and institutions, the state has played the key most significant role in both the economic transformation of Botswana and the development of the political and economic institutions that have characterized the history of this nation since independence. It is therefore very tempting in the context of such state dominance, to dismiss the role of non-state interventions as inconsequential in explaining both the evolution of policy and the institutional structures that came to frame relations between state and society in the public realm. Further, quite often political observers take the existence of a powerful state for granted and do not examine how it too had to develop institutionally to the point where it would be a dominant force: particularly the modern state. But we cannot adequately comprehend the contours and outcomes of institutional development without taking serious account of the evolution of both the state and the organized interests and the dynamic interactions that shaped the outcomes of the relationship.

To that end this paper will examine these interactions between state and autonomous organizations in terms of three epochs. The first, which we term the era of trade union autonomy, roughly covers the late colonial administration up to early independence [roughly the 1940s to 1970]. In this era labour could organize and recruit members with relative autonomy from the state and without much legal administrative restriction on which workers to recruit within the rather small, racially segregated labour markets. The second era is the period of controlled industrial relations when the new government, following on the footsteps of early independent African states, tightened control over industrial relations and proscribed a more consultative structure of relations. This period runs from just after the 1969 enactment of the Trade Union Act to 1991 when revisions in labour law and administrative policies begin to loosen government controls over industrial relations. The third epoch is the era of liberalized industrial relations which

⁵ Anthony Land,. 2002. Structured Public-Private Sector Dialogue: The Experience from Botswana (ECDPM Discussion Paper 37). Maastricht: ECDPM

⁶ Michael Woolcock [2001] “ Globalization, Governance and Civil society”, background paper for the DECRG Policy Report on Globalization, Growth and Poverty: facts, Fears and an Agenda for Action.

⁷ Benjamin Herzberg and Andrew Wright 2005 Competitive Partnerships: Building and maintaining public-private Dialogue to improve the Investment climate” Working paper WPS3683 of the Multilateral investment Guarantee Agency, World Bank Group.

began with the amendment of the Trade Union and Employers Organization Act, and gradually allowed for the transformation of some formerly restricted employee associations into trade unions. These three epochs mark fundamentally different structures of relations between the state and organized interests.

The Era of Relative Organizational Autonomy: 1940s to 1970

In this period from the late colonial administration up to the first four years of Botswana's independence, the economic interests of more than 90% of the population were tied up in agriculture and rural based activities. There was very limited activity in the form of modern industry and wage employment. The earliest organized interest groups began to appear as autonomous bodies with the advent of waged labour and modern education. In relation to organized labour the earliest recorded employee group is cited by Neil Parsons [1988⁸; 183] as the Bechuanaland Protectorate Teachers Association which was founded in 1937 by A M Tsoebebe, a headmaster at the Bakgatla National School. Tsoebebe, a graduate of Fort Hare University College in South Africa, is also credited by Parsons with the founding the Bechuanaland Protectorate African Civil Servants Association [BPACSA, the first to enjoy legal recognition] in 1949 after he joined the colonial administration as a clerk. Charles William Gossett [1985⁹] also confirms the formation of the BPACSA and the role it played as a legally recognized organization in negotiating revisions in the racially structured pay policies of the time.

This organization, together with its white counterpart [the Bechuanaland Protectorate Expatriate Civil Servants Association, BPECSA], not only consistently contributed its members' position in the various salaries and conditions of service review commissions during and after colonial times [eg¹⁰ the 1949 Armstrong Report, the 1959 Surridge Commission, the 1961 Ramage Report, the 1964 Skinner Review, the 1966 Luke Report on localization and the 1970 Okoh Report], but also put the post independence government under some pressure over localization and salaries: a point we will come back to later when reviewing impact on policy. Suffice it here to state that as registered employees' associations these were formally recognized and consulted on industrial

⁸ Neil Parsons [1988] "The Idea of Democracy and the Emergence of an educated Elite in Botswana, 1931 - 1960" In Botswana: education, Culture and Politics: proceedings of a conference held in the Centre of African Studies, University of Edinburgh, 15-16 December, 1988.

⁹ Charles William Gossett [1985] The civil Service in Botswana: Personnel Policies in Comparative Perspective [PhD Thesis, Political science, Stanford University]

¹⁰ Most of these official reports are cited in Gossett 1985 and their full references are: GJ Armsrong 1949, **Report Arising Out of the Fitzgreauld Commission**; ER Surridge **1959 Report of the Commissioner Appointed to Examine the Salary Structure and Conditions of Service of the Civil Service of Basutoland, Bechuanaland, and Swaziland, 1958 -1959**; Richard Ramage, 1961 **Report on the structure of the Public services in Basutoland, Bechuanaland and Swaziland**; TM Skinner 1964, **Bechuanaland: Review of Emoluments in the Public Service**; TC Luke, **1966, Report on Localization and Training**. The Okoh Report is not cited here but its full references are E M Okoh 1970 Report of the Commission on the salaries and Conditions of Services of the Public service and the Teaching Service [Government Printer, Gaborone]. Both the Skinner and the Okoh reports list the BPACSA and BPECSA among those making submissions.

relations matters by both the colonial administration and the post-independence government in turn.

Among actual trade unions [as opposed to employees' associations], the earliest recorded organization has been identified by most researchers as the Francistown African Workers Union. Wogu Ananaba [1979; 64] puts the formation of this union at 1947 and its official registration at 1949. Ananaba further argues that in an effort to broaden its jurisdiction beyond the Francistown area the activities of this organization led to the formation of the Bechuanaland Workers Union in 1959 with branches in the towns of Lobatse, Palapye and Mahalapye. He however notes that internal political differences led to fragmentation and the formation of rival unions in the form of the Bechuanaland Trade Union Congress [1962], led by the Moscow educated Klass Motshidisi and the Bechuanaland Federation of Labour [1965], led by the USA trained Gabriel Mmusi [the founder leader of the Francistown African Union].

This organizational fragmentation and rivalry would undermine the effectiveness of the labour movement and its capacity to interact meaningfully with government and employers in the interests of its members. So that three years into Botswana's independence there was no practical national umbrella union under which all officially registered trade unions fell. The Bechuanaland Federation of Labour [BFL] had attracted five affiliates among the existing eight registered trade unions of the time¹¹, while the Trade Union Congress remained with just one affiliate [Ananagu, 1979; 64]. These two groups were still deadlocked in unity negotiations which by the end of the 1960s became moribund as new laws were enacted to nullify their existence and require new forms of organization.

Up to 1969 trade unions were not only free to recruit members across industries, but there were apparently no legal restrictions on members' active participation in partisan politics: and hence the tendency for leaders of trade unions to be involved in different political parties and to reflect such political rivalries in their competition for industrial turf [Ananagu, 1979; Makgala. 2007]¹²; This situation meant that the line of divide between specifically industrial interests and party politics was often rather blurred: a factor which, in the prevailing context of Africa where unions had threatened or brought down governments by fusing basic economic grievances to widespread political disaffection¹³, was certain to put trade unions on a collision course with the newly independent government whose legitimacy and practical sovereignty still had to be established and consolidated.

¹¹ The Lobatse Workers Union, Ntshaba Workers Union, Gaborone General Workers Union, Machaneng Workers Union, and Government Workers Union. See Christian John Makgala, 2007, "the Role and Development of the Labour Movement to 1994" in CJ Makgala, ed, **The History of the Botswana Manual Workers Union**. Bay Publishing, Gaborone.

¹² Christian John Makgala, 2007, "The Formation, Development and Structure of the Botswana Manual Workers' union" in CJ Makgala, ed, **The History of the Botswana Manual Workers Union**. Bay Publishing, Gaborone.

¹³ Senegal, 1968; Nigeria, 1945 and 1964, Ghana, 1950, 1961 and 1971, Congo-Brazzaville, 1963 and 1968 and Sudan, 1958 and 1964. See Richard Sandbrook, 1977, "The Political Potential of African Urban Workers" In **Canadian Journal of African Studies**, vol 11, no 3 pp411-433.

The period of relative organizational autonomy of interest groups also coincides with the stage in the nation's development when Botswana was extremely poor and modern institutional structures of public governance were still in the early stages of development. There was limited growth in employment creating industrial and commercial activity which would have enhanced the growth of employees and employers to be recruited to build stronger organizational structures. Effectively, therefore, national poverty, low development of industry and low development in the institutional strength of organized interests were mutually reinforcing. In the case of labour unions, competition for limited resources [ie membership] often manifested itself in injurious conflicts: thereby grossly restraining their already limited capacity.

Employers' organizations such as chambers of commerce and farmers' associations were also fragmented geographically and by race. And like the trade unions, they lacked a national institutional structure to provide them with a consolidated voice. Unlike trade unions, however, they tended to represent predominantly white interests which had throughout the colonial era worked with the colonial administration to exclude the participation of Africans and Asians through licensing¹⁴ and other means¹⁵. Racial discrimination was an organizing principle that had structured relations between organized business interests [mainly commercial cattle ranching and trading] and the colonial administration, and which the post independence government, in response to the interests of the African majority, would reorganize. But even before independence, Africans had used other existing structures such as the African Advisory Council, Joint Advisory Council and later the Legislative Council to articulate commercial and other interests that were stifled in order to protect white settler interests. These interests would coalesce around the formation of the Bechuanaland (later Botswana) Democratic Party which also drew in the interests of the white farmer-traders and became Botswana's ruling party.

In these formative years institutional weakness was not confined to organized interest groups. Both the colonial administration and the independent state that succeeded it were institutionally still very weak. The British Government had historically invested very little resources [human, infrastructural and financial] in the development of the institutions of public administration in the Protectorate. The new government inherited a skeletal administrative structure which required resource marshalling to enhance its capacity for both independence from the departing colonial power and development agency. Development priority was given to strengthening the capacity of the state, identifying/developing areas with potential for rapid economic growth and employment creation, and attaining budgetary independence. Control of industrial relations under such

¹⁴ Licensing restrictions enabled white farmers, for instance to, venture into commerce so that they could sell cattle to south Africa and buy goods in bulk to sell to in Botswana.

¹⁵ For instance, by ensuring that Africans and Asians did not get licences to trade. When Khama III of Bamangwato tried to get around this prohibition by registering a commercial company in the name of his white managers, this concern lasted for only six years before it was politically brought down by a powerful competitor in the form of the Bechuanaland Trading Association [part of Cecil John Rhodes' British South Africa group], in 1996. Neil Parson, 1975, " 'Khama and Co' and the Jousse Trouble", In the Journal of African History, vol 16 no.3 pp383-408.

scarce resources was therefore not on the list of key priorities. However, Government considered setting up a National Economic Advisory Council to ensure communication between organized interests and government officials in the development policy making [Botswana Government, 1966]¹⁶. It is not yet clear what happened to this advisory council because it is not indicated as an institution under any ministry in all past national development plans. Instead, the Ministry responsible for commercial and industrial development developed a plethora of institutions and programs meant to promote local entrepreneurship through advice, training and funding. Government also kept an open door policy for individual business concerns to consult with officials and expect sympathetic hearing if their business plans tallied with national development goals and objectives.

In terms of choice of development strategy the newly independent government of Botswana followed the example of the colonial administration in as far as providing infrastructural development to support key areas of growth. But unlike the colonial administration the new government was deliberately interventionist in terms of partnering with large corporations in non-traditional areas of economic activity: particularly mining and other large scale operations. In agriculture which was the traditional economic mainstay, the state not only provided large scale infrastructural development in the forms water development, disease control, skill enhancement and marketing outlets, but also credit facilities which had been practically absent for most citizens during the era of colonial administration. The accent of the development strategy was on rapid and sustained economic growth. Income distribution was no yet a critical area of concern.

The pay off in the choice of strategies and priorities was a rapid transformation of the economy which would see the state and the business sector increase their incomes substantially: thus dramatically altering the political and economic environment within which the public-private sector relations would be played out and creating opportunities to renegotiate terms of engagement.

Controlled Industrial Relations and Tripartite Systems: 1971 - 1991

This began in the 1970s when diamond revenues began to make significant contributions to national wealth. The relative freedom that organized interests had enjoyed in relation to political participation, independent organization and areas of recruitment of members also practically came to an end. This trend began with the 1969 Trade Union Act and the Trades Disputes legislation which effectively dissolved all existing unions and required them to re-register under radically different new terms of engagement [Ananagu, 1979]. This legislative tool was part of a strategy to reduce the capacity of paid employees using their bargaining power to force wage increases. Government further initiated an incomes policy [in 1972] that restrained wages from escalating rapidly and widening income differentials between the modern sector employees and the rural majority still tied to subsistence agriculture.

¹⁶ Botswana Government, 1966. "Transitional Plan for Social and Economic Development", Government Printer, Gaborone.

A restraint was also visited on employers' freedoms to ensure they would not use their increasing wealth to offer wages that were significantly higher than those in the public sector. This served the twin purposes of 1) restraining all wages from rising so high as to create too wide a gap between the wage employed and the non-employed, and 2) limiting the capacity of private business to attract scarce skilled human resources away from the public sector and its developmental project. Together with the new set of laws, these policy measures would give government control over trade unions and industrial relations: drastically curtailing the right of unions to strike, bringing collective bargaining under government oversight and proscribing the margins within which unions could recruit members.

To ensure that labour would comply with the wage restraint principle, Government instituted price controls over goods and services so that workers and consumers would not be unduly burdened with escalating prices. And in the case where labour used the strike mechanism to push for increases in wages, Government generally protected capital against the consequences of work stoppage by sanctioning the dismissal of union leaders. Thus, for instance in 1968 when Government manual workers went strike, and in 1975 when the miners at Selibe copper-nickel mine went on strike, the remedy was to dismiss the strike leaders [Makagala, 2007; Molosiwa, 2007].

As Peter Takirrambudde [1995; 41]¹⁷ observed, in this era of state intervention in industrial relations, labour law was viewed as a principal tool of state policy and a massive set of administrative arrangements was evolved to reinforce the ascendancy of the state. Ananaba [1979; 141] had earlier observed that the trend to use labour law to control trade unions started in Ghana and was copied by other African governments as they attained independent sovereignty. Among other things, the legislation conferred on the minister responsible for labour affairs the power to dissolve all committees of a labour union, and entitled a representative of the minister to attend meetings of trade union delegates' congresses and executive committees. It also required trade unions to make available for inspection minutes of meetings of their executive committees. It further gave the Registrar of companies the right to refuse to register organizations that he felt already had an existing representative in the industry concerned.

In Botswana where the state had used donor finance to purchase a stake in mining ventures and developed lucrative partnerships with private international business, the rapid growth of the mining industry would provide the government with unprecedented command over wealth and income resources that would be used to consolidate its institutional capacity and position the state effectively as a developmental agent. With this capacity to accumulate wealth also came the capacity to decisively determine the structure of relations between the state and other political actors in the public realm. Thus in 1971 Government initiated and formalized a structure of consultative organs to link business and labour to the state policy making process in an advisory capacity. This involved a tripartite system of industrial relations where the Employment Act established two advisory boards, namely a) the Minimum Wages Advisory Board and b) the Labour

¹⁷ Peter Nanyema Takirrambudde [1995], "Protection of labour Rights in the Age of Democratization and Economic restructuring in Southern Africa". In **Journal of African Law**, vol 39, no1; pp39-63

Advisory Board. Other key but non-statutory consultative structures involving both labour and employers included the National Employment, Manpower and Incomes Council [NEMIC, with the responsibility of determining the conditions of service for parastatal bodies and formulating general employment policies] and the Rural Development Council.

Partly to enhance their capacity to participate effectively in the policy advisory structures and partly as a counterweight to the perceived threat of labour union power which was expected to increase as jobs also increased, in 1971 employers in the private sector and parastatal bodies set up an organization to represent their collective interests. This was the Botswana Employers Federation [BEF] which had been preceded by disjointed, less effective Chambers of Commerce spread across the country with no national unifying structure. Without the kind of legal and administrative restrictions that were imposed on trade union organizational capacity, the Botswana Employers Federation was able to develop rapidly and become an effective participant in the tripartite structures and other consultative bodies. As a member of the Minimum Wages Board, for instance, it was able to deploy its full time director and its members into all the Wages Councils that were constituted for the key industrial sectors in which minimum wages applied. In the early 1970s these comprised of 1) Building and construction; 2). Wholesale and retail; 3); Garage and motor trade 4). Hotel and catering, and 5) Manufacturing Industries. In the sittings of all of these councils there were always two well informed and well prepared BEF representatives¹⁸.

From its inauguration at the initiative of some key business companies in the mining, construction and banking sectors, the BEF undertook sustained recruitment drives to draw in more members. It encouraged members who initially participated as individual companies to develop specialized trade organizations that would ensure wider representation of business, enhance the quality of that representation and strengthen the capacity of the Employers Federation itself¹⁹. In terms of participation in the tripartite structures, therefore, the BEF could rely on the expertise of its members to make informed and technically sound interventions on behalf of its members. The rapid growth of the economy greatly enhanced the strength of the Employers Federation in terms of both broadening the base of industrial activity [and thus increasing the number and diversity of members] and creating wealth for the constituent members which could be directed towards the Federation to enhance its capacity to protect the interests of its members.

While the employers used the changing economic conditions and the opportunities availed by the tripartite structures to enhance their capacity to represent business interests in the policy and law making process, the labour unions suffered from legal and administrative restrictions that undermined their organizational capacity and rendered them ineffectual partners in the tripartite structures. With laws restricting i] the employment of full time officers, ii] the use of collective bargaining and iii] capacity to

¹⁸ Sourced from several copies of the BEF Newsletter between January 1973 and December 1979. The BEF newsletter came out four time a year..

¹⁹ Sourced from several editions of the BEF Newsletter, 1973 till 1979.

retain more educated and senior workers [because certain cadres of employees were restricted from membership of trade unions] , trade unions could neither effectively develop their organizational capacity nor meaningfully attract significant numbers of new recruits.

Without adequate human resources and expertise stemming from higher levels of education and training, trade unions could not make cogent and effective representation on the tripartite bodies²⁰. The laws requiring their officers to be in full time employment meant that union responsibilities could only be attended to part-time, without any guarantee that the representatives could in fact attend the tripartite meetings. Let alone prepare well to provide alternative intervention proposals.

Government had helped set up a Trade Union Education Centre run by a Trade Union Education Committee in 1971. This was meant to provide a unifying organization structure which could be used both to educate workers on trade union practice and to facilitate contact with Government. This committee was used in 1977 to facilitate the formation of a federation [Botswana Trade Union Federation, BFTU] that would participate in the tripartite structures and give these legitimacy in line with requirements for membership of the International Labour Organization. The structural weaknesses of the BFTU were soon compounded by the loss of two of its largest and strongest affiliates, the Manual Workers Union and the Commercial Workers Union which between them represented more than two thirds of the Federation's members [Liv Torres, 1998²¹].

The era of the tripartite relations and controlled industrial relations could be summed up basically as the era of arrested development for organized labour on the one hand and, on the other, consolidation and institutional expansion of both organized business interests and the state sector: thus rendering the tripartite structures effectively into two-party policy decision making bodies. Towards the end of this era the business sector had consolidated its institutional capacity sufficiently enough to begin to launch new autonomous sites for public debate on development policy and its impact on the growth and employment creation potential of the private sector: thus challenging the state monopoly of agenda setting in policy making from its own turf. In 1988 specifically, the BEF, having changed its name to Botswana Confederation of Commerce, Industry and Manpower [BOCCIM] to reflect its expanded institutional character, launched the first of a series of business conferences that were destined to become biennial events: the National Conference on Strategies for Private Sector Development.

The background to this conference was a series of studies that had identified weaknesses in the character of policy decision-making and national development practice that needed change. For instance, a Presidential Commission set up to investigate economic opportunities in Botswana in 1982 identified over-regulation as a factor that stifled local entrepreneurs and discouraged foreign direct investment in non-mining sectors. A 1985 study on Prospects for Diversification of the Small Enterprise Sector in Botswana

²⁰ The concern over weak representation in the tripartite bodies was ironically raised by Government

²¹ Liv Torres, 1998, Labour Markets in Southern Africa, Fafo Institute for Applied Social Science, Norway.

(Economic Consultancies, 1985) reiterated similar concerns on over-regulation and called for a scaling down of regulatory agencies.

Two years later a USAID/Botswana Strategy Assessment and Evaluation report (Edwards et al, 1987) also highlighted several weaknesses in the Botswana economy which hampered growth and employment creation. The report noted, for instance, that while the country had exhibited spectacular overall growth, there was stagnation in those economic sectors upon which future employment growth depended. This was blamed on the fact that the private sector was blocked from having access to the abundant capital resources: resulting in a situation where Botswana had excess liquidity in the banking system while enterprises were suffering from lack of credit. The report called for a revitalization of the private sector and the removal of impediments to private sector access to investment resources.

At the 1988 **National Conference on Strategies for Private Sector Development**, hosted by BOCCIM, several more constraints to private sector participation in the modern economy were highlighted, together with policy recommendations for the removal of these constraints. The paper given by HCL Hermans²² graphically illustrated the size of the employment problem facing Botswana and compared this with the domestic resources available to create jobs at a meaningful rate. This analysis clearly indicated that with the best motives, Botswana did not have enough domestic resources to marshal into job creation, and would have to rely considerably on attracting foreign capital. The unequivocal message sent here was that whatever success they had achieved in the past, the current policy formulae and related development strategies had outlived their useful and were now a hindrance to economic growth and employment creation.

By the end of the 1980's there was considerable evidence to suggest that Botswana had to change its policies to enable real employment creating economic growth. Most importantly, the private sector had taken this changing political and economic environment to press home the need for new terms of engagement in the dialogue with government as well as in the division of labour. This, together with increasing erosion of electoral support which dropped below 60% in the 1994 general elections and would slip even further down to 52% by 2004²³ and a drop in the rate of employment creation²⁴, forced Government to concede to changes in both the structure of private-public dialogue and the structure of industrial relations: setting the country on the course for liberalized industrial relations. BOCCIM convened a second business conference in 1991 which pressed the message home and secured the momentum for change as we demonstrate in the next section.

²² Quill Hermans [1988]

²³ Onalenna. Selolwane, "Monopoly Politikos: How Botswana's Opposition Parties Have Helped Sustain One-Party Dominance" In *African Sociological Review*, 6 (1) 2002 pp68-90; Onalenna. Selolwane and Victor Shale, "Opposition Politics and the Challenges of Fragmentation in Botswana" In the **Journal of African Elections** Vol 5 No. 2 Dec 2006. pp122-140.

²⁴ Unemployment rose to 22% and stayed that way throughout the 1990s. See Happy Siphambe, 2007, "Development Strategies and Poverty Reduction in Botswana" A paper prepared for the UNRISD study on Poverty Reduction and Policy Regimes.

The Era of Liberalized Industrial Relations: 1992 Plus

It is in the 1990s that the outcomes of the interventions of organized interest groups and government's acquiescence to pressure begin to yield results in both major shifts in policy [discussed later] and the transformation of the institutional arrangements structuring private-public sector relations. BOCCIM appropriately and provocatively gave its second private sector business conference the theme "The Private Sector as the Engine of Growth in Botswana: Key Constraints and Their Removal." The procedural and institutional impediments that the conference identified would lead to a set of policy reforms that radically changed the structure of policy dialogue between the state and organized business. Firstly, a High Level Consultative Council was set up which would be chaired by the President and attended by top ranking public officers and business representatives: thus ensuring that business and the state would jointly map and define policy in both the biannual meetings and the sectoral meetings. Secondly these partners would also now participate jointly in the public forum of the biennial business conferences to deliberate on issues that the private sector identified as needing public airing and wider participation.

There were also changes in the institutional character and mandates of older structures such as the National Employment, Manpower and Incomes Council [NEMIC] that were outcomes of policy reform. The 1990 revision of the 1972 Incomes Policy, for instance, recommended an expansion of NEMIC membership to ensure increased participation by civil society representatives, inclusion of consideration of the recommendations coming out of the National Business Conferences, and a revision of the terms of reference of this body. The Incomes Policy came under review once again in 2003 and with terms of reference that included an examination of the functions and effectiveness of NEMIC.

Land [2002]²⁵ gives a succinct summation of the institutional changes that developed to structure state-business relations in this era up to 2002. The process of reform that he captured continues apace as opportunities are created for more collaborative partnership between organized business and the State. It also became increasingly clear that for this collaborative partnership to be productive in creating opportunities for employment generation and economic growth, the state institutions themselves had to under-go reform. The public debates that the business sector initiated underscored how the public sector had come to be characterized by inefficiency, poor delivery of service and long delays. This was evidenced, for instance, by wide and increasing gaps between planned development programmes and policy implementation, leading to escalating costs; sub-standard infrastructural developments suggesting poor and indifferent monitoring and oversight; long and slow queues at most points of service delivery: particularly where there is heavy demand²⁶; frequent and repeated loss or misplacement of files, applications and other documents submitted by members of the public for processing²⁷; poor maintenance of public infrastructure and facilities; and increasing reports of

²⁵ Anthony Land, 2002. Structured Public-Private Sector Dialogue: The Experience from Botswana (ECDPM Discussion Paper 37). Maastricht: ECDPM

²⁶ For instance hospitals, licensing offices, registration offices, revenue offices, immigration, etc

²⁷ further compounded by antiquated filing and registry systems!

corruption and economic crime as well as the tolerance for multi-level channels of service that allow for private clientelism with public goods and services. Public servants themselves had come to be seen as complacent and indifferent.

In response, the public sector went through reforms that streamlined it, separated policy formulation from implementation and allowed for greater private sector participation in economic activities that had been dominated by government. Some of the benefits of these institutional reforms have also flowed to organized labour which had endured more restrictions to its own institutional development than organized business. The most significant legal reforms for labour include the 1992 amendments of the Trade Union and Employers' Organization Act, the Employment Act and the Trades Dispute Act which greatly liberalized industrial relations. The following changes were contained in the amendment of the Trade Union and Employers' Organization Act:-

- repeal of the provision requiring terms and conditions of employment of full time employees to be agreed by the trade union, the prospective employee and the Registrar of Trade Unions;
- repeal of section 30 which entitled a representative of the Minister to attend meetings of delegates congress and those of the executive committee of the federation of trade unions;
- removal from section 32 of the requirement for trade unions to, among other things, make available for inspection, minutes of meetings of their executive committees.
- replacement of the whole of Part XII of the Act, which empowered the Minister to dissolve all committees of the Union, including the executive committee. The Minister no longer has the power to remove officers of a trade union from office.

The changes in Trades Dispute Act established a third tripartite structure in the form of an Industrial Court which has been better able to protect the interests of workers than had been the case before it came into existence. This is because this Court takes into account ILO conventions which may not have been expressly incorporated into Botswana laws [Friedrich Ebert Stiftung, 2003²⁸]. The judge sits with assessors representing both labour and employers who assist him on questions of fact. This legal reform effectively limits the role of the state in industrial relations, acknowledges economic conflict between labour and capital, and enhances respect for trade union autonomy.

However improvements in the relationship between the state and organized labour pale in comparison with those between state and business in terms of growth in mutual respect and accommodation. Labour's participation in the High Level Consultative Council, for instance is minimal and yet there is no other similar high powered forum for constructive exchange of views on policy and labour issues. The freeing of certain labour organizations [ie public service employees] from restrictions to form trade unions has been among the most significant concessions to organized labour interests generally

²⁸ Friedrich Ebert Stiftung, 2003, **Trade Unions in Botswana Country Report 2003** [Friedrich Ebert Foundation, Botswana: Gaborone].

because now the trade unions have a much more educated pool of membership to draw from which should increase its capacity to articulate labour interests.

Organized Interest Groups, Development Strategies and Social Policies

As can be surmised from the foregoing discussion, the institutional environment within which organized groups have emerged and interacted with the state in Botswana has undergone dramatic transformation from the last stages of colonial administration through the early stages of independence till the present. Politically, this environmental can be summed up as starting from a skeletal colonial administrative structure where the economic and social interests of white minority settlers had more potential of finding policy sympathy, to post-colonial state building and consolidation where increasingly the interests of a wider cross-section of interest groups are allowed to play. Economically, the contextual environment can be summed up as changing from extreme national poverty through rapid and sustained growth to a peak followed by a slower pace of growth in terms of both national incomes and employment creation.

How did the various development agents impact on policies and strategies under these changing economic circumstances? And under what specific conditions could they in fact make an impact on policy development? We now examine these questions by looking at actual policy developments and forms.

Labour and Policy Development in Poverty and in Plenty

The BPACSA and Policy Revisions Before Independence

From the vantage point of organized labour interests, in the period up to the first few years of Botswana's independence the economic backwardness of the country meant that waged labour represented a minuscule proportion of the entire national labour force. This created serious vulnerabilities for employees in their efforts to strive for improvements in conditions of work and employment policies because the poverty of the predominantly rural labour force was used as a referent by both capital and the state when reacting to the needs and demands of labour.

When a 1948 salaries report²⁹ [Gossett, 1985; p233] used the rural background of the African employees as justification for racial differentials in pay, the Bechuanaland Protectorate African Civil Servants Association [BPACSA] was able to win some concessions to narrow these differentials by arguing that if the salaries of African civil servants in Bechuanaland were not comparable to those in neighbouring South Africa [then a British colony], there would be no incentive for Africans to forgo opportunities in South Africa for poorer wages in the Protectorate. The immediate victory for members of this Association was that the wage differentials were reduced from three fifths to three quarters those of whites in line with the rates prevailing in South Africa.

²⁹ T Fitzgerald, 1948, **Report of the Salaries and Conditions of Services in the Public Services of the South African High Commission Territories**. Cited in Gossett [1985; p233].

The acceptance of neighbouring South Africa's wages as a point of reference would have wider implications for employment and wages policies as the winds of changes began to usher in the possibilities of independence for Botswana. Gossett [1985; 234] observes that from its inception, the BPACSA pushed for a) increased employment opportunities for Africans, b) the Africanization of certain cadres of jobs, and c) increased training of Africans to fill some of the job categories that members of the Association felt necessitated greater use of African skilled labour in the context of indirect rule. These sentiments were also shared by other leaders who used forums like the African Advisory Council, the Joint Advisory Council and later, the Legislative Council to pressure the colonial administration for employment and education policy change [see Parsons, 1988; and Gossett, 1985].

The political opportunity that turned this pressure into employment policy reform presented itself in the late 1950s when the British Government finally made a decision to relinquish its overseas territorial claims and prepare these territories for self rule. In human resource development terms, this meant that for Botswana, the colonial administration began a) to admit Africans into senior civil service positions, b) to plan for the provision of education and training to meet the requirements of the changing political situation by the early 1960s, and c) to accelerate the provision of bursaries that had only started being made available to educate and train Africans for jobs in the administration of a future independent state.

The years 1963 and 1964 are thus significant in that those who won scholarships to gain tertiary education would form the first significant cohort of citizens to localize senior public service jobs which at the time of independence in 1966 were occupied 80% by white expatriates [down from 90% the previous year³⁰]. Before them, only four citizens [one of who was female] had actually started occupying senior civil service positions during colonial times. The rather late concession to educational provision for Africans by the colonial administration meant that Botswana would for the foreseeable future depend to an exceptionally high degree on expatriate labour: firstly in terms of most senior administrative/professional positions and then mainly in relation to professional and technical positions. This would have serious implications for wage structures and income differentials.

Human resources development also had a gender dimension that needs highlighting here because of its particular significance in the context of Botswana. Unlike in most countries in the world, the advent of modern education in Botswana was essentially a largely female phenomenon with primary school enrolment being over 70% female in the 1930s, over 60% up to the 1950s and over 50% thereafter. When bursaries became available for secondary and tertiary education, therefore, a significant proportion of these would be taken by women on merit. However, employment and emoluments were not only racially structured but also gender structured: with African women, for instance earning four sixths and later five sixths of black male salaries [which were themselves a fraction of

³⁰ See Onalenna Doo Selolwane, 2006 "Botswana: Ethnic Structure and Public Sector Governance". In Yusuf Banguara, **Ethnic Inequalities and Public Sector Governance**. [Palgrave Macmillan: Houndsmill, Basingstoke and New York]

those earned by white males!]. Submissions that were made to the salaries review process to abolish these gender differentials were considered first by the 1961 Ramage Report³¹ which reduced the gap from four to five sixths pending abolition, and by the 1964 Skinner Report³² which recommended abolition. This policy was not abandoned, however, until 1970 when yet another salaries review [the Okoh Report³³] made a strong case for abolition to the post independence government.

Both the 1964 Skinner Report and the 1970 Okoh Report noted the deep resentment against this rule and also appreciated that “*As the grant of equal status for women becomes more universal, distinctions of this kind can less easily be justified*” (Skinner 1964, p56, para 200). Okoh (1970, para 249), reported that in Botswana “ *the continued application of this differential is widely regarded as unjustified and repugnant both to economic utility and the principle of economic freedom.*” But he also observed that although the principle of equal pay for equal work between men and women was accepted “*it has not been implemented mainly on the grounds of finance.*” However he strongly argued that the time had come for the differential to be abandoned and that

“If the Botswana Government fails to grasp this nettle now, the dimensions of the problem will become greater as the Civil Service and the Teaching Service steadily expand to cope with the country’s development, and will quickly reach unmanageable proportions as more and more educated and qualified women become available to enter the Public Service.” [see Selolwane, 2007³⁴].

For male citizens however, the 1950’s concession to make African male salaries three quarters of white male salaries was made redundant in the 1960s with the adoption of policies that abolished racial discrimination in pay and introduced instead inducement allowances for white expatriates [1961 Ramage Report]. Botswana would in fact not have a clearly articulated incomes and wages policy until 1972 when the state embarked on controlled industrial relations to fit in with broader national development goals. But the concessions won by the civil servants’ Association would have a bearing on how educational, employment and wages policies would evolve over the post-independence era.

National Incomes Policies and Organized Labour Since 1972

When the first explicit national incomes policy was formulated and adopted in 1972, one of the first changes it brought to bear on existing practice was to stop using the South African wages as a benchmark for wages in Botswana. Instead, while taking cognizance of wages in the more economically advanced neighbouring country in terms of skilled

³¹ Richard Ramage, 1961 **Report on the Structure of the Public Services in Basutoland, Bechuanaland and Swaziland.**

³² TM Skinner 1964, **Bechuanaland: Review of Emoluments in the Public Service.**

³³ EK Okoh (1970) **Report of the Commission on the Salaries and Conditions of Service of the Public Service and the Teaching Service** (Gaborone: Government Printer)

³⁴ Onalenna Selolwane, 2007, “Women in Botswana: The Past Forty Years” forthcoming in Part Mgadla, (ed) Commemorative Book on Botswana Forty Years of Independence. Gaborone, Government Printer.

labour, Botswana's average rural farming incomes would be used to set minimum wages for the public sector which the private sector was obliged to follow. In the expectation that mining would generate enough resources to stimulate the livestock sector and rural incomes, the policy was developed on the premise that urban wages should be held in check till rural incomes catch up with the faster growing, urban based industries.

But organized labour interests did not acquiesce easily with these policy innovations. Three years previously the Government Manual Workers had gone on strike over pay and conditions of service. And three years into the 1972 incomes Policy the mine workers of Selebi Phikwe copper-nickel mine also registered their protest through a general strike. There would be a number of these strikes in various areas of industry in the 1980s and early 1990s, but with little impact on the broad premise of the 1972 policy of wage restraint and minimum wages based on estimated average rural incomes. Part of the failure of organized labour to effect policy change here was that legal restrictions and the threat of dismissal undermined the effectiveness of strikes as a collective bargaining tool. Arguably, however, the national educational policies, which had been particularly pushed by the better educated organized labour interests in the public service, also added to the problem because of imbalances in the distribution of skilled labour.

This imbalance guaranteed mutually reinforcing tendencies where a) the lion's share of the educational budget generated skills that were invariably suited only for the public sector, b) other areas of skills relevant particularly to private sector business and industry would not be readily available, and c) the most educated and skilled citizens would remain in the public service pushing labour agendas from a civil service perspective [ie, public service localization, more education/training for public service employment, increased earnings in the public sector, etc]. So that human resources were skewed in favour of a sector that is not sensitive to market principles: perpetuating distortions in wage setting that were not linked to productivity.

Thus, ten years into the 1972 Incomes Policy, the share of public service salaries had risen from 17% to 27% of public expenditure which the 1983 reviewers of the policy [Colclough and Olsen, 1983] blamed on lack of restraint. But by the late 1980s the minimum wages of the less skilled/moderately educated employees had fallen below the poverty datum line: invariably reproducing a class of working poor. The price controls that had been introduced ostensibly to safeguard the buying power of restrained wages were not effectively implemented [Mfane and Hunter, 1984] and this therefore generally eroded the welfare of the workers. The 1989 Presidential Review of the 1971 Incomes Policy further noted that in both the public and private sectors, managers had not actively used any incentives to link reward to productivity; hence the general tendency for declining productivity and restricted employment creation..

This failure to relate pay to productivity was also identified as a culprit by the 1985 National Manpower Development Plan Report in its review of the impact of the 1972 Incomes Policy. The Report noted that this failure led to a situation where employment for unskilled labour did not increase at a rate similar to that of employment for skilled labour [ie 5% and 14% respectively]. The 1990 revision of the Incomes Policy similarly

identified the lack of fit between productivity and wages, and noted that as a result, unskilled workers were generally over paid relative to their contribution to wealth creation. The Policy Report thus adopted as remedial action, the de-regulation of wages and de-politicization of minimum wages³⁵.

In 1991, the working poor went on a major national strike to protest against minimum wages that were set below the poverty datum line. And as with previous similar cases, the strikers were dismissed and no pay increase was in fact effected as per demand [Molosiwa, 2007³⁶]: forcing workers to continue struggling for a living wage under conditions where rates of employment for unskilled labour had fallen below those of skilled labour. This clearly indicates that past policies had failed to increase both employment and the social welfare of those already in employment: hence the current dilemma. However, by forcing government to recognize the Poverty Datum Line as an important point of reference in setting minimum wages, organized labour contributed to drawing attention to the fact that the development policies and strategies should engender growth that both creates new employment opportunities and enhances the welfare of workers. Revisions in incomes policies have thus moved away from benchmarking minimum wages on rural farming incomes while they encourage innovative ways of enhancing labour productivity.

Labour, Political Voice and Liberal Reforms

The distinct contribution of organized labour to policy development is not always easy to gauge due partly to the consultative structures within which they relate to employers and the state, and partly to lack of autonomous spaces where workers articulate and document alternative voices. The 1991 Manual Workers' national strike is singularly significant in the level of sophisticated articulation of workers' grievances that the Union employed. Their engagement with Government to take into account the poverty datum line as well as cost of living situations when determining minimum wages has greatly altered how minimum wages are assessed. Since then the Botswana Federation of Trade Unions [BFTU] has come out with written documentation clearly reflecting the workers' positions on various areas of policy.

Regarding the 2000 Privatization Policy, for instance, the BFTU stated in its 2006³⁷ reaction that it "is ideologically opposed to the process of privatization but will seek to engage government and other stakeholders through social dialogue and collective bargaining with a broader socio-economic development agenda that emphasizes the protection of workers and poor society at large" [BFTU, 2006; 19]. The BFTU does not believe that privatization is motivated by concern to reform the public sector and increase workers' productivity, but rather that it is a profit driven process intended to seek "the

³⁵ The 2003 revision of the 1990 Policy is still undergoing slow deliberation in parliament four years after the report was submitted. But the report generally endorses the position of the 1990 review with regards to minimum wages and the importance of market forces in wage setting.

³⁶ Phuthego Molosiwa, 2007, "Re Neeleng ditsa Rona! – the Great 1991 Manual Workers Union Strike" CJ Makgala, ed, **The History of the Botswana Manual Workers Union**. Bay Publishing, Gaborone,

³⁷ Botswana Federation of Trade Unions, 2006, **Position Paper on Privatization in Botswana**, Friedrich Ebert Stiftung, Gaborone

triumph of capital over workers' rights" by reducing the organizational strength of labour through job losses and retrenchments. The workers also raised concern that privatization would erode the social welfare of the poor by exposing the provision of social services such as basic health, clean water, etc, to market forces where the consumers' ability-to-pay and profitability in production (technical/productive efficiency) are emphasized over social efficiency and need.

The BFTU position paper noted that while the State provides some form of social security, the system is rather reactive, fragmented and hidden in various indirect forms of social expenditure. The workers see the situation worsening with privatization due to increased and new tariffs as well as the scaling down of direct provision of rural infrastructure which, in the context existing dependency burdens (youth-aged, urban-rural, employed-unemployed etc), will increase the pressure on an already weak support system, that is heavily shouldered directly by the working class. Of particular concern to the workers was that although the policy document had promised consultations with labour, in fact social dialogue and collective bargaining have not been allowed full play in the ventures over which privatization discussions have already been initiated.

An interesting point to note with regards to the welfare of the working classes is that some of the policies [such as minimum wages policy] aimed at improving the welfare of workers did not emanate from the trade unions, but were initiatives taken by government and informed by international trends proposed by world bodies such as the International Labour Organization [Tsie, 1996]. Organized labour has been the last of the tri-partite partners to develop. Its contribution to policy making is still more reactive than proactive. However, with restrictions on collective bargaining and organizational structuring lifted, the Unions have more room for manoeuvre in self- and strategy- development. In the changing policy environment, the Botswana government has made major concessions to labour which are reflected in the fact that Botswana finally ratified thirteen ILO conventions during the plan period of 1997/8 and 2002/3.

Business and Policy Development From Poverty to Plenty

Informal Lobbying, Policy Priorities and Development Strategies

Botswana's initial state of poverty also affected the development of business interests and effective organization that could pursue distinctly business interests. On the contrary, once these interests had coalesced into a political party that then won the mandate to rule, the party and the government became the site where these interests were represented and articulated. Thus in recognition of the fact that a] the largely agrarian sector had extremely limited resources to transform its wealth into commercial activity and b] there were no strong business concerns to venture into non-traditional large-scale ventures such as mining, Government took a pragmatic policy position to attract large, external business into partnerships with the state. This way the economy would grow rapidly and provide the state with the wherewithal to support agricultural modernization and general infrastructural developments that would create a foundation for other economic activities where the private sector could engage.

For the business interests that went into partnership with the state, negotiations for terms of engagement and a conducive policy environment were direct. They needed policies that protected both their property rights and the right to make and expatriate profits, and government needed their skills and technology to foster rapid economic growth. Thus, only with regards to issues relating to the disciplining of labour and the development of relevant policies in industrial relations were these large business interests obliged to organize and, through a tripartite system, negotiate policies on wages and employment. The Botswana Employers' Federation newsletter has recorded some of the milestones of the first decade of this relationship in terms of policy changes.

For instance where government policy had clearly precluded the private sector competing with government for better qualified school leavers, by the late 1970s, the BEF had negotiated a relaxation of this policy to allow business to advertise and recruit school leavers directly. The BEF became the clearing house to help its members recruit workers [BEF Newsletter, vol3 no 3 1976]. Similar concessions with regards to training were won when Government also allowed for the development of more training courses suitable for the needs of the private sector. However, skilled human resources remained a constraint for both the public and the private sector for a long while, and government continued to take precedence over the private sector in terms of meeting its manpower requirements. In fact, it was only after the private sector had expanded beyond the major state partners and started considering issues of commercial interest beyond labour disciplining that the BEF, now BOCCIM, became more effective in negotiating more robust policy changes in human resource development and the accommodation of the needs of the private sector.

Another milestone captured by the Employers' newsletter related to the localization policy which was supported by restrictions on work and residence permits for expatriates. This tended to affect the smaller private sector businesses and industries more than the large businesses: particularly those in partnership with the state. The intervention of Botswana Federation of Employers led to categorization of manpower that would be used as a guideline for the issuance of both residence and work permits: thus reducing the tensions and frustrations of small companies operating under conditions of scarce human resources. The category to be given the longest permits and top priority comprised of professionals with relevant experience where there was no expectation that localization would be implemented.

In all, four categories were identified by the BEF and accepted by Government. These would be used for a considerable time to ensure that in areas of need, particularly with the rapid expansion of the economy and industrial activity, expatriate personnel could be recruited with relative ease to provide scarce skills for both the private and the public sector. Given the type of training that was availed through public institutions as well as bursary allocations for external training, however, expatriates would continue to fill a niche that the national educational policy was unable to cater for until a much more dramatic change of policy was made in the 1990s. The heavy reliance on expatriate labour would significantly affect the wage bill in several ways. Firstly expatriates, due to the professional positions they occupied and the inducement allowances that had to be factored in to attract them, earned much more than locals and thus added a considerable

burden to labour costs in spite of wage restraint policies. Secondly expatriate salaries set a standard by which competition for skilled and experienced local labour could be waged between the private sector and the public: increasingly forcing government to review its wage restraint policies with regards to the professional cadres.

Organized business used the tri-partite system to create informal links with policy-makers that could be employed against both labour and junior officialdom. The 3rd edition of 1975 volume of the BEF Newsletter, for instance, informed members that “intimidation, threats and time consuming sessions with trade unions or junior officialdom must be reported to the Federation to be dealt with at the appropriate level.” It reminded members that Botswana labour has not yet become fully aware of the pace or requirements of modern industrialized society and that therefore management must take responsibility to correct poor workmanship among such employees.

Within the formal setting of the tri-partite structures, organized business was very influential in moderating labour laws that was believed to be “in conflict with purely economic concepts of development and industrialization” and which might add cost elements to industry that could deter investment and/or act detrimentally to the competitive position of enterprises [BEF Newsletter vol 4 no. 3 1977]. Thus when the Employment Act, the Trade Union Act and the Trade Disputes Act were being revised in 1978, the BEF Newsletter noted that the Federation vigorously objected to several changes and tabled a lengthy and comprehensive submission to the Labour Advisory Board [BEF Newsletter vol 5 no. 1 1978].

The BEF thus came to see itself as playing four vital roles, viz a) monitoring legislation affecting business and assessing the impact of legislation on the total range of business enterprises: thus intervening timeously and effectively on behalf of members; b) informing itself of the needs of all its constituent members and thus being able to accurately represent the views of an otherwise scattered and diverse business community; c) counter-balancing trade union power in the industrial sphere, and d) responding to the long term practical needs of its members. The BEF would thus use both the formal structures provided by the tri-partite system and the informal links with senior government officials to ensure that it negotiated effectively with government in the interests of the business community. So it was much more effective in its interventions in legislation and other administrative instruments of policy. For instance when the Income Tax Act was amended in 1978 to include certain benefits into payable tax, the BEF protested, and its concerns were incorporated into a comprehensive taxation review that produced a package directed towards economic development.

The BEF tended to represent largely modern and mainly large to medium scale concerns that were dominated by expatriates. Other interests, mainly local, small and emerging, tended to use informal links to push for policy change and accommodation. The cattle lobby was probably the oldest of these interests that had started working through the Advisory and Legislative Councils for the development and expansion of the cattle

industry beyond expatriate control. For both pragmatic³⁸ as well as political³⁹ reasons development policy initiatives in the early years from the first National Development Plan in 1965 to the Sixth in 1985, the interests of cattle farming received considerable emphasis in terms of budgetary allocations, policies and programs.

The formation of the National Development Bank for instance was meant to promote economic development by giving priority to agricultural credit for African farmers, and cooperatives credit and loans for local business ventures. Other policies and reforms developed to enhance the productive capacity of farmers included land tenure reforms and expansion of grazing land, fencing policy for improved animal husbandry, introduction of agricultural [especially livestock quality improvement] subsidies, as well as improvement of marketing infrastructure and channels. Agriculture in fact became a net recipient of government funds for a considerable period of time. The overall effect of these policy initiatives was to increase the profitability of cattle wealth for large farmers which led to increased inequalities where a few large farmers concentrated livestock resources in their hands while the vast majority smaller farmers came to control fewer and fewer cattle.

Non-cattle commercial interests tended to precipitate towards chambers of commerce from where they lobbied for financial and other support which Government provided through various agencies and development programmes. Their heavy dependency on government for everything from basic skills on how to start and run a business, through grants, to marketing, protectionist policies, etc, led to a preponderance of public agencies and regulations ostensibly meant to nurture local entrepreneurship, but which in fact over-regulated and stifled it. In 1982 many of these small scale commercial operators used the Presidential Commission on Economic Opportunities to push for greater policy dispensation for citizen entrepreneurs.

As noted in the report of the Commission [Republic of Botswana, 1982, p5] citizen entrepreneurs submitted that most opportunities were developed for expatriate interests rather than citizens' interests. The Report noted that few citizens in fact owned businesses other than cattle, and that while more are increasingly becoming aware of business opportunities they tend to occupy the lower end of the scale where credit facilities are limited. The Report recommended an acceleration of the process that would increase citizen owned economic assets: particularly in the modern sector where rewards are considerably higher. The recommendations were reflected in the 1984 Industrial Development Policy which sought to enhance the capacity of industries to create jobs as well s to increase citizen participation in this industrial process through, for instance the implementation of an industrial reservation policy. However a 1993 review of the

³⁸ The cattle –beef industry was the most amenable of the traditional economic sectors to rapid development and modernization. Arable agriculture was more vulnerable to the harsh physical environment and thus had relatively less potential for commercialization.

³⁹ Cattle represented the most significant form of wealth for the widest section of the population: the settlers, the African large cattle owners and the poor farmers.

Industrial Development Policy⁴⁰ also noted that citizen ownership of enterprises was still minimal due to lack of capital, competition from important products and a lack of entrepreneurial skills.

This was a serious indictment on the strategies that had been followed since from the first National Development Plan [NDP] in 1966 through all succeeding NDPs, there has been a consistent public policy commitment to create conditions conducive to the robust development of the private sector. However, what started off as a pragmatic solution to the lack of local private sector capacity to undertake large scale ventures by the state stepping in as an investor, then became an entrenched practice of both state management of the economy and direct participation in economic activity that crowded out the private enterprise. The problems of this state dominance began to manifest themselves in the 1980s and created a political opportunity for the private sector to mobilise for change. These problems included low labour productivity, continued dominance of the diamond industry which had limited employment creating capacity, stagnation in sectors such as manufacturing on which future employment growth depended, limited capacity of private enterprises to access relatively abundant financial resources, and therefore limited capacity for enterprise expansion and diversification.

The 1993 Report on Industrialization noted that a major challenge facing future industrialization in Botswana is the environment of competitive pressures in both the domestic and international markets. And that to meet this challenge enterprises will require higher levels of productivity, lower labour intensity, and higher skilled employees while government will need to define a pattern of development and corresponding policies that will respond to both the need for competitiveness and the need to employ an unskilled labour force. The Report highlighted the special problems faced by citizen entrepreneurs and recommended policy solutions to ameliorate these: particularly issues of finance, land/housing, skills and markets.

Yet another major forum that was used by citizen entrepreneurs to try and influence policy direction was the 1997 consultation process for Vision 2016. The Presidential Task Force mandated to solicit public opinion consulted a wide cross section of the public and identified many obstacles that citizens underscored as constraining future development: including inefficient systems of rewards and incentives. This consultative process had come about at the instigation of BOCCIM. The ninth National Development Plan was the first plan to be structured fully in line with the goals and objectives of Vision 2016.

Reform, De-regulation and Social Dialogue

The economic success of past policy initiatives created potential for enterprise development by enabling the mobilization efforts by various private sector agents through formal and informal channels. As already noted, the main platform for organized business was initially dominated by enterprises that enjoyed a special privilege due to size and their partnership with government. As new and smaller enterprises began to

⁴⁰ World Bank, 1993, Botswana. Opportunities for Industrial Development in Botswana: An Economy in Transition World bank Report no 11267-BT. Authored by Simon Bell.

agitate for space and policy change, they also targeted the Botswana Federation of Employers to expand in two directions: viz a) beyond essentially industrial relations to include broader commercial concerns such as access to credit, public sector reform, human resource development, etc; b) inclusion of the interests of small, medium and citizen owned enterprises [hitherto represented by the Botswana Chamber of Commerce and Industry] as well as the democratization of the Federation in both the selection of the committee members and the representation of industries and enterprises.

With these internal organizational reforms the BEF became the Botswana Confederation of Commerce, Industry and Manpower [BOCCIM] and began to tackle broader issues of policy and development strategy that would enhance the position and development of the business community as a whole. Significantly the voice of local entrepreneurs was boosted by senior civil servants⁴¹ who also ventured into business by forming partnerships either among themselves or with others with longer business experience. With the strength of numbers as well as broad section representation, BOCCIM began a systematic onslaught on development policies, programs and strategies that were hindering the robust development of private enterprise and employment creation in Botswana. Most significantly, BOCCIM successfully pushed for constructive dialogue in the revision of such policies and programs. The result was not only major policy reforms but also major institutional reforms which created structures for continuous policy dialogue between the state and organized business.

A number of these policy reforms bear the hall mark of which particular business interests were most specifically represented in this changing policy scenario. A case in point is the 1998 revision of the Industrial Development Policy⁴². This policy instrument clearly recognizes the private sector as a chief player and appreciates the central role of the market in resource allocation. However the policy assumes that market forces are good for urban industry but not suitable for rural areas. The following are some of the weaknesses that suggest that rural business was probably not as well represented as the more articulate urban interests. Firstly, the policy continues to emphasize administrative control of rural industrial development by government structures. There is an underlying assumption that rural development generally and rural industrialization specifically, will continue to be administratively managed by Local Government authorities and NGOs while urban enterprises will be opened up to competitive market forces. This may reduce rural enterprises to the status of simple welfare programmes instead of development programmes⁴³.

⁴¹ Some took early retirement into business while others straddled the public service and private enterprise: creating serious concerns about issues of probity and the use of insider, policy making information for private gain. See Onalenna Selolwane, 2007 "Statecraft in Botswana: Renegotiating Development, Legitimacy and Authority" in Pita Agbese and George Klay Kieh jr [eds], *Reconstituting the State in Africa*. [Palgrave Macmillan: New York, Houdmills, Basingstoke].

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⁴³ That was the fate of older development initiatives such as the Arable lands Development program [ALDEP] and the Accelerated Rain-fed Agricultural program [ARAP].

Secondly, it is assumed that rural industrial development will continue to serve the local markets of rural households, the agricultural sector and rural based government departments. This is in stark contrast to urban areas where the small and medium enterprises will be groomed for the export market and where efforts will be made to encourage linkages between small businesses and larger enterprises. So, even though lack of linkages with the rest of the economy has been identified as one of the problems facing small business in rural areas, there is no clear policy commitment to developing these links to avail opportunities for rural industries to grow.

Thirdly, it is assumed that successful companies will only be a) urban based and b) outward oriented. This strict demarcation between urban and rural locations of industrial development is likely to lead to a stifling of opportunities for economic growth by labelling enterprises “rural” and “urban” and assigning them spheres of operation and of need without allowing the market to decide. The policy identifies the following measures as necessary to attract industrial business to rural areas:

- extension of basic infrastructure to larger rural centres (with the private sector and local government playing the leading role in providing the facilities)
- The provision of Business Advisory Centres and the development of a cooperative approach to rural industrialization (including the participation of local authorities and non-governmental organizations).
- Provision of training in targeted occupations and based on larger contributions from the trainees.
- A fundamental review of the Integrated Field Services programme and its extension to improve the range of financial services to be offered to rural industries.

Another key area of policy reform was the de-coupling of policy formulation from policy implementation in a number of areas that are critical for enterprise development. The aim here was to transform the public service from regulating economic development to promoting it. To that end the seventh National Development Plan [1991/2 – 1996/7] introduced deregulation measures that included: 1) exchange control liberalization, 2) extensive relaxation of capital controls, 3) introduction of foreign currency accounts in commercial banks, and 4) shift of emphasis from regulations to incentives in industry & commerce. A number of autonomous authorities and institutions were also set up as implementing agents to whom some responsibilities from government ministries were devolved. Examples include the Public Enterprise Evaluation and Privatization Agency (PEEPA); the Public Procurement and Asset Disposal Board (PPADB), the Botswana Export Development and Investment Authority (BEDIA)⁴⁴, the Botswana Tourism Board

⁴⁴ BEDIA, together with the old Botswana Development Corporation are responsible for intensifying efforts to promote investment.

(BTB); the Civil Aviation Authority, the Local Economic Development Initiative⁴⁵, and the Local Enterprise Agency (LEA⁴⁶).

Other reforms were introduced through the 1990 Revised National Policy on Incomes, Employment, Prices and Profits. The most important of these include a) the removal of constraints on free wage negotiations in the private sector which had been imposed by the 1972 Incomes Policy; b) Reform of education to emphasis on technical & vocational training in response to private sector needs; c) Agricultural focus on small scale and arable agriculture to be given more emphasis; and d) Reduction of the cattle sector from being a net recipient of government funds so that other, more productive sectors could also benefit.

Human resources have been a major constraint to economic development. As a middle income economy, Botswana has done fairly well in terms of providing general and basic education for a large and increasing population. However, past educational efforts were geared generally at providing labour for the civil service (historically the single largest formal sector employer since independence) while certain critical skills required by the private sector were missing from the educational system. This generated a rather artificial scarcity which distorted the wage market and discouraged private sector initiatives in contributing to skill development. Only when employers could afford to pay competitive wages were they also able to take the risk of investing in training their staff in the relevant skills and be reasonably assured of retaining them thereafter.

Keith Jefferis (1996:88)⁴⁷ and other researchers identified low management skills as one of the major constraints to the success and expansion of firms in Botswana. Industrial skill development was also identified as a constraint. The successful intervention to change educational policy towards producing more skills for private sector requirements was thus a major milestone by organized business. A major challenge in resource development however, remains the fact that Botswana has to compress a considerable amount of knowledge, skill, technology, and resource mobilization capacity into a short space of time to build the necessary experience and resource base to survive in a very competitive globalizing world economy. The formal technical and management skills that must be built up to make Botswana enterprise viable require carefully targeted investment.

As Botswana entered the 21st century, it was very clear that relations between the organized business and the public sector had undergone major transformations in relation to development policy making. As the business community strengthened its institutional

⁴⁵ The Local Economic Development Initiative has the responsibility of identifying and harnessing resources and opportunities needed for stimulating sustainable economic development at local level.

⁴⁶ The Local Enterprise Agency is mandated to provide training and mentoring support to local enterprises and to coordinate the activities of Integrated Field Services, Small Business Agency and Enterprise Botswana.

⁴⁷ Keith Jefferis, 1996, "Lessons from Recent Experiences in the Expansion and Diversification of Medium and Large Scale Manufactures in Botswana". In BOCCIM, Employment Creation in Botswana: proceedings of the Fourth private Sector Conference. BOCCIM, Gaborone.

capacity to articulate its interests and to speak more representatively of the diverse interests of this community, policy commitment to create an environment conducive to private sector and industrial development has been turned from a mere statement of intent on the part of government to actual practice. In terms of development strategy, Botswana's 1998 Industrial Development Policy and the ninth National Development Plan [2003/4 – 2008/9], switched from import substitution to export oriented industrialization to encourage productivity and efficiency as well as expand the market for local enterprises.

Between 1982 and 2001, Government had used the Financial Assistance Policy as a major source of financial support for the development of citizen owned enterprises, but a fourth review of this policy in 1999 had found it efficient and wasteful of scarce resources. This has now been replaced with a new independent structure, the Citizen Entrepreneurship Development Agency, meant to be more efficient at providing incentives.

Public Policy, Politics, Organized Interests and the Unorganized Poor

Organized labour, business and other interests have historically used both formal and informal channels to articulate their concerns in relation to the impact of public policy and development programs on the welfare of their members. Where internal organizational weaknesses did not give them adequate voice, they have made effective use of forums like presidential economic commissions and similar fact finding consultative avenues to present their cases for consideration. Over time the organizations have become stronger institutionally and clearer of objective: resulting in increasingly stronger representation of their interests in public policy and national development strategies. In this section the paper will now address the questions of 1] the extent to which organized interests have taken into account the interests of the unorganized poor; and 2] the extent to which they ever form strategic alliances with political parties to advance their own or even wider interests.

Organized Interests and the Unorganized Poor

A prominent African economist, Samir Amin, once dubbed Botswana and the other former High Commission territories of Lesotho and Swaziland as Southern Africa's "labour reserve economies" on account of their heavy dependence on earnings from the export of a large proportion of their human resources to the Republic of South Africa through the migrant labour system. Botswana graduated from the labour reserve economy status in the 1980s when it became a middle income economy and South Africa closed its borders to the migrant labour system to create more job opportunities for its own citizens.

Many of these ex-miners from the migrant labour system ended up swelling the ranks of the unemployed as they could not be all absorbed into the local job market⁴⁸.

⁴⁸ Molutsi, P, O Selolwane, B Mguni, T Ntsabane and G Motlaleng, "Rapid Poverty Profile" in BIDPA, **Study of Poverty and Poverty Alleviation in Botswana** (Government Printer, Ministry of Finance and Development Planning, Gaborone, 1997)

Coincidentally, Botswana's educational system had also expanded rapidly the preceding decade and hundreds of school leavers now joined the ranks of job seekers because their extra secondary schooling led them to expect formal sector jobs and move out of family agriculture. This saw a dramatic withdrawal of youth from agriculture [from 35% participation to 10%] and an increase in youth unemployment rates [from 19% to 21%] between the inter-census years of 1981 and 1991⁴⁹. Thus in the 1996/97 BIDPA study on the nature, causes and consequences of poverty, some of the key groups vulnerable to poverty included ex-mine workers, the aged, single parent women, youth, small farmers as well as remote area dwellers [see Molutsi et al, 1997].

As noted in the introduction earlier, poverty alleviation did not initially target any specific group identified as poor until the late 1970s when Government identified those dependent on rural small scale farming as relatively poorer than urban based formal sector employees. These are largely unorganized except through participation in government initiated structures such as village development committees and other community development groupings. For women however, organizations like Emang Basadi Women's Association have since the 1980s articulated the special vulnerability of women to poverty and income inequality.

In the mid 1980s when this organization came into existence as a largely urban based women's advocacy group, it focussed mainly on laws that discriminated against women and made them economically and socially vulnerable. By the 1990's it had switched strategic gear to focus on making concrete demands on government and political parties to reform existing laws and policy practices that perpetuated women's economic and social subordination. And to ensure that government and political parties would take heed of these demands, the Association tied these to a political education program that mobilized women's numerical superiority as voters into organized electoral strength [Selolwane, 2001⁵⁰, and 1997⁵¹]. Following on the heels of the women's movement, youth organizations, mainly dominated by employed youth and students, have also raised the plight of youth and their disadvantages in terms of vulnerability to unemployment and poverty. Using existing data on employment rates and poverty profiles, they have also fused these concerns to political mobilization programs to appeal to political parties and government for redress⁵². As well as autonomous organizations, both youth and women have successfully used political party structures to push for their own representation in decision making: ending adult male monopoly of decision making and unlimited terms of office.

⁴⁹ Selolwane, O D. "Youth in Botswana: Their Challenges and Opportunities in a Rapidly Changing World" (unpublished UNESCO commissioned study)

⁵⁰ Onalenna Selolwane "Civil Society, Citizenship and Women's Rights in Botswana" In Sharin Rai (ed) (2001), **International Perspectives on Gender and Democratization**: (Macmillan Publishers, Basingstoke and London).

⁵¹ Onalenna Selolwane. "Gender and Democracy in Botswana: Women's Struggle for Equality and Political Participation" in MC Lee and G Nzongola-Ntalaja (eds)(1997) **The State and Democracy in Africa** (Print Holdings, Harare). Also published in 1998 by Africa World Press, Trenton and Asmara.

⁵² Onalenna Selolwane, **National Action Plan for Youth (Abridged Version) 1999- 2005**. Prepared for the Government of Botswana, Ministry of Labour and Home Affairs, Gaborone, 1999

Poverty and the plight of the poor is a theme that also came to be reflected in the policy positions of the labour movement as it became organizationally strong. As already noted, the Botswana Federation of Trade Unions saw poverty as a burden that is often shouldered by the workers in the absence of a comprehensive national social security system. The 2006 BFTU position paper on the Privatization Policy saw this policy as a recipe for increased impoverishment likely to stem from retrenchments and down-sizing unless the industrial development Policy is changed towards a production system based on domestic demand and human needs. The Manual Workers' Union also revealed that many workers are in fact the working poor because some earn wages below the national poverty datum line.

The BFTU's stated preference for an industrialization strategy that is oriented to the domestic market is in stark contrast to the recommendations of various industrialization review reports which recognize the limitations of the domestic market and the pressures that are put on national economies by the advent of globalization. As noted by the 1993 World Bank assessment of industrial development opportunities in Botswana (World bank, 1993: p29):

“With a small internal market, many firms in Botswana are rapidly reaching the stage where they need international sales if they are to expand. The required standards of competitiveness are therefore those of the regional and international markets and not those of the relatively easy and affluent market in Botswana.”

According to this Report Botswana's labour productivity is below internationally competitive levels and therefore, in the context of high minimum wages, this makes investment in industrial development uncompetitive: a factor that would hinder the expansion of local firms. The recommended solution to this problem is, as already mentioned before, to work out an appropriate alignment between wages and productivity. And most observers believe this can be settled by allowing the free reign of the market and collective bargaining.

The issue of what to do about the unorganized poor, however, is outside the purview of collective bargaining processes. But the BFTU advocates for a comprehensive social security fund that will bring various social safety programmes such as Orphan Care, Old Age Pension Scheme, Destitute Program, and the Remote Area Dweller Program under one roof. This recommendation was considered in the 2003 review of the 1990 Incomes Policy [still under review] as part of a National Provident Fund which would not only to deal with pensioners' rights, but also with other social safety net issues such as workmen's compensation, health care, unemployment insurance. As yet, Botswana does not have a fully fledged social security system.

Organized Interests and Political Parties

Political parties came into existence in Botswana as part of a process of negotiating the transfer of power from the colonial administration. They were facilitated Great Britain's concession to establish a Legislative Council in preparation for eventual relinquishing of

power. The first national party, the Bechuanaland People's Party had a protest thrust to its mode of operation and tended to find favour among both organized labour and various disgruntled groups in the more urban settlements. There was therefore a considerable overlap in mobilization strategies and target audiences of both trade unions and political party [Ananagu, 1979; Makgala, 2007]. The rival Bechuanaland Democratic Party was more conservative: built as it was on the foundation of the membership of the Advisory and Legislative Councils that were part of the governing structure of the colonial administration. But it too attracted trade union members who straddled the economic concerns of industrial relations and those of partisan politics.

The close relationship between political parties and organized labour was practically severed through legal reform, administrative prohibition and trade union education that emphasized strictly industrial relations concerns in the late 1960s and early 1970s. Consistently since independence, leaders of trade unions and workers' associations have been admonished in parliament and public addresses not to use workers' economic grievances for partisan political ends. In the context of the economic strength concentrated on Government, the result has been that both political parties⁵³ and trade unions have tendered to eschew formal links that could undermine their credibility. This is in stark contrast to the situation in South Africa where the powerful federation of Trade Unions, COSATU, has established very clear formal links with the African National Congress which became the ruling party when franchise became universal in that country.

The issue of political affiliation has been subject to debate within the trade union movement. In fact, according to Dhlamini [2002; 20⁵⁴] the Botswana Federation of Trade Unions split over the issue of political affiliation when some affiliates called for a more assertive and proactive role in politics. The two largest affiliates of the BFTU, the National Amalgamated Local, Central and Parastatal Manual Workers Union and the Commercial and General Workers Union broke away in 1988 because they wanted the independence to decide which political party to support. The disagreement centred around whether affiliates should 1] be aligned to political parties or 2] remain neutral and only have political affiliation on an individual basis. The differences could not be reconciled and the two main affiliates broke away and stayed outside the Federation for more than a decade. In 2001 the BFTU conceded to allowing affiliates to affiliate to any political party of their choice: thus paving the way for a rapprochement.

Employers have also played a major role in policing the trade unions to ensure that party politics is kept out of the work place. Ananagu [1979; 160] cited examples of an agreement reached between the Botswana Mine Workers Union and De Beers Mining Company in Orapa [diamond mine] and Bamangwato Concessions Limited in Selibe

⁵³ Botswana's opposition parties, while positioning themselves rhetorically as champions of the working classes and other economically marginalised groups, did not actually refer to the plight in Botswana in their campaign materials till the 1980s.(Stevens and Speed, 1976; Cohen, 1976, Picard, 1987; Holm, 1988; Selolwane, 2002.)

⁵⁴ Armstrong Dhlamini, 2002, Botswana Unions Find Voice. In SA Labour Bulletin, vol 26 no 1, pp20 – 21.

Phikwe [copper nickel mine] in 1972 where the employers would recognize the Union on condition that, among other things, it shall not actively support, concern itself with or become affiliated to any political organization.

Concluding Remarks

Organized interests have grown in institutional capacity and strength along side the growth and transformation of the national economy and the institutional development of the public sector. The growth-first development strategy that was followed in the early years of independence was practically dictated to by circumstances. Botswana was extremely poor and at the time of independence all mining activities that had been carried out during colonial times had ground to a halt due to economic non-viability, but there were signs that explorations might yield other economically viable mineral deposits: hence the choice of mining exploration as a key area of investment for the chosen strategy of rapid and sustained economic growth. The cattle beef industry was still in its infancy, but offered immediate potential for rapid development and national/household wealth creation. Commercial and industrial activity were extremely limited and still had to be stoked into life. So in the absence of local entrepreneurial capacity, the Botswana government opted for a strategy followed by other African countries that had preceded it to independence by adopting an interventionist development strategy where the state would enter the production process.

The Growth-first strategy yielded dividends in the form of rapid and sustained economic growth which created conditions for the development of commerce and industry which in turn facilitated the growth of organized interests. The state emerged out of its initial weak institutional condition earlier than organized interests and therefore tended to dominate the policy making and development strategy choices: a situation that was sustainable as long as the strategies continued to yield rapid and sustained economic and employment growth. However, this state dominance once the growth peaked, the contradictions inherent in that strategy began to manifest themselves: providing an opportunity for developing organized interests to also assert themselves.

Organized interests were characterised by conflicts between labour and capital, between citizen and foreign enterprises, and within the labour movement itself, which made for complex interventions in the policy making process. Generally organized business developed faster than organized labour and had to deal with its own internal conflicts between citizen and expatriate interests, small and large enterprises which were mediated through the state and yielded contradicting policies. But these were reconciled when organized business consolidated itself under BOCCIM with a broader, more representative mandate from the whole business community. Changing economic conditions and pressures for further economic liberalization gave BOCCIM room for manoeuvre, resulting in successful shifting of development policy from overemphasis on the cattle-beef industry as a net recipient of public funding and from the state as a priority recipient of skilled human resources.

Organized labour has trailed behind other political actors in terms of development. Hence its distinct contribution to policy development is only now become more visible through the publications of position papers on various areas of policy instruments. This comes long after the policies have been finalized and are in the process of implementation: thus leaving room only for ameliorating the adverse effects on labour. Perhaps the most tangible successes in policy influence has been in the extent to which labour successfully lobbied for ratification of ILO conventions which would give labour greater bargaining scope. But there were other smaller but significant victories in the form of industrial policies and labour law that contributed to changing relations between organized labour and the state as well as the welfare of workers.

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