

A Framework for a Long Term Vision for Botswana

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Summary

i) The need for a vision

The world is undergoing rapid change, and Botswana is changing with it. The challenge for the future will be to adapt to the changing and competitive world without sacrificing the positive aspects of our culture and values. Change can be very difficult - it will require hard work, commitment, and an acceptance of some necessary but painful adjustments. Yet the alternative to change is stagnation and international isolation, an unattractive outcome that we should strive to avoid.

The four national principles of democracy, development, self reliance and unity are as valid today as when they were first enunciated, and will need reemphasis. We might add a fifth - that of *botho*, or humane behaviour, drawn from Botswana's cultural heritage.

With these principles guiding us, we need to set long term goals for how we would like the society of Botswana to be - a long term vision. It seems appropriate at this time, on the thirtieth anniversary since independence, to set a target of twenty years from now, and define a vision for Botswana; in the year 2016,- when Botswana will be celebrating their fiftieth anniversary of independence.

This document defines a framework for the vision. This framework might form the basis for a process of consultation where all citizens of Botswana, either individually or through organisations and institutions will provide their contribution to defining what the vision should be. The long term vision that finally emerges must reflect a sense of common and shared destiny around which all Botswana can rally to build a prosperous and successful nation.

This document is intended to provide a general framework for a set of preliminary ideas about what might go into a long term vision for Botswana. It is necessarily short, and it is not intended that it should contain any details about implementation plans.

A long term vision cannot be complete without an accompanying strategy, which spells out the actions that are to be taken to meet the long term goals. This document also defines a framework for what might comprise the strategy, grouped into sections that correspond to the main headings of the vision. The strategy must be built on an honest analysis of the strengths and weaknesses of Botswana on the opportunities that can be seized, and on the possible threats to avoid.

ii) Constraints, achievements and challenges

Botswana was one of the poorest countries in the world at the time of independence thirty years ago. Since that time, the country has achieved one of the highest economic growth rates in the world, as a result of the exploitation of mineral resources, and sound financial management. Botswana has accomplished remarkable improvements in the fields of education, health, and the provision of physical infrastructure.

Government policy has recognised a number of challenges facing Botswana. There is now a need to diversify the economy to provide for future economic growth and to reduce Botswana's high unemployment rate. Botswana has a very skewed distribution of income, and there is concern over the levels of poverty seen in the country. The education system needs to be tailored more closely to the demands of the job market and the requirements of a diversified economy.

Besides the need to extend health services within the country, Botswana faces a threat from the consequences of the spread of the HIV virus that causes AIDS. The effect on the lives of all citizens and on the economy is difficult to predict, but is likely to be substantial.

The natural resources and environment of Botswana are a vital asset, and the policies for their development and protection are of the greatest importance to the economic future of the nation. Similarly, Botswana must recognise the potential of its youthful population, and improve the social and legal position of women so that all citizens can participate fully in the process of national development. It is vital that the people of Botswana become self-reliant, confident and proud of their position in the world.

iii) framework for a vision

The first element of the framework for the vision is that Botswana should, in twenty years time, be a prosperous, productive and innovative society. It should have a diversified economy with an average income level per person of three times the current level, the equivalent of US\$8,500. There should be full employment, so that the job opportunities are in balance with the number of people seeking work.

In the year 2016, Botswana should be a just and caring society. There should be an equitable distribution of income, and there should be no people living in poverty. A strong social safety net should support those who are disadvantaged. Every citizen should have access to good quality housing, and to good quality health services within a reasonable distance. All people should grow up in a strong and stable family unit that provides support and retains the social values that distinguish Botswana from other nations.

Botswana in 2016 should be an educated, informed society. All citizens should have the choice of continued education, whether in academic fields or in vocational and technical subjects. Botswana must also join the information age, with full access to the media of communication and the explosion of information flow that is revolutionising the world.

In twenty years time, Botswana must be an open, democratic and accountable society. The traditions of community oriented and decentralised democracy should be on a sound foundation. All citizens and those in positions of leadership will hold themselves accountable for their actions, and to those they represent. The role of traditional leaders should remain strong.

Botswana in twenty years time should be a moral, ethical and tolerant society. The standards of personal morality of all citizens and leaders will be of the highest quality. No citizen should be disadvantaged as a result of gender, age, religion, ethnic origin or political opinions.

iv) Elements of a strategy

If Botswana is to build prosperity, then the rewards for productivity in the workplace will need to be increased. There must be full recognition of the importance of technical and entrepreneurial skills and business development. Full support must be given to the further development of small and medium sized enterprises.

Mining will continue to be an important element of Botswana's economy, and there should be continued exploration of both the resources and the potential markets. Agriculture will continue to be an important source of income for many people. The aim must be to increase the level of food production through the exploitation of modern techniques, and to extend and improve the quality of beef production. Botswana must make full use of all of its agricultural potential.

The most important element of the strategy for growth will be the rapid development of industry, particularly manufacturing. Botswana will need to adopt high technology practices, and develop the necessary training, research and development facilities. Investment will have to be attracted into Botswana by a combination of incentives and the exploitation of niche markets. Small and medium sized enterprises must be encouraged and supported to provide stability to the economy, and to decrease the degree of foreign ownership.

Botswana must also develop the service industries. There is rich potential for the further development of tourism in the existing game parks and facilities, particularly the Okavango delta. There are additional possibilities arising from the rich historical and archaeological heritage of the country.

There is an urgent need to develop the capacity in Botswana to provide information services through all media, particularly the internet. This will also facilitate the development of Botswana as a centre for financial services and banking.

Economic development in Botswana must grow out of a partnership between government and the private sector. It is essential that the nation is able to harness all of its physical and human resources in an efficient and non adversarial way. Botswana must become a just and caring society. The first step is to strengthen the social safety net, and to address and deal with the underlying causes of poverty in the country. There should be systems of unemployment benefits, and pensions for the elderly.

The health services must continue to develop. In particular, ways must be found to contain the further spread of the HIV virus. Campaigns must be continued, and

businesses should be encouraged to set up schemes to educate and support their employees. The community as a whole will need to support those who are made destitute by AIDS.

The existing education policy must be implemented in full. It is particularly important to increase the range of vocational and technical choices that are available for all people in addition to continued academic study.

There will also need to be support for parents to bring up their children in a way that fits them to be useful citizens. Policies and facilities to support the development of youth should be seen as a priority. Tirelo Sechaba should continue to embody the important concept of national service, but should be modified so that it does not interfere with other forms of education.

It is important that Botswana continue and strengthen its traditions of democracy. The Kgotla system provides a strong base on which to build, and free political debate must be encouraged at all levels. There should be a programme to extend courts and tribunals throughout the country to ensure that all citizens have access to justice.

The recently approved policy on women in development will need to be translated into concrete strategies for implementation. These should be focused upon targeting of women's economic needs, on discriminatory laws and practices, on positive discrimination in leadership, on female literacy and education, on women's health and on the eradication of violence against women.

Botswana must become a moral, ethical and tolerant society. The goals of the vision require the utmost commitment by all citizens. The attitude of leaders at all levels is of the greatest importance. Leaders must be seen to behave in a moral and upright fashion.

All Botswana will need to see the advancement of their country as a duty incumbent on everybody. Self reliance will be a vital attribute in the future. Botswana has a long history and a developed culture that determines the behaviour and attitudes of its people. This culture must be strong enough to absorb change without losing its central values. Family traditions, and the strength of the family unit must be maintained, and the cultural and spiritual values of people respected and encouraged.

v) Links to existing policy and planning

Most of the elements of the National Development Plan 8 currently under preparation are compatible with the framework of the vision presented here. The framework is also in broad agreement with many of the already established policies. However, there will be a need to refine some of the policies, strategies and implementation plans to facilitate the aspirations expressed in the vision.

In particular, there is a need for strong emphasis on the importance of sustainable economic diversification, job creation, a stable macro economic environment, the promotion of small and medium sized enterprises, and the partnership with the private sector.

The achievement of the longer term goals will require, in the first instance, the timely implementation of all the agreed policies. An increased impetus on implementation must

be pursued. There need to be decisive measures to translate the well articulated and good policies into action, with well defined structures, monitoring mechanisms, timetables, and a commitment to success. A high level monitoring body such as the HLCC must be charged with the responsibility of driving the implementation of the vision.

2. Introduction

Botswana finds itself in a period of history when social attitudes and values around the world are changing at an unprecedented rate. Within the country itself, this has been accelerated by the pace of urbanisation, and increasing contact with diverse foreign cultures. In the future, the people of Botswana will need to adapt to the challenges of global society while not sacrificing the positive aspects of their cultural values that distinguish them from other nations.

It is appropriate at the thirtieth anniversary of our independence to take stock of our past aspirations, and the extent to which we have realised them. At the same time, we should formulate our aspirations and dreams for the future. What kind of society would we like Botswana to be in twenty years from now, in the year 2016, when Botswana will be preparing to celebrate their fiftieth anniversary of independence? This vision should guide our strategic thinking and policy making in the coming years, and should form a rallying point around which all Botswana can unite.

The vision 2016 will envisage all citizens of Botswana fully embracing change, and actively managing the process of change. This cannot be change for its own sake, but rather a fundamental change across the broad spectrum of the social, economic, entrepreneurial, political, spiritual and cultural lives of Botswana that will make the vision realisable.

For us to be active in the rapidly changing global economy and social order, it is inevitable that we will need to change if we are to take advantage of the opportunities that will be presented. We must therefore all engage in self re examination and introspection at the level of the community, business enterprise, political, social and professional organisation, and indeed as a nation. In this way we can build a stable society in which all nationals are fully involved and can contribute meaningfully to the development process.

The lofty and ambitious targets we set for ourselves will come with many challenges, some of which we cannot anticipate today. We must be prepared for continuous innovation, resilience, commitment and fortitude. If we are to compete successfully, then we will need to instil a greater sense of urgency in our society. Botswana will have to be dedicated to shaping the destiny of their country. Nobody will do it for us. We should discipline ourselves to change in whatever way is necessary for us to achieve the goals of this vision. The alternative economic decline and worsening poverty is one that hardly any Botswana would want to countenance.

i) National Principles

The development plans of Botswana are always based upon the four national principles, which are:

- Democracy
- Development
- Self Reliance
- Unity

These principles are derived from Botswana's cultural heritage, and are designed to promote social harmony, or kagisano. The four principles set the broader context for the objectives of national development, which are:

- Sustained development
- Rapid economic growth
- Economic independence
- Social justice

These principles are still valid today, and must be re-energized to assume a deeper meaning that embraces change.

A fifth principle, that of Botho, is also appropriate for Botswana. This might be translated into English as "humane behaviour", but it refers to one of the tenets of Setswana culture the concept of a person who has a well-rounded character, who is well-mannered, courteous and disciplined.

Botho defines a process for earning respect by first giving it, and to gain empowerment by empowering others. It encourages people to applaud rather than resent those who succeed. It disapproves of anti-social, disgraceful, inhuman and criminal behaviour.

ii) Pride and nationhood

Botswana has accomplished a great deal during the last thirty years. It can and should become a society with confidence in itself, proud of its achievements, and possessing a sense of common and shared destiny. There is no reason for the people of this nation to feel any sense of inferiority. Botswana of the future should be subservient to none, and respected by the peoples of other nations. On this basis, Botswana will continue to cooperate with other nations to mutual benefit. In particular, it will work with its neighbours to increase the degree of regional integration in trade and other policies, with a view to improving the competitiveness of the region as a whole. It will also continue to work with its neighbours and others to promote peace and an equitable international economic order.

Despite the economic successes of the past thirty years, and the reduction of the poverty levels seen in the past, Botswana has not developed a strong sense of pride in itself and its position in the world. The nation has set itself a low benchmark by comparing itself with poor countries, rather than with the best in the world.

Botswana has not yet succeeded in enlisting the social and cultural diversity of the country in a shared vision of the future. The people are the strongest asset of any nation, and Botswana is well-endowed with a rich variety of cultures and languages. The basis for the future is in place, it needs only to be mobilised.

The coat of arms, national flag and national anthem are symbols and expressions of nationhood and patriotic sentiment, and are thus strong references and rallying points

for nation. building and a sense of common purpose. It is therefore vital that Batswana understand and identify with these symbols and their meanings.

iii) "Owning" the future

It is important for Botswana to create the conditions where all people can feel that they have some stake in both the present and the future. The nation needs a shared vision where everyone can contribute to the common endeavour. This can only happen if all Batswana can feel some sense of ownership of the process of creating the vision.

This document proposes a framework for a vision for Botswana, the type of society that Botswana should be in twenty years time, by the year 2016. It identifies the major challenges that must be met, and the sometimes painful changes that should be embraced if the goals of 2016 are to be achieved. To this end, this document also proposes strategies to be adopted to reach these goals. Failure to look and move forward now could condemn Botswana to social, economic and cultural stagnation, and long term underdevelopment.

3. The First Thirty Years: Constraints and Achievements

a. The Beginning

At independence in 1966, Botswana was among the 25 poorest and least developed countries in the world. There were few formal sector jobs. Most wealth and income was derived from traditional agriculture, particularly cattle farming, and from the earnings of migrant labourers who provided cheap labour to South African mines.

Very little attention had been given to the physical and social infrastructure of the country. Education had been neglected, the population was largely illiterate and very few Batswana were available to fill professional and technical positions.

Independence in 1966 came in the middle of a severe drought cycle that lasted for more than five years. The national cattle herd had declined by over one third as a result, and the economic outlook was bleak. The domestic resources available for development were inadequate for even the most modest needs.

Drought has recurred throughout the last thirty years, and the provision of drought relief on a regular basis has become a feature of government expenditure. Many people, to this day, depend upon the drought relief programmes for their survival.

b. Achievements

Many changes have taken place since independence. Some have been the result of human effort, while others have been dependent on the fortuitous discovery of minerals, especially diamonds, and the generous support extended to Botswana from the donor community.

The thirty years since independence saw the discovery and exploitation of diamonds at Orapa and Jwaneng, copper and nickel at Selibe Phikwe, coal at Morupule, and soda ash and salt at Sowa.

Botswana conducted a successful re negotiation of the Southern African Customs Union agreement in 1969 with an improvement in its terms, especially in relation to revenue sharing. In addition, the Debswana agreement with De Beers over the exploitation of the diamond mines obtained flexible and favourable terms for Botswana. Successive Lome conventions contained concessions for export of Botswana beef to the European Union market, to which the Botswana Meat Commission responded by expanding its production and sales.

The revenues from these activities helped Botswana to emerge from a situation of abject poverty, and then enter a period of rapid growth and economic transformation. The Government was the principal recipient of the diamond revenues. It adopted the strategy to invest these revenues to improve the physical, social and economic infrastructure of the country. This has brought about major improvements in the delivery of government services to the population, and in the conditions for investment in productive activities and employment creation.

i) Economic growth and employment

Between 1966 and 1995, Botswana's per capita gross domestic product grew from the equivalent of approximately P1,682 to P7,863 (expressed in 1993/94 prices), an average annual increase of around six per cent. The current level is the equivalent of about \$US2,850. Formal sector employment grew over the same period by an average annual increase of nine per cent. As a result of this economic growth, Botswana has graduated out of the group of poorest and least developed countries, and has now moved into the group of lower middle income countries in the World Bank classification.

High public spending led to an expansion in public sector employment, in addition to boosting employment in the private sector, especially in construction, retailing and distribution, and services related to the diamond industry.

Recent years have seen a slowing down in the rate of growth. The challenge for today is to find new and productive activities that will provide future growth in employment and income earning for the bulk of the people.

ii) Management of the economy

Throughout the three decades since independence, Botswana has exhibited relatively sound public sector management. Government has used its foreign exchange reserves and cash balances to counterbalance the cyclical short term economic fluctuations. The accumulation of foreign exchange reserves have also enabled Botswana to liberalise its exchange controls.

Botswana has evolved a system of national development plans, based upon an overall set of objectives and strategies and an estimated total budget leading to a series of project spending votes authorised by parliament. This has been further developed into systems for economic planning and budget control, ensuring that development projects are selected on the basis of their economic and social returns.

iii) Health Infrastructure

Health infrastructure has improved steadily since independence. The last decade has seen a 50 per cent increase in the number of beds available in hospitals and clinics, and in the provision of health posts and mobile stops in rural areas. There have been similar improvements in the number of doctors (2.3 per thousand in 1994 compared with less than one in 20,000 in 1966) and nurses (22.6 per thousand in 1994 compared with less than one per thousand in 1966).

Health services are well above average developing country standards, reaching some 90 per cent of the population. Life expectancy currently stands at about

65 years, compared with levels of between 72 and 78 years in developed countries. The UNDP Human Development Index of 1995 ranks Botswana at number 74 out of 174 countries. Botswana is the third highest in Africa below Mauritius and Libya, but well below the countries of Europe and North America.

iv) Educational Infrastructure

Progress in the provision of educational services since independence has been remarkable. School enrolment has risen to about 70 per cent of people aged between 6 and 23, compared with a level of 52 per cent in 1980. Adult literacy has risen from 41 per cent to 67 per cent between 1970 and 1992.

Children enter school at the age of six and free primary tuition is available in government schools. Seven out of ten go on to secondary schools, and tertiary education is provided by the University of Botswana in Gaborone and at a number of teacher training colleges. There are in addition many vocational centres and brigades providing technical training.

v) Political stability

Botswana has enjoyed many years of political stability, and has a sound public policy making machinery. It has a long tradition of internal peace, and peaceful relations with its neighbours. It also has a strong measure of national unity that, although not without problems, is comparatively free of destructive tribal and cultural divisions. These factors can be seen as assets that will assist in inspiring confidence in investors, but they are also a necessary platform for any sustainable process of national development.

Botswana has a record of relatively peaceful labour relations that have not been marked by major damaging or violent disputes. This compares favourably with other countries in the region, and can be promoted as an advantage which Botswana can offer.

vi) Democratic traditions

Botswana's stability has been coupled with a tradition of democratic government, and an open attitude that has allowed for full consultation and debate over major policy changes. This encouragement of ideas and free thinking gives Botswana the flexibility to adapt to the modern world with a measure of consensus among its people.

c. Opportunities and Challenges

i) Economic growth and development

Industrialisation

Evidence from all over the world suggests that no country has ever been able to enjoy a sustainable prosperity without a diversified economy and a strong commercial and industrial base.

Despite a favourable macro economic environment, and a long period of peace and stability, Botswana has not yet made full use of the opportunities offered by the years of rapid mineral led growth and improved infrastructure.

Unemployment

The unemployment rate in Botswana remains high, leading to socio economic problems in the society, and contributing to poverty. Skills development has lagged behind, and labour productivity remains low in many sectors. There is a clear challenge to adopt strategies to bring the unemployment rate down.

Poverty and Inequality

Botswana has enjoyed high levels of economic growth since independence, with improvements in the average levels of personal income. After correcting for inflation, the average annual rise in per capita GDP between 1975/76 and 1990/91 was almost 6 per cent. There is however a high degree of income inequality in the country. The most recent estimate of the GINI coefficient, a commonly used measure of inequality, give a value of 0.54, on a scale of zero to 1. A value of zero would represent a situation of complete income equality, and 1 a situation of extreme concentration of income to one person. Although this figure does not take account of the value of government services to households, it nevertheless indicates a very skewed income distribution.

In addition to income inequality, there remains a high level of poverty in parts of Botswana. Recent estimates indicate that in 1993/94 some 47 per cent of people in Botswana had incomes below the poverty datum line. The level of poverty has been reduced during the last decade this figure has decreased from a level of 59 per cent in 1985/86. It is nevertheless a high degree of poverty compared to other countries in the world.

Urbanisation

The thirty years since independence have witnessed an unprecedented rate of urbanisation in Botswana. Almost half of Botswana live in urban areas today (defined broadly to include major villages), compared with 2 per cent in 1960. This level is projected to rise further in the future.

The development of apiculture and the improvement of rural livelihoods would have the effect of slowing down the rate of urbanisation, but urbanisation is an inevitable consequence of economic development and diversification. It needs to be recognised,

provided for and developed for what it can offer. The challenge is to plan for increasing urbanisation, and to provide the necessary housing and amenities.

International markets

Botswana has obtained a large proportion of its export revenue from a small number of commodities diamonds, copper nickel and beef. These revenues are vulnerable to changes in the international or regional market for those commodities that are outside Botswana's control. Examples might include a sudden decrease in world demand for diamonds, increases in import tariffs charged by major customers, or a loss of confidence in Botswana's beef products resulting from an outbreak of disease. A diversification of exports will be needed to reduce this vulnerability.

Economic stagnation

The National Development Plan has clearly identified the danger of relying upon the diamond mining industry to sustain further economic growth in Botswana. Action is required now to diversify the economy and invest in other economic activities that will sustain economic growth in the future. Failure to act now will lead to economic stagnation.

With Botswana's sound economy, reserves, past investment in infrastructure and human resources we have a window of opportunity in the next few years. It is vital that this opportunity is used wisely by putting the appropriate measures in place.

Botswana has a number of attractive features that should give it a comparative advantage in attracting investment for manufacturing and service industries. First, it has invested heavily in its infrastructure in recent years, so that it can offer an environment with efficient communication and services. The high cost of these services compared to neighbouring countries is however a disadvantage.

The exploitation of Botswana's mineral wealth has left the country with substantial reserves of foreign exchange, and a unique opportunity to raise funds for investment into the infrastructure and capital that will be needed to sustain the economic growth. One possible avenue may be to develop the opportunity to establish Botswana as a centre for financial services within the region or further afield.

Botswana has not had a sufficiently flexible and diversified system for allocating credit. This has been a disincentive to the development of small and medium sized enterprises, and has contributed to an environment that stifles innovation.

Natural resources

Botswana is fortunate in possessing an enormous wealth of natural resources in relation to its small population. These include minerals, but also wildlife, landscape, historical sites, archaeological and heritage sites. The natural resource base of Botswana, in conjunction with its rich cultural diversity offer it a rich mosaic of latent opportunity that can be strategically realised in a variety of different ways.

Tourism

One of these is the further development of tourism. The further development of the tourism potential of the wildlife resources, the Okavango delta, and also the historical and cultural sites should be seen as a high priority.

The Okavango delta is a site of world wide interest and attention. It is one of the world's largest inland deltas with an unparalleled diversity of microresources and features of great scientific, social, cultural, historical and economic interest. This places the delta as Botswana's single greatest potential asset in terms of tourism.

The proximity of the Okavango delta to other renowned sites such as the Victoria Falls will ensure a steady flow of tourist traffic for years to come. The wealth of the delta is a heritage which Botswana should understand, but also manage and develop. The tourist potential of the delta is a vital component in efforts to diversify the economy, and to place the importance of the natural resources at the forefront of national thinking.

International connections

Botswana is well endowed with the infrastructure for efficient communications and transport, and is well connected to the region, and to the world beyond. Many Botswana have received tertiary education in Africa, Europe and North America, and there are strong personal and institutional links resulting from expatriate involvement over many years in both the public and private sectors. Botswana is well placed to establish its importance on the world map.

Agriculture

Botswana has not been sufficiently innovative in making use of modern techniques such as improved irrigation and animal husbandry to raise productivity in the agricultural sector, particularly in beef or food crop production. The potential for production and export revenue has not been met.

Education

Botswana has achieved a marked improvement in the provision of educational facilities to its citizens. There are nevertheless still a number of problems with the quality of education. Botswana has developed very rapidly in recent years, but the pace of educational change has lagged behind the pace of that development.

This has led in many cases to a failure to gear education to the needs of the country, and to the job market. There seems to be insufficient emphasis on technical and practical subjects, and business skills the very skills that are most needed. As a result, the investment in education has not contributed as much as it should to the national capacity. The proposed policy on education addresses these issues, and there is a pressing need for its implementation.

Health

Despite the gains Botswana has made in the area of health care during the past thirty years, the prevailing high fertility rate, the youthful structure of the population, high maternal mortality and the HIV/AIDS virus still pose serious challenges.

In common with many African countries, Botswana has an alarmingly high incidence of the HIV virus that causes AIDS. AIDS is invariably fatal, and has a long gestation period. A high incidence today will translate into higher mortality rates in the future.

There is also evidence that, at the early stages of the epidemic, HIV prevalence is higher in the most educated and productive age groups of the population. Many countries and international organisations are becoming concerned that the direct costs, and the loss of productivity and human capital will exact a high economic cost, both now and for years to come.

The impact of HIV/AIDS upon the macro economy and future economic growth is a challenge that needs to be addressed urgently if Botswana is to advance in the next twenty years and beyond. The existing Botswana National Policy on HIV/AIDS is designed to guide all actors in HIV/AIDS prevention and care. This policy needs to be vigorously implemented, and the institutions dealing with AIDS strengthened.

ii) The socio cultural situation

Tensions and flashpoints

As the society of Botswana changes, it will become increasingly important to take into account the present and future tensions before they flare up to the point of crisis. It will be necessary for leaders at all levels to be seen to be taking responsibility for the problems of society as perceived by the people, and not to be allocating blame to implementing agencies such as the police. Leaders will also have to be sensitive to local issues, whether or not they appear to be important at a national level. This includes problems related to tribalism, and to perceived discrimination against minority ethnic or language groups.

Deterioration of national values

Many people have become concerned about the perceived deterioration of national moral and cultural values, with corruption, economic crime and the increasing incidence of teenage pregnancies being cited as examples. After such a period of change and disruption, the country may be facing a form of collective "identity crisis". The process of rediscovering a collective identity based upon shared values will be an essential part of establishing the vision.

"Give me" attitude

There is a danger that the people of Botswana may have come to rely too heavily upon the mineral wealth, the assistance provided by foreign donors, and the subventions provided by Government during crisis periods. Clearly the future does not lie entirely in the hands of government. It is the creativity and effort of ordinary people with the vitality of the private sector that provides the vital engine for development and growth. It is essential that Botswana avoids a culture of dependency in the coming years.

Government can facilitate an enabling environment for this process. For example, government needs to come forward with innovative ideas to assist those who have difficulty in obtaining credit.

iii) Human resources

Population Growth

The National Development Plan 7 recognises that there is a link between population growth and development, and that there is a need to manage the population growth in Botswana if its people are to be adequately catered for in terms of education, health and service provision.

Educated people

While there have been problems in gearing the education system to meet the changing needs of the country, it is nevertheless true that a comparatively large proportion of the population has received an education, and will therefore be better prepared to absorb new ideas and contribute to further development. There is a strong base of educated people from which to launch new initiatives.

Smallness

Botswana has a small population with a large resource base. This can be seen as an advantage in that changes can be introduced more quickly. The momentum is smaller because there are fewer people to persuade about the advantages, and the resource requirements are within the capabilities of the country.

Youth

The population dynamics of Botswana will ensure that the country will have a youthful population for many years to come. The most recent census in 1991 estimated that 36 per cent of the population were between the ages of 12 to 29 years. In the next twenty years, an increasing proportion of the population will fall into the economically active age group, and contribute to the economic growth of the nation.

The recently published National Youth Policy identifies some of the problems confronting young people in Botswana. There is evidence that there is an increasing number who are not participating in any form of education or training, and whom have difficulty in finding employment. Unemployment is particularly high amongst the youth, especially among women: It is possible that frustration among the youth of Botswana is leading to an increased involvement in crime.

Young people are also a major risk group for the HIV virus and AIDS. High rates of pregnancy among young women are also placing them at a disadvantage in education and employment.

Young people are also more exposed to the bombardment of new and foreign cultures, associated with rapid urbanisation and other cultural and economic changes taking place in Botswana. The changing family structures and gradual erosion of traditional values are examples of how the transition of Botswana society is compounding the problems faced by its youth.

Position of Women

Women constitute 52 per cent of the population of Botswana, and have made a major contribution to the country's development. This has however not been reflected in their full recognition as equal citizens with their male counterparts in law and practice. While the constitution guarantees everyone equality before the law irrespective of gender, certain provisions of customary, common and statutory law discriminate against women.

As recognised in the policy on women in development, published in 1995, women have also been constrained in their ability to participate in the economy and benefit from economic development by a variety of socio cultural factors. These include their traditionally ascribed productive and reproductive roles, lower levels of education and skills training. Households headed by women are much poorer than those headed by men, and there are very few women in key decision making or leadership in either the public or private sectors.

The policy on women in development recognises these gender inequalities, and seeks to address them in a comprehensive and holistic manner. Botswana is also a signatory to the Beijing Declaration and Platform for Action that was adopted by the United Nations at the fourth world conference on women in September 1995.

The challenge in the next twenty years is to translate these national and international policy objectives into concrete strategies that will result in the full empowerment of Botswana women. This is important for reasons of social equity and justice, as well as for strengthening the human resource base, increasing economic growth and productivity.

The elderly

Many modern societies have failed to be sufficiently innovative in their development programmes to define a significant role for their elderly populations. In such societies the elderly are inadvertently placed in the waiting stage for the hereafter, perceived as a dependent population. With the improvement in life expectancy, this perceived "burden" will continue to increase unless Botswana adopts an approach that is innovative, productive and humane. The elderly should be perceived as they truly are a human resource of senior citizens who are the custodians of Botswana's cultural wealth, values and wisdom as well as historical knowledge. This knowledge needs to be imparted to the new generations.

Using Local Resources

It is vitally important that Botswana can make use of the local resources, and of the expertise that already exists within the country. Botswana should have confidence and belief in their own abilities and skills. Foreign assistance and expatriate consultants should be engaged only where local expertise is not available.

iv) The legal order

Botswana's legal system is premised upon a written constitution which contains a bill of rights that guarantees everyone fundamental human rights and freedoms without regard to race, colour, ethnic origin, creed or sex. Since independence, Botswana has had an impressive record of the observance of the rule of law, and its citizens have generally enjoyed the rights and freedoms guaranteed by the constitution

However, there exist certain laws and practices that are inconsistent with the full enjoyment of these constitutional rights. The challenge in the next twenty years will be to review these laws and practices to ensure their conformity with constitutional and international standards. Constitutional and human rights norms should form an essential part of Botswana's dynamic culture.

A second challenge will be to ensure that the dual legal system comprising customary law and common law is regularly reviewed to remove contradictions and inconsistencies.

The availability of courts and other dispute settlement agencies is presently concentrated in the major centres, and there are delays in the processing of disputes as well as in the enforcement of decisions. The challenge in the next twenty years will be to address these inadequacies to ensure citizens' rights to justice.

A third challenge will be to reduce the increasing incidence of crime in the country. Botswana is beginning to see increases in the level of crime. While it is necessary to look at the root cause of the problem of crime, it is also true to say that there has been a failure to give the police adequate resources to deal with it. There is a need to improve the quality of policing through increased resources and higher levels of sophistication and motivation, and to provide specialised training and adaptation to changing crime trends.

When set in a regional context, Botswana has a reasonably good reputation with regard to low levels of crime in the past. Nevertheless, the country will need to take action to control and limit the level of crime in the country if it is to inspire confidence in international investors. This applies to crimes such as common theft and armed robbery, as well as more sophisticated international crime such as drug trading and money laundering.

v) The environment

The environment and natural resource base of Botswana is crucial to its survival and future prosperity. The current rate of population growth, and the rapidly changing lifestyle, characterised by urbanisation and a higher per capita consumption of resources will place increasing strains on the environment.

Water and water development

Water is a scarce resource in Botswana, which has continued to be developed at considerable cost. The National Water Master Plan states that there is an urgent need to give attention to the use of water in Botswana, and to establish the sustainable level of withdrawal from the country's water resources for domestic, industrial and personal needs. Botswana will need to address the challenge to develop appropriate technologies for improving the water supply for isolated communities. It is essential to harness the scarce water resources to ensure an adequate supply of safe drinking water for all citizens.

There are additional risks to the inflow of water in the Okavango Delta that require joint management with neighbouring states.

4. The Next Twenty Years: A Vision for 2016

a. A Prosperous Productive and Innovative Society

By the end of the next twenty years, Botswana must become a society distinguished by the pursuit of excellence through a new culture of hard work and discipline, where success is rewarded and where the necessary skills are available. Government will provide a lead by assuming the role of facilitator, in partnership with the private sector, to create an environment where business and entrepreneurial activities are encouraged and supported.

Botswana must nurture and develop the creative elements within its society, and should actively contribute to the scientific and technological civilisation of the future.

i) Sustainable growth and diversification

At the end of the next twenty years, Botswana should have diversified its economy, with mining, agriculture, industry, manufacturing, services and tourism all making a substantial contribution. The economy should be in macro economic balance, with stable monetary, exchange rate and fiscal policies.

The mineral wealth of Botswana has given the country an economic boost. The challenge is now to build on that success to create a prosperous society with a competitive and robust economy. Botswana should have an economy that is sufficiently diverse to meet the competitive demands of the future, possessing a vibrant and energetic component to attract investors.

ii) GDP per capita

At the end of the next twenty years, Botswana should have trebled its per capita income to a level of the equivalent of US\$8,500, which is equivalent to about P29,000 at today's exchange rate. If we are to achieve this, we must aim to maintain an annual growth rate of some 6 per cent in per capita incomes.

As shown in appendix 2, if this growth is also to accommodate a population growing at 2.1 per cent, then the target for the overall growth rate of the economy will be about 8 per cent per year. This level of growth will require a very high level of investment, at about 41 per cent of GDP, one of the highest in the world.

This rate of investment will need to be met from domestic private savings, from government savings, and from an inflow of foreign capital.

iii) Employment

By the end of the next twenty years, with the economic growth targets above, Botswana will have reached full employment, where the number of jobs available is in balance with the number of job seekers.

The economic growth of the future will have to come from diverse sources that generate jobs for the ordinary Batswana. A society with high unemployment is not compatible with a motivated and united nation. The vision must include the means for creating an environment where every citizen has the opportunity to contribute to the national wealth through paid or self employment.

b. A Just and Caring Society

i) Income distribution

By the end of the next twenty years, Botswana will have a more equitable income distribution that ensures the participation of as many as possible in its economic success. Mechanisms must be found to produce a fair and equitable distribution of the income of the country amongst its citizen.

ii) Poverty

Over the course of the next twenty years, Botswana will endeavour to eradicate or greatly reduce the level of poverty in the country. Poverty is not a dignified condition for human beings, It creates disillusionment, and a feeling of separation from society. Botswana must seek to become a just and caring society, which offers support and opportunity to those who are poor, and seeks to include all people in the benefits of growth.

ii) Social safety net

Many people are poor because they lack access to productive resources in some cases as a result of disability or misfortune. The vision for the future must include a mechanism for establishing a social safety net for those who find themselves in the poverty trap. The aim must be to provide assistance that helps people to escape from the trap, and play a full part in society. This must go hand in hand with the provision of good quality social security, in partnership with the private sector.

iv) A strong and resilient family system

The family is the central institution for the support and development of people in any country, and for the transmission of social and moral values. The vision for the future must include a means for ensuring that the strength of the family is not eroded as a result of the rapid social changes that are sweeping the country, the region, and the world.

The emphasis on a strong family unit will encourage responsible parenting and the institution of marriage. It will provide the social foundation for the eradication of problems such as the high incidence of teenage pregnancies, street children and the spread of HIV.

v) Health

At the end of the next twenty years, all Batswana should have access to good quality health facilities, including both primary and curative) services within reasonable traveling

distances. Facilities should also be available for the special needs of the handicapped. This will go hand in hand with adequate nutrition for all citizens, and provision of good quality sanitation, and an adequate supply of safe water for human needs.

vi) Housing and Shelter

Measures will be taken during the next twenty years to ensure that all Batswana are able to obtain access to good basic shelter, both in the urban and in the rural areas.
Framework For a Long Term Vision

c) *An Educated, Informed Society*

i) Education

Education is an investment that will lead to a higher quality of human capacity in the future, and to a better quality of life for everyone. Improvements in the system of education, and the access to education lie at the core of the vision for the future.

Education is a form of empowerment. Its aim is not only to produce better employees, but also to encourage citizens to create employment through the establishment of new enterprises.

Botswana will need to develop a system of education that is able to adapt to the changing needs of the country as the world around changes. If Botswana is to transform itself into an industrial and information led society then it is essential that it must set the highest possible standards for vocational and technical training as well as for academic excellence

All Batswana must have the opportunity for continued and universal education, with options after ' O' level to take up vocational or technical training as an alternative to purely academic study. Education must be developed in partnership between the public and private sectors.

ii) Information

The world has entered an information age, and Botswana must enter it on an equal footing with other nations. The Country must seek to acquire and use the best available information technology, and to become a regional leader in the production and dissemination of information.

The volume of information, and the access to it are driving the pace of international change. Botswana will develop its media of communication to meet this challenge, particularly in the electronic media, radio and television. Batswana must be informed about the rest of the world.

d. *An Open Democratic and Accountable Society*

The Botswana of the future should be a community oriented democracy, with strong decentralized institutions. Botswana has a distinguished history of democratic

development. Recent announcements on changes to the electoral process, reducing the voting age to 18, and limiting the terms of office of the President to two terms are examples of positive developments. The continued involvement of all political parties in the reform process will ensure a lasting and durable democracy.

The aim of the future will be to allow these traditions to mature, and become nearer to the people. The democratic process should be continually deepened and enriched in accordance with the general evolution of the society and wishes of Botswana.

The quality of governance that is achieved at the level - from the President down to the community leadership - is intimately linked with accountability. The Botswana of the future will seek to emphasise the accountability of all citizens for their actions and decisions.

An integral part of a good democratic process, across the broad spectrum of all political formation, is regular free and unfettered competitions for political office at every level, and the avoidance of the development of personality cults. This culture will ensure that holders of office remain vigilant and allow others to show their leadership potential without any inhibition. This will also facilitate the transition of leadership without necessitating a major turnaround in fundamental socio-economic and other policies such as the ones encompassed in the long term vision.

A morally and ethically upright, educated society should be matched by a leadership of the same qualities, which should provide role models for its younger generation. Botswana will need an atmosphere of increased political tolerance, which where there is legal sanction against all people who violate the principals of accountability, including those in position of leadership.

Traditional leaders are an important part of the democratic process through which long lasting kgotla democracy has passed from generation to generation. They play a significant role as custodians of our culture and tradition. The role of the House of Chiefs and other traditional leaders will need to be clearly defined to suit the changing circumstances of Botswana. An adversarial relationship between traditional leaders and elected political leaders is inimical to social tranquility and orderly governance. It is also important for various institutions of government to complement each other and to avoid others feeling marginalized in the social and economic transformation of the country.

e. A Moral, Ethical and Tolerant Society

The ability of a society to accept change is strengthened, the personal morality of its people. The Botswana of the future will need citizens who are strong in religious and spiritual values, and who possess and who possess high ethical standards.

Botswana will need to harness all of its social and cultural diversity. The society of the future must provide space for people from different cultures, with
With different ideas to contribute to its development, The challenges to come can only be met in an atmosphere of social harmony and mutual tolerance.

The society of tomorrow must be built on the basis of a wide variety of ideas and ideals, in a practical and realistic fashion. It is important to avoid excessive idealism, where the

direction of development is captured by a narrow interest group; or utopianism which seeks outcomes that are impossible to achieve in practice.

No citizen of the future Botswana must feel or be seen to be disadvantaged as a result of gender, age, religion or creed, colour, national or ethnic origin, location, language or political opinions. The future Botswana will have eradicated negative social attitudes towards the status and role, of women, the youth and the elderly.

5. The Strategy

a. Introduction

Internationalisation

The vision presented in the previous section contains a set of ambitious goals for transforming the society of Botswana. The world is shrinking and changing as the revolution in communications technology brings people from every country into a global market, and an increasingly intrusive global culture. Botswana must provide for and respond in a pro active way to these changes. The vision is an important symbol of what the nation is aiming to achieve during the next twenty years.

The goals of the vision cannot be met without concrete strategies that spell out the direction of actions and policies. This section groups the strategies into broad themes that correspond to the headings of the vision, and begins the process of defining the strategies that will be needed to achieve them.

Implementation

It is a commonly expressed view in Botswana that the problems that exist are in the main not the result of poor policies rather they are largely the result of a failure to implement the existing policies. For Botswana to realise its vision, there will be a need to address implementation problems, and to introduce stringent monitoring mechanisms at every level of the public sector. There should, inter alia, be a select Parliamentary committee charged with the task of monitoring the implementation of agreed policies and programmes.

The successful implementation of the vision strategy will require the full cooperation of the key stakeholders the nation at large, the government, political parties, the private sector, the trade unions and the non governmental organisations. For the vision to be shared and accepted, there must be agreement between the differing political views. Otherwise, the vision will become a point of political contention, and its goals will not be met.

Science and technology

Botswana must recognise the rapid international developments in science and technology that are re shaping the societies of the world. While much can be borrowed from other countries, we will need to look within our own resources and culture to find the sources of innovation that will allow us to shape our own future.

The existing centres in Botswana for research and development will need to be strengthened and, focused so that their output is as relevant as possible to the development needs of the country. The setting up of a science and technology council which would actively promote innovation and invention in Botswana is overdue.

A new direction

Botswana needs bold strategies to grow into the future. The conservatism and modesty of the past has served the country well, but the time has come to take calculated risks and aim at higher targets.

The country has moved from a situation where there was a strong momentum that needed principally to be controlled and managed, to a situation where it must generate new kinds of activity to fuel further growth.

Botswana must be prepared to work harder than before. Growth is possible, but we will have to accept that there may be some accompanying costs and cultural changes. There is no need for Botswana to fear change. Change can be liberating, but it needs to be managed and adapted to fit our requirements.

Flexibility

No strategy can be considered so perfect that it should not be subjected to reappraisal and modification during its implementation. The measures outlined in this section are a first attempt at defining a direction. Botswana will need to learn from the experiences of other countries, and be sufficiently flexible to make the necessary policy and strategic adjustments as time goes on.

National consultation

The framework of a vision presented here will be subjected to the widest possible consultation, or *therisanyo* at all levels of Botswana society. It is vital that all citizens identify with, its goals, and work together to implement the strategies that can meet them.

To realise the vision we must change the mindset of every Botswana: The people of this country should learn to compare themselves with the best in the world, and strive to reach that level. This will require a concerted campaign: The ideas behind the vision must be communicated and explained as widely as possible; using every medium available; including the press; radio, and television; the schools and university.

Global Competitiveness

Botswana's economic success has principally resulted from the exploitation of mineral resources, coupled with prudent economic management. The public and private sectors are not competitive enough to meet the challenges of the future. They will need to re-equip themselves in terms of both their physical and human resources.

In the world of tomorrow we will have to compete with the best, and we will no longer be able to rely solely upon mineral rents to sustain economic growth. We have an opportunity in the coming years to invest in the human and physical capital that will give

us the basis for continued growth. Botswana cannot afford to stand still, or be dependent on a single sector the importance of economic diversification has become paramount:

a) *Building on what we have*

Small Population

Botswana is relatively small in terms of its population size, and the reserves of foreign exchange and other resources are sufficiently high that it can continue to effect rapid change in its physical infrastructure; and in the opportunities available to its citizens. The time has come to use this attribute to our strategic advantage.

Government services and Infrastructure

The development of Botswana's infrastructure during the past decade, and the extension of government services to the majority of the population give us an advantageous position in attracting investment for new manufacturing; industries and services. These attributes will need to be aggressively promoted; along with packages of incentives that will bring the necessary foreign capital into the country.

b. *Building a Prosperous. Productive and Innovative Society*

i) Productivity at the centre.

The rewards for productivity

All organisations in Botswana, in the private sector, the parastatals and government departments, need to increase the rewards for productivity in the workplace. Systems of automatic pay increments and automatic promotion must cease. Botswana will need to adopt more modern management techniques in all sectors, including government. Recruitment and appointment should be on the basis of merit, and conducted in a transparent and businesslike manner. Supporting institutions such as the Botswana National Productivity Centre should be further strengthened to extend their services nationwide.

Citizen empowerment

Botswana will need to be educated to understand better the importance of entrepreneurial skills. The stability and success of the economy will depend upon the emergence of small and medium sized enterprises in which people take risks and generate employment for others. The existing policies for encouraging these activities will need to be actively implemented. Botswana must evolve a range of innovative financial instruments, encompassing venture and loan capital and accounting, which could offer entrepreneurs different options for access to capital. Supporting institutions offering business extension services need to be further strengthened and co ordinated.

Technical jobs

The importance of technical training must be stressed throughout the education system. A more difficult task is however to emphasise the importance of technical skills to the

economy, and to upgrade the status of those who are employed in technical jobs. This can only be done through constant emphasis, and recognition of the economic contribution of technical skills both within government and outside through improved salaries and incentives.

ii) Employment

The expansion of small and medium sized enterprises is a vital component of the strategy to achieve full employment within twenty years. Measures must also be taken to ensure that Batswana have the appropriate training and skills to take up opportunities offered by foreign investment, or by the introduction of export processing zones or free trade areas. This can also be facilitated by strengthening non governmental organisations offering market services.

iii) Environment

The natural resources of Botswana are one of its greatest assets. The strategy for protecting these resources must be based upon sound domestically based research as to the extent of mineral and water resources, the possible implications of increases in manufacturing, urbanisation, tourist volumes or long term changes in climate, and the effect of the use of water resources both within Botswana and in neighbouring countries. The National Conservation Strategy Secretariat should be strengthened and made more pro active.

The results of research must then be translated into effective measures that will protect the resource base and environment in a sustainable way so that they can be enjoyed by the citizens of the future.

iv) Mining

Diamonds

Botswana is a major diamond producer, and it should be seeking to benefit directly in more of the aspects of the diamond industry and trade. Diamond polishing and jewellery manufacturing in Botswana is very small in relation to diamond production. The trade in polished diamonds and jewellery is very competitive internationally. Botswana must nevertheless fully exploit the possibilities for expanding polishing and jewellery production, and of further penetration into this market.

Other mineral deposits

Botswana has large deposits of soda ash. It is also widely available world wide, and it is a challenge for Botswana to compete in the by product industries. We must find ways to penetrate the local or international market in soda ash products.

Botswana must continue to exploit its other mineral assets, such as copper, nickel and coal. There is considerable scope for the development of more small scale mining operations, in a way that encourages ownership by citizens, and which improves the distribution of income.

Botswana should collaborate with neighbouring countries, particularly South Africa, over the possibility of exploiting coal reserves for power generation.

Further Exploration

It is important to remain competitive and dynamic in the mineral sector at the same time as seeking to diversify the economy. Exploration is a long term effort to realise a return from the search for further mineral resources. It is critical that the pace of exploration is maintained, particularly in diamonds, gold, other precious metals and oil. Discoveries would impact on the economy in a major way, but the exploration also provides employment and multiplier effects.

v) Agriculture

Food Security

Agriculture is the backbone of any nation. The development of diversified food production and food self sufficiency in broad terms will be a paramount challenge for Botswana, and will give her stability against external shocks. Botswana is a large country with a small population, and it should endeavour to develop its agriculture, especially in its eastern section where conditions are more favourable. The aim must be to grow appropriate crops for the domestic and export markets, and to import those foodstuffs whose production is expensive within the country.

Botswana should further review the use of technologies, including the promotion of fertiliser use, such as those developed in Israel or other countries that experience similar dry conditions. It is important, within the cost constraints, that Botswana maximises its food production to minimise its vulnerability to political developments in other countries, or to severe climatic problems faced by its major suppliers. The population needs to be sensitised to consume drought resistant crops such as sorghum. This will entail experimenting with different methods of preparing these foods.

Beef industry

The beef industry is one field in the business arena that offers foundation on which to build a confidence of risk taking amongst Batswana, since they have a traditional knowledge of it. The development of the beef industry could boost household incomes at the same time as producing quality beef that could compete internationally.

The beef industry is currently faced with a number of problems

- " the incidence of cattle lung disease;
- " the 'poor quality of the national herd
- " the poor management skills of farmers, especially in communal areas;.
- " insufficient. infrastructure (such as fencing and roads);
- " an under developed agro - industry to support beef production;
- " lack of livestock performance testing centres;
- " lack of a seed stock industry;
- " changes in the provisions of the World Trade Organisation following the
- " Uruguay round of the GATT treaty will have a negative impact on beef exports

A number of steps will have to be taken in the near future to improve the prospects for the beef industry. For example:

- " Ngamiland will need to be restocked through a redistribution of local cattle, but also through imports from neighbouring countries and of relevant high quality breeds from far afield;
- " Cattle lung disease will need to be eradicated in order to reduce the current high expenditure;
- " Introduce a comprehensive programme to upgrade the national herd by incorporating the most advanced techniques currently in use in other countries .
- " Construct livestock performance testing centres
- " Implement an appropriate fencing policy
- " Encourage farmers to adopt commercial techniques
- " promote the local production of cattle fodder.

Other agricultural developments

Botswana must seek in the long term to develop a flourishing, diversified base of agricultural production that makes use of the most advanced techniques available. There are a number of promising areas that warrant further development, and to which creative effort needs to be applied. Some of these might include the following:

- Game farming;
- fish production;
- forestry;
- fruits,
- honey;
- indigenous foods;
- flowers.

The farming of small stock should be encouraged and developed. The ownership of small stock promotes a more efficient use of resources, and empowers the smaller producers. Small stock animals are also more handy and resistant to drought.

Falling yields should be improved through the development of a stronger system of agriculture extension. It is essential that agriculture extension officers are well trained and motivated, and travel regularly within the rural areas advising farmers on the adoption of modern husbandry and cultivation techniques. They should spend less time in the office and more time in the field.

vi) Industrialisation

Botswana begins from a very small industrial base in relation to the size of its economy. The manufacturing percentage of GDP in Botswana is below the average in sub-Saharan Africa, and well below the percentage for countries with a similar per capita GDP.

The necessity of exports

Botswana has a small population, and a correspondingly small domestic market for goods and services. A sustained expansion of the economy as outlined in the vision can only be achieved by exploiting the markets of other countries through exports. This

means that it is vital to be able to compete in the international trading environment, both in terms of quality and price. Measures should be put in place to attract investors to locate in Botswana as a springboard to serve an export oriented market.

Science and technology

Botswana has no choice but to adopt high technology practices. The pace of international developments means that we will be forced to do so to compete in the export markets.

Policies will need to promote a variety of industries, both labour intensive and high technology. The adoption of high technology does not need to be at the expense of employment. Without higher technology, there will be no expansion in the economy. An environment of expanding opportunities is a pre requisite for bringing down unemployment.

Botswana does not at present have a strong tradition of technical research and development that can be used as a basis for developing "home grown" technology. Clearly in the early stages most of the technology will need to be adapted from elsewhere. However, even the transfer and adaptation of technology to local conditions will require an expansion in the capacity for research and development within Botswana. There will be a need for direct government funding for research, or for inducements to the private sector to expand their capacity in this area. A strong capacity in the scientific and engineering disciplines will provide crucial long term support for the manufacturing industry.

Energy

Energy is a pre requisite for successful industrialisation. Botswana should therefore seek to develop cost effective sources of energy. Botswana has a tremendous potential for solar energy that should be exploited, especially for rural communities not catered for by the national grid. The country should be developed as a centre of excellence for solar energy technology.

Small scale business

It is vital to encourage the establishment of small and medium sized enterprises in Botswana. These form the bedrock of any economy, and give it stability

Framework For a Long Term Vision

against external shocks. The structure of ownership of large enterprises is more likely to involve substantial foreign capital. The growth of smaller enterprises is an important mechanism for involving the citizens of the country in the process of industrialisation. Measures need to be introduced to ensure that small enterprises benefit from large scale companies through sub contracting or supply of services.

Manufacturing niches

Botswana is well placed in the region to attract investment through strategic campaigns. Examples of industries might include the following:

- beverages;
- motor assembly;
- packaging or preserving of phane and other indigenous products;
- bicycle assembly;
- shoe manufacturing;
- electronic equipment;
- clothing and textiles;
- solar technology.

The development of small niche markets is dependent on effective market information, to identify where the demand is. Botswana will need to make full use of modern communication techniques to this end, including the internet.

Trade tariffs

Future negotiations within the World Trade Organisation are likely to lead to a further reduction of tariffs worldwide. Protection of local industries through tariff barriers is not likely to be a long term option for Botswana.

Botswana should examine the advantages and disadvantages of establishing itself as an export processing zone, free of tariffs. This should be done in the context of seeking to improve the usefulness of the customs union to Botswana's situation.

vii) Services

Tourism

Botswana has a rich diversity of wildlife, culture, history, archaeology and natural beauty that can be used to develop the tourist industry. This should begin by further developing the facilities and possibilities of the existing game reserves such as Chobe and Moremi, but creative thought needs to be given to the exploitation of the country's history and culture, and how it can be packaged as part of a well developed tourist industry.

There may be some need to review the strategy of aiming at low volume high value tourism in Botswana. The evidence from neighbouring countries suggests that there may be scope for increasing the volume without catastrophic environmental cost.

The Okavango Delta is a complex and fragile ecosystem, which has been the subject of numerous research efforts by both private individuals and institutions outside Botswana. There has been very little research generated within the country only recently has the Okavango Research Unit been established by the University, of Botswana. As a result, the knowledge within Botswana needs to be improved.

There is an urgent need to carry out an integrated environmental study to obtain data that could be used to form an Okavango Delta environmental master plan. Such a plan should be sensitive to the socio economic needs and development of the communities in the delta, while exploiting its immense tourist potential.

Information

Botswana is currently a buyer of information services from South Africa. This country is however in an excellent position to be able to sell these services throughout the region. It is vital that there is an increased investment in telephone connections and international communication through internet services.

There is an urgent need to develop the media within Botswana, especially in the area of television, which could play a vital part in communicating the vision to ordinary people, particularly in areas of low literacy levels. The establishment of a national television service should be seen as a priority. Botswana should seek to attract investment into satellite based telecommunications, and become a provider of television, communication and internet services. This will require a major leap in technological capacity, but this will be necessary if Botswana is to become a leader rather than a follower in this sector.

Financial services

In an environment of improved telecommunication, strong foreign reserves and economic stability, Botswana could be in an excellent position to offer financial and banking services throughout the region. The idea of establishing Botswana as a banking and financial services centre has been mooted and studied in the past, and should be developed further as a matter of priority, before it is preempted by others.

Given the importance of the development effort that will be needed in the coming decades, it will be necessary for the banks in Botswana to be more development oriented. This will require a departure from the conservatism of the past, but some element of risk needs to be taken even by financial institutions if Botswana is to meet its ambitious development targets.

Transport services

Botswana has a central location within the southern African sub region, and is well located for access to the trans Kalahari highway, the Maputo corridor, and to the rest of the southern African network. The country is well placed to be able to provide transport services to its neighbours. There is a clear need to improve the internal road network and local transport services, which would facilitate the orderly development of a number of sectors, particularly tourism.

viii) Government and Business

The business sector

Botswana cannot afford to allow an adversarial atmosphere between government and business. Government regulations must recognise the vital contribution of business to the strategy of creating greater prosperity. Business needs to be given a stake in Botswana's economic success.

From a regulatory to a promotional attitude

Government will therefore need to move from its present regulatory position to an attitude of active promotion of business and industry. This will be accomplished through changes in the taxation system, through investment incentives, or through schemes to

improve the access to capital for small businesses and Botswana citizens through the active implementation of agreed policies on deregulation.

Business attitude in Government

Both the private sector and government departments themselves will need to adopt a more businesslike attitude to their own operations, making use of modern management techniques and practices to increase incentives for greater productivity.

Smart partnership

The relationship between government and business should adopt a concept of co operation akin to the Asian model of "Smart Partnership". This requires a recognition by government that the improvement of incentives for business, and the removal of restrictions will allow the economy to grow, and will ultimately increase rather than decrease the resources of government itself.

The idea of partnership should be extended to include all the stakeholders in the economy. These include the government and investors, but should also be thought of as including the workers (as represented by unions) and the general public, who are the customers. All stakeholders benefit by an expansion of the economy. The aim should be to increase the size of the cake, rather than to engage in adversarial arguments about how to divide it. An atmosphere of mutual support within the business community should also be encouraged.

Measures should be taken to strengthen the private sector business centres, or to create polytechnics or business schools that are able to contribute towards the national capacity in business related skills.

c. Building a Just and Caring Society

i) Income distribution

Effective measures should be put in place to provide income earning opportunities for those who are not sharing in the national prosperity. This underlines

the importance of building up the small and medium sized enterprise sector of the Botswana economy that will be a crucial source of employment.

ii) A social safety net

It is nevertheless important that Botswana establishes an effective social safety net to support poor and disadvantaged people. This requires a clear understanding of the extent and underlying causes of poverty in Botswana, and the design of policies that can address the specific problems that are encountered here.

Unemployment benefits and pensions

Among the schemes that should be considered are the introduction of unemployment benefits, and the provision of contributory pensions for all employees. Schemes such as

these can only be financed by an expansion in the economy as a whole, and progress towards full employment.

iii) Health

The currently planned improvements in health facilities must be implemented in full, and continued in future until all Batswana have easy access to primary and hospital facilities. The use of hospital facilities should be regulated by the implementation of a referral policy.

The further spread of the HIV virus in Botswana must be halted if we are to avoid catastrophic consequences. The full ramifications of the AIDS epidemic are not well understood, but their effects will be felt during the next twenty years. The current campaigns for prevention of the spread of the virus must be intensified through all possible media of communication.

All businesses and enterprises should be encouraged to set up schemes to educate their employees about the dangers of HIV and to promote safe practices. Other possibilities include the provision of insurance schemes that could provide support to destitute dependants. Ways must be found for the severe economic impacts of AIDS on families to be shared by the community as a whole.

Conditions need to be created to support both public and privately funded research into measures to prevent the spread of HIV, or even to cure the AIDS virus itself. Botswana must also have immediate access to any progress in this regard in other countries.

iv) Housing and Shelter

Innovative measures should be introduced to provide basic shelter for the people. The measures should include a range of financial and legal instruments and delivery systems that will encompass both urban and rural shelter.

d. Building an Educated. Informed Society

i) The educated society

The future Botswana should be a society where there is equality of educational opportunity, and where no citizen should be condemned to the circumstances of their birth. The expansion of education is clearly a key element of the strategy for realising this vision. The present policy on education is an important step in the realisation of the vision, and it will need to be vigorously implemented. Botswana should aim in the long term to introduce universal, and possibly compulsory schooling up to the secondary level. However, the practical difficulties in the short and medium term should not be underestimated. The possible expansion of education is limited by the pace of national development in a variety of other areas.

In many cases, parents are exercising rational choice over whether or not to send children to school. The introduction of universal schooling must go hand in hand with the improvement of socio economic conditions to the point where children are no longer viewed as an essential source of labour or income for poorer families.

School attendance is currently not a practical possibility for some remote rural communities. The educational infrastructure will need to be expanded in conjunction with further improvements in transport and communications to bring educational opportunities within range of all citizens. The proper equipping of primary schools, particularly in remote areas, must be seen as a priority.

The burden of these changes on the government budget will be considerable. It may be possible to mitigate this to some extent by contracting out some of the provision of educational services to the private sector. International experience of various types of mechanisms for doing this should be studied.

Education for the handicapped must be sensitive to the handicap, and empower individuals to be functional and productive members of society to the best of their ability. Those handicapped through old age should be provided with day care centres to facilitate interaction with their compatriots. Such centres can be part of a broader programme combining partial old age care, cultural centres, health and social services.

ii) Employing the potential of youth

There is an increasingly negative view of youth in Botswana society they are seen as a source of problems. It is important to increase the profile of youth in society. Youth organisations are not prominent, and are frequently not consulted over policy changes. One idea might be to enable the Youth Council to act as an umbrella body for youth based organisations, and to encourage them to play a wider role.

The responsibility of parents for the behaviour and problems of youth needs to be emphasised. In addition to persuasion, it may also be advantageous to introduce a degree of legal liability by parents for the actions of their children. This is a complex area that would need careful legislation, but some sanction on parents would be consistent with customary law.

There is a need to address the conflict between some aspects of traditional culture and the emerging "rights of the child" as expressed by resolutions of the United Nations. This is one example of the rapid internationalisation of global culture. It will be necessary to develop domestic legislation that is able to reconcile these conflicts. Child abuse is on the increase in Botswana, and it must be nipped in the bud.

If the opportunities for young people are to be improved, it will be important to reverse the trend of teenage pregnancies. Females are disadvantaged by this, since they are often obliged to drop out of the education system and job market.

A first step would be to provide information to parents and children about the consequences of teenage pregnancy. There should also be stronger legal sanction on the men who are fathering these children. It is necessary to introduce legislation that will enforce their legal responsibility for their children.

The prison system will need to strengthen the capacity to rehabilitate young offenders. It may not be appropriate to treat them in the same way as their elders: All opportunities to return them to productive society need to be explored.

The development of facilities for sporting and cultural activities are an important element of youth policy. Mechanisms will need to be found to harness public and private resources to support the implementation of the policy. Sporting facilities and programmes in particular need to be improved to a point that will allow Botswana to compete at an international level.

The present policy on youth will need to establish a clear timetable for its implementation. In addition, attention must be given to strengthening the social service departments, since they are the principal implementing agents of most of the youth policies.

iii) Tirelo Sechaba

The system of Tirelo Sechaba was originally intended to provide a form of social education to young people, and to make their skills and energy available to the nation. It has however had difficulty in absorbing the number of young people available, and has been criticised for delaying talented youngsters from obtaining further qualifications.

Tirelo Sechaba embodies an important concept of national service that is necessary and appropriate to Botswana's situation. It also promotes national unity and encourages non discriminatory attitudes by exposing young people to the cultural diversity of the country.

It may however be more effective and productive if more young people were able to obtain higher qualifications before entering into their national service. The educational aspect of Tirelo Sechaba should become less necessary as the system of education in Botswana improves. This will require a reappraisal of the way in which Tirelo Sechaba is organised, and the way in which those who are enrolled in it can be used.

iv) Employing Senior Citizens

The incorporation of senior citizens in parts of the education system can be achieved at various levels. Pre school children require day care facilities in a modern and productive society. The primary school system can be extended to provide this component, which would also provide employment opportunities for older people. Direct interaction between these age groups develops character in the young and gives them respect for the aged and for society as a whole. Senior citizens can also contribute to teaching at primary school level in a curriculum that has been extended to include subjects on culture and tradition.

v) Human Resource Development

Botswana will require an integrated system for anticipating and meeting requirements for human resource development in the medium and long term. Therefore, national human resource development planning and management should be developed, to build flexibility into the education system so that it can respond quickly to changing needs.

Botswana will need to increase its capacity to offer options for vocational and technical training. These should be seen as running in parallel with more academically oriented teaching, and given equal status and importance in guiding the choices of young people. It is vital that the future workforce in Botswana is able to be creative and

innovative, and to participate fully in the development of new manufacturing techniques.

The expansion of the economy, and of job opportunities is a necessary parallel to the improvement of educational standards and availability. Each is required by the other, and the two must be pursued simultaneously.

e. Building an Open. Democratic and Accountable Society

i) An open transparent government

It is important that Botswana should continue its tradition of open government, and encourage a degree of transparency so that the reasons for decisions and policies are understood by the population. This will require an open acceptance that mistakes and failures are made, and an open discussion about how policies and strategies might be improved.

ii) Democracy, the Kgotla

In this respect, the tradition of the Kgotla provides a strong base on which to build. Democracy must be extended down to the level of community in a way that allows ordinary people to feel that their views have been freely sought and seriously received. There must be a sense of ownership and empowerment among the population if Botswana is to withstand the challenges of change.

ii) A Government Ombudsman

The transparency of government could be improved through the appointment of a Public Commissioner, or "Ombudsman" whose functions would include ensuring that public officials are accountable to the public in a real sense, and who could press for the speedy implementation of agreed policies.

iv) Free political debate

At every level, there will need to be a free political debate that subjects every decision and policy to careful consideration from those with differing views. Botswana's tradition of democracy is one of its strongest assets, and gives it the stability that it will need in the future.

v) The legal order

There has been a loss of confidence in the criminal justice system. Properly staffed courts and specialised tribunals should be set up or strengthened in all districts of the country to ensure citizens' speedy access to justice. A national legal aid system should be established to support those in need of legal counselling and court representation services.

More resources should be provided to the police to respond to the increasing crime in the country, both in terms of coverage and sophistication. Community based institutions

,such as crime prevention committees and others will be strengthened in their efforts to educate the public on their role in crime prevention and eradication. The Botswana Defence Force should increase its co operation in support of crime prevention.

A fully equipped secretariat should be established, staffed by professional lawyers and social scientists. This would support the Law Reform Committee through research into the impact of the law, and its consistency with constitutional and international human rights standards.

A programme to educate citizens about their rights and responsibilities should be devised and implemented. This would also comprise information on the working of the dual legal system, and the legal options available to citizens.

vi) Employing the potential of women

The existing policy on women in development has had wide consultation and has been approved by Parliament. It now needs to be translated into concrete strategies for implementation. International experience suggests however that discriminatory attitudes and practices are very deep seated, and that progress in improving the position of women is too slow.

The strategies to ensure the full empowerment of Batswana women should be focused on six areas, for which sufficient resources will need to be allocated. First, to eradicate the persistent burden of poverty on women by formulating, reviewing and adopting economic policies, laws and practices which target women's needs, and ensure their equal access to and control of productive resources. .

Second, all laws, policies and practices that discriminate against women should be reviewed, amended or repealed. New empowering laws should be enacted to ensure women's' full equality with men in both law and practice. Legal literacy programs specifically targeted at women should be devised and disseminated to them, and free or affordable legal services made available to those in need.

Third, positive measures should be taken to ensure women's full participation in positions of power, leadership and decision making at all levels of Botswana society.

Fourth, gender equity would be ensured in education and training through programmes aimed at the eradication of illiteracy, and improving women's access to vocational training, science and technology.

Fifth, women's access to appropriate, affordable and quality health care should be improved, in addition to preventative programmes for the promotion of women's health, including reproductive health.

Finally, concrete measures to prevent and eradicate violence against women should be taken through community based education, the enactment and enforcement of laws, as well as the provision of services to support women subjected to violence.

f. Building a Moral, Ethical and Tolerant Society

i) Attitude of leadership

The strategies to build a moral ethical and tolerant society depend upon the strength and resilience of the social institutions in Botswana, and their ability to impart those values to future generations of citizens.

An important role model is provided by the attitude of leaders at all levels of society from the family and community up to the representation in parliament and the president. Leaders must be seen to behave in a moral fashion, to respond to the needs of those they represent, and not to yield to the temptations of corruption. They must exhibit qualities of trustworthiness, or Boikanyego.

Political parties should ensure through their candidate selection processes that the public leaders are endowed with these qualities. Political parties must also learn to distinguish between national and party issues. They should be united on national issues, i.e. Tshwaraganyo.

ii) Commitment and dedication

The achievement of the goals of the vision will require the utmost commitment and dedication by all people in Botswana. It is important that the magnitude of the challenge, and the attitudes needed to address it, are emphasised through the media, and reflected in the school syllabus.

iii) Civic duty and self reliance

In particular, it is important that Botswana see the advancement of their country as a duty incumbent on everybody not only the members of the government. The idea of civic duty needs to be discussed and kept alive in people's minds. No legislation can produce this commitment persuasion is the only practical route to success. The case needs to be made through every available medium. The self reliance of Botswana society will need to be encouraged and developed.

iv) Family values, traditions and history

Botswana's social structure rests upon a long history and culture, and a set of traditions governing the behaviour and obligations of people towards each other and the community as a whole. It is important that this culture, built over a long period of time, is strong enough to absorb and filter the influx of new ideas and patterns of behaviour without losing its coherence. It is essential to encourage a culture in which every individual respects the views of others.

The key institution for the transmission of traditional values is the family unit. The strength of the family is threatened by the pace of change, particularly by the rapid urbanisation that has taken place, accompanied by the high degree of migrant labour. Measures need to be taken to encourage and strengthen the family unit in modern society, while not sacrificing the traditional values that give Botswana their sense of being a distinct

culture. They will also help to encourage the institution of marriage, and to contain problems such as teenage pregnancy, street children, and the spread of the HIV virus.

v) The value of saving

Economic growth depends upon investment. Although foreign capital is necessary and welcome to the development process, much of the investment will need to be financed from domestic savings, either government or household. Current levels of household saving in Botswana are very low, or even negative. Public education will need to focus upon the value of saving, as opposed to consumption, especially amongst the middle and high income earning bracket.

vi) Religion and Human spirituality

Religious institutions are important for the maintenance and transmission of moral and ethical standards, and for encouraging the qualities of human spirituality and self confidence which every society needs.

vii) Globalisation

Globalisation and rapid change do not need to be seen as a threat in a society that rests upon a solid foundation of tradition and ethical behaviour. Botswana has as much reason for self confidence and optimism as any other nation.

viii) Tolerance

An atmosphere of tolerance towards minorities or groupings who do not share the attitudes or behaviour of the mainstream is necessary in any well ordered

community. The system of education should stress the value of a multi cultural society, and the strength that it can offer in terms of international connections and the flexibility to respond to change.

viii) Culture and Recreation

All forms of cultural expression, such as the arts and music, as well as recreational and sporting activities should be given full encouragement, possibly through the provision of more resources. Rapid urbanisation has led to a neglect of some of these aspects which needs to be addressed to restore a wider dimension to people's lives.

6. The Next Steps

i) The Relationship to NDP 8

Many of the goals and objectives of NDP 8 are in keeping with this framework for a long term vision for Botswana. In particular, the theme of sustainable economic diversification, the thrust given to employment creation, the need for increased international competitiveness of our economy and export promotion.

The framework takes NDP 8 as the first building block and draws heavily on already agreed policies enunciated in NDP 7, the mid term Review, Budget Speeches, the NDP 8 Macro economic outline, the revised National Policy on Education, the Policy on Youth, the Policy on Women in Development, the Population Policy, and others.

The framework reinforces the need for the sound and sustainable management of our budgetary resources, a taxation system that is simple and, amongst other things, is supportive of research and development. The exchange rate of the Pula will be a critical policy instrument if Botswana is to access export markets and will have to be managed with this major goal in mind. In the long term, positive real interest rates will also be crucial to the promotion of domestic savings and the financing of projects with high returns.

Avoiding high rates of inflation and imbalances between the demand and supply of goods and services will be a policy priority. There must also be sustainable incentive programmes for promotion of private domestic and foreign investment, and a climate of stable and predictable policies. Liberalisation and deregulation of the economy will have to be pursued with more tenacity and vigour.

The financial system will need to develop instruments to facilitate the integration of small and medium scale enterprises, where the majority of Botswana are concentrated, into the mainstream of development.

Technological development and adaptation, increased labour productivity and skilled human resources development and utilisation (including the agricultural sector), as well as the identification of niche products and markets will determine the extent to which Botswana will be able to integrate and take advantage of opportunities in the regional and global economy.

Increased private sector participation in the economy is necessary both to relieve government of the administrative burden of a large bureaucracy and attendant budgetary costs, and to nurture our fledgling private sector itself. A lean and properly orientated civil service should operate openly and transparently and be business friendly and supportive of private enterprise. It can create the necessary climate of mutual trust, goodwill and a shared vision between the public and private sectors through, for example, speedy allocation of licences, land for development, connections for telephone, electricity and other services. A vibrant, innovative and committed private sector that is not dependent on government subsidies will be crucial to the future socio economic success of Botswana.

Our natural resources will need to be exploited and managed in a sustainable manner. The future prosperity of Botswana depends upon them.

Government will have to put measures in place to curb the increasing crime rate, taking note of the fact that successful crime prevention strategies in the neighbouring countries without a matching or better success in Botswana could make Botswana a soft target for increased criminal activity.

Economic growth and diversification are necessary, but not sufficient conditions for the realisation of the long term vision. Increased, and focused attention needs to be given to poverty alleviation, the involvement of youth, women and other disadvantaged groups in the development process. There is also a need to address other social, moral, spiritual

and ethical problems confronting our nation. Most of these are identified as major challenges for NDP 8.

It is important that increased impetus be given to the timely implementation of government policies, programmes and projects. It would appear that although government has recognised this, measures introduced to date such as the Standing Committee on Project Implementation (SCOPI) and Work Improvement Teams (WITS) are yet to bear fruit. These and other pertinent initiatives and structures need to be revamped and given objectively quantifiable and monitorable targets and implementation schedules. Otherwise, it is difficult to see how the current log jam on implementation will be broken. This will have a serious bearing on the realisation of the long term vision for the country. In particular, a high level monitoring body such as the High Level Consultative Council, with appropriate substructures, must be charged with the responsibility to drive the implementation of the vision.

The already approved policies have been subjected to public scrutiny and the necessary national consultations. Government needs to implement these policies with deliberate speed to ensure that a solid foundation is built for the establishment of a long term vision.

Decisive measures need to be taken, as a matter of urgency, to translate the well articulated and good policies into action. Government can show concrete manifestation of its commitment by establishing a detailed time schedule, and pin pointing specific agencies and officers responsible for spearheading each policy. This will need to go hand in hand with rigorously enforced accountability at all levels of the public service. Timely and appropriate action will need to be taken to ensure that those responsible adhere to the schedule. Government will also need to find ways to harness the capacity of the private sector to assist with policy implementation.

7. Annex 1: Membership of the Presidential Task Group

Members of the Presidential Task Group on the Long Term Vision for Botswana

CONVENOR

B. Gaolathe

MEMBERS:

Morteza H. Abkenari
Botsbabelo Bagwasi
Monametsi Chiepe
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Esther V. Kanaimba
Modise D. Modise
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SECRETARIAT

8. Annex 2 : Economic Projections

i) Tripling of GDP per capita by the year 2016

a. Introduction

This annex summarises the results of an exercise to prepare economic projections that would draw out the main implications of a tripling of Gross Domestic Product (GDP) per capita by the year 2016.

The GDP of Botswana will need to grow by an average of 7.9% per annum if the per capita GDP is to triple during the 20 year period. Without dramatic new mineral discoveries, this will only be possible with profound structural changes in the economy. The patterns of the past cannot simply be projected into the future. The projections therefore combine some features that are unique to Botswana, but also incorporate the experiences of other countries that have achieved similar levels of growth, such as the "Tiger" economies of eastern Asia.

b. The Projections

i) Population

The exercise made use of the medium variant projection (with AIDS) as recently produced by the Central Statistics Office. According to this projection, Botswana's population will reach 2.25 million by the year 2016, growing at an average of 2.1% per annum. This compares with the current growth rate in excess of 3% per annum.

The population was divided into two parts the working age population and the dependent age population. The changes in age structure in the projections imply that the working population will grow faster than the dependent population 2.6% as opposed to 1.5%.

ii) Labour Force

The projections assume that there will be a modest increase in the proportion of people in the working age group who participate in the labour force. This so called "labour participation rate" is already high in Botswana by international standards, and there is not much scope for increase. The resulting growth in the total labour force that results from these assumptions is an average of 2.9% over the 20 year period.

iii) Labour Productivity

Since the GDP must rise by 7.9% per annum, and the size of the labour force only rises by 2.9% per annum, the difference will need to be made up by increasing labour productivity. The growth rate required for labour productivity in the projections averages about 3.9% during the 20 year period. However, much of this increase will need to

happen during the latter part of the period when the unemployment "slack" has been used up the average growth in the second half will need to be about 6% per annum.

There is some evidence that rates of productivity growth of this order have been achieved in east Asia. It is nevertheless clear that there will need to be major structural changes in the economy, with a transfer of labour from agriculture into the modern sector, particularly manufacturing.

The experiences from countries that have achieved such productivity growth will need to be studied (see attached data, particularly from Indonesia and Korea). Measures will need to be taken to move towards a more capital intensive mode of production, to provide the labour force with adequate training and incentives, and to make more efficient use of the resources that are available.

iv) The Structure of the Economy

Although GDP will have to grow by 7.9% per annum, this growth must be accompanied by a significant shift towards manufacturing. The projections assume that agriculture will experience modest growth, of 5% per annum, while manufacturing will grow from its current low base (5% of GDP) to a level of 30% of GDP, which is in common with the "Tiger" economies of east Asia. This implies an annual growth rate for manufacturing of 18.3%, while the remainder of the economy, including construction and services will grow at about 8.9% per annum.

v) The Investment Requirements

Economic growth of the magnitude envisaged above will require very high levels of investment some 41% of GDP during the 20 year period. This is an increase over the already high levels of savings in Botswana, and somewhat higher even than the investment levels in the "Tiger" economies.

These investments will need to be financed from three sources Government savings, private domestic savings, and direct foreign investment. The level of government savings is likely to reduce in the future as a result of the levelling off of mineral revenues. Private domestic savings have been low in the past, and will need to increase dramatically in future. Even so, there will be a large gap, which can only be met by inflows of direct foreign investment, for which Botswana will have to compete in an international market.

vi) Conclusions

The objective of tripling GDP per capita by the year 2016 will present Botswana with a number of strong challenges. First, there will need to be rapid increases in the levels of labour productivity, brought about by a change to more capital intensive production and a major investment in human resources and training. Second, Botswana will need to facilitate a rapid restructuring of the economy to allow an extremely high rate of growth in the manufacturing sector. This will require enabling legislation; and the creation of an environment that will attract established foreign manufacturers to locate in Botswana.

Finally, the levels of investment will need to be raised through rapid increases in domestic private saving, and by attracting large amounts of direct foreign investment.

ANNEX:

Comparitive International Data

i) Data for Botswana and selected countries

ii) Source: World Tables 1995, World Bank

Population growth rate

Average % pa growth rates during:

	1970-75	1975-80	1980-85	1985-90	1990-93
Botswana	3.9%	3.6%	3.6%	3.5%	3.2%
Indonesia	2.4%	2.3%	1.9%	1.8%	1.6%
Korea, Rep. of	2.0%	1.6%	1.4%	1.0%	0.9%
Malaysia	2.5%	2.3%	2.6%	2.5%	2.3%
Singapore	1.7%	2.3%	1.7%	1.7%	2.3%
South Africa	2.8%	2.7%	2.6%	2.5%	2.3%
Thailand	3.0%	2.5%	2.0%	1.7%	1.5%

Labor Force growth rates

Average % pa growth rates during:

	1970-75	1975-80	1980-85	1985-90	1990-93
Botswana	3.2%	2.9%	3.5%	3.2%	3.5%
Indonesia	2.1%	2.2%	2.4%	2.4%	2.2%
Korea, Rep. of	2.7%	2.4%	2.7%	2.1%	2.0%
Malaysia	3.8%	3.7%	2.9%	2.8%	2.7%
Singapore	4.6%	4.2%	1.9%	1.1%	0.7%
South Africa	1.2%	1.3%	2.8%	2.8%	2.8%
Thailand	2.8%	2.8%	2.5%	2.1%	1.7%

GDP (at Market prices) growth rates

Average % pa growth rates during:

	1970-75	1975-80	1980-85	1985-90	1990-93
Botswana	18.0%	13.0%	10.2%	10.1%	4.8%
Indonesia	6.9%	7.5%	5.0%	6.2%	6.5%
Korea, Rep. of	9.5%	7.7%	8.5%	17.2%	6.6%
Malaysia	7.1%	8.5%	5.1%	6.8%	8.3%
Singapore	9.4%	8.5%	6.1%	7.9	%NA
South Africa	3.7%	3.1%	1.3%	1.6%	-0.5%
Thailand	5.8%	7.8%	5.4%	10.4%	7.8%

GDP per capita (valued at 1987 US\$)

Average GDP /capita during:

	1970-75	1975-80	1980-85	1985-90	1990 -93
Botswana	451.00	702.00	1,025	1,393	1,737
Indonesia	249.00	311.00	386.00	453.00	557.00
Korea, Rep. of	1,113	1,660	2,097	3,678	5,946
Malaysia	1,116	1,426	1,812	1	NA
South Africa	2,416	2,424	2,484	2,320	2,161
Thailand	514.00	633.00	769.00	974.00	1,399

Per capita growth rates

Percent growth over previous period:

	1970-75	1975-80	1980-85	1985-90	1990-93
Botswana	NA	56%	46%	36%	25%
Indonesia	NA	25%	24%	18%	23%
Korea,Rep.of	NA	49%	26%	75%	62%
Malaysia	NA	28%	27%	9%	29%
Singapore	NA	NA	NA	NA	NA
SouthAfrica	NA	0%	2%	-7%	-7%
Thailand	NA	23%	22%	27%	44%

Fixed Investment. as % of GDP

Average Investment ratio during :

	1970-75	1975-80	1980-85	1985-90	1990-93
Botswana	41%	26%	31%	25%	35%
Indonesia	NA	NA	23.7%	25%	28.3%
Korea, Rep. of	23%	28%	29%	29%	37%
Malaysia	23%	25%	34%	27%	34%
Singapore i)	36%	36%	45%	37%	39%
South Africa	26%	28%	27%	21%	17%
Thailand	23%	25%	28%	29%	40%

Note: 1) 1990- 92 instead of 1990- 93

Gross domestic savings. in % of GDP

Average saving rates during:

	1970- 75	1975- 80	1980- 85	1985 -90	1990- 93
Botswana	20%	17%	25%	40%	37%
Indonesia	21%	28%	31%	32%	36%

Korea, Rep. of	18%	25%	27%	36%	36%
Malaysia	27%	33%	32%	35%	35%
Singapore	NA	NA	NA	NA	NA
South Africa	27%	32%	30%	28%	21%
Thailand	23%	22%	24%	29%	34%

Labour Productivity Index for Manufacturing 4

Average index value during:

	1970 -75	1975- 80	1980- 85	1985- 90	1990- 93
Botswana	NA	245.00	159.00	117.00	NA
Indonesia 2)	32.00	48.00	68.00	98.00	121.00
Korea, Rep 2)	32.00	48.00	71.00	99.00	144.00
Malaysia	NA	NA	NA	NA	NA
Singapore 1)	58.00	75.00	89.00	98.00	112.00
South Africa 2)	87.00	99.00	120.00	103.00	97.00
Thailand 3)	75.00	86.00	96.00	97.00	109.00

Notes: 1) 1990- 92 instead of 1990 -93

2) 1990 -91 instead of 1990- 93

3) 1990 instead of 1990 -93

4) Index representing real output per employee in manufact., with base 1987=100

Exports of Goods & NF Services, in % of GDP

Average export ratios during:

	1970 -75	1975- 80	1980 -85	1985- 90	1990 -93
Botswana	33%	44%	56%	69%	55%
Indonesia	19%	25%	27%	23%	28%
Korea, Rep. of	21%	30%	35%	37%	29%
Malaysia	40%	49%	53%	63%	79%
Singapore 1)	116%	163%	187%	173%	182%
South Africa	25%	31%	29%	30%	25%
Thailand	18%	20%	23%	29%	36%

Note: 1) 1990- 92 instead of 1990 -93

Imports of Goods & NF Services, in % of GDP

Average import ratios during:

	1970-75	1975-80	1980-85	1985-90	1990-93
Botswana	62%	63%	67%	51%	4%
Indonesia	17%	21%	23%	22%	26%
Korea Rep.of	29%	34%	38%	32%	30%
Malaysia	38%	43%	56%	55%	8%
Singapore 1)	133%	170%	191%	170%	175%
South Africa	25%	27%	26%	23%	20%
Thailand	20%	25%	28%	30%	42%

1. Note: 1) 1990-92 instead of 1990-93

Distribution of GDP by sector:

Average % distribution during:

	1970-75	1975-80	1980-85	1985-90	1990-93
<u>Botswana</u>					
Agriculture	26%	21%	10%	6%	6%
Industry	35%	40%	53%	56%	48%
ow: Manufact.	5%	10%	7%	6%	6%
Services etc.	40%	40%	37%	38%	46%
<u>Indonesia</u>					
Agriculture	33%	28%	26%	23%	20%
Industry	34%	38%	36%	36%	38%
Ow:Manufact	6%	8%	12%	17%	20%
Services,etc.	33%	34%	38%	40%	42%
<u>Korea, Rep.of</u>					
Agriculture	28%	21%	15%	12%	8%
Industry	25%	32%	38%	41%	42%
Ow: Manufact.	16%	22%	27%	NA	NA
Services, etc.	47%	46%	47%	47%	50%
<u>Malaysia</u>					
Agriculture	29%	26%	22%	21%	17%
Industry	33%	34%	36%	39%	43%
Ow: Manufact.	15%	18%	20%	23%	28%
Services, etc	59%	59%	58%	62%	61%
<u>Singapore 1)</u>					
Agriculture	2%	1%	1%	1%	0%
Industry	39%	40%	41%	38%	38%
Ow: Manufact.	15%	18%	20%	23%	28%
Services, etc	59%	59%	58%	62%	61%
<u>South Africa</u>					
Agriculture	6%	6%	5%	6%	5%
Industry	47%	45%	44%	41%	40%
Ow: Manufact.	21%	23%	24%	22%	21%
Services, etc.	39%	41%	42%	44%	45%
<u>Thailand</u>					
Agriculture	24%	21%	19%	16%	12%
Industry	26%	29%	31%	33%	39%

ow: Manufact	19%	22%	23%	24%	29%
Services, etc	50%	49%	51%	50%	49%

Note: 1) 1990-92 instead of 1990-93

Average Capital Output Ratios 1)

Annual Averages

	1970 -75	1975 -80	1980- 85	1985- 90	1990 -93
Botswana 2) 3)	NA	NA	NA	2.90	NA
Indonesia 4)	NA	3.59	4.40	4.99	4.66
Korea, Rep. of	2.19	2.92	4.37	1.96	5.42
Malaysia	2.92	3.63	5.34	5.71	4.50
Singapore 5)	3.97	5.03	5.80	6.39	6.30
South Africa	6.651	2.44	10.14	14.16	38.09
Thailand	4.85	3.85	5.51	3.36	4.76

1) The Capital Output Ratio (COR) measures the investment undertaken in a given period and the corresponding growth in production. The latter is often expressed in terms of Gross Output (GO). Such data are not available from the World Tables. Above ratios therefore relate to the increase in the GDP. The COR wrt GO will be lower than the COR wrt GDP. Thus, if for instance GDP is on average 60 % of GO, a COR wrt GDP of 5.0 will correspond to a COR wrt GO of:
 $5.0 * 0.6 = 3.0$.

2) The World Tables give data directly pertaining to the COR of Botswana for the period 1986 89 only. A rough approximation, based on alternative data, gives the following data:

	1971-74	1975-79	1980-84	1985-89	1990-93
	2.35	2.83	2.91	2.65	7.34

3) 1986 89 instead of 1985 89

4) 1979 instead of 1975 79

5) 1990 92 instead of 1990 93