

Southern Africa

Hailed for years as one of the most prosperous and well-governed countries on the continent, the global economic crisis has forced Botswana to rethink the way forward. **Mandy Rossouw** reports from Maun

The jewel loses its lustre

Touching down in Maun, a small fishing village in the northeastern part of Botswana, it became clear the extent to which the expectations of the rest of the world lean on this dusty outpost, where only a few thousand people live.

It is under the stern gaze of President Seretse Ian Khama, whose photograph is plastered all over the airport, that locals are intent on showing their country as the exception to the rule of African nations blighted by corruption, disease and underdevelopment.

A local representative of the United Nations Development Programme (UNDP), Marx Garekwe, meets us, a group of 10 journalists, in the small but efficient airport. Air conditioning is the only relief from the heat, set to reach a high of 38°C. Good service marks the airport experience, with a swift, gracious handling of passports; security is relaxed — Botswana is not a place used to crime.

We are there to cover the visit of the crown prince of Norway, HRH Haakon, who has come to Botswana to check on UNDP projects in his capacity as their goodwill ambassador, tasked with making sure the country is on track with the millennium development goals.

Sporting a 46664 silver bracelet, Haakon makes it clear that he has come to see what a successful African country looks like.

“Botswana has democratic governance, good access to schooling and the health system has rolled out big programmes to deal with HIV. It is a country to be proud of,” he tells the reporters.

To many observers in the Western world, Botswana is the shining light of Africa. In Mo Ibrahim’s Index of African Governance, and the United Nations Human Development Index (HDI), Botswana consistently does much better than its African neighbours, coming fourth in the Ibrahim index and 125th in the HDI, one of the highest rankings for a sub-Saharan African country.

Just two years ago, Botswana’s former president, Festus Mogae, received the Mo Ibrahim Prize for achievement in African leadership. Even among its peers in Africa, this small country is held up as the example of good governance and prosperity — hailed for everything from its booming economy to its HIV and Aids strategy, as well as the country’s high literacy rate.

But international accolades and massive fortunes from the diamond industry have not sheltered Botswana from the problems of underdevelopment.

Botswana came into its wealth

with the discovery of diamonds in the 1800s, allowing the government to be comfortable in the knowledge that it would be able to fulfil the needs of its tiny population of just 1.8-million people.

Tourism was the cherry on the top of an already growing economy. Botswana had the luxury of introducing a high-cost, low-volume tourism strategy, which has staved off the hordes of wildlife tourists that flood countries such as Kenya, but ensures that those who do come to Botswana are the ones who can afford to pay high prices to see wildlife in its natural habitat.

The northern parts of Botswana, around the Okavango Delta and Chobe River, are prime tourism destinations, with five-star lodges dotted around the area. But locals are now becoming increasingly concerned about the effect of increased reliance on the trade.

“The tourists come here and no one knows what they will do with our natural resources,” says one local fisherman through an interpreter. “No one regulates them. They use the river for their own means and we cannot continue with our fishing as we did before. We will have an all-out fight with the tour operators if things don’t get better.”

But the global economic crisis exposed the country’s vulnerability to international markets and the sharp downturn in tourism has hit the country hard.

At the onset of the crisis, diamond prices dropped as well, and although the exports of middle-range diamonds are slowly increasing, the big money lies in the expensive jewels at the high end of the market.

The glory days appear to be over for Botswana, and now the country needs to find creative sources of revenue after years of reliance on the secure income the diamond industry provided.

The way the government of Botswana managed its diamond industry is a source of envy to many African countries. They complain that although the continent has abundant natural resources, the benefits from them are largely derived by multinational companies, leaving the government to rely on taxes from mining activities to stay afloat. Most governments feel they get the crumbs from the table where the big companies feast.

It is what has influenced the ANC Youth League’s call to the South African government to insist on owning at least 60% of all mining interests in South Africa.

Youth League president Julius Malema has pointed across the border to Botswana’s prosperity, ascribing much of it to the government’s



The recent decline in the diamond-mining industry could see Botswana lose its reputation as the exception to the rule of African nations, even under the stern gaze of President Seretse Ian Khama. Photos: Karin Duthie

population now,” Ramsay says, “but they don’t always have the skills we need to take the economy further.”

The way Botswana has managed the HIV pandemic is also held up as an example to the rest of the world. The government was quick to roll out antiretroviral (ARV) treatment to those who needed it and this stabilised the HIV infection rate at 17% of the population. But even the successful ARV roll-out has had an unintended negative effect.

“Ten years ago we had funerals all over the place because of HIV,” says Ramsay.

“Now we have the ARVs, but we are still in crisis. People are living longer, but their behaviour and lifestyles have not changed. They see people with HIV living long lives and the message to change sexual behaviour does not get through, especially when it comes to young people.”

Botswana has 300 000 people living with HIV, but because of ARVs they are able to lead relatively normal lives, creating the impression that HIV is not an impediment to a long life.

Haakon left the hot and humid country with the sense that Botswana is a place where donor money is spent well.

But the safe cover the diamond industry has historically given Botswana is gone — and the country will be left out of those glorious future international rankings if it fails to find more sustainable ways to deal with its challenges.

share in mining interests and saying that if South Africa could derive more funds from its own mining industry, it would be able to deliver better services to its people.

But, says Botswana government spokesperson Jeff Ramsay, it’s not that simple. The Botswana government owns 50% of Debswana, the company responsible for most of the diamond mining in the country. The name is derived from De Beers, the international diamond giant, and the Botswana government.

“South Africa comes from a different direction,” says Ramsay. “South Africa and Botswana have very different histories in terms of land ownership and therefore the Botswana model cannot simply be supplanted into South Africa with the aim of being successful.”

According to Ramsay, the Botswana government started from the premise that all natural resources belong to the people and any company that wants to do business with these natural resources must accept that.

Despite the government holding half of the company, Debswana is

not run like a parastatal. The government has a seat on the board as a shareholder, but the running of the business is largely left to De Beers.

It took a series of complicated and intense negotiations to create an environment in which De Beers could use its skills and know-how in the diamond industry to ensure the extraction was done in a profitable way, but still allow the government access to some of the revenue arising from the sale of diamonds.

The downside, says Ramsay, is that the income from the industry created an overreliance on diamond exports for revenues and, despite numerous attempts and investments, the economy has never diversified.

The global economic crisis drove home the message that the country needs to find other sources of revenue.

Botswana has been able to increase literacy levels in 90% of the population, according to Ramsay. But that still has not produced the highly skilled nation the government was hoping for.

“We have a relatively educated