



What Can Resource-Rich African Countries Learn from the Botswana Success Story?

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Executive Summary

Botswana has shown that mineral wealth can be positively utilized to sow seeds of development in other sectors. Despite its other challenges, Botswana's unique development trajectory is considered to be Africa's only resource success. Other resource-rich African countries can draw lessons from the example of Botswana to develop their natural resource sectors and avoid the resource curse. When Botswana became independent in 1966, it was one of the poorest countries on the continent, with the state relying heavily on foreign aid. Since the discovery of diamonds in the 1970s. However, Botswana began an aggressive and highly efficient government development policy of centrally managing the revenues from its mineral resources in a relatively benevolent and transparent manner. Botswana has built strong institutions and policy frameworks that have turned what would have otherwise become a 'resource curse' into a blessing. Although the Botswana example is unique, other resource-rich countries can draw lessons for better natural resource governance.

Key Points

- ❖ The resource curse as set forth by Richard Auty (1993) indicates that countries highly endowed with natural resources can experience slow economic growth resulting in a host of other problems, most notably conflict. This is true for most resource-rich African countries including Nigeria, Angola, the Democratic Republic of Congo (DRC) and Sierra Leone, among others.
- ❖ Botswana, however, is an exception to the norm as it has had a unique development trajectory, managing to use its diamond resources effectively to promote development. Botswana is today considered Africa's only resource success from which other countries can draw lessons.
- ❖ Building strong institutions and policy frameworks for managing their resources, and developing a well-trained and competent bureaucracy, are some of the initiatives Botswana has undertaken to avoid the resource curse. Other resource rich African countries need to emulate this.

Introduction

Botswana, once a poor nation, has been referred to as one of Africa's most stable countries and a good example of a successful democratic developmental state on the continent (see Leftwich (1995)¹, Edge (1998)², Taylor (2003)³, Sebudubu (2005), Mbabazi and Taylor (2005⁴) and Gurbanov and Merkel (2010)⁵. In order to account for how Botswana turned poverty into wealth and natural resources into blessings, we must ask three key questions. First, what are the key factors that account for Botswana's relatively good performance? Second, with other resource-rich African countries experiencing poverty, failure of institutions, instability and increasing corruption, what accounts for Botswana's positive trajectory? Lastly, what lessons can be learned from Botswana for the benefit of other African countries and what are the possible policy recommendations?

This policy brief takes a closer look at the role of political actors/elites and coalitions as well as the nature and character of institutions put in place in Botswana to successfully propel the country on the right developmental path. It tries to highlight the characteristics of Botswana's institutions and leadership that have permitted the country to remain relatively immune to many of the predicaments affecting resource-rich African countries and provides policy recommendations for avoiding the resource curse in Africa. So much has been written about Botswana's economic and political stability, democracy, low levels of corruption and unique leadership in light of its utilization of diamond resources. This policy brief essentially contributes to the debate on how African countries can utilize their natural resources to avoid conflicts and promote national development.

According to Sebudubudu and Molutsi (2011)⁶, the nature, character and behaviour of the elite in Botswana are directly related to the country's

success. The unique politics and governance style of the ruling elite in Botswana has shaped coalition-building and networking among the leaders of the country and led them to frame out a collective vision for national development. Other authors such as Hillbom (2008) and Mehlum et al (2006) have also argued that the development of a ruling elite in Botswana has played a key role in shaping the country's successful development trajectory. Diamonds are undoubtedly the major reason behind Botswana's transition from one of the poorest countries in the world at independence to its current middle-income status. What is unique about the elite in Botswana that seems to have evaded other African countries? The Botswana experience is undoubtedly an anomaly on the continent when compared to countries with rich natural resources, which have been plagued with weak institutions, corruption, neo-patrimonialism⁷ and conflict to mention but a few.

Paul Collier has tried to demonstrate the linkage between resource-rich nations and conflicts (Collier and Hoeffler, 2004)⁸ and other authors such as Bates (2008)⁹ and Ron (2005) have provided more viable arguments focusing on the role of state institutions and the distributional choices made by the rulers/authorities or the elite, which arguably triggers political instability and leads to violence and state failure. Among the many key reasons for state failure are predatory behaviours of incumbent elites who embezzle public wealth, engage in nepotism, favouritism and authoritarianism. According to Bates (2008), the incumbent political elite tend to turn into predators of their own people because of their perception of the risk of being overthrown. He convincingly argues that once a leader feels threatened of losing office, this creates a decisive incentive to prey while still in office. This could partly explain the rampant corruption in countries like South Sudan, DRC and Nigeria¹⁰.

Building on Bates' arguments to understand Botswana's success, the next section takes a closer look at Botswana's development trajectory; the behaviour of the state and its institutions as well as its actors and tries to analyze the socio-political and economic environment in which the state was built. This, according to Bates, is what significantly affects the incentives and constraints faced by many leaders to develop their countries.

Botswana's political economy

Botswana has had five successive presidents since independence whose power transitions have been very peaceful. Suffice it to say, the country has been ruled by one party - the Botswana Democratic Party (BDP) since independence in 1966. President Khama was the founding father of the Republic of Botswana and the architect of Botswana's democracy. Sir Seretse Khama (1966-1980) handed over power to Sir Kitumile Masire (1980-1988) who ensured that democracy continued to flourish in his time. He was Sir Seretse Khama's number two since independence and knew what direction the country was taking. Sir Kitumile handed over power to Festus Mogae (1998-2008), a reknown and shrewd economist who made sure that the economy performed at its best during his term. Ian Khama (2008 - 2018); son of the first president of Botswana, took the baton of power from Festus Mogae and was at the helm of Botswana's politics until he stepped down this year. This is something rarely done by most African presidents. Ian Khama handed over power to his vice president Mokgweetsi Eric Keabetswe Masisi on 31st March 2018, putting him at the helm of Botswana's political leadership.

Since gaining independence from the British, Botswana has been one of the world's fastest growing economies averaging 5% per annum over the last decade. Botswana's GDP at independence was approx 0.03 billion dollars,

and by 2017, it was worth 17.41 billion US dollars (World Bank Report, 2018). The African Development bank has praised Botswana for sustaining one of the world's longest economic booms¹¹. After a period of stagnation in the 1990s, the economy of Botswana resumed registering strong levels of growth that have been at par with some of Asia's largest economies¹².

Suffice to say, unlike a number of African states, Botswana has never experienced any insurgencies or civil conflicts in its post-colonial history. This African example, as well as several others globally, question Paul Collier's (2006) argument that "exploiting massive amounts of mineral wealth, mechanically leads to chaos. The poor economic achievements of resource-rich countries like DRC or South Sudan, on the other hand, are increasingly seen as consequences of weak institutional design, lack of accountability and corruption rather than the abundance of mineral resources. Botswana has also never experienced any military coups, making it one of the few stable democracies on a continent historically plagued by civil strife and turmoil. The country boasts a good human rights record and has been cited by many as Africa's model of good governance (See Sebudubu and Molutsi, 2011, Mbabazi and Taylor 2005, Taylor 2002 etc.).

Botswana has had unparalleled stability with its ruling party, the Botswana Democratic Party (BDP), which as mentioned above, has enjoyed uninterrupted state power since independence. Although other political parties exist, they continue to enjoy overwhelming support, and other parties have not posed a serious challenge to the BDP. Botswana has had 11 general elections since its independence in 1966 and all have been won by the BDP, with all 6 presidents so far being from the ruling party. Despite having been ruled by a single party, Botswana is praised as a yardstick for Africa's political democracy and cohesion given it hasn't

experienced any political upheavals (Sebudubudu and Molutsi, 2011).

The key arguments for Botswana's success

The nature of politics of any country is arguably a function of the character and relationships between leaders or members of the governing elite. These relationships go a long way in defining the political system as either being democratic or non-democratic or developmental or non-developmental (Mbabazi and Taylor, 2005).

In Botswana, there has been a long and sustained commitment by the state to pursue national development. The ideology and attitude of Botswana's elite from independence is one key explanation for Botswana's success. This goes back to the first presidency of Sir Seretse Khama (Parsons, Henderson and Tlou, 1995). A conscious and disciplined leadership in Botswana has seen, as one of its main duties, the need to develop professional institutions with competent bureaucrats. Indeed, the very process of post-independence nation-building took on a nature that was inspired by the fundamental task of development at all levels of society and government. This developmental ethos was accepted and advanced by both the political and bureaucratic elites and by the institutions they built (Tsie, 1996). This echoes Ha-Joon Chang's (2006)¹³ argument that a developmental state should act as an entrepreneurial agent whilst engaging in institution and capacity building. In 1981, the then Minister of Finance and Development Planning, Peter Mmusi, spoke of the need for a "purposeful government", which acquires the expertise to deal with companies on its own terms (Sebudubudu and Molutsi, 2011). Botswana, was able to create strong negotiating teams which, backed with well-worked-out negotiating mandates, have seen the country implement major mining agreements that are

favourable to the country (Harvey and Lewis, 1990:119).

Another feature is that at independence, the British Protectorate in Botswana deliberately developed nascent political institutions that brought together modern and traditional elites as well as African and European leaders (Sebudubudu and Molutsi, 2011). This helped foster a common understanding among a cross-section of the elite that took over at independence. According to Sebudubudu and Molutsi (2011), trust between key actors who inherited the post-colonial state contributed to the forging of what were otherwise hostile relations between different elites in Botswana at the time. This points to the central role that traditional institutions do and must play in African societies.

Another key explanation for Botswana's success is the nature and character of the leadership. The major roles that key leaders like Khama and Quett Masire (2nd President of Botswana who succeeded Khama) played in elite coalition building is a major factor that cannot be ignored in Botswana's development trajectory. Analysts such as Sebudubudu and Molutsi (2001) and Harvey (1992)¹⁴ acknowledge the exemplary leadership of the country's first president. It is under Khama's leadership that a strong and relatively independent and accountable merit-based civil service was created, through which the government pursued a developmental approach. A conscious decision was made to invest the proceeds from the diamond industry to the greater good of society and the nation at large. A political culture of self-restraint and accommodation was therefore institutionalized from independence.

Notably, Battistelli and Guichaoua (2011) present that Khama held a strategic position in Botswana's polity that conferred on him high esteem in the eyes of many, not only because he was part of the emerging elite, but he was also a chief from the biggest tribe, the Bamangwato.

This undoubtedly won him an inherent legitimacy that other aspiring leaders could not measure up to. Indeed, most of the leaders who took over at independence in Botswana were, as Battistelli and Guichaoua (2011) put it, “westernized traditional rulers”, unlike the case in most other parts of Africa where mainly, “westernized revengeful technocrats turned anti-colonial activists” took over state power.

The schoolmate friendship among the elite that took over leadership at independence also further explains much about the ease with which a “grand coalition” was successfully formed in Botswana to guarantee political, social and economic stability. Many of the leaders married their classmates or friends of their sisters, brothers and cousins, and invited each other to form political parties or community-based organizations. They recruited one another into public service and even founded private businesses collaboratively.

According to Sebudubu and Molutsi (2011), Botswana’s elite is uniquely different in the sense that they are all predominantly from one tribe, the Tswana, and have a common cultural background, one language and a common cultural orientation. In addition, because many of the elite studied together in institutions outside the country or in a few elite schools within Botswana, they developed a common political and social value system. Arguably, education played a key factor and underpinned the coalitions that emerged later in Botswana’s development process. It was easy to build networking relationships. Botswana had only one university until very recently, meaning generations of elite went through the same educational system and institutional experience which helped pave the way for broad-based inclusiveness with regard to leadership (Sebudubu and Molutsi, 2011). It is clear that Botswana utilized a system of inclusion and collaboration, while few could argue this has been the case throughout much of post-independent Africa.

There are few differences between the political and economic elite, which further explains the shared interests of the ruling elite. This dates back to the co-existence of wealth and power being traditionally and culturally legitimate in the Tswana polity. As noted earlier, the first President Sir Seretse Khama consulted with conservative and market-based advisers and followed pragmatic capitalist development strategies. In doing so, Khama found a way to help himself while helping those he presided over; the latter sentiment is left out by many of Africa’s post-independent elite. While most African presidents at the time of independence were teachers with roots in socialism: Kenneth Kaunda (Zambia), Julius Nyerere (Tanzania), Kwame Nkrumah (Ghana), and Milton Obote (Uganda), the founders of Botswana’s nationalist party like Khama and Kitumire Matsire were prominent, ‘liberal-minded’ cattle and landowners. Being historically associated with wealth accumulation and production, the Tswana elite has therefore had an interest in upholding a legal framework governing property rights and resolving commercial disputes.

Botswana’s success lies in its ability to devise a larger political strategy of balancing regional, ethnic and racial interests that have enabled Botswana elite to work together in harmony for a common developmental agenda that has transformed the country into a middle-income economy. I now turn to what lessons other resource-rich African countries can learn from Botswana.

What lessons can resource-rich African countries learn from Botswana?

1. The need to avoid personalization of power

One major lesson to learn from the Botswana example is the need to avoid the personalization of power and instead build strong state institutions to govern society. In many resource-rich African countries, state power is increasingly becoming personalized, and due to endemic corruption, most of the institutions previously created to ensure the effective management of their economies are arguably not functioning as would be expected. These governments would do well to look to Botswana's example of benevolent leadership and create strong institutions to manage their resources.

2. The nature and character of the leader is a crucial factor in any country's progress

The contribution and centrality of President Khama's leadership partly explains why Botswana has emerged as a success story. As noted earlier, Sir Khama's strong leadership and early decisions had a great impact on the growth of the Botswana state and proved to be decisive in establishing a strong state. As Acemoglu et al (2003) argue, President Khama's foresight in passing the 1967 Mines and Minerals Act vested the government with sub-soil mineral rights that helped to avert any conflicts that would have otherwise emerged.

Furthermore, Du Toit (1995)¹⁵ presents several other factors that can be noted as key decisions by Khama that led to the strengthening of the Botswana state. These include among others, the separation of state personnel from politics, the transfer of land allocation from chiefs to the state, the incorporation of customary courts into the state legal system, the prolonged presence of significant expatriate personnel in the public

service (until only very recently) and the co-option of potentially chiefly challenges (Du Toit, 1995, cited in Philippe Martin, 2008). It is arguably the leadership's conscious effort to shape Botswana into what it is today - "a functioning democratic developmental state" that largely explains the success of this country. Nevertheless, just like any other developing country, many challenges still exist.

3. The integration of cultural institutions with modern institutions and the promotion of inclusiveness is crucial

Botswana is made up of a number of Tswana-speaking groups which constitute the dominant social, cultural and political pattern of society. At independence, the new leaders at the national level were mainly pre-occupied with ensuring that leaders of the different ethnic and racial groups were included in the "grand coalition"¹⁶. The institutions of chieftaincy, traditional assemblies and courts, which were the political, judicial and social pillars of pre-colonial and colonial Tswana society, still exist and are an integral part of modern-day Botswana (Sebudubu and Molutsi, 2011). It is therefore conceivable that here-in lies the model of ensuring stability and development for African countries. The fact that leaders in Botswana managed to successfully blend the country's traditional and modern institutions when in most other countries the traditional institutions have been abolished or transformed dramatically is noteworthy. A closer look into how to value and revive culture and its centrality in shaping thinking is one aspect that needs to be further explored and understood.

According to Sebudubudu and Molutsi (2011), the process of blending the two institutions in

Botswana was neither easy nor smooth. It involved several struggles, resistance, resignations and a carefully designed political strategy of coalition building and inclusiveness by the new elite. Nevertheless, the careful management of traditional chiefs and their institutions, i.e. giving them recognition and being accommodated and integrated into the new state, ensured continuity and arguably explains Botswana's unique post-colonial stability and enviable growth and development with minimal social tensions.

It is also worth noting that the BDP implemented an inclusive strategy of recruiting leaders who were either chiefs or had relations to chiefs from royal families. They further recruited self-made emerging leaders like Masire, who eventually became president and also leaders of the white settler communities. As Sebudubudu and Molitsi (2011) argue, unlike other parties in Botswana, BDP managed to form a grand coalition of strategically well-placed leaders from the very beginning. The BDP was, therefore, able to make a successful appeal to the wider section of the population and, after winning the first election in 1965, has been in power ever since.

4. Creating the right institutional framework for development is central

Several scholars including Mehlum, More and Torvik (2006)¹⁷ and Easterly and Levine (2003)¹⁸ argue that the quality of a country's institutions determines its level of income per capita. They argue that the main reason behind diverging growth experiences in resource-rich countries lies largely in the differences in the quality of

institutions. Easterly and Levine (2003) utilize an institutions index that takes into account factors like voice and accountability, political stability and absence of violence, government effectiveness, regulatory burden, the rule of law and freedom from graft. Their main assertion is that institutional quality is a key determinant for a country's long-term economic growth.

In the case of Botswana, strong institutions have enabled the country to manage its resources more effectively, and its traditional system has provided for consultations between chiefs and the people. Chiefs in Tswana culture were responsible for looking after the provision of goods and services, including law and order (Leith, 2005)¹⁹. This meant that at independence when the traditional institutions were integrated into the political system, the political elite was well aware of the constraints on their rule and knew that they were and had to be accountable to their people. In addition, a tradition of public participation and consultation was embedded in the policy process as this had been the way of Tswana culture. According to Phillippe Martin (2008)²⁰, these structural factors were to have a great influence in post-independence decision-making regarding the country's development, and also provided an environment conducive for growth-promoting policies. As one scholar put it, relatively well institutionalized private property values, rule-based governance and an independent judiciary explain Botswana's good management and the sustained inflow of foreign direct investment (Maipose, 2003).

5. Public-private strategic management of mineral resources

Botswana's management of its mineral resources is unique in the sense that at independence, the political leaders decided to pro-actively enter

into a strategic alliance with international capital regarding ownership and management. Mineral rights were taken from the tribes and declared a property of the state in 1967 (Battistelli and Guichaoua, 2011)²¹. The fact that the first minerals were discovered in Khama's territory, the Bangwato area, facilitated this process for the new leadership, yet it also lends much credit to his decision to renounce private gain by his tribe for the good of the nation.

The mining sector was developed through a smart partnership of strategic cooperation between the government and private sector where the government has shares in the company but leaves management to the private owners and is mainly interested in how dividends and taxes are used. The partnership that was created stands as one of the central pillars of Botswana's success and is reputed to be "one of the best ever secured between a developing country government and a major multinational mining company" (Jefferies 1998).

The state from the very beginning established control of mineral rights and also entered into strategic partnerships with international companies. The leadership in Botswana was able to negotiate a uniquely strategic partnership with De Beers and form a distinctive successful coalition that has managed to mine, manage and share Botswana's mineral wealth in a manner that has benefitted the country as a whole.

Botswana has realized its success from the joint effort and cooperation of external interests in the private sector. As Sebudubudu and Molutsi (2011) affirm, the private sector in the country's mineral sector carved out a unique strategic and enduring relationship with the Botswana state from early on; it is this unique, friendly relationship that has enabled the country to

avoid collusion, rent-seeking or predatory behaviour crucially. The Botswana Development Cooperation (BDC) is the public company that represents and coordinates government activities in these ventures.

When diamonds were discovered in the mid-1960s, in the Bangwato territory of Orapa and Letlhakane, the government entered into a uniquely successful partnership with De Beers, which had for many years been mining diamonds in South Africa, Namibia and Angola. The international company accepted a uniquely generous agreement with the government of Botswana whereby the government and De Beers agreed to a 50/50 split of the diamond mining revenues. The fact that De Beers controls the world market for diamonds meant that the company could raise the amounts it pays producers for the above production costs (Maipose, 2003). In the late 1970s, with the discovery of a new, even larger and more valuable Kimberlite deposit in Jwaneng in the Bangwaketse territory in Southern Botswana, the government negotiated for 60 per cent revenue from the mine. Subsequently, a jointly owned company named De Beers-Botswana Mineral Company (or DEBSWANA) was formed with equal membership with the chairmanship of the board rotating between officials from the government of Botswana and De Beers (Sebudubudu and Molutsi, 2011). Today, DEBSWANA²² runs the diamond mines in Botswana.

More notably, in 2007 Botswana was able to compel the De Beers subsidiary company, Diamond Trading Company (DTC) originally based in London and dealing with the downstream elements of the industry including cutting and global marketing of diamonds, to relocate and open up offices in the capital,

Gaborone. This was an important accomplishment in negotiations for the government as it demonstrated their ability to apply pressure to a large multi-national successfully, and demonstrated how the government had an interest in ensuring De Beers integrated further into Botswana. By relocating offices, De Beers demonstrated they were committed to the success of the state.

6. Economic prudence of the political leadership is essential

Some scholars like Sebudube and Molutsi (2011) have argued that Botswana has been able to make advances in part due to the economic prudence of the leaders at independence, who promoted centralized planning. Arguably, one of the reasons Botswana developed a culture of economic prudence at independence was due to the tough economic situations it found itself in at the time.

Botswana gained independence in a period when the international community was not wholly averse to state involvement in the economy, and as such, the leadership chose to pursue a strong central role in formulating, managing and administering aspects of economic change from Gaborone. The fact that the country was poor, and relied heavily on South African aid, made it vulnerable. The BDP pushed for the adoption of careful and pragmatic policies with preference to centralized planning (Battistelli and Guichaoua, 2011). The State has never been relinquished this approach. The Ministry of Finance and Development Planning in Botswana today exerts extensive powers with respect to budgetary and financial affairs of the government and oversees all major decisions on economic

growth and national plans. The rationale adopted by the government at independence was such that since the nation lacked natural resources (diamonds were not yet a part of the economy), careful centralized planning would be required to put the limited resources to good use (Siphambe, 2007)²³.

Botswana has used what has become known as rolling plans with regards to economic management, which are reviewed and updated on a six-year basis. The level of public/private consultation, as well as the level of strict rules governing the process, has resulted in a stable and effective system of national fiscal management (Beaulier and Subrick, 2007)²⁴.

7. A well-qualified, efficient and professional bureaucracy is paramount

One aspect of Botswana's success is the prolonged utilization of foreign technical assistance. Localization was not rushed and introduced at the expense of merit. While other African countries, including Uganda, Nigeria and Kenya rushed to Africanize their civil service at independence, Botswana decided to retain most of its expatriates who played a key role in the economy by providing much needed technical expertise (Parsons, Henderson and Tlou, 1995). Senior positions in the public service and parastatal organizations were occupied by persons of different ethnic and racial groupings over the years, and qualified individuals from other countries were also recruited until only recently. To some degree, this gradual replacement process ensured the public service

remained sufficiently competent until the technical skills of the locals were built up (Battistelli and Guichaoua, 2011)

Conclusions and policy recommendations

In conclusion, Botswana's success can largely be traced to the evolution of a genuinely conscious elite leadership which worked through consultation, consensus building and inclusive strategies to drive successful development. It has been the leadership's conscious effort to create a particular type of politics and state that has made Botswana into what it is today.

The judicious balance between the various ethnic groups has also been a key factor and has ensured that no single group has dominated the political space. Both at independence up to today, all tribes participate in national affairs. To a larger extent, decision-making is based on broader consultations, inclusive participation and consensus rather than coercion, intimidation, bribery and decrees as seems to be the case in much of conflict-prone Africa.

The mineral coalition that was crafted and the relative good use of the mineral proceeds for the benefit of all enabled the country to remain peaceful and ensured continued economic growth. While Botswana is a unique situation, there are indeed lessons that other resource-rich African countries can learn from its success. This is where we turn to next.

One major policy recommendation to other African resource-rich countries is the need to build strong state institutions to govern society. Strong institutions are necessary to avoid the resource curse and personalization of power. In most other resource-rich countries like Gabon²⁵, Uganda²⁶, Nigeria, DRC and Angola, a lot more needs to be done to avert this. State power appears to be increasingly becoming

personalized, and because of endemic corruption in most of these countries, the institutions previously created to ensure effective management of the economy are not functioning as would be expected. The governments of these resource-rich nations would do well to look at Botswana's example of benevolent leadership and invest more efforts in promoting clean leadership and strengthening governance institutions. If Africa's resource-rich countries could put more effort into combating corruption and strengthening its public institutions, they would be able to control the economic influences of oil. The leaders especially, need to change the rules of the game and begin to act differently to avoid the grabbing of resources via corrupt practices. Countries that have successfully transferred from corrupt to less corrupt systems seem to share the characteristic that actors at the very top of the system, i.e. the public officials at the high-level, have served as role models²⁷. The modus operandi for leaders in Africa's resource-rich countries needs to change fundamentally.

Another key recommendation is the need to build social cohesion and create a common vision to transform society, a strategy that President Khama used and largely explains Botswana's success. One could argue that the reason many African presidents recruit mainly people from their tribes in the top positions of government (see endnote VII and VIII) is the desire to build a common vision. Perhaps their idea is to create a calibre of leaders that can easily trust and speak to each other and develop a common political and social value system for the country. However, given that most of our societies are highly ethnically divided especially those with huge mineral resources, such a project would not be feasible when seen in light of the key principles of a democratic developmental state. African leaders in resource-rich nations would do well to scale up a model similar to what was developed by Botswana's post-colonial leaders.

In line with Francis Fukuyama's arguments about trust²⁸, it is no surprise that a country like Uganda for example, which is a "low trust" country, has somewhat failed to form a broad coalition like the one in Botswana. Social cohesion around the right policy framework to transform the economy and most especially on the emerging oil industry has failed to form in Uganda. Although the National Resistance Movement (NRM) government of President Yoweri Museveni did for some time after the bush war attempt to build social cohesion in much of the country, this seems to have arguably dissipated with the revival of multi-party democracy in 1996 and the increasing personalization of power by President Museveni. Arguably, one reason President Museveni has ended up with so many relatives in key positions is that he has curtailed the independent growth of state institutions in Uganda. It is very difficult to govern without organized institutions unless one has a force to rely on to counter challenges to one's authority. Perhaps that is why the security forces have become the bedrock of President Museveni's power²⁹. What we see playing out on Uganda's political scene today is a myriad assortment of loose factions with unclear common objectives and no underpinning social values as seen in Botswana. Most coalitions work as patronage groups to the regime in power. Such loose factional leadership networks like the "Young Parliamentarians" and "NRM caucus" cannot form any "Grand Coalition" as was the case in Botswana because of the ethnic conflicts, intrigue and infighting which continuously destabilize the government and hinder development. Uganda and other resource-rich nations in Africa are in a unique position to learn from the mistakes of their neighbours and right all the wrongs in order to build a national coalition to transform their countries.

Another major recommendation is the need to integrate traditional systems of governance into the Western models adopted by most African states. Botswana was able to integrate its

traditional rulers in the mainstream decision-making process yet most other African countries have failed to do this. Traditional rulers in Africa's societies are extremely important and command both loyalty and respect. Unfortunately, their role in politics is rather limited and indirect, both by law and custom. Churches and religious leaders are also important but divided along regional and political lines in most countries. For resource-rich nations in Africa, there is a need to develop strong social voices that will enable the creation of social cohesion which is necessary to manage natural resources effectively. Civil society and the role of traditional leaders need to be strengthened to play a vital role in the management of every country's natural resources.

The final recommendation is to develop a well-trained, efficient and professional bureaucracy to manage the sector. Although many resource-rich African nations have taken steps to create competent capacity in the field of natural resource governance with a number of qualified specialists in the oil and gas and other minerals industry, a lot more needs to be done. A competent bureaucracy is one of the factors that explains Botswana's success and should be adhered to other resource rich African countries. In Uganda for example, the establishment of a petroleum institute could be a good investment for the embryonic oil industry in the country.

Although all of Africa's resource-rich nations have largely been unable to avoid the curse, this policy paper suggests that these countries have a lot to learn from the Botswana success story. By highlighting what has worked in Botswana, this paper suggests that by strengthening public institutions and making decisions with the public interest in mind as well as building social cohesion and developing a professional and efficient bureaucracy, Africa's resource-rich countries can effectively manage their resources and put their countries on the right path to development.

About the author

Pamela Mbabazi is a Professor of Development Studies and currently Head of Research at the Institute for Peace and Security Studies, Addis Ababa University. Previously, Mbabazi served as the Dean of Development Studies at Mbarara University (1998–2010), where she established the Faculty of Development Studies, which has now been transformed into an institute. Mbabazi is a former Fulbright African Scholar, having spent time at Johns Hopkins University's School of Advanced and International Studies in Washington, DC, in 2006, doing research and writing on the topic of Developmental States in Africa. She also was the Claude Ake Visiting Professor at the Nordic Africa Institute in 2013 and was a Visiting Commonwealth Scholar at the University of Leeds in 2012, conducting research and writing on the topics of oil governance and land governance, respectively. Her current areas of research include the changing nature and character of the state in Africa, the political economy of oil, peace-building, and land governance in Africa. Some of her publications include; 'Winners and losers: Contestation over land in the advent of oil exploration in Uganda' in Hany Gamil Besada (eds) *Governing Natural Resources for Africa's Development*, Routledge, Taylor & Francis, London (2017) co-authored with Aliguma W, Muriisa. R and Twinamatsiko M; and 'Women Have Always Had Their Special Place in History as Peace Makers: Women and Peace-building in the Great Lakes Region' (2015); as well as 'Land Deals in Uganda: An Invisible Hand in Land Grabbing and Rural Development', coauthored with Robert Muriisa and Medard Twinamatsiko. Others include 'The Emerging Oil Industry in

Uganda: A Blessing or a Curse?' (2012); 'Two Africas, Two Ugandas?' (2010), coauthored with Tim Shaw; and 'The Potentiality of Developmental States in Africa (2005)', co-edited with Ian Taylor.

End Notes

- ¹ Leftwich A. (1995) *Bringing Politics Back in: towards a Model of the Developmental State*, *Journal of Development Studies* 31(3): 400-27.
- ² Jefferis, K. (1998); 'Botswana and Diamond-Dependent Development' In Edge, W. A. and Lekorwe, M.H (eds) *Botswana: Politics and Society*. Pretoria: J. L. Van Schaik Publishers.
- ³ Mbabazi P and I. Taylor (eds) *The Potentiality of Developmental States in Africa: Botswana & Uganda Compared*, Dakar, CODESRIA.
- ⁴ Sebudubudu D (2005) *The institutional Framework of the Developmental State in Botswana* in Mbabazi P and I. Taylor (eds) *The Potentiality of Developmental States in Africa: Botswana & Uganda Compared*, Dakar, CODESRIA.
- ⁵ Sarvar Gurbanov and T Merkel, Edward (2010) *Avoiding the Dutch Disease: A Comparative Study of Three Successful Countries*.
- ⁶ Sebudubudu D. & Patrick Molutsi (2011): *The Elite as a Critical Factor in National Development; The Case of Botswana*, Nordiska Afrikainstitutet, Uppsala.
- ⁷ *Neo-patrimonialism is a very extreme, exploitative, personalized and highly centralized form of exercise of state power very evident in most resource-rich nations like the DRC, Nigeria, South Sudan and arguably Uganda.*
- ⁸ Collier, Paul and Hoeffler, A. (2004): *Greed and Grievance in Civil War*; *Oxford Economic Papers* 56(4): 563-95.
- ⁹ Bates, R.H (2008). *When Things Fell Apart: State failure in Late – Century Africa*. Cambridge: Cambridge University Press.
- ¹⁰ South Sudan was one of the lowest scoring countries on the corruption perception index (CPI) for 2017 (2nd last; ranked 179 out of 180 most corrupt countries globally). Arguably, this is because the country is still experiencing war which makes it difficult to fight corruption. In Nigeria too, which has been fraught with the Boko Haram insurgency for years now, the CPI for 2018 ranked the country at 148 out of 180. One of the the political consequences of oil-driven wealth in Nigeria has undoubtedly been an excessive centralisation of power, authoritarianism and the development of pervasive patronage and rent-seeking cultures. DRC which is also experiencing war, was ranked 161 out of 180.
- ¹¹ See www.afdb.org
- ¹² See <http://www.gov.bw/en/News/ADB-commends-Botswana-for-good-economic-growth>
- ¹³ Chang, Ha-Joon (2006): *The East Asian Development Experience - the miracle, the crisis and the future*, Zed Books, London.
- ¹⁴ Harvey C (1992) 'Botswana: Is the Economic Miracle Over?', *Journal of African Economies* 1 (3).
- ¹⁵ Du Toit, Pierre (1995): *State Building and Democracy in Southern Africa: Botswana, Zimbabwe and South Africa*. Washington DC: United States Institute for Peace.
- ¹⁶ *The country's peculiar ethnic structure and the nature of its colonial history have impacted positively on Botswana's development trajectory. Unlike other African Countries, Botswana has no single dominant monarch or ethnic group. In effect, there was no dominant tribe big enough to influence any other ethnic tribes whether politically, socially or economically. The situation created an environment like the one in some parliaments elsewhere where there is a multiplicity of parties of different strengths in parliament and none enjoys an absolute majority. It was therefore inevitable for the first generations of the country's post-colonial leaders to generate an inclusive political strategy (Sebudubudu & Molutsi 2011).*
- ¹⁷ Mehlum, Halvor, Karl Moene and Ragner Torvik (2006) "Institutions and the Resource Curse" *The Economic Journal* 116 (508): 1-20.
- ¹⁸ Easterly William & Ross Levine (2003) "Tropics, Germs and Crops: How Endowments Influence Economic Development; *Journal of Monetary Economics* 50:3-39.
- ¹⁹ Leith J. Clark, (2005) *Why Botswana Prospered*. Montreal: McGill-Queen's University Press.
- ²⁰ Martin Phillippe (2008): *A Closer Look at Botswana's Development: The Role of Institutions in Paterson Review* Volume 9.
- ²¹ Battistelli S & Yvan Guichaoua, (2012) *Diamonds for Development? Querying Botswana's Success Story*, in Thorp R, Stefania Battistelli, Yvan Guichaoua, Jose Carlos Orihuela & Maritza Paredes (2012) *The Development Challenges of Mining and Oil; Lessons from Africa and Latin America*, Palgrave Macmillan, New York.
- ²² *Today, the diamond industry in Botswana is controlled and operated by DEBSWANA, a private company set up in 1969 which is a 50-50 joint venture between the Botswana Government and South African De Beers Company.*
- ²³ Siphambe, H. K. (2007) 'Growth and Employment Dynamics in Botswana: A Case Study of Policy Coherence' *Working Paper No. 82*, Geneva: ILO.
- ²⁴ Beaulier, S.A and Subrick, J. R. (2007): *Mining Institutional Quality: How Botswana Escaped the Natural Resource Curse*, http://www.scottbeaulier.com/REVISED_CURSE2__2_.doc. (Accessed 1 February 2013).

²⁵ *Politics in Gabon has been shaped by personal relationships and patronage, based largely on the country's oil wealth. A distinctive feature of President Bongo's personal rule is that he occupied the most important cabinet portfolios and also assigned trusted relatives, including his immediate children and sons-in-law, to strategic positions in the armed forces and the public service. His cabinet and other high-ranking officials, including provincial governors, are carefully chosen and appointed with due regard for their total subordination and loyalty. He subjects his appointees to frequent and unpredictable rotations, promotions and dismissals in a manner akin to the strategy employed by Mobutu, Bokassa and Nguema.*

(Source: Francis N. Ikome; "A Personalisation of power, post-regime instability and human (in)security in the Central Africa Region" Monograph No 155, November 2008, ISS).

President Museveni in Uganda appointed his wife, Mrs Janet Museveni, as Cabinet Minister for Karamoja (and currently as Cabinet Minister of Education;) his brother, Gen. Salim Saleh, formerly a minister of state for micro finance, as Senior Presidential Advisor on defence, a job at the same rank as a cabinet minister; his brother-in-law, Sam Kutesa, minister of foreign affairs (up until today); his son, Muhoozi Kainerugaba, commander of the Special Forces, his daughter Natasha Karugire, Private Secretary to the president in charge of Household. President Museveni also appointed his nephew, Joseph Ekwau (son of his younger sister Violet Kajubiri), Private Secretary to the President in charge of Medical Services (HIV/AIDS); his sister Miriam Karugaba is Administrator at State House (she is semi-literate) and her husband (therefore Museveni's brother-in-law), Jimmy Karugaba, is Officer in Charge (OC) of the Accounts Department at State House. Museveni has also appointed his sister-in-law, Jolly Sabune, Executive Director of Cotton Development Authority, his niece-in-law, Hope Nyakairu, Undersecretary for Administration and Finance at State House, his cousin Bright Rwamirama, State Minister for Animal Husbandry and the list goes on and on. Many observers say that increasing family influence in government has gone hand in hand with the informalization of power. (Source: The Independent Magazine; 2009. <http://www.independent.co.ug/index.php/cover-story/cover-story/690-family-rule-in-uganda> (Accessed June, 2018).

²⁶ In Hong Kong and Singapore for example, corruption was successfully fought from "above" implying that the members of the ruling elite themselves set an example by changing their behaviour beyond rhetorical level (Root, 1996).

²⁷ In Hong Kong and Singapore for example, corruption was successfully fought from "above" implying that the members of the ruling elite themselves set an example by changing their behaviour beyond rhetorical level (Root, 1996).

²⁸ Francis Fukuyama (1995) in his book; 'Trust; The Social Virtues and the Creation of Prosperity' examines a wide range of national cultures in order to describe the underlying principles that foster social and economic prosperity. Insisting that we cannot divorce economic life from cultural life, he contends that in an era when social capital may be as important as physical capital, only those societies with a high degree of social trust are able to create the flexible, large-scale business organizations that are needed to compete in today's global political economy.

²⁹ See: Think Africa Press (2012): 'How has Museveni stayed in power? <http://thinkafrica-press.com/Uganda/editor-q-a-how-has-Museveni-stayed-power>.