Governance of Land and Natural Resource for Sustainable Development in Botswana: Possible Lessons for the Agricultural and Tourism Sectors

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Abstract

Realizing sustainable development is a major challenge for most African countries. Economic growth in most African countries is largely centered on the extraction of natural resources, particularly minerals. Rather than facilitate development, the extraction of natural resources in most countries, has been a source of adverse outcomes. That is, natural resources led to 'the resource curse', partly because of bad governance and leadership. Through governance and leadership, Botswana emerged differently. The country transformed itself to a middle income status through the prudent utilization and management of mineral (non-renewable) resources; making Botswana one of the few resource rich countries that have *so far* avoided the blight of the 'the resource curse'. Yet, the sole reliance on one non-renewable resource is risky as evidenced by the recent global financial crisis. Sustainable development necessitates greater emphasis on renewable resources whose utilization and management require a different strategy to drive development forward. The paper identifies governance and leadership amongst the central tenets to Botswana's development success story. It argues that, for the last four decades its governance and leadership strategy served the country well, given the context of the time. Going forward, an enhanced governance and leadership strategy is necessary to successfully exploit and manage the country's resources for the benefit of all. To this extent, the paper concludes that other African countries need to consider and review their governance structures in order to realize sustainable development.

Keywords: Natural resources, governance, leadership and sustainable development

Introduction

Governance is acknowledged internationally by policy makers, aid agencies and institutions, including the World Bank, as a major policy imperative to facilitate sustainable development – albeit contested. Utilizing Hyden, Court and Mease's (2004) conceptualization of governance, and as built on by Robert Rotberg (2005), this paper seeks to demonstrate that, undeniably governance is critical to the success of any country's development prospects. Hyden, Court and Mease (2004,16) defined governance as "the formation and stewardship of the formal and, informal rules that regulate the public realm, the area in which state as well as economic and societal actors interact to make decisions".

For Rotberg (2004, 71), governance entails "the tension-filled interaction between citizens and their rulers and the various means by which governments can either help or hinder their constituents' ability to achieve satisfaction and material prosperity". When governance is measured in terms of the quality of delivery of goods, both in quality and quantity, as Rotberg (2004) asserts, the majority of African countries are far and/or struggling to realize this goal.

The concept of governance and its effect on policy discourse has been evolving since the market liberalization reforms of the 1980s (Kwame Sundaram and Chowdhury, 2012). However, it was not until in the 1990s that it was embraced as a major international policy consideration (Sebudubudu, 2010; Kwame Sundaram and Chowdhury, 2012). In turn, governance has become a critical theme for several conferences internationally in an attempt to encourage and nurture it. Consequently, the World Bank introduced its Worldwide Governance Indicators (WGIs) research project that entails six elements of; voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann, Kraay and Mastruzzi 2009:2). However, research; even from within the Bank itself, have criticized WGIs for their conceptual and methodological flaws (Kwame Sundaram and Chowdhury, 2012). Despite its flaws, governance has become a standard requirement to qualify for donor assistance or loans and/or grants from financial institutions. Even then Rotberg (2004, 72) warns us that "tying donor assistance to good governance conditionality may help at the margin".

The effects of bad governance are more evident in Africa – where life is depressing and unbearable for the majority of people. Understandably, the absence of good governance retards economic development and delivery of goods to the majority of people. Deplorably, most African countries have failed to realise development despite an abundance of resources, mainly because of bad governance. This shows that resource endowment does not automatically translate into development. Take for instance a number of African countries such as Angola, the Democratic Republic of Congo (DRC) and Nigeria. The Economist considers Angola "one of sub-Saharan Africa's richest countries". Not only is it regarded as the fifth producer of diamonds in the world but "its oil wells … produce 1.9m barrels a day; on present trends, it could overtake Nigeria to become Africa's largest producer. It [also] has huge agricultural potential" (2011, http://www.economist.com; accessed 16 June 2014). Despite its wealth, "Only 9% of Luanda's population of 5m has running water, a lower share than during the civil war. Across Angola, half the population of 18m has virtually no access to health care. The country has one of the world's highest rates of infant mortality, and the only known cases of urban polio" (2011, http://www.economist.com; accessed 16 June 2014). Nigeria is another country that is equally rich in Africa yet its poverty levels remain alarmingly high. Despite being one of the major producers of oil in Africa, and in the world, the number of people living in poverty in Nigeria was put at 112.47 million in 2010, up from 17.1 million in 1980 (BBC news Africa, 2012; http://www.bbc.co.uk/news/world-africa-17015873; accessed 16th June 2014). The Democratic Republic of the Congo (DRC) is similarly rich in natural resources yet the country "hardly [has] any roads or railways, while the health and education systems lie in ruins", which is a clear indication that "its resource wealth has rarely been harnessed for [its people's] benefit" (BBC news

Africa, 2012; http://www.bbc.com/news/world-africa-11108589, accessed 16 June 2014). There are many such countries in Africa, which are rich in natural resources, yet poor largely because of bad governance. However, one thing is certain about the three African countries cited above. The level of deprivation has nothing to do with shortage of economic resources to drive development, suggesting that resource endowment has been a curse in those countries. These are clear examples of African countries that have been poorly governed. Nevertheless, there are countries in Africa that emerged differently, and Botswana is one such a country, which is the focus of this paper. The paper, first uses the case of Botswana to show how governance of land and natural resources assisted it to evade the resource curse - suggesting that indeed governance makes a difference to a country's development prospects. Second, it seeks to show how the country can use renewable resources (agriculture and tourism) to achieve sustainable development. As shown with the mineral sector, we contend that governance is even critical for renewable resources to realize their full potential in terms of their contribution to sustainable development. It is the case of Botswana that we now turn to.

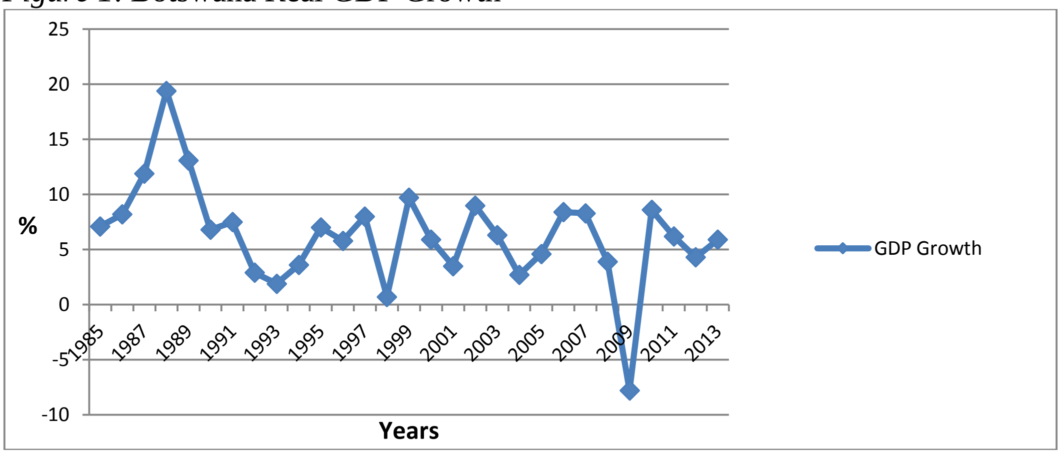
Governance of Land and Natural Resources for Sustainable Development: The Botswana Context

The story of Botswana's democratic developmental achievements seems like a fairy tale - but this is real. To some, it is like a puzzle that analysts have been trying to understand and explain over the years. Yet, no single satisfactory explanation has been offered for how and why the country transformed itself the way it did in the last 48 years of self-rule. At independence, Botswana was considered as a hopeless case that had "dismal economic prospects … based on vague hopes of agriculture, salt and coal" (Beattie 2009, 115 quoting a British Government Report on Botswana's future in 1960). Both social and economic indicators pointed in that direction, and these have been well documented in the literature. For instance, the literacy rate stood at 25%, per capita income was around U$ 80 while life expectancy was put at 48 (Sebudubudu and Molutsi, 2011). There was virtually no physical infrastructure as well. Masire (2006) notes that there were 'only eight kilometres' of tarred road, and Beattie (2009) at the most put them at '12 kilometres'. Faced with all these, the country had to make the critical decisions at the material time. As Masire (2006, 168) observed, "it was clear from the very beginning that if we were to succeed in raising the living standard of our people, we would have to find the greatest amount of financial resources possible, invest them to achieve a high rate of economic growth, and create productive employment opportunities."Indeed, Botswana's leaders lived to their pledges by making the critical decisions and ensuring that the country was not misgoverned. 48 years later, the Botswana's story is different.

While most African countries went on a path of bad governance and self-destruction (i.e. Angola, Nigeria, Sudan, The Democratic Republic of the Congo, Sierra Leone and many others), Botswana is one of a few countries that "through fiscal discipline and sound management" used its resources, particularly its diamond wealth, to leap "from being one of the poorest in the world to a middle-income country with a per capita GDP of $16, 400 in 2013", and sustained "one of the world's highest economic growth rates since independence in 1966" (The World Fact book, 2014; https://www.cia.gov; accessed 23 June 2013).

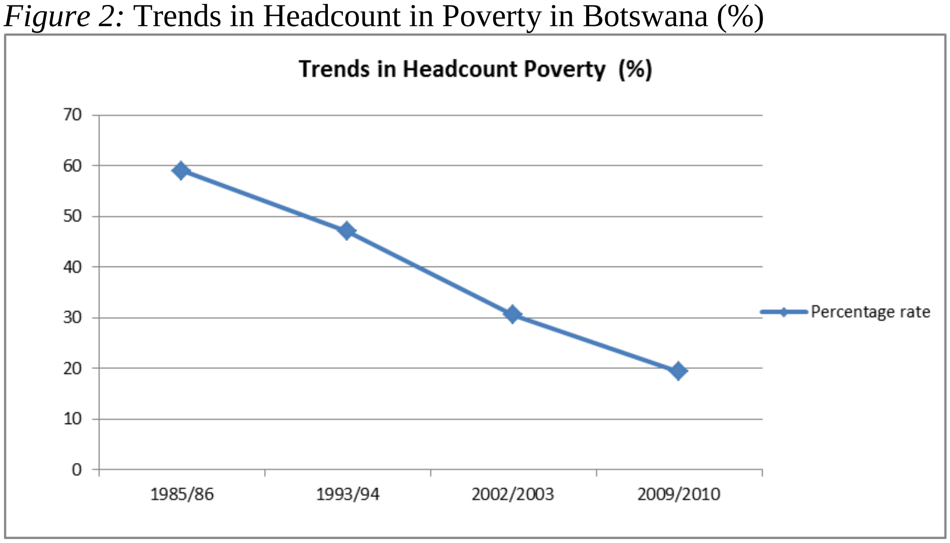
The direction taken by Botswana's leaders regarding how to utilize the resource rents from diamonds was to reinvest them in reproducible capital, as underpinned by Hartwick's rule (1977). Essentially, Government took resource revenues from diamond and reinvested them in reproducible capital (buildings, roads, knowledge stocks, etc.); thus, offsetting the declining stocks of non-renewable resources. By so doing, the overall standard of living did not fall as society progressed. In fact, as can be seen from Figures 1 and 2 below, as growth performance improved poverty declined. From 46.1% in 1985/86, poverty dropped to about 20% in 2009/10 (Statistics Botswana, 2011), in part due to the prudent use of mineral revenues.

Figure 1: Botswana Real GDP Growth



Source: Bank of Botswana Annual Report (2013)

Figure 2: Trends in Headcount in Poverty in Botswana (%)



Source: Statistics Botswana (2011)

As Sebudubudu and Molutsi (2011,10) aptly pointed out , “assessing Botswana on the basis of the core indicators of health (reduced mortality), education (basic literacy rate) and economic performance (increased per capita income), good leadership has enabled the country to record impressive achievements”. Moreover, the country “also used its mineral wealth to improve infrastructure so that there now exists some 10 000 km of paved road…” (Sebudubudu and Molutsi 2011, 10).

International indicators also suggest that Botswana has been successful in a number of measures. For instance, the World Bank Worldwide Governance Indicators (WGIs) project percentile rankings for Botswana in the period 1996 – 2012 (as shown in Table 1 below) indicate that the country has consistently performed well in the six governance dimensions of; voice and accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption. Save for voice and accountability that has experienced a decline between 2005 and 2011, the country has maintained stable and high percentile rankings in the other five dimensions – suggesting good performance on the quality of its governance.

Table 1: Botswana Governance ranking: 1996-2012

Year	Voice & accountability	Political stability	Government Effectiveness	Regulatory Quality	Rule of law	Control of Corruption
1996	74.52	77	68	75	63	75
1998	70.19	77	71	74	68.42	78
2000	66.83	79	71	72	64.59	75
2002	67.79	73	73	75	64.59	75
2003	68.27	86	75	75	71.29	86
2004	72.6	77	73	72	69.86	80
2005	65.87	84	72	70	67.46	83
2006	61.54	80	70	66	67.46	78
2007	61.06	82	73	65	67.94	79
2008	61.54	81	70	65	70.19	80
2009	59.24	83	68	66	68.25	79
2010	61.14	82	67	67	68.72	80
2011	59.62	83	67	69	69.95	80
2012	64	89	67	74	70	79

Source: Kaufmann, D., Kraay, A and Mastruzzi, M, 2013 Update World Governance indicators

For comparison, Table 2 below shows the World Bank WGIs percentile rankings for selected African countries in the Southern African Development Community (SADC) region including Botswana, and countries outside the region such as India, China and the United States of America (USA) for 2011 and 2012. Undoubtedly, Botswana has scored high percentiles when compared to its peers such as Malawi, South Africa, Zambia and Zimbabwe. Of the selected SADC countries listed below, Mauritius is the only country that has scored equally high or higher percentiles as Botswana in some dimensions. Botswana has also outperformed China and India. Interestingly, Botswana scored higher percentiles than the USA in the aspect of political stability in 2011 and 2012.

Table 2: Governance Rankings for Selected Countries: 2011 & 2012

Country	Botswana		Zimbabwe		Malawi		Zambia		South Africa		Mauritius		India		China		USA	
Year	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**
Voice & Accountability	59.62	64	7.98	7.11	39.91	41.71	43.19	43.60	66.20	65.40	70.42	73.93	60.56	58.77	5.63	4.74	85.45	86.26
Political Stability	83	89	19.34	21.80	44.81	45.02	62.74	65.40	48.58	43.13	75.94	79.15	11.32	11.85	27.83	28.44	65.57	68.25
Government Effectiveness	67	67	6.16	10.53	41.23	38.28	28.91	37.80	66.35	63.64	76.30	77.03	54.98	47.37	59.24	55.98	91.00	90.43
Regulatory Quality	69	74	2.37	2.39	27.01	25.84	36.49	35.89	64.45	63.16	76.78	79.43	39.81	33.97	44.08	43.54	91.47	87.56
Rule of Law	69.95	70	0.94	1.9	50.23	47.39	39.91	42.65	58.22	57.82	77.93	78.20	52.11	52.61	43.66	38.86	91.08	91.47
Control of Corruption	80	79	3.32	5.26	43.60	39.71	37.91	45.93	58.77	53.11	72.51	66.99	33.18	34.93	34.60	39.23	86.26	89.47

Source: Kaufmann, D., Kraay, A and Mastruzzi, M, 2013 Update World Governance indicators

Other surveys equally suggest that Botswana is performing well. The country has been rated the least corrupt country in Africa for 18 years by Transparency International Corruption Perception Index (CPI). The 2013 CPI placed Botswana at position 30 out of 177 countries. In terms of the Ibrahim Index of African Governance (IIAG) that measures four governance categories of - safety & rule of law, participation & human rights, sustainable economic opportunity, and human development - Botswana was also ranked 3rd and 2nd in Africa in 2012 and 2013 respectively. To this extent, the country's indicators reflect a marked improvement, unparalleled to many countries in Africa.

It is in this context that Hope (1998, 539) when noting the transformation the country had realised aptly quipped that "in whichever way measured, or determined, Botswana is one of Africa's star performers. [Undoubtedly, the country] is exceptional, both within Africa and among less developed countries, as a whole, when comparison is made of macro-economic performance, development management, and good governance". This paper locates Botswana's accomplishments in its governance architecture. At the centre of Botswana's success is its governance of land and natural resources, particularly its mineral policy. It is Botswana's land management and mineral policies that we now turn to.

Governance of Land and Minerals in Botswana

Botswana's success is largely anchored on its governance and usage of natural resources – land and minerals. At independence, land and minerals were identified as 'strategic resources' whose 'ownership and control' was critical to the country's development prospects. Historically, private ownership and subsequent control of land and natural resources is often viewed as the panacea to averting resource mismanagement or overexploitation (Demstez, 1967; Cheung, 1970; Posner, 1977; Allen and Barnes 1985). Evidence shows that the privatization of resources is not always the antidote for resource overexploitation (Makepe, 2006) This paper, uses evidence from Botswana to show that the privatization and control of resources is indeed, not a superior solution to the problem of resource mismanagement or overexploitation. In fact, public ownership and control of resources when accompanied by good governance can provide an alternative solution to the problem of land mismanagement and resource overexploitation. Regarding land, a deliberate effort was made to transfer its ownership mainly from the different tribes and chiefs, and individual owners to the state (Mazonde, 1987; Adams, Kalabamu and White, 2003; Sebudubudu and Molutsi 2011). As a result, two major policies were introduced - the Tribal Land Act of 1968 and the Tribal Grazing Land Policy (TGLP) of 1975 that "succeeded in taking/reducing the chief's control of tribal land and establishing individual control of large ranches of tribal land" (Sebudubudu and Molutsi 2011, 24). The Tribal Land Act established "the land board as the custodian of tribal land allocation, administration and recipient of any revenue from such land by its private users" (Sebudubudu and Molutsi 2011, 24), marking a departure from the chiefs land allocation era. And as Masire (2006, 184) puts it, this was "part of our effort to remove the arbitrary power of the chiefs, we needed to create a new system for allocation of land". However, some scholars (Baland et al, 1996; Poteete, 1999 and Makepe, 2006) have argued that the transference of land allocation from the chiefs may have led to the delegitimisation of traditional institutions for land management and impacted negatively on communal range land management. With regard to the TGLP, it was flawed because it allowed ranch owners with large herds to graze their cattle within and without ranches increasing grazing pressure on the remaining communal land.

At independence, ownership of the three types of land was put at 48.8% tribal land (formerly tribal reserves), 47.4% state land (formerly crown land) and 3.7% freehold land (Adams, Kalabamu and White, 2003). Although the country held on to its three types of land, "the government has since independence adopted a policy not to increase freehold tenure.

Tribal land has progressively increased from 49% to 71%, through conversion of state and freehold land" (Mothibi, Malatsi and Finnström, n. d). Consequently, ownership of land rights is put at 71% tribal land, 25% state land and 4% freehold land (Adams, Kalabamu and White, 2003; Mothibi, Malatsi and Finnström, n. d). The effect of this policy is that, in the main, it centralised land rights as a resource under the control of the state. It is in this context that Adams, Kalabamu and White (2003,1) observed that Botswana "has developed a robust land administration, which has greatly contributed to good governance and economic progress. Its land tenure policy has been described as one of careful change, responding to particular needs with specific tenure innovations". To this extent they noted that "its approach is of interest because it is finding solutions to problems that continue to elude its neighbours".

A related policy was made with respect to ownership of mineral rights by the state through the Mines and Minerals Act of 1967. As Masire (2006, 200-201) noted "even before we understood our potential mineral wealth, we knew that vesting minerals rights in the state would be critical for both our overall economic development and our political unity and stability". This, he declares was "with full consultation of the people" (Masire 2006, 199). The transfer of mineral rights from the different tribes to the state was possible in part because the first minerals were found in an area controlled by the Bangwato tribe, Seretse Khama's tribe. To this extent, Seretse Khama was instrumental in ensuring that mineral rights were entrusted on the state (Masire, 2006; Sebudubudu and Molutsi, 2011). This is supported by Sebudubudu and Molutsi (2011,27) who retorted that "the new elites that assumed office at independence, particularly under the leadership of Seretse Khama, played a crucial role in ensuring that mineral rights were ceded from the different ethnic groupings to the central government, following an extended consultation process with the different ethnic groups. This was made easy because the first minerals were discovered in the Bangwato area, the birthplace of Seretse Khama". This policy of entrusting minerals rights on the state has been lauded and is often regarded to be at the heart of prudent mineral utilization in Botswana as it ensured that minerals benefited the whole nation as opposed to sectional interests where the minerals were found. To some extent Botswana was lucky because her diamonds are buried underground requiring technical expertise and know how to extract them. This also made it easy to control and manage them. In contrast, in other countries such as Sierra Leone, diamonds are readily found above the ground making them more difficult to control and manage.

In addition to this policy, the government entered "into a strategic partnership with international capital. De Beers, in particular, became a critical partner forming a uniquely successful coalition [called DEBSWANA] that mined and managed sales and shared revenues in such a way that it has benefited the country's development programme in a sustainable way" (Sebudubudu and Molutsi 2011,27). This partnership was necessary because at the time Botswana did not have the expertise to exploit the diamonds by herself. She then accepted and entered into a partnership with De Beers with 15% (Botswana government) and 85% (De Beers) which she later renegotiated to 50 -50 partnership for 25 years.

It is this unique partnership and indeed how the proceeds were used that came to define modern Botswana, with minerals playing a central role in its development and transformation, from being a poor to a middle income country.

As time went on and the country developed, it was realised that the country was missing out on the potential that existed for vertical diversification or beneficiation of the diamond industry. Eventually when the contract with De Beers was drawing to a close the country's leaders and policy makers saw the opportunity to renegotiate the contract with De Beers so that a new contract could be signed that would facilitate the beneficiation of the diamond industry.

According to Mbayi (2013, 25), Botswana's real opportunity came in 2005 when DeBeers' 25 year mining license was due for renewal. The government had a lot of bargaining power due to the significance of Debswana's production in De Beers' global production. In 2005, Botswana accounted for about 60% of De Beers' supply of rough diamonds (Even-Zohar, 2007, 46). The government insisted that in order for De Beers to renew its mining license for another 25 years it should help Botswana in creating a viable cutting and polishing industry. De Beers gave in to the government's demands and signed the new mining contract under the following conditions: (1) a renewal of the mining licenses for Debswana for 25 years, (2) the sale of Debswana's production to the Diamond Trading Company (DTC) International for another five years; and (3) the establishment of DTC Botswana (De Beers, 2007).

This is an excellent example of the good governance and strategic thinking of Botswana's leadership because the contract that was renegotiated and eventually signed resulted in the formation of the Diamond Trading Company Botswana (DTCB). This company comprises 50% ownership by both parties. In addition, Botswana has 15% share ownership of De Beers with an option to buy up to 25% (Mbayi, 2013). However, when the shares were up for sale Botswana opted not to increase her shareholding in De Beers to 25% because she was risk averse coupled with the fact that she would still remain a minority shareholder. The ingenuity of this arrangement is that it strengthened Botswana's negotiation position within the De Beers Group. The ownership arrangement in De Beers has since changed to 15% share ownership by Botswana and 85% by Anglo America.

As a result of the new contractual arrangement, in 2013 Diamond Trading Company International (DTCI) was successfully relocated to Gaborone from London, and sells and markets rough diamonds locally. This has promoted local citizen participation and empowerment through employment creation and active participation in the running of companies which buy rough diamonds from the DTCB. About 27 companies have been given licenses by the government of Botswana to do diamond cutting and polishing activities locally. As a result, the government reported growth that the diamond cutting and polishing sector created 3651 jobs in 2013 (Republic of Botswana, 2013). Beneficiation of diamonds in Botswana is also seen as a major transfer of skills.

Diversifying the economy away from minerals is critical because the sole reliance on one non-renewable resource is risky as evidenced during the recent global financial crisis. This suggests that the country needs to review its strategy by investing in renewable resources for it to realize sustainable development. Sustainable development necessitates greater emphasis on renewable resources whose utilization and management require a different strategy to drive development forward. It is the utilization and management of renewable resources in Botswana that we turn to.

Governance of Renewable Resource Based Sectors for Economic Diversification

In this section of the paper, the focus is on renewable resources based sectors. With diamonds, the country was able to reduce poverty levels to just below 21% (Statistics Botswana, 2011). Despite its achievements, the country is still grappling with challenges of inequality with a high Gini coefficient of 0.65, national poverty and unemployment rate of 20.7% and 17.8% in 2009/10 respectively (BCWIS, 2011). This is largely because the mineral sector is not inclusive although it is a major contributor to the GDP growth. Thus the drive towards economic diversification necessitates a search for a strategy that can result in the successful harnessing of renewable resource based sectors for the benefit of all.

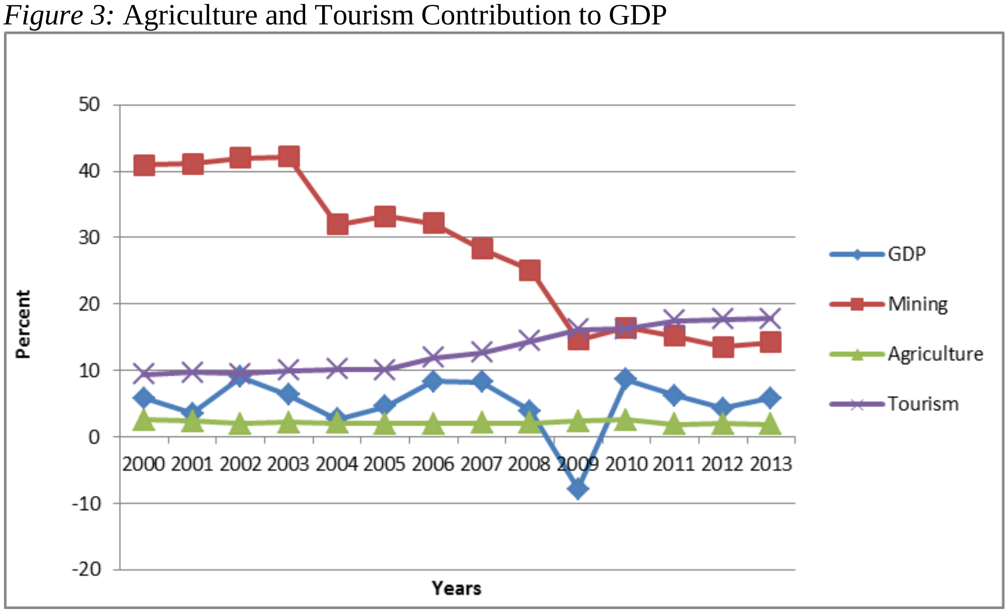
The proper management of the utilization of renewable resources is critical for sustainable development. Although these resources are renewable and can therefore regenerate themselves, they possess unique characteristics[15] which if ignored could lead to their overuse and eventual depletion. In the same vein, if such resources are underutilised opportunities for development are

[15] For example, access to livestock on communal rangelands in Botswana is free and unrestricted (open access) and if not properly managed can lead to overstocking, overgrazing and subsequently desertification.

missed. Such outcomes are detrimental to sustainability and the very livelihoods of the people who are directly dependent on these resources for survival. It is well known and widely accepted that the poor are directly dependent on renewable resources, for their survival. In many cases they reside in rural areas where day to day life is directly linked to the environment. Yet, with rural to urban migration this is increasingly becoming true of urban areas. Therefore, the environment is inextricably linked to and underpins goals to reduce poverty and promote economic growth and diversification.

Given the above, the challenge then becomes what in terms of governance can be transferred from Botswana's diamond success story to the renewable resource based sectors so that the utilization of the country's renewable resources can be successfully managed for the benefit of all. The two renewable resource based sectors we focus on are agriculture and tourism because of their importance to the Botswana economy. Figure 3 below, shows agriculture and tourism's contribution to GDP. During the global financial crisis of 2008/09, the risk of Botswana's reliance on mining was evident. Consequently, agriculture and tourism, as shown in Figure 3 below, emerged as the main drivers of the economy during the crisis and possibly beyond. These are the very sectors that we argue have a potential to assist in the diversification and sustainable development of Botswana since they are labour intensive and thus inclusive.

Figure 3: Agriculture and Tourism Contribution to GDP



Source: Bank of Botswana Annual Report (2013)

Within agriculture we focus on the governance of the beef value chain, and in tourism on Community Based Tourism (CBT) facilitated through the Community Based Natural Resource Management (CBNRM) programme. What has been achieved and what needs to be done to improve the performance of these sectors in a way that is inclusive?

Agriculture: The Botswana Beef Value Chain

Botswana has a national cattle herd of about three million (CSO, 2006). About 80% of which are held by people owning up to 20 cattle reared extensively on communal land, where access to grazing is free and unrestricted (Makepe, 2006; Marumo et al, 2009). These small herders are also the main sellers of cattle to the Botswana Meat Commission (BMC). Therefore, they benefit the most from having the option to sell to the BMC, in addition to the other smaller less lucrative outlets on the domestic market.

About half of the country's population resides in the rural areas where they rely primarily on agriculture for their livelihood (CSO, 2011). In fact, in 1966 traditional cattle farming was the dominant and highest contributor to (Agriculture's contribution to GDP) AgGDP, total exports and employment (Marumo et al, 2009). This suggests the beef value chain and its proper governance are critical to Botswana. Further, the benefits from investing in agriculture are felt in the long term compared to those from diamonds which are more immediate. Investing is agriculture is a long, steady and painful process requiring patience, good and strong leadership because the benefits from such investment are felt in the long term. Consequently, good governance and strong leadership are vital to transform the beef value chain and make it more competitive in lucrative export markets. More than 80% of the beef produced is exported through the Botswana Meat Commission (BMC) which has the sole monopoly on beef exports (Fidzani et al, 1997, Marumo et al, 2009). As one of the African, Caribbean and Pacific (ACP) countries,

Botswana has benefited from access to the lucrative European Union (EU) market, with a quota of 18 916 tonnes; first under the Lome Convention followed by the Cotonou agreement and lately under the Economic Partnership Agreement (EPA) with the EU. However, the EU EPA was drawing to a close (in October 2014) at the time of writing. Notably, Botswana has not been able to meet its quota due to supply bottlenecks (Makepe, 1996) and less than favourable governance of the complex beef value chain (van Engelen et al, 2013). Failure to meet the quota represents a missed opportunity in terms of revenue generation for cattle producers and the country as a whole.In the last decade, world markets have shifted from being mass produce markets to differentiated product markets and niche markets for consumers with higher purchasing power. This has propelled a shift towards sanitary and phytosanitary (SPS) measures to be used as a strategic tool, rather than a protectionist measure, for developing and differentiating markets, gaining market access, coordinating the quality and safety of the food system and defining niche markets for affected products (Reardon et al, 2001). On the demand side, high income consumers with varied and sophisticated tastes have buttressed this change and on the supply side so have production, processing and distribution technologies that allow for product differentiation and market extension and segmentation (Reardon et al, 2001). Consequently, SPS measures have now become a competitive instrument in differentiated product markets (Reardon et al, 2001). More often than not, developing countries lament the use of SPS measures by developed countries. The paper argues that developing countries have no option but to meet the set standards if they are to compete and benefit from lucrative developed country markets. Meeting these standards also benefits domestic markets as locals will have access to safe, healthy and better quality products and jobs as well as learning by doing.

To this end, the government has invested a lot in terms of ensuring that the Botswana beef value chain conforms to the requirements of the discerning customer in the EU. For example, in 1997, the EU introduced a directive making it mandatory for all beef exported to the EU to be identifiable and traceable from farm to plate, through a computerised system. Consequently, Botswana introduced the livestock identification and traceback system (LITS) in 1999 to meet this requirement and maintain much needed EU market access (Marumo et al, 2009). While securing a niche in the EU market has been lucrative, it also has its pitfalls as lack of conformity with SPS measures can result in an export ban which could have negative consequences for the BMC and livelihoods of beef producers and their families. Once imposed, not only is revenue lost; there is also the danger that competitors will move in to take the retail space left vacant, and more investment will be needed to restore consumer confidence in the product, once the ban is lifted. For example, in 2011 the Botswana government suspended beef exports to the EU for at least six months following non-compliance with EU abattoir hygiene and animal traceability standards. As a result, Botswana farmers lost about 48 million Euros due to the export suspension.

According to van Engelen et al (2013) the governance of the beef value chain refers to the vertical linkages between players along the value chain that coordinate the activities that bring the product from farm to plate. Such linkages include spot market transactions over contracts to vertical integration.

Consequently, governance is about the power and the capability to exert control along the chain and at any point in the chain and how much of the marketing margin is captured. It also encompasses the players, institutions, regulations and rules that set the parameters which comprise the safety and quality standards under which the players operate. Information sharing, learning by doing, financing and the creation of shared value are a crucial component of governance.

For the Botswana beef value chain, governance must address complex relationships between buyers, butcheries, other beef processors, sellers (cattle farmers, feedlot operators), service providers (speculators and agents, veterinary services, abattoirs, input suppliers, banks, extension services, support programmes) and regulatory institutions such as, the Department of Veterinary Services (DVS), that influence all the activities needed to bring beef to the final consumer locally and abroad (van Engelen et al., 2013). The current model, in which the DVS, farmers and the BMC seem to operate using a “silo mentality”; focusing more on internal objectives rather than on partnering towards a common goal, is limiting the industry from achieving its full potential. The Botswana beef value chain is largely producer driven and not retailer driven.

On the one hand, there are few commercial farmers with economic clout who want to liberalize and intensify the beef industry and on the other, there are the traditional farmers who have political clout but prefer the extensive communal grazing system where cattle graze freely on communal rangelands. Consequently, for Botswana transforming the beef value chain through upgrading for higher end market segments is constrained when compared to Namibia and South Africa. The problem with this is that Botswana continues to sell high quality organic meat products into lower priced domestic markets.

For the Botswana beef value chain to be economically, socially and environmentally sustainable, supply chain coordination and integrity from farm to plate is crucial. However, for the most part this is not happening. Producers generally do not know in advance where and when they will sell their animals. This is especially the case for the small holder farmers. Even though beef production is driven by product specifications and suffers from volatile quantities supplied, farmers are not using forward contracts to produce weaners or oxen. As a result, there are no contract embedded services available to farmers (e.g. credit to buy inputs such as dry season feed). Farmers sell when they can and when they want or need to, driven by their personal or environmental conditions, rather than on the basis of information from buyers. Even within the BMC, the largest player in the beef value chain, coordination between procurement, processing, distribution and sales is wanting. Mechanisms for improving vertical coordination are needed. For example, auctions for the sale of cattle have just become operational (van Engelen et al, 2013).

Just as there is a carefully regulated system for the extraction, buying and selling of diamonds, Botswana needs to establish a national meat council to coordinate the beef value chain. Funded through a levy system, such a body could take on the many tasks that would facilitate smooth value chain operations across various stakeholders. These tasks could include brokering partnerships, mediation in sales disputes, providing market intelligence, promoting Botswana beef in export markets and setting product approved standards for the industry that cover the whole value chain. At present, there is little involvement from farmer cooperatives, syndicates and associations in the improvement of marketing practices and links with the BMC.

Highly coordinated and strategically designed supply chains in which all stakeholders are achieving their objectives and are partnering to realize a common goal are necessary if Botswana wants to establish herself as a credible, reliable supplier of differentiated, healthy and high-quality beef products. The value embedded in the final product including its social and environmental attributes are a cumulative outcome of what happens from range management to the retail shelf.

Community-Based Tourism

Botswana is well endowed with flora and fauna which make tourism a major potential contributor to economic growth. Tourism in the country is mostly wildlife-based, and most of the national parks are located in the northern part. These include amongst others, the Moremi Game Reserve and the Chobe National Park.

The other key parks are located in the south western parts of the country. Interestingly, the Okavango Delta which is also located in the northern part of the country has just been inscribed as the 1000th site on the World Heritage list. This enhances its attractiveness to tourists around the world and makes tourism in Botswana one of the best alternatives for diversification and poverty reduction. Sadly, the highest poverty rates in Botswana are also found in the north-western and south-western parts of the country where the poverty rate was reported at 46% and 53% respectively (Household Income Expenditure Survey, 2002/03).

However, the local communities adjacent to national parks are almost completely dependent upon subsistence small-stock and crop farming for their livelihoods. This results in the human-wildlife conflict since these communities are in wildlife areas. In fact, while the nation at large benefits from revenue brought through tourism, these communities cannot rear livestock or even plough their fields freely because of the destruction caused by wild animals. Thus, they retaliate and pose a threat to the tourism sector. Hence, the Government of Botswana (GoB) put in efforts to devise mechanisms that could be used to compensate affected communities and thus relieve them of poverty and vulnerability. As a result, communities get involved through Community Based Tourism (CBT) which is facilitated by a programme known as Community Based Natural Resources Management (CBNRM). The CBT is promoted as a "means of development whereby social, environmental and economic needs of local communities are met through offering a tourism product" (Goodwin and Santill, 2009, 4).

The evolution of CBNRM is associated with a search for new solutions for the failure of "top-down" approaches to conservation and development (Rozemeijer & Van der Jagt, 2000). Basically, CBNRM is premised on the dual recognition that local people must have power to make decisions relating to natural resources in order to foster sustainable development and that they have a greater interest in the sustainable use of natural resources around them than either more centralized or distant government or private management institutions (Mbaiwa, 2005). CBNRM credits local populations "with having a greater understanding of, as well as vested interest in their local environment hence they are seen as more able to effectively manage natural resources through local or traditional practices" (Mbaiwa, 2004, 45). In Botswana, CBNRM was adopted in the 1990s following the Wildlife Conservation Policy of 1986 and the National Tourism Policy of 1990 (Sebele, 2010). These policies are the pillars of CBNRM and advocate for the involvement of rural communities in the sustainable utilization of natural resources.

They also advocate for increased opportunities for local communities to benefit from tourism development. Under the programme, Controlled Hunting Areas (CHAs) are established in which each area is given a wildlife off-take quota designated by the Department of Wildlife and National Parks (DWNP). The communities then organise themselves and form a representative Quota Management Committee or a Community Trust, with the assistance from DWNP to manage the whole area's quota. The committee decides on how to share the quota among families and has the option to enter into joint venture agreements with commercial operators or they may opt to simply auction their hunting quota to safari hunters or companies. The proceeds from the hunting occurring with the CHA are then used to benefit the community. Some community based tourism projects such as those by Chobe and Khwai trusts have done well for communities; investing the proceeds from hunting to build schools and clinics.

However, some have failed and various scholars (Arntzen et al., 2003; Mbaiwa, 2005) have noted limitations such as irregular benefits due to problems associated with bad relations between communities and operators. In addition, while the benefits could accrue to the communities at large, households and/or individuals may not be enjoying the benefits. That is, majority of projects do not have any defined mechanism for the equitable distribution of benefits accruing from tourism projects. This points to poor governance of the programme because collective management structures are often too cumbersome and complex to work effectively (Mitchell and Muckosy, 2008). Moreover, the imposition of democratic and secular institutional forms on communities with traditional patterns of authority can also have unintended effects in the sense that even though there are committees, many a times it is traditional authorities that dictate the critical decisions especially with respect to financial resources. The lack of transparency, poor coordination and communication between those in Trust leadership and the rest of the general membership contributes largely to the failure of CBT projects (Mbaiwa and Darkoh, 2006).

Some of the problems are largely associated with the short duration of contracts governing committees and operators which acts as a disincentive to community members and results in a negative attitude towards wildlife conservation (Boggs, 2005). Consequently, this programme has failed to reach its conservation and long-term sustainable development (SD) goals. Ultimately, the human-wildlife conflict remains unresolved in the country, posing a threat to the tourism sector.

The less than favourable governance of the CBNRM programme, especially, the uneven sharing of project benefits if not carefully managed, could become a potential impediment to the success of community-based tourism in Botswana. Therefore, there is a need to find other ways of re-directing these benefits to all thus promoting support for nature stewardship and environmental education efforts as well as enhancing the quality of life of Batswana. The paper proposes that the governance of the tourism value chain should be inclusive of all affected communities. It should also strengthen the capacity of communities as well as create participatory mechanisms and avenues for engaging in conventional policy processes.

It should be noted that not all parts of the country have prime national parks which are as lucrative as those of the northwest. Nevertheless communities residing in those areas still have to deal with human-wildlife conflicts. For instance, in the Kgalagadi area there are a lot of lions which are a threat to livestock and residents. Such areas do not receive high numbers of tourists as those in the northern part of the country. This translates to tourism revenue generation and benefits being skewed towards the north-western part of the country. In this way, the CBNRM policy which allows communities around national parks to benefit from revenues generated from a natural resource where they reside contradicts the mines and mineral policy, which allows all Batswana to benefit from mineral revenues regardless of where they reside. The paper therefore proposes a benefit sharing mechanism. That is, an environmental fund could be established whereby the different CBNRM trusts contribute proportionately towards the fund. The proceeds so raised will be shared equally amongst the affected communities residing around national parks.

Conclusion

Botswana's success is largely anchored on its governance and in turn, usage of natural resources. First, the paper shows how governance of land and natural resources (non-renewable resources) assisted it to evade the resource curse; at least so far – suggesting that indeed governance makes a difference to a country's development prospects. The country identified land and minerals as strategic resources whose ownership and control was critical to the country's development. It is the prudent usage of these resources that has helped to transform the country from a low to a middle income status. This is commendable by African standards considering its level of poverty at independence in 1966. Despite its success in the non-renewable sector, contradictions remain. Even then, the non-renewable sector offers lessons for renewable sectors. Secondly, it has shown how the country can use renewable resources (agriculture and tourism) to realise sustainable development. As demonstrated with the mineral sector, we contend that governance is equally critical for renewable resources to realise their full potential. To this extent, other African countries need to consider and review their governance structures in order to realise sustainable development. The paper concludes as follows, with respect to renewable resources in Botswana: with regard to agriculture it proposes the establishment of a national meat council to oversee the governance of the beef value chain. It also proposes the establishment of a benefit sharing mechanism in the tourism sector. That is, an environmental fund from which the different CBNRM trusts could contribute proportiately towards. This would allow the proceeds from the fund to be shared equitably by those residing around national parks. While this appears contradictory to what is happening in the non-renewable (mineral) sector, we argue that communities residing around national parks should benefit from the environmental fund because they are the ones dealing with the day to day challenges arising out of human-wildlife conflicts, unlike those residing elsewhere.

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