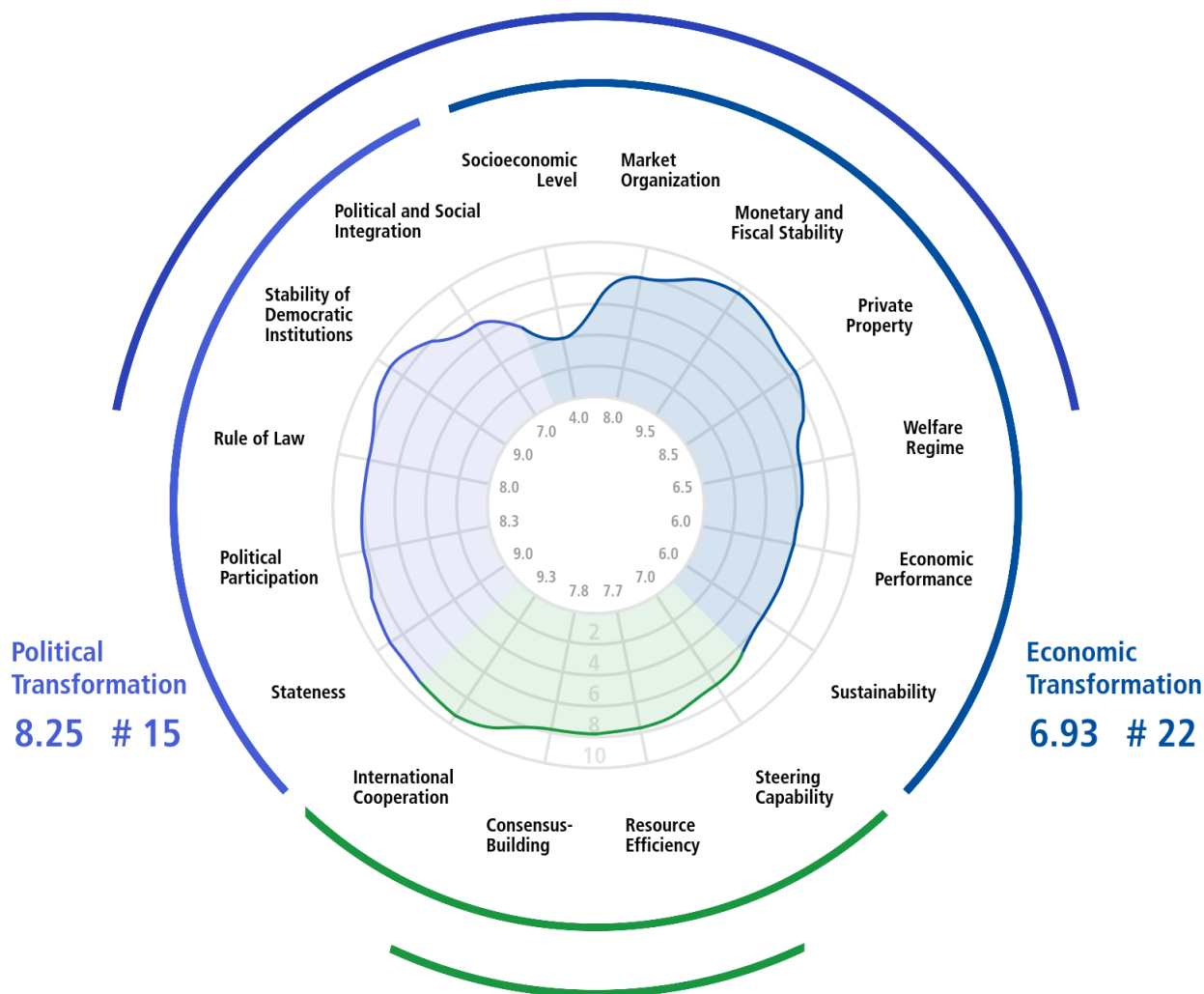


Botswana

Status Index

7.59 # 16

on 1-10 scale out of 137



Political Transformation
8.25 # 15

Economic Transformation
6.93 # 22

Governance Index

6.81 # 9

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Strasse 256
33111 Gütersloh
Germany

Sabine Donner

Phone +49 5241 81 81501
sabine.donner@bertelsmann-stiftung.de

Hauke Hartmann

Phone +49 5241 81 81389
hauke.hartmann@bertelsmann-stiftung.de

Claudia Härterich

Phone +49 5241 81 81263
claudia.haerterich@bertelsmann-stiftung.de

Sabine Steinkamp

Phone +49 5241 81 81507
sabine.steinkamp@bertelsmann-stiftung.de

Key Indicators

Population	M	2.4	HDI	0.735	GDP p.c., PPP \$	16921
Pop. growth ¹	% p.a.	2.1	HDI rank of 189	100	Gini Index	53.3
Life expectancy	years	69.6	UN Education Index	0.676	Poverty ³	% 36.5
Urban population	%	70.9	Gender inequality ²	0.465	Aid per capita \$	29.9

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

Botswana held its 12th general elections in October 2019. To date, the Botswana Democratic Party (BDP) has won each of these 12 elections. In 2019, under the leadership of President Mokgweetsi Masisi, who succeeded Ian Khama in April 2018, the BDP slightly increased its vote share to 53% from 47% in the 2014 elections. Although international observers declared the elections free, although not entirely fair, the opposition claimed that the elections had been fraudulent and contested the results for several constituencies in court without success.

Despite having maintained a level of political and economic transformation that has delivered palpable benefits to the majority of the population, challenges persist. Botswana's transformation toward a mature economy has been slow, in part because of sluggish economic diversification and declining revenue from minerals, particularly diamonds. Botswana's economic vulnerabilities were exposed during the 2008–2009 Great Recession and again following the emergence of the COVID-19 pandemic in 2020. The main effect of the COVID-19 crisis on Botswana has been a reduction in global demand for the primary commodities on which Botswana's economy depends.

Several constraints on press freedoms and the occasional arbitrary executive action have continued. State media has remained tightly controlled by the Office of the President. However, in 2018, 2019 and 2020, state media covered the leader of the opposition's response to President Masisi's State of the Nation Address – a development that would not have been possible under former President Khama. When President Mokgweetsi Masisi succeeded Ian Khama on April 1, 2018, there was a sense of optimism that the fear that had gripped the country under Khama was waning, as Khama had been considered an intolerant president. However, Masisi has also proven to be intolerant of his opponents. Furthermore, matters of dubious legality have continued, leading some to doubt Masisi's commitment to combating corruption and protecting the rule of law. The land rights of and development challenges facing indigenous people in the Kalahari Desert, the San (also called "Basarwa" or "Bushmen"), remain unresolved. The challenges posed by social risks, particularly increasing youth unemployment, present a serious threat to Botswana's long-term economic, political and social stability.

The BDP's political dominance has persisted, despite the 2010 and 2019 party splits that led to the formation of the Botswana Movement for Democracy (BMD) and Botswana Patriotic Front (BPF). Subsequent to Masisi becoming president, a dispute between Masisi and Ian Khama erupted. The dispute between the two leaders could destabilize the country and its institutions. This dispute eventually led Khama to quit the BDP and join the BPF as its figurehead, citing President Masisi's intolerance of opposition. Furthermore, Khama publicly campaigned for the opposition UDC, which led to his former party losing one of its major strongholds, Central District, where Khama had been a chief.

Botswana's record of economic transformation remains mixed. Botswana's dependence on diamonds has remained a major challenge. Economic growth stalled when diamond prices and global demand for minerals fell in response to the 2008–2009 Great Recession. For the first time in 17 years, the government requested a loan from the African Development Bank. A further loan of BWP 1.5 billion was secured from the World Bank in 2017. Even so, the country's commitment to prudent economic management ensured that the economy experienced a steady recovery, achieving a budget surplus in the 2012/2013 financial year. The 2013/2014 budget generated a surplus of BWP 386.16 million and the 2014/2015 budget a surplus of BWP 5.34 billion. However, a budget deficit of BWP 6.99 billion was recorded in 2015/2016. Similarly, revised estimates for the 2016/2017 budget suggest a deficit of BWP 1.11 billion. The 2017/2018 budget recorded a deficit of BWP 2.42 billion, while the 2018/2019 budget anticipated a deficit of BWP 3.59 billion. The government reported a lower than expected economic growth rate of 0.3% in 2015 due to a fall in revenue from minerals. This demonstrates that the economy remains vulnerable due to the slow pace of economic diversification. The government calculated the growth rate to be 4.3% in 2016. In the 2018/2019 budget, the government reported that the economy was estimated to have grown by 4.7% in 2017 and 5.3% in 2018. Positive economic growth rates were projected for 2019 and 2020 (2020/2021 budget speech), with the growth rate projected to be 3% in 2019 and 4.4% in 2020. However, owing to the COVID-19 pandemic, the economic growth rate for 2020 was revised, with the economy projected to have contracted by 8.9%, although a 7.7% positive economic growth rate is anticipated for 2021 (State of the Nation Address, 2020). The COVID-19 pandemic has once again exposed Botswana's economic vulnerability.

Social problems, including poverty, inequality and unemployment, have been aggravated by the persistence of the HIV/AIDS pandemic and the emergence of the COVID-19 pandemic. Yet, the wide provision of antiretroviral treatment at no cost to patients has reduced the number of HIV deaths and prolonged the lives of many. The COVID-19 pandemic has substantially disrupted the economy, and government priorities and plans. In an effort to sustain economic activity and cushion the economy from the effects of COVID-19, the government implemented a BWP 4 billion economic relief package in April 2020. In addition, in November 2020, the government announced the BWP 14.5 billion Economic Recovery and Transformation Plan (ERTP), following the plan's approval by parliament in September 2020. The government also undertook a mid-term review of its National Development Plan 11, which aims to mitigate against the disruptive effects of COVID-19 and stimulate an economic recovery.

Botswana remains active internationally. In particular, Botswana remains genuinely supportive of regional cooperation, conflict resolution efforts and the anti-corruption initiatives led by the African Union, Commonwealth of Nations and United Nations. Domestically, participation and consensus-building remain central pillars of Botswana's political culture. However, structures that encourage participation and building consensus, such as the "kgotla" (traditional council meeting), continue to be undermined by apathy, particularly among young people.

History and Characteristics of Transformation

Botswana's political transformation preceded its economic transformation by a few years. The first parliamentary elections were held in March 1965, more than a year before the country achieved independence from the United Kingdom. The Botswana Democratic Party (BDP) and its leader, Seretse Khama, emerged victorious from these elections. Since then, the BDP has won every general election, including the 12th election held in 2019. Unlike previous elections, the 2019 election was subject to accusations of fraud from the opposition, which resulted in the results of several constituencies being unsuccessfully contested in court.

Having held 12 successive elections, Botswana qualifies as Africa's longest-standing multiparty democracy. After Khama's death in 1980, Vice President Ketumile Masire took over as head of state and government. Acting in line with the constitution, Masire stepped down in 1998 and was replaced by Festus Mogae, who served as president until March 2008 when he stepped down in favor of Vice President Ian Khama, Seretse Khama's son. Likewise, Ian Khama served as president for 10 years until he was succeeded by Vice President Mokgweetsi Masisi in April 2018, in accordance with the constitution.

The Botswana Democratic Party (BDP), which has successfully delivered political freedom and economic development, enjoys strong support among the rural population and the majority of the Tswana people – and has thus remained in power. The weakness of opposition parties, which have a weak rural voter base, has also helped the BDP to sustain its hold on power, though the BDP's share of the popular vote has been falling. The combined support for opposition parties increased steadily until the late 1990s, when it stabilized at around 47% of the popular vote. Despite increasing marginally in the 2014 general elections, reaching 50%, this was not enough to win political power. The opposition's combined vote dropped to 45% in 2019, while that of the BDP rose slightly to 53%. Owing to a public dispute between President Masisi and former President Ian Khama, Khama left the BDP and became the figurehead of the BPF, a faction that broke away from the BDP in 2019. The BDP lost control over one of its strongholds, Central District, in the 2019 elections for the first time ever. However, the trend toward factionalism and the British-style "first-past-the-post" electoral system have prevented opposition parties from gaining traction. Whereas South Africa's system of apartheid created long-term adverse regional conditions, Botswana's capacity to pursue circumspect policies allowed it to steer clear of either collaborating

with or engaging in a confrontation with its more powerful neighbor. As a result, Botswana was not destabilized by South Africa's apartheid regime, as other countries such as Angola and Mozambique were. The extraction of extensive diamond deposits discovered shortly after independence in 1967 began in the early 1970s, which triggered unparalleled economic growth in the country. Botswana quickly went from being one of the 25 poorest countries in the world to a middle-income country. From 1977 to 1987, Botswana's GDP grew by an average of 12% annually in real terms. In the last decade of the 20th century, per capita GDP increased by an average of more than 5% annually in real terms.

A critical factor in Botswana's success has been the prudent use of the country's natural resource wealth, which contrasts with the policies seen in several other African countries. The government showed great acumen in its negotiations with multinational corporations (first and foremost, De Beers). An almost overly cautious budget policy (and spending problems) led to regular budget surpluses. The country's infrastructure and educational facilities were systematically expanded. Despite a fundamental market orientation, and numerous efforts to privatize and diversify the economy, Botswana remains largely dependent on its diamond deposits, which are mainly mined by Debswana, a joint venture between De Beers and the government. The 2008 Great Recession exposed Botswana's economic vulnerability, with the economy shrinking by 5.4% in 2009 owing to plummeting diamond exports. Since 2010, the economy has shown signs of recovery: real GDP growth was 5.8% in 2013, 5.2% in 2014 and 0.3% in 2015. Economic growth rates for 2016 and 2017 were initially projected to be 3.5% and 4.1%, respectively (State of the Nation Address 2016), and were subsequently revised to 4.3% and 4.7%, respectively. In the 2018/19 budget, the government reported that it expected the economy to grow by 5.3% in 2018, showing a positive recovery. Positive growth rates were also projected for 2019 and 2020 (2020/2021 budget speech), with the growth rate projected to be 3% in 2019 and 4.4% in 2020. However, owing to the COVID-19 pandemic, the economic growth rate was revised, with the economy projected to contract by 8.9% in 2020, although a 7.7% positive growth rate is anticipated for 2021 (State of the Nation Address 2020). The COVID-19 pandemic has once again exposed Botswana's economic vulnerability. It remains doubtful whether the economy will return to its pre-Great Recession levels of economic growth in the immediate future. In the past, the country's diamond production was overshadowed by an international campaign that accused the government of mistreating the San people, who live in the Kalahari Desert, in order to mine diamonds. The government has denied these allegations. While the issue remains controversial, it seems that criticism of Botswana's diamond industry has diminished and Botswana has constructively engaged in international efforts to curb the trade in blood diamonds.

Apart from mining, the country's core economic sectors include cattle (livestock) ranching and high-value tourism, especially in the Okavango delta. However, high-value tourism has been negatively affected by the COVID-19 pandemic due to the travel bans imposed by numerous countries. Market economy conditions in Botswana are exemplary when compared with the rest of sub-Saharan Africa. However, despite considerable social progress, deficiencies remain, including persistent social inequalities and worrisome unemployment levels, especially among young people – which are likely to have worsened due to the COVID-19 pandemic. Between 2008

and 2013, developments in neighboring Zimbabwe presented a challenge, with the inflow of refugees to Botswana increasing due to the pronounced crisis in Zimbabwe. The situation has improved moderately since the July 2013 elections in Zimbabwe, with relations between the two countries easing prior to Zimbabwe's President Mugabe being ousted in 2017. However, following a contested presidential election in July 2018, won by Emmerson Dambudzo Mnangagwa, economic and political turmoil has been brewing in Zimbabwe, with violence reported in some areas in January 2019. However, this has so far not spilled over into Botswana.

HIV/AIDS remains the greatest and most formidable challenge facing Botswana. Roughly 20.7% of Botswana's citizens are HIV positive (2019 estimates), meaning that Botswana is one of the countries hardest hit worldwide. Particularly challenging is the fact that HIV/AIDS has most severely affected Botswana's economically active population. The government has maintained many internationally lauded initiatives to combat HIV/AIDS, such as the extensive antiretroviral drug program. These initiatives are showing positive results, with those in need of antiretroviral therapy being covered by the public health care system at no up-front cost and life expectancy at birth having improved.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

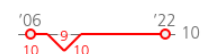
1 | Stateness

The state's monopoly on the use of force remains unchallenged throughout the whole territory. There is no evident threat to the state's ability to use force.

Question
Score

Monopoly on the
use of force

10

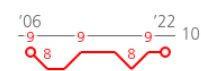


1

In the main, there is broad consensus on citizenship and the legitimacy of the nation-state. However, the unfair representation of tribes in the advisory House of Chiefs has persisted even under President Masisi's government. While the chiefs of certain tribes gain automatic entry into the House of Chiefs, those of other tribes are elected. The government failed to address this inequity in the 2000 constitutional change, despite it being a public issue. Intolerance of some minority groups has persisted and the courts have continued to play a crucial role in deciding on minority issues.

State identity

9



1

Botswana has continued to function as a secular state and religion has no notable influence on legal order or institutions. Religious groups do not participate in the decision-making process. The constitution provides for the protection, recognition and enjoyment of religion or belief.

No interference of
religious dogmas

10



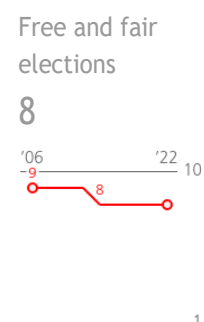
1

The administrative structures of the state have continued to offer the most basic services across the entire country, although access to services has been hampered by limited implementation capacity, ineptitude and insufficient resources. These challenges became more pronounced during the state of public emergency – which was introduced by President Masisi’s regime on April 2, 2020, for an initial six-month period, along with a lockdown and extreme social distancing measures in order to control the spread of COVID-19 – as the state’s administrative structures failed to ensure food was distributed adequately. This was the case despite President Masisi having appointed a new cabinet following the October 2019 general elections. The initial six-month state of emergency was extended for a further six months until March 2021. Furthermore, reports of corruption and a lack of accountability intensified during the state of emergency and associated lockdown, despite President Masisi’s pledge to make combating corruption one of his top priority areas.



2 | Political Participation

Botswana held its 12th general election in October 2019 as per the constitution, with political representatives elected for a five-year term. All the main political players took part in the election. The main issue with previous elections was that the electoral process benefited the ruling party. However, the 2019 elections were different because the main opposition parties (UDC and BPF) considered the results to have been fraudulent, and unsuccessfully petitioned the High Court to overturn 19 parliamentary results and several local council results in November 2020. This was the highest number of election petitions ever registered. An appeal submitted by the UDC to the Court of Appeal, the country’s highest court, was unsuccessful, as the court declared that it had no authority over election petitions. Declaring the election outcome “fraudulent” dented Botswana’s acclaimed democratic credentials. The BDP’s popular vote, which had declined in previous elections, increased slightly to 53% in 2019. The UDC, Alliance for Progressives (AP) and BPF secured 36% (15 seats), 5% (one seat) and 4% (three seats) of the popular vote, respectively. Although the election outcome was contested, there was no violence. However, there were unsubstantiated reports that threats had been made against President Masisi’s life, propelled by the Directorate on Intelligence and Security Services (DISS) under the leadership of Peter Magosi. Interestingly, the government did not repudiate these reports. Concerns about the unfairness of the electoral process have persisted. The opposition also claimed that several government agencies, especially the DIS and the Botswana Unified Revenue Service (BURS), had influenced the results of the 2019 elections and worked against the opposition. However, outside observers considered the vote to be credible.



Since the last review period, the power of elected political representatives to govern appears to have deteriorated, with President Masisi seeming to be as intolerant of his opponents as former President Khama. The director general of the DISS, Peter Magosi, appears to be above the rules, as he has continuously undermined fundamental elements of democratic procedures and institutions, including the Directorate on Corruption and Economic Crime (DCEC). President Masisi has ignored calls to dismiss Peter Magosi. Botswana's powerful executive presidency has continued to dominate the country's overly weak parliament. The power of elected representatives was further undermined by President Masisi's declaration of a state of public emergency in order to control COVID-19. The state of emergency was introduced for an initial six months from April 2, 2020, and subsequently extended by a further six months to March 2021. However, COVID-19 has continued to spread, despite the state of emergency.

Associational and assembly rights are secured by the constitution. However, the enjoyment of these rights has been hampered by the state of public emergency and several associated regulations. The state of emergency was initially introduced for six months from April 2, 2020, but later extended by a further six months to March 2021, in order to contain COVID-19. As a result of the restrictions placed on associational and assembly rights by the state of emergency regulations, political parties postponed their party congresses from 2020 to 2021.

Although President Masisi pledged to revive the Public Service Bargaining Council (PSBC) after assuming office in April 2018, this pledge has yet to be realized. In October 2020, the Botswana Federation of Public, Private and Parastatal Sector Unions (BOFEPUSU) claimed that the country faced "a leadership vacuum" due to the government's failure to restore the PSBC. This suggests that relations between the government and the BOFEPUSU remain frosty, even under President Masisi's government.

President Masisi seems to be as intolerant of his opponents as former President Khama, with private media outlets reporting that several opposition leaders were harassed in the build-up to the October 2019 elections and during the state of emergency. As usual, state media did not report on these incidents.

Section 12 (1) of Botswana's constitution protects freedom of expression against interference or undue restrictions. Individuals, groups and the press have largely been allowed to exercise these rights apart from where exceptions are defined. Botswana is not known for outright media censorship, intrusions or blackouts. However, the country's reputation in this critical area deteriorated under the presidency of Ian Khama – a situation that has continued under President Mokgweetsi Masisi, who had pledged to defend good governance, but whose record in office has pointed to the contrary. Although public expectations were quite high when President Masisi succeeded Ian Khama in March 2018, it did not take long for Masisi to display an intolerance of his opponents and private media. Masisi's intolerance first came to the

Effective power to govern

10



1

Association / assembly rights

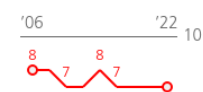
8



1

Freedom of expression

7



1

fore when Pelonomi Venson-Moitoi declared her intent to challenge him for the position of party president, which was to be decided at a party congress in April 2019. Venson-Moitoi was immediately vilified and harassed and prevented from campaigning freely. Venson-Moitoi ultimately decided not to participate after she unsuccessfully attempted to contest in court a party decision to disqualify some of her supporters from voting as delegates at the beginning of April 2019. The public dispute between President Masisi and Ian Khama, which emerged in 2018 soon after Masisi succeeded Khama, eventually pushed Khama out of the ruling party in May 2019, with Khama accusing Masisi of being intolerant of opposition. Other key members of the party, who had criticized or opposed Masisi, were also purged. State media decided not to provide airtime to former President Ian Khama, a decision that has been criticized by the opposition.

The opposition has experienced its fair share of President Masisi's intolerance, especially in the build-up to the October 2019 elections. Opposition politicians accused President Masisi of using state agencies, such as the Botswana Unified Revenue Service (BURS) and the Directorate on Intelligence Services (DIS), to harass his opponents, especially the leader of the UDC, Duma Boko. In turn, UDC Vice President Dumelang Saleshando accused the BURS and the DISS of playing a critical role in influencing the results of the October 2019 elections, which called the freeness and fairness of the elections into doubt. The Botswana Patriotic Front (BPF) spokesperson, Justice Motlhabane, was arraigned for "an offensive statement against the government," and "degrading and maligning the leadership." The BPF is a breakaway party from the BDP and Ian Khama is its figurehead.

During the last review period, President Masisi's tolerance of a critical media was not yet evident. In the main, the government and private media have maintained an "adversarial relationship." With emergency powers bestowed on the president for an initial six months and subsequently extended for a further six months in order to contain COVID-19, freedom of expression has been curtailed. According to the Emergency Powers Act, the media is not allowed to refer to any information on COVID-19 except information provided by the country's director of health services or the World Health Organization. This defined and limited media operations, and restricted available media sources for COVID-19 information. The Emergency Powers Act also defined stiff penalties for non-compliance relating to sources of information on COVID-19, with offenders facing a maximum five-year prison sentence or \$10,000 fine. As under Ian Khama, reports of media harassment have continued under President Masisi. For instance, in June 2020, two Weekend Post journalists, David Baaitse and Kenneth Mosekiemang, were arrested for "taking pictures of an unmarked building allegedly belonging to the Directorate on Intelligence Services (DIS)" and faced a charge of "common nuisance." State media has continued to promote only government policy, maintained an outright pro-government and pro-ruling party bias, and remained under the firm control of the government. These actions appear to work against Section 12 (1) of the constitution.

The operationalization of the Media Practitioners' Act of 2008 remains paralyzed by disagreements over the appointment of its members. Attempts by the opposition to repeal the act in April 2019 and August 2020 were unsuccessful, as members of the ruling party opposed it, despite Masisi's government having declared a desire to review the act. Botswana does not have a freedom of information law. According to the 2020 World Press Freedom Index by Reporters Without Borders, Botswana ranked 39 out of 180 countries evaluated.

3 | Rule of Law

Botswana's constitution defines the composition and functions of the three main branches of government. As reported in the BTI 2020, a critical assessment of the three branches suggests that the functions of the executive overlap with those of the two other branches; judiciary and parliament. As a result, the dominance of the executive has been sustained, which has a bearing on ensuring effective checks and balances. Members of the executive are drawn from the parliament and are bound by the notion of collective responsibility. In fact, parliament functions as a department under the Office of the President.

Despite this, what is encouraging is that there has not been any evident disregard for the rule of law by the executive, even under President Khama who is considered in some quarters as the worst president in the country's history. President Masisi reiterated his pledge to protect the rule of law during his inauguration following the October 2019 elections. However, just like Ian Khama, President Masisi has demonstrated an intolerance toward opposition and his commitment to the rule of law is doubtful.

While the parliament remained weak in relation to the executive, confidence in the judiciary has remained relatively strong. However, apprehensions over the judiciary's independence have persisted in some quarters, with some judges described as "executive minded." These concerns emanate from the sweeping executive powers conferred on the country's indirectly elected president. Judges and magistrates are appointed by the president.

In terms of Section 17 of the country's constitution, President Masisi announced a state of public emergency in order to control COVID-19. The state of emergency was initially introduced for six months from April 2, 2020, but was subsequently extended by another six months to March 2021. However, COVID-19 continued to spread even under a state of emergency. The state of emergency was endorsed by the National Assembly owing to the numerical strength of the ruling party. The opposition unsuccessfully objected to the state of emergency, advocating instead for the use of the Public Health Act to contain COVID-19. However, the government considered the Public Health Act to be inadequate for tackling COVID-19, although the president has not put forward any persuasive reasons for declaring a state of public emergency rather than using the Public Health Act, which has dented the country's democratic credentials. Parliament continued to sit under the state of public emergency.

Separation of powers

8



1

Public confidence in the judiciary has remained relatively strong but concerns about the independence of the judiciary have persisted, with some judges considered to be “executive minded.” The actions of some judges, especially in cases involving the president, have reinforced these concerns. For instance, in April 2019, three judges refused to participate in a case in which Pelonomi Venson-Moitoi unsuccessfully sought to suspend an elective special congress of the ruling party at which she desired to challenge President Masisi for the position of party president. Ultimately, a panel of three judges was selected to decide on the case. Judges and magistrates are appointed by the president.

Despite concerns about the independence of the judiciary, individuals and institutions have continued to successfully seek redress in court against the government. For instance, in June 2019, the High Court quashed a law that made same-sex relations illegal. In October 2020, a High Court judge, Zein Kebonang, and a former minister, Sadique Kebonang, successfully challenged the Directorate of Public Prosecution’s (DPP) decision to charge them in relation to the BWP 250 million National Petroleum Fund (NPF) money-laundering scandal, with the High Court finding that there was no evidence to tie them to the scandal.

In November 2020, on account of a lack of evidence, the DPP withdrew the BWP 100 billion charge of financing terrorism against Wilhelmina Maswabi, a DISS employee, known within the intelligence circle as “Butterfly.” However, two other charges against Maswabi, namely a failure to explain property in her possession and the false declaration of passports, were not withdrawn. Maswabi is alleged to have worked closely with former DISS Director General Isaac Kgosi, former President Ian Khama and South African businesswoman Bridgette Motsepe-Radebe in committing these crimes with the intention of toppling President Masisi. Interestingly, in an effort to investigate money-laundering, Botswana’s director of public prosecutions, Stephen Tiroyakgosi, in June 2020, declared that Botswana had enlisted the services of advocate Gerrie Nel of Afriforum, a South African right-wing organization, as the South African government was not cooperating with Botswana in a corruption case, a suggestion that has been rebuffed by the government of South Africa. The decision to enlist the services of Afriforum was widely condemned within Botswana in light of what Afriforum stands for and also appeared to have strained relations with South Africa.

In November 2020, the High Court rejected charges of corruption and abuse of office against the former director-general of the Directorate on Intelligence and Security Services (DISS), Isaac Kgosi, and a former executive director of the Botswana Energy Regulatory Authority, Kenneth Kerekang. The High Court stated that the charges, which related to a BWP 250 million NPF money-laundering scandal, were “irrational and unreasonable,” and that “prosecutors are not persecutors.” In December 2020, a Gaborone magistrate court acquitted Bakang Seretse and several co-accused of similar charges in relation to the same BWP 250 million NPF money-

Independent
judiciary

9

'06 '22 10

-9

1

laundering scandal, also on account of a lack of evidence. The lack of evidence in these high-profile corruption and money-laundering cases has led to claims that the prosecutions were “politically motivated,” although the lack of evidence could also indicate incompetence on the part of the DPP. As a result of the failure of these cases, there have been demands for the director of public prosecutions, Stephen Tiroyakgosi, to be dismissed. However, these calls have not been embraced by the government. Although there is no evidence of outright executive interference in the functioning of the judiciary, the appointment of judicial officers by the president was considered by some for lacking transparency. Botswana ranked 43 out of 128 countries in the 2020 World Justice Rule of Law index.

The Directorate on Corruption and Economic Crime (DCEC) is the country’s leading anti-corruption agency. However, its political independence is questionable given that the head of the agency was appointed by the president. The right to prosecute rests with the Directorate of Public Prosecutions (DPP).

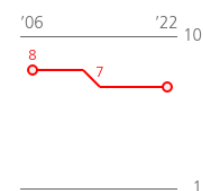
Private media outlets have continued to report on several corruption and wrongdoing cases involving politicians and senior public officials that slipped through political, legal and technical loopholes. As a result of these reports, the DCEC has sustained adverse publicity and has been accused of focusing mainly on petty corruption. For example, numerous cases involving a BWP 250 million NPF scandal were dismissed by various courts in October, November and December 2020 on account of a lack of evidence (see “Independent Judiciary”). One of those acquitted in relation to the BWP 250 million NPF scandal was the former director-general of the DISS, Isaac Kgosi. President Masisi and former President Ian Khama were also implicated in the NPF scandal. Yet, despite persistent reports, which the two presidents rebuffed, Masisi and Khama were never arraigned before a court. The dismissal of several NFP-related cases due to a lack of evidence (see “Independent Judiciary”) led to claims that the cases were “politically motivated” and can also be viewed as evidence of President Masisi’s intolerance of opposition. More importantly, the dismissal of these cases has dented the credibility of Masisi’s anti-corruption crusade.

The replacement of the head of the DCEC after President Masisi succeeded Ian Khama in April 2018 is disconcerting and further affirmed the DCEC’s lack of independence. On April 2, 2019, the head of the DCEC, Victor Paledi, was relocated to the Ministry of Defense, Justice and Security, and Joseph Mathambo, an army officer, was immediately appointed as the new head. Surprisingly, in August 2020, Mathambo was removed and Tymon Katholo was appointed head of the DCEC. Katholo had previously served as head of the DCEC. In September 2020, the opposition UDC reiterated its calls for an independent DCEC, which is able to function without interference.

In October 2019, DCEC officials suggested that DISS officials were interfering in DCEC operations. The DCEC officials claimed that the DCEC had obtained “operational direction, especially on high profile investigations” from the director generals of the DISS and the Financial Intelligence Agency (FIA).

Prosecution of office abuse

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In November and December 2020, media reports reiterated concerns that the permanent secretary to the president, Elias Magosi, had interfered in the work of the DCEC in relation to a BWP 100 billion terrorism-financing case. A former head of the DCEC, Joseph Mathambo, also accused, among others, the permanent secretary to the president and the director-general of the DISS, Peter Magosi, of interfering. According to media reports, the BWP 100 billion terrorism financing charge against Wilhelmina Maswabi (see “Independent Judiciary” above) was prepared by an employee of the DCEC, Jako Hubona, without the approval of the DCEC or its head at the time, Joseph Mathambo. Significantly, Elias Magosi and Peter Magosi are close relatives. The only high-profile corruption case that remains ongoing as of January 2021 is the BWP 500 million Botswana Public Officers Pension Fund (BPOPF) and the Capital Management Botswana (CMB) case in which, among others, former Permanent Secretary to the President Carter Morupisi and his wife Pinny Morupisi have been charged. In December 2020, Morupisi and his wife joined the BPF.

Civil rights are generally protected and respected as provided for in the country’s constitution. Further to what was reported in BTI 2020, options are available to residents to challenge violations of their rights in court, and the courts have demonstrated a willingness to intervene and protect civil rights. For instance, in June 2019, the High Court quashed a law that made same-sex relations illegal. Minorities, especially LGBT+ people, are still generally not tolerated. Such cases remain few.

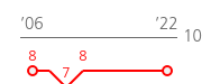
However, with the declaration of a state of emergency (April 2, 2020 to March 2021) to contain COVID-19, the enjoyment of civil rights (especially freedom of movement, association and assembly) has been disrupted by regulations introduced under the state of emergency powers.

Although the country has been widely accredited for upholding the rule of law and protecting civil rights, it has yet to establish a human rights commission. The country first declared its intention to establish such a commission in 2013.

The declaration of a state of emergency (April 2, 2020 to March 2021) to contain COVID-19, disrupted the enjoyment of freedom of religion, with religious gatherings restricted under the state of emergency regulations.

Civil rights

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4 | Stability of Democratic Institutions

The relative stability of democratic institutions in Botswana has continued. The country's democratic institutions, both at the local and national level, and the judiciary continue to function. During the review period, there were no evident hindrances to government decision-making, as the ruling party sustained its parliamentary majority after securing 53% of the popular vote in October 2019. Although the opposition doubted the 2019 election outcome, citing fraud, there was no violence. The opposition registered several election petitions in court contesting some constituency results, but without success. Any administrative delays experienced are not caused by unstable institutions, but administrative inefficiencies and lapses as well as structural weaknesses (i.e., parliamentary weaknesses).

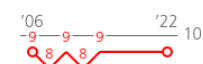
Although public expectations were quite high when President Masisi succeeded Ian Khama in March 2018, it did not take long for Masisi to exhibit an intolerance toward his opponents and private media. Masisi's intolerance first became evident when Pelonomi Venson-Moitoi declared her intent to challenge him for the position of party president, which was to be decided at a party congress in April 2019. Venson-Moitoi was immediately vilified and harassed, and prevented from campaigning freely. She eventually decided to withdraw her challenge for the party presidency after she unsuccessfully attempted to contest the party's decision to disqualify some of her supporters from voting as delegates at the beginning of April 2019.

The public dispute between President Masisi and Ian Khama, which emerged in 2018 soon after Masisi succeeded Khama, eventually led to Khama being pushed out of the ruling party in May 2019. Khama accused Masisi of being intolerant of opposition. Other key members of the party, who had criticized or opposed Masisi, were also purged. State media decided not to provide airtime to former President Ian Khama, a decision that was criticized by the opposition. The public dispute between Masisi and Khama could lead to instability.

The opposition has experienced its fair share of President Masisi's intolerance, especially in the build-up to the October 2019 elections. Opposition politicians accused President Masisi of using state agencies (e.g., the BURS and the DISS) to harass his opponents, especially the leader of the UDC, Duma Boko. In turn, UDC Vice President Dumelang Saleshando accused the BURS and the DISS of playing a critical role in influencing the results of the October 2019 elections, which called the freeness and fairness of the elections into doubt. The BPF spokesperson, Justice Motlhabane, was arraigned for "an offensive statement against the government," and "degrading and maligning the leadership." The BPF is a breakaway party from the BDP and Ian Khama is its figurehead.

Performance of democratic institutions

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Despite the evident structural flaws that afflict some of the country's institutions (e.g., the parliament, Independent Electoral Commission, DCEC and Ombudsman), commitment to democratic institutions has remained somewhat intact. Most democratic institutions are in the main considered to be legitimate, despite evident flaws. President Masisi has reiterated his commitment to democratic institutions and upholding democratic governance. However, his declarations have yet to be backed by deeds, as no progressive reforms have been instituted to address the evident flaws. Instead, the status quo has been preserved.

Although President Masisi reshuffled the cabinet after assuming office in April 2018 and following the October 2019 elections, Botswana's democratic institutions were left largely unchanged, although key appointments were made to some institutions to ensure control. As a result of these appointments, those critical of these institutions have bemoaned their lack of independence from the executive, with the executive continuing to straddle the other two branches of government. In turn, the fairness of the country's elections has remained a major political issue. The issue of fairness gained public attention following the 2019 elections, which the opposition declared were fraudulent. In turn, the opposition registered several election petitions in court, but without success. The opposition accused the DISS and BURS, among others, of influencing the election outcome.

5 | Political and Social Integration

The country has functioned as a relative democracy for 54 years, and its political and social integration remains moderate. Its party system has remained relatively stable but fluid, with moderate elements of fragmentation, volatility and polarization. Although one-party dominance and opposition fragmentation have been critical features of the party system, these appear to be in decline.

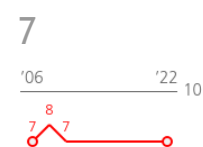
The ruling BDP slightly increased its share of the popular vote from 47% in 2014 to 53% in the 2019 general elections. Three opposition parties – Botswana Congress Party (BCP), Botswana National Front (BNF) and Botswana People's Party (BPP) – contested the elections under the auspices of the UDC but maintained their individual identities. The AP, which is a breakaway party from the BMD, and the BPF, which is a breakaway party from the ruling BDP, won 5% (one seat) and 4% (three seats) of the popular vote, respectively. The BPF had a loose working cooperation with the UDC in the run-up to the 2019 elections. As expected, the BMD, which was expelled from the UDC in 2019, and the Real Alternatives Party (RAP) did not win any seats. Overall, the opposition secured a combined 19 seats, which increased to 21 seats when two members of parliament defected from the ruling party. Evidently, fragmentation among opposition parties and the electoral system (i.e., first-past-the-post) have sustained one-party dominance. The formation of an opposition coalition could strengthen and stabilize the party system.

Commitment to democratic institutions



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Party system



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Botswana lacks a broad range of interest groups reflecting competing interests. Its long-standing history of weak interest groups remains, and this is in part because the state continues to play a dominant role in the country's political and economic transformations and the private sector remains small, underdeveloped, and dependent on the government for its survival. Active and vocal groups remain small and separate. Legislative hurdles continue to work against the development of interest groups, as seen in the case of LEGABIBO (Lesbians, Gays and Bisexuals of Botswana), which had to seek a court intervention to earn official recognition. In June 2019, the High Court quashed a law that made same-sex relations illegal.

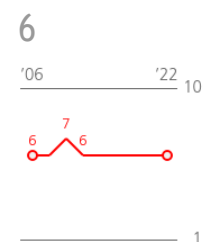
LEGABIBO's official recognition and the legalization of same-sex relations was remarkable by regional standards, as homosexuality is banned in many African countries.

Since the 2011 public sector strike, unions under the auspices of BOFEPUSU (Botswana Federation of Public, Private and Parastatal Sector Unions) have caused issues for the government but the government has deployed legislative hurdles to frustrate its efforts. This demonstrates the government's lack of desire to see strong interest groups emerge. Yet, such groups are critical for a vibrant democracy to take root.

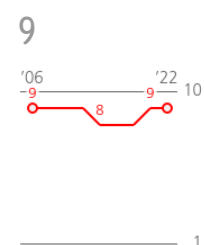
There is no evidence to suggest that citizen's approval of democracy has changed or declined. Public approval remains fairly strong, as demonstrated by the level of participation in democratic processes. In terms of the 2019 Afrobarometer survey results, support (preference) for democracy was put at 72% while support for the non-democratic government was 14%. This suggests that support for democracy remained high while there is a rejection of military rule. The country's COVID-19 response does not seem to have affected citizens' attitudes toward democratic institutions, despite democratization being contested in some quarters.

The country has a long-standing history of weak interest groups, although the government has over the years promoted a culture of peaceful co-existence, public consultation and consensus-building at the local and national levels. These principles are largely advanced through the institution of the "kgotla" (traditional council meeting), which is a resource of social capital. This ensures that citizens identify with government policies and projects as they are provided an opportunity to offer input. Even so, the level of participation has continued to decline over the years, which calls for new measures to cultivate and ensure sustained citizen participation, especially the youth. However, the outbreak of COVID-19 and the declaration of a state of public emergency from April 2020 to March 2021 has constrained the process of consultation and consensus-building, and in turn citizen participation. The focus of the government has been on containing COVID-19.

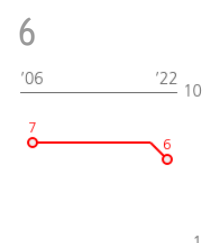
Interest groups



Approval of democracy



Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

Social and economic indicators over the last 54 years suggest that Botswana has experienced a notable yet moderate level of socioeconomic development. Owing to its success, the World Bank categorized Botswana as a middle-income country. Despite attaining the status of a middle-income country, socioeconomic barriers continue to constrain socioeconomic development.

These barriers include poverty, unemployment, inequality and HIV/AIDS. In delivering the State of the Nation Address on November 9, 2020, President Masisi reiterated that unemployment was a primary government concern.

Similarly, the prevalence of HIV/AIDS and inequality have not noticeably changed since the BTI 2020 review. Poverty and inequality remain pronounced and structurally ingrained. Botswana's socioeconomic barriers continue to present a major threat to the country's steady and modest economic transformation over the last 54 years. The COVID-19 pandemic and the associated measures put in place to contain it have the potential to exacerbate social exclusion.

Economic indicators		2017	2018	2019	2020
GDP	\$ M	17405.6	18663.3	18362.3	15781.7
GDP growth	%	2.9	4.5	3.0	-7.9
Inflation (CPI)	%	3.3	3.2	2.8	1.9
Unemployment	%	17.5	17.3	17.2	17.7
Foreign direct investment	% of GDP	1.5	1.5	0.5	-
Export growth	%	-16.2	7.2	-16.1	-21.4
Import growth	%	-21.1	11.8	11.7	4.3
Current account balance	\$ M	927.1	116.9	-1396.9	-

Question
Score

Socioeconomic
barriers

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Economic indicators		2017	2018	2019	2020
Public debt	% of GDP	14.6	15.7	16.3	19.5
External debt	\$ M	1741.4	1782.0	1565.1	1597.4
Total debt service	\$ M	176.3	185.0	196.9	183.2
Net lending/borrowing	% of GDP	-1.1	-4.9	-3.8	-
Tax revenue	% of GDP	22.1	19.8	19.2	-
Government consumption	% of GDP	18.4	18.2	19.3	23.8
Public education spending	% of GDP	7.1	6.7	6.9	-
Public health spending	% of GDP	4.6	4.5	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	3.0	2.7	2.8	3.5

Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Botswana has maintained a comparatively sturdy, steady, and functional market structure that facilitates competition, and the private sector has continued to play a critical role in the economy. The government has continued its efforts to attract foreign direct investment, even after President Masisi assumed office in April 2018. The informal sector remains small but has shown steady growth and continues to play an important role in creating employment and generating income. Despite recent improvements, including the creation of a one-stop center for registering new businesses and legislation to allow businesses to be registered online, the pace of reforms over the past decade has been rather slow, with the country dropping 10 positions in the World Bank's Doing Business rankings. According to the World Bank's Doing Business Report 2019, starting a business takes 48 days and nine procedures, and costs 0.6% of GNI per capita in Botswana. For starting a business, Botswana scored 76.22 out of 100 and ranked 157 out of 190 countries. In September 2018, the government announced plans to liberalize the meat sector, rationalize parastatals, proceed with privatizations, and relax visa restrictions and work permits. However, the timing and scope of these reforms has yet to be determined.



In terms of the 2018 World Economic Forum’s Global Competitiveness Index, Botswana ranked 90 out of 140 countries globally, which marks a serious decline compared to the country’s ranking of 63 out of 137 countries in the 2017/18 index. Botswana ranked sixth among African countries, demonstrating that it has a competitive economic framework by regional standards.

According to the Fraser Institute’s Economic Freedom of the World 2018 Annual Report, Botswana ranked 44 out of 162 countries, with a score of 7.43 out of 10. The 2019 Index of Economic Freedom of the Heritage Foundation placed Botswana under the “moderately free” category, with a score of 69.5 (compared to 69.9 in 2018) and a rank of 36 out of 180 countries worldwide, which meant that Botswana ranked third in sub-Saharan Africa.

The institution that safeguards against economic monopolies and anti-competitive practices is the Competition and Consumer Authority, which falls under the Ministry of Trade and Industry. The authority draws its mandate from the Competition Act of 2018. The act also provides for the Competition and Consumer Tribunal, which deals with any violations. The country’s anti-monopoly policy has been relatively effective and there is no evident discrimination in trade. However, inconsistencies in enforcement cannot be ruled out. Debswana, a partnership between the government and De Beers, continues to dominate the diamond sector.

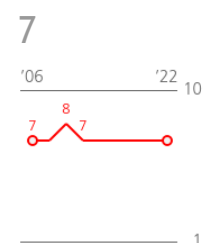
The government has maintained its policy of openly allowing and encouraging the private sector to play a critical role in the economy, promote free trade and attract foreign direct investment. Foreign direct investment has played a critical role in transforming Botswana’s economy, particularly the mining sector – which continues to be a major revenue earner for the country. The contributions of the private sector and foreign direct investment are evident in other economic sectors, including tourism, retail, and emerging manufacturing.

According to the 2020 Index of Economic Freedom of the Heritage Foundation, “the total value of exports and imports of goods and services equals 76.6% of GDP. The average applied tariff rate is 1.1%, and 44 non-tariff measures are in force. Openness to foreign investment has supported the country’s competitiveness.”

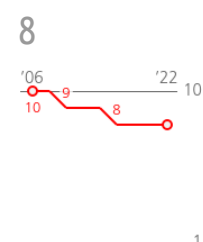
Botswana has ensured a relatively efficient and stable banking sector and capital market, and its central bank is functional and efficient. There are clear well-defined rules that govern the banking sector. Although the government has a role in the banking sector, there is no evident interference in the operations of private banks. However, COVID-19 is likely to lead to a credit crisis.

The Heritage Foundation’s 2020 Index of Economic Freedom noted that in Botswana “the small but vibrant financial sector encourages economic diversification. Private sector access to credit is maintained by the banking sector and well-functioning capital markets.” Although corruption has been increasing, the country has,

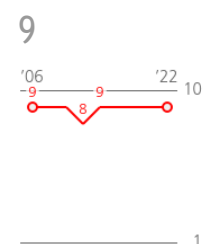
Competition policy



Liberalization of foreign trade



Banking system



nevertheless, continued to ensure the somewhat prudent management of its economic resources – a major challenge for most African countries – and maintained relatively sound foreign reserves. Despite this, the country’s susceptibility to external shocks has continued as diamond mining remains a key economic sector. The COVID-19 pandemic has made this vulnerability more apparent.

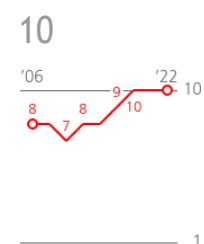
The economy has been showing signs of recovery, although budget deficits persist. For instance, the 2019/2020 budget deficit was put at BWP 7.34 billion, while the 2020/2021 budget anticipated a deficit of BWP 5.22 billion. Internationally, the country has continued to attract a positive credit rating from agencies such as Moody’s Investor Service and Standard & Poor’s, with its economy one of the best rated in Africa.

8 | Monetary and fiscal stability

The Bank of Botswana, the country’s central bank, has continued to closely monitor inflation and maintain a stable foreign exchange policy. As reported in the BTI 2020, inflation has in the main been kept within the central bank’s range of 3% to 6%, thus maintaining price stability. However, it declined below the defined range to 2.2% in September 2019 and 1.8% in September 2020, although the government has projected that it will revert to the defined central bank range. The currency has remained largely stable, despite the COVID-19 pandemic. Botswana’s exchange rate policy sustained an export-oriented strategy. Evidently, inflation controls and exchange rate policies are in line with other economic policies. Therefore, the country’s monetary stabilization policies are harmonized with other economic policy objectives and are institutionalized in a de facto independent monetary authority, which consistently communicates with other economic actors.

The government has sustained a sound fiscal policy in order to promote macroeconomic stability. Although Botswana has maintained stable macroeconomic management, its budgets have sustained deficits. For example, the 2019/2020 budget deficit was put at BWP 7.34 billion, while the 2020/2021 budget anticipated a deficit of BWP 5.22 billion. The 2020/2021 deficit is likely to have risen sharply owing to the COVID-19 pandemic and associated lockdown, which resulted in a contraction of domestic economic activity and a reduction of global demand, and limited export earnings. The economy was projected to shrink by 8.9% in 2020, although positive growth was anticipated for 2021. COVID-19 affected the government budget by reducing revenue from taxes and royalties. The government has pledged to contain public debt, which is in keeping with its medium-range debt management strategy. According to the Heritage Foundation’s 2020 Index of Economic Freedom, “public debt is equivalent to 12.9% of GDP.” The country also received positive ratings from Moody’s Investors Service and Standard & Poor’s, upholding the sound credit ratings the country received during the previous BTI review period.

Monetary stability



Fiscal stability



9 | Private Property

Section 8 of Botswana’s constitution guarantees protection of private property. There is no evidence to suggest that property rights and regulations are not being enforced, protected and upheld. In general, relative judicial independence has been maintained, justice dispensed without fear or favor, and court decisions are respected – although some concerns over the independence of the judiciary have persisted. Furthermore, the judiciary has continued to enforce contracts and property rights.

The 2020 Heritage Foundation Index of Economic Freedom declared that “Botswana has generally sound legal protections for property rights that are enforced in practice. Tribal land represents 70% of all land. Courts enforce commercial contracts. The judiciary is generally independent and free from interference.” However, a shortage of serviced land and administrative inefficiencies have continued. The 2020 International Property Rights Index (IPRI) scored Botswana 5.934, with a rank of 52 out of 129 countries globally and four out of 28 countries in Africa. In terms of the 2020 World Bank Ease of Doing Business index, Botswana ranked 87 out of 190 countries assessed, with a score of 66.2. This suggests that the country has a lot to improve concerning the ease of doing business.

Botswana continues to recognize the private sector as a critical and viable economic development partner, and an engine of economic production. The private sector has been the backbone of Botswana’s economy. This is supported by the sustenance of partnerships the government has entered into and continues to form with the private sector. A well-known example remains the long-standing 50/50 partnership with De Beers – Debswana.

Although government takes an active role in the economy, it has continued to provide an enabling environment for the private sector to function. As a result, its active and deliberate policy of attracting foreign direct investment has been sustained. The government has also maintained its policy of consulting the private sector on a regular basis, among others through the High-Level Consultative Conference and National Business Conference. This demonstrates that the government considers the private sector to be a partner in economic development. These consultations did not take place in 2020 because of the COVID-19 pandemic. A number of policies intended to simplify business practices were developed following these consultations. For instance, the Industrial and Trade Regulations Act came into effect in June 2020. In November 2020, President Masisi pledged further reforms to ease the process of doing business. This includes revising the Industrial Development Policy by December 2021, and Immigration Policies and Acts by March 2021. A one-stop service center, which facilitates the process of doing business, has been maintained.

The 2020 Heritage Foundation Index of Economic Freedom noted that “Botswana has made construction permitting less complicated by streamlining the inspection

Property rights

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Private enterprise

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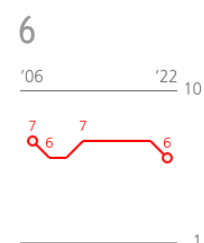
system. The government plans to liberalize policies for visa and work permits and to privatize, close, or merge inefficient public enterprises. Labor strife is minimal. In response to a severe drought in 2019, the government expanded its program of subsidies to the agricultural sector.” Despite government efforts to diversify the economy, the private sector has remained small and largely dependent on the government. The government put in place a COVID-19 response plan, costing at least BWP 4 billion. The plan included, among other things, subsidies to cover three months of employee wages for businesses that were negatively affected. The privatization of state-owned enterprises is yet to take shape.

10 | Welfare Regime

As is the case in South Africa, Botswana offers no unemployment benefits and its pension system for those over the age of 65 is limited. As a result, many people are not included in the country’s social safety net. Poverty and unemployment are prevalent, but unemployment is more severe among the younger generations. These risks mean that a significant share of the population and in particular the youth – who comprise 60% of the population – are at risk of being marginalized. In order to mitigate these risks among susceptible and underprivileged groups, the government has continued its social welfare programs (e.g., cash transfers, empowerment programs, food provision, public works and education subsidies), but the extent to which these programs can be sustained is subject to debate. In November 2020, President Masisi declared that 229,622 recipients had registered for various social programs. During the April 2020 lockdown, the government provided food baskets for eligible low-income households as part of its COVID-19 response plan.

The government has continued to provide accessible health care for almost everyone and has vigorously responded to the challenges of HIV/AIDS by putting in place effective strategies and programs. These measures include providing antiretroviral therapy to HIV patients, including to expectant mothers to reduce mother-to-child transmission, male circumcision and the “treat all” strategy, which was introduced in 2016. These programs appear to have led to positive results. For instance, in November 2020, the government reported that mother-to-child transmission was at 1.9%, while around 89% of HIV patients were on treatment. Meanwhile, the government has continued to receive support from development partners to address the HIV/AIDS menace, including the provision of free antiretroviral therapy to foreigners residing in the country (around 2,965 people) since December 2019. These developments notwithstanding, the country’s prevalence rate remains one of the highest.

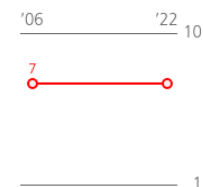
Social safety nets



Section 15 of the constitution outlaws discrimination on the basis of race, tribe, place of origin, political opinion, color, creed or sex. Generally, there is equal opportunity to gain public office, education and employment. Since independence, the government has consistently made access to education a priority, allocating substantial resources to it. For instance, during the 2020/2021 budget, the Ministry of Basic Education, and the Ministry of Tertiary Education, Research, Science and Technology received BWP 9.01 billion and BWP 4.89 billion, respectively. In November 2020, President Masisi reiterated the government's commitment to the Education and Training Sector Strategic Plan (ETSSP 2015–2020), including the implementation of the Outcome Based Education. The ETSSP is expected to promote access and enhance the quality of education, as well as to ensure the transference of requisite skills, in the long term. Despite these allocations and the adoption of the ETSSP, concerns over declining standards and quality have been sustained. The private sector has continued to be a key partner and to provide support in the education sector. This notwithstanding, social discrepancies have continued. For instance, the number of women holding political positions has remained low, in part because of the electoral system in use and cultural factors that discourage women from standing for political office. Moreover, the San continued to suffer from structural discrimination and social marginalization, which is ingrained. Furthermore, the government has maintained its social safety programs that cushion the disadvantaged and vulnerable from social risks – even during the April 2020 lockdown.

Equal opportunity

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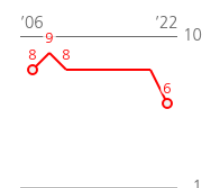


11 | Economic Performance

Owing to its over-dependence on diamond exports, Botswana's economic performance has continued to be afflicted by uncertainty. Its economic over-dependence and uncertainty became more evident in 2020 owing to the COVID-19 pandemic, which adversely affected diamond sales to key markets such as China, Europe and the United States.

Output strength

6



Although the country has sustained its astute and relatively stable macroeconomic management, with evident signs of recovery, budgets have continued to record deficits. For instance, the 2019/2020 budget deficit was put at BWP 7.34 billion, while the 2020/2021 budget anticipated a deficit of BWP 5.22 billion. These deficits demonstrate that the economy remains vulnerable and has failed to realize broad-based growth owing to the slow pace of diversification, despite government efforts.

In terms of the 2020/21 budget, the government reported that the economy was expected to grow by 3.6% in 2019 and 4.4% in 2020, evidence of a positive recovery. However, President Masisi declared in November 2020 that the economy was projected to shrink by 8.9%, owing to the COVID-19 pandemic that, among other things, affected key diamond markets. The 2020/21 budget also stated that minerals

continued to make a significant contribution to the country's revenue earnings, with revenue from minerals accounting for BWP 20.02 billion, customs and excise for BWP 15.38 billion, tax from non-mineral income for BWP 14.22 billion, and value-added tax for BWP 8.55 billion of the BWP 62.39 billion of revenue and grants. Botswana's continued reliance on minerals remains a concern, as it puts the country in a precarious and risky position, with broad-based economic growth having eluded the country for the past 54 years, despite sustained government efforts. Diversifying sources of economic growth and revenue has remained a priority.

The national poverty and unemployment rates remained at 16.3% and 17.6%, respectively, according to the Statistics Botswana Multi-Topic Household Survey of 2015/2016. However, Statistics Botswana Multi-Topic Survey Quarter 1 2020 suggested a rise in unemployment to 23.2%. Unemployment has become more noticeable among young people, who comprise around 60% of the population.

12 | Sustainability

The country has actively demonstrated its commitment to environmental sustainability by putting in place an institutional base – the Ministry of Environment, Natural Resources, Conservation and Tourism – that enforces laws and policies meant to address environmental concerns in order to realize sustainable development.

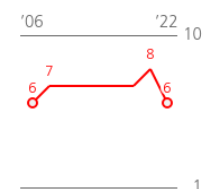
All new projects are preceded by and subjected to an environmental impact assessment. As part of its efforts to facilitate the process of doing business, in November 2020, the government declared that it had revised the Environmental Assessment Act in order to reduce the time required taken to conduct an environmental assessment.

Undoubtedly, the government has maintained its commitment to preserving its natural resources, habitat, and wildlife, including by making anti-poaching a major priority, because they are a main source of tourism and revenue for the country. The government has also sustained its promotion of awareness on environmental concerns (e.g., by celebrating World Environment Day) and ensuring community participation on issues relating to the environment. Environmental education remains a clear component of school curricula. In light of Botswana's climatic conditions, especially the unreliable and low rainfall experienced across parts of the country, droughts and water deficits continue to pose a major challenge. Even so, the level of ecological consciousness has remained low. The 2020 Environmental Performance Index (EPI) ranked Botswana 103 out of 180 countries, with a score of 40.4 out of 100.

However, a lack of capacity is the key challenge facing new environmental strategies.

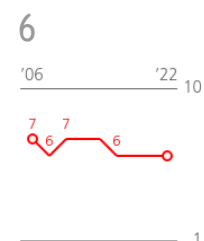
Environmental
policy

6



Botswana has sustained its investment in the education sector, as demonstrated by the substantial resources committed to the sector. In 2017/18, total spending on the education sector equaled BWP 12.7 billion (21.3% in the total budget or 7.2% of GDP), which is 34% higher than 2013/14. This has facilitated access to education across all levels and in turn led to a rise in the country's literacy rate, which was calculated to be 90% in 2014 by Statistics Botswana. In addition to promoting access, it has also put in place measures that are meant to enhance the quality of education. In November 2020, President Mokgweetsi Masisi reiterated his commitment to the ETSSP (2015–2020), which seeks to address access, quality and the transfer of requisite skills. Early childhood has been embraced and sustained under the ETSSP, a demonstration of government commitment to ensuring education for all. Despite an adoption of the ETSSP, concerns over declining standards in education have continued. Moreover, research and development has remained deficient. The COVID-19 pandemic seems to have disrupted access, with schools closed for extended periods to contain the pandemic. In response to the closures, schools resorted to online teaching and learning, which most were not prepared for.

Education policy /
R&D

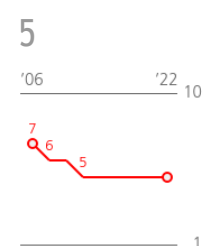


Governance

I. Level of Difficulty

Botswana's governance performance indicates that the country has achieved evident but modest strides in its transformation. However, its performance has continued to be curtailed by structural constraints that range from modest to high. There have been no evident ethnic or social tensions registered since the BTI 2020 review period. Ethnic and social tensions have been moderately contained and managed, and do not seem to present a major danger to the country's economic and political transformation. Nevertheless, issues of equitable representation in the House of Chiefs remain. Similarly, the issue of mother tongues has remained topical in some quarters, especially in the run-up to the 2019 elections. The country has largely maintained consensus-building and a somewhat effective public consultation system, although apathy is creeping in, particularly among young people. The outright discrimination of certain groups is not a major issue but issues involving minorities have been settled by the courts. Botswana's political system continues to be characterized by a moderately weak civil society culture in part because of government policies that work against the development of vibrant civil society organizations. The country has also sustained its relatively developed physical infrastructure and investment in the education sector. However, concerns of declining standards have persisted even with the adoption of the 2015 ETSSP (2015–2020), which was in part expected to respond to these challenges. According to the 2020 Heritage Foundation Index of Economic Freedom, "The government plans to liberalize policies for visa and work permits and to privatize, close, or merge inefficient public enterprises. Labor strife is minimal." Social risks, such as poverty, unemployment and deep-rooted inequalities, continue to pose a major challenge to the country's transformation. Minerals continue to be the main source of revenue, contributing BWP 18.43 billion and BWP 20.02 billion toward the 2019/2020 and 2020/2021 budgets, respectively. The agricultural sector remains vulnerable to frequent droughts and prone to disease outbreaks, especially foot-and-mouth. The other major social risk facing the country is HIV/AIDS, with Botswana one of the most severely affected countries worldwide. The government has responded to HIV/AIDS with effective policies that have achieved evident success. Although the COVID-19 infection and death rates have been relatively moderate, the COVID-19 pandemic has substantially disrupted the economy, and imposed limitations on the country's political and economic transformation.

Structural
constraints



Botswana does not have a strong culture and tradition of civic participation in public life. This is partly due to government policies (i.e., legislative hindrances), which have undermined the emergence of vibrant civil society groups, particularly those perceived as a menace to the government. An evident example has been public sector unions affiliated to the Botswana Federation of Public Sector Unions (BOFEPUSU), which have been a thorn in the side of the government since the country's 2011 strike of public sector employees. In turn, BOFEPUSU declared its support for the opposition UDC during the 2014 general elections. This gave rise to protracted tensions between President Khama's government and public sector unions, especially those that fell under the umbrella of BOFEPUSU. It also resulted in BOFEPUSU terminating its membership and participation in the Public Service Bargaining Council (PSBC) in April 2017, although BOFEPUSU stated that it would return to the PSBC in 2019, as it anticipated a change in government following the 2019 general elections.

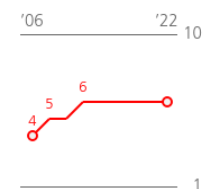
Following the formation of a UDC coalition that included the BCP in February 2017, in part out of pressure from BOFEPUSU, there was optimism that the opposition was going to contest the 2019 elections as a bloc thus reducing fragmentation. These hopes were in part quashed, as a faction of the BMD split on September 20, 2017, to form the Alliance for Progressives (AP), while the conflict-ridden BMD was ousted from the UDC on October 25, 2018, following its suspension. The BMD unsuccessfully contested its expulsion in court. Meanwhile, the AP is not part of the UDC. Given the question marks over the survival of the coalition, 2019 has been considered a critical juncture in Botswana's history.

Owing to tensions between President Masisi and former President Khama, which erupted immediately after Masisi succeeded Khama, a faction of the BDP split in 2019 to form the BPF, with Ian Khama as its figurehead. Khama openly campaigned for both the BPF and UDC in 2019, resulting in the BDP losing several seats in its traditional stronghold area, Central District, where Khama had been a chief. The opposition UDC lost most seats in its traditional strongholds in the south of the country, and its losses were in part blamed on its association with Ian Khama, whom the opposition parties had openly criticized for poor governance during his presidency.

Although President Masisi pledged to revive the PSBC after assuming office in April 2018, tensions between the government and public sector unions have persisted. Despite President Masisi's pledge, public sector salary negotiations were yet to be concluded as of January 2019, with unions accusing government representatives of offering poor advice to the president. Owing to delays in reviving the PSBC, in December 2018, it was decided that salary negotiations for 2019/2020 and 2020/2021 would be conducted outside the PSBC – in line with the collective labor agreements of the respective unions. The government approved salary increases of 10% for bands

Civil society traditions

6

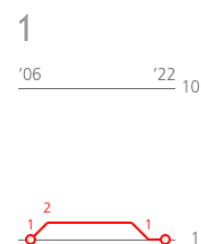


A and B, and 6% for bands C and D for 2019/2020 and 2020/2021, respectively, further adding pressure to the wage bill.

In October 2020, BOFEPUSU argued that the country faced “a leadership vacuum” given the failure to restore the PSBC. This suggested that relations between the government and BOFEPUSU remained frosty, even under President Masisi’s government. Overall, however, consultation and consensus-building have remained major features of Botswana’s political system and culture.

Botswana has no known violent incidents based on ethnic, social or religious differences. Conflicts are decided on following established due process of the law. A well-known conflict with ethnic connotations involved the San and the government and was resolved through the courts. The public spat between President Masisi and former President Ian Khama did not develop into open conflict, but it led to concerns that the country would be divided between north and south. Equally, the COVID-19 pandemic has not opened any cleavages or sparked any violent confrontations. Botswana’s constitution prohibits discrimination and its political culture does not tolerate violence or open conflict. Public consultation remained at the core of Botswana’s political culture. To this extent, Botswana has contained and abated conflict.

Conflict intensity



II. Governance Performance

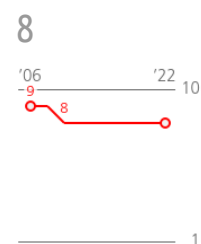
14 | Steering Capability

Throughout its 54 years of independence, Botswana has shown a capacity to establish and maintain strategic priorities through regular development plans, which direct economic development within a market economy. It consistently maintained its rolling plans directed by the Ministry of Finance and Development Planning (MFDP), which was renamed the Ministry of Finance and Economic Development in October 2016.

The National Development Plan 11 (NDP 11) became operational in April 2017 following its adoption by parliament in 2016. The NDP 11 was brought into line with the country’s Vision 2036 and United Nations’ Global Goals (i.e., Sustainable Development Goals). Just like the previous Vision 2016, Vision 2036 was crafted following a public consultation process. NDP 11 was expected to address unrelenting social risks: inequality, poverty and unemployment. The government maintained its commitment to enhance project implementation, which has been a major challenge for the government. NDPs are drawn after an established public consultation process, and the government has in the main consistently adhered to approved plans. However,

Question
Score

Prioritization



the COVID-19 pandemic has substantially disrupted the economy, and government priorities and plans. In an effort to sustain the economy and cushion it against the effects of COVID-19, the government implemented a BWP 4 billion economic relief package in April 2020. In addition, in November 2020, the government announced a BWP 14.5 billion Economic Recovery and Transformation Plan (ERTP), following the plan's approval by parliament in September 2020. The government also undertook a mid-term review of its National Development Plan 11, which aims to mitigate against the disruptive effects of COVID-19 and stimulate an economic recovery.

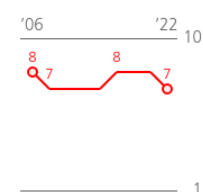
Botswana has maintained its commitment to transforming its political and economic system, albeit with modest success to date. However, the country continued to be confronted by inadequate implementation capability, and low levels of productivity continue to militate against government exertions. The government has continued to attempt to diversify the economy, but without much success. The privatization of state assets has been slow, despite government declarations. Consequently, the economy remains over reliant on the mining of minerals. Meanwhile, the government sustained the Economic Diversification Drive (EDD) and other programs that draw on the government's purchasing power as a means of improving the country's productive capacity (budget speech 2020). Long-standing efforts to diversify the economy and ensure employment creation have also been maintained. The COVID-19 pandemic has affected the government's policy priorities and the economy.

In an effort to sustain the economy and cushion it against the effects of COVID-19, the government implemented a BWP 4 billion economic relief package in April 2020. In addition, in November 2020, the government announced a BWP 14.5 billion Economic Recovery and Transformation Plan (ERTP), following the plan's approval by parliament in September 2020. The government also undertook a mid-term review of its National Development Plan 11, which aims to mitigate against the disruptive effects of COVID-19 and stimulate an economic recovery.

Botswana remains one of the worst-hit countries for HIV/AIDS. In response, the government has maintained its policies and received support from development partners. Its policies seem to be yielding positive outcomes by ensuring access to antiretroviral therapy for those affected, around 89% in November 2020. Mother-to-child transmission stands at 1.9%, demonstrating the government's commitment to containing the virus. With respect to gender empowerment initiatives, these appear to be relatively successful.

Implementation

7



1

Overall, the country's political leadership has in the main sustained its policy learning ability, but its flexibility remained restricted. A telling and well-known example was the government's decision to apply a narrow reading of a 2006 High Court pronouncement that affirmed the relocation of the San from the Central Kalahari Game Reserve (CKGR) as unconstitutional. In turn, the Court of Appeal granted the San access to water in the reserve in 2011. The government's limited flexibility became more pronounced between 2008 and 2018 under former President Ian Khama, who appears to have been the most divisive president in the country's history to date.

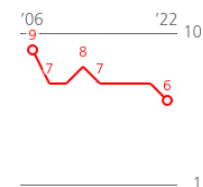
The government's restricted flexibility was extended to its relations with public sector unions affiliated with the Botswana Federation of Public Sector Unions (BOFEPUSU), particularly since the 2011 strike of public sector employees, with the two parties deciding to resolve their differences through the courts. Protracted tensions between President Khama's government and public sector unions, especially those under the umbrella of the BOFEPUSU, resulted in BOFEPUSU terminating its participation in the Public Service Bargaining Council (PSBC) in April 2017. In 2019, BOFEPUSU declared that it would return to the PSBC, as it anticipated a change in government following the 2019 elections. In January 2018, the Court of Appeal bemoaned the government for the folding on the PSBC. These court pronouncements suggest that the government has been inflexible and unable to learn from past mistakes.

Although there was a renewed sense of optimism in government after Mokgweetsi Masisi assumed the presidential office on April 1, 2018, this optimism has since faded. President Masisi declared that the government would revive the PSBC, but this has yet to be realized at the time of writing (January 2021). The failure to restore the PSBC as per President Masisi's pledge suggests that the government has not learned from previous mistakes. Despite this, the government continued to consult stakeholders, including private sector actors, but these consultations were suspended during 2020 owing to the COVID-19 pandemic.

The government's response to the COVID-19 pandemic has been centralized under the Office of the President and driven by the Presidential Task Force, which appears to command more power and influence than the Ministry of Health and Wellness. The effect of centralization could mean that the government is unwilling to consult with NGOs and interest groups. It appears that learning processes are not on the government's agenda.

Policy learning

6



15 | Resource Efficiency

Botswana has been extensively accredited for its judicious and sustained use and management of its resources. Despite this, broad-based growth has eluded the country in part because of its slow exertions to diversify the country, making the country susceptible to outside shocks such as those evidenced during the 2008 and 2009 Great Recession, and the COVID-19 pandemic in 2020.

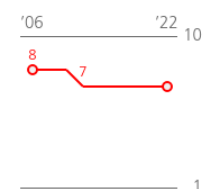
The government has continued its pledge to contain public expenditure, including the wage bill. The government's refusal to support higher salary increases attest to this. Although the economy has been showing signs of recovery, budgets have continued to record deficits. For instance, the 2019/2020 budget recorded a deficit of BWP 7.34 billion, while the 2020/2021 budget anticipated a deficit of BWP 5.22 billion. This increase in the deficit is likely due to the COVID-19 pandemic. The government declared that the economy was anticipated to shrink by around 8.9% in 2020, owing to the disruptive shock caused by COVID-19. The government has put in place measures to sustain and revive the economy following COVID-19.

This notwithstanding, the government has maintained its commitment to containing public debt, in line with its medium-range debt management strategy. According to the 2020 Heritage Foundation Index of Economic Freedom, "Government spending has amounted to 32.1% of the country's output (GDP) over the past three years, and budget deficits have averaged 1.2% of GDP. Public debt is equivalent to 12.9% of GDP." Internationally, the country has continued to receive positive ratings from agencies such as Moody's Investor Service, and Standard & Poor's, with its economy one of the best rated in Africa. In November 2020, the government declared that foreign reserves stood at BWP 63.7 billion in 2020, compared to BWP 65.3 billion in December 2019.

Generally, the government has sustained effective and efficient coordination of its policies and maintained its rolling national development plans (NDPs) as its framework for defining development priorities. NDP 11 became operational in April 2017 and was aligned to the country's Vision 2036. Even so, structural constraints continue to make it difficult to reconcile sound monetary policies with pressures to alleviate poverty, create jobs and contain HIV/AIDS. The government has continued its policy of prioritizing macroeconomic stability over high social expenditures. For instance, the government has, to the chagrin of public sector unions, been consistent in rejecting higher salary increases since 2011, due to poor economic performance. However, President Masisi's government approved salary increases of 10% for bands A and B, and 6% for bands C and D for the years 2019/2020 and 2020/2021, respectively, further adding pressure to the wage bill. The government had to allocate further resources to support the economy in the wake of the COVID-19 pandemic.

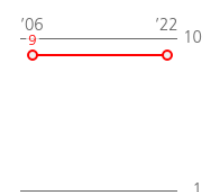
Efficient use of assets

7



Policy coordination

9



The government has continued to allocate substantial resources to the education sector. For instance, during the 2020/2021 budget, the Ministry of Basic Education, and the Ministry of Tertiary Education, Research, Science and Technology received BWP 9.01 billion and BWP 4.89 billion, respectively. Even so, concerns over declining standards and quality have persisted, despite the adoption of the ETSSP 2015–2020. In November 2020, President Masisi reiterated the government’s commitment to the Education and Training Sector Strategic Plan (ETSSP 2015–2020), including the implementation of an outcome-based education system. However, the persistence of social risks such as poverty and unemployment has called into question the government’s liberal and indirect approach to these challenges.

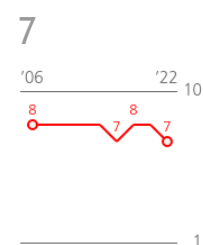
Botswana is yet to approve the National Anti-Corruption Policy. Meanwhile, the Directorate on Corruption and Economic Crime (DCEC) remained the country’s flagship institution, with a primary role in combating corruption and economic crime. The directorate’s approach involves a three-pronged strategy of investigating allegations of corruption, preventing corruption and promoting public education. In theory, a zero-tolerance policy toward corruption has also been maintained. Botswana has the reputation of being Africa’s least corrupt country. Nevertheless, the DCEC’s perceived lack of independence has persisted, which has raised doubts about its effectiveness. The ineffectiveness of the DCEC seems to have become more apparent since President Masisi assumed office in April 2018, despite his anti-corruption rhetoric. The DCEC has had three director generals between April 2019 and August 2020, affirming the DCEC’s lack of stability and independence.

The country’s main anti-corruption body, the Directorate on Corruption and Economic Crime (DCEC), remains weak, especially in the face of high-level corruption.

Interestingly, private media outlets have continued to report on a number of cases involving senior public officials and politicians that slipped through political, legal and technical loopholes. As a result of these reports, the DCEC has received adverse publicity. The failure to successfully prosecute senior officials and politicians (see “Independent Judiciary” and “Prosecution of office abuse”) has been interpreted as evidence of a lack of political will to fight high-level corruption, with the DCEC criticized for concentrating its efforts on low-level corruption. The country has a special court to expedite corruption cases. The Whistle-Blowing Act was adopted in July 2016. The DCEC has also sustained the Botswana Business Ethics Forum, in partnership with the University of Botswana.

Botswana introduced the diluted Declaration of Assets and Liabilities Act in August 2019. However, laws on political party financing and access to information are yet to be introduced. The absence of these laws continued to present opportunities for corruption. Botswana hosts the Commonwealth Africa Anti-Corruption Centre (CAACC), which is sponsored by the Commonwealth Secretariat. In December 2020, on the United Nations Anti-Corruption Day, President Masisi reiterated his

Anti-corruption
policy



commitment to fighting corruption. Botswana continues to be considered one of the least corrupt countries in Africa by several international ratings. However, these positive ratings seem to have allowed complacency to creep in. However, the country's gray-listing by the Financial Action Task Force (FATF), and the Eastern and Southern African Anti Money-Laundering Group (ESAAMLG), as a result of the country's porous money-laundering framework, stands to negatively affect its credibility and reputation internationally.

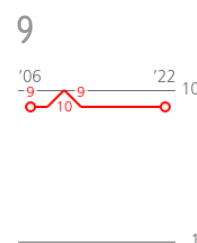
Some reports associated President Masisi with corruption and dubious business dealings, which have made his commitment to combating corruption suspect.

16 | Consensus-Building

Botswana's political culture is predicated on public consultation and attaining a consensus around an issue. All the key political players agree that a democracy based on the rule of law and economic prosperity is the long-term strategic goal of transformation. When President Masisi assumed office in April 2018, there was a sense of optimism that the fear that had gripped the country under President Khama would diminish. Khama had been considered an intolerant president and regarded by some as the most divisive president in the country's history. However, President Masisi has also proven to be intolerant of his opponents. The country needs to nurture a culture of active participation in matters of governance in order to attain effective political transformation. Public interest in issues of governance has been diminishing, particularly with the failure to prosecute senior officials and politicians implicated in corruption, even under President Masisi's government.

The Botswana Democratic Party (BDP) has been sturdy in its adherence to a liberal market economy and maintained an indirect approach to alleviating social risks. The opposition has in the main not been fully supportive of a market economy and has called for a proactive strategy to contain social risks. The opposition has also advocated for active and direct state involvement in the economy to generate meaningful jobs and reduce poverty. President Masisi declared unemployment to be his primary concern when he assumed office on April 1, 2018. However, the COVID-19 pandemic in 2020 has disrupted his plans to create the much needed jobs, which has put further pressure on his government.

Consensus on goals



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Anti-democratic actors are still not a major political issue in Botswana because all the major players agree on a democracy based on the rule of law. Unlike in most countries in Africa, Botswana's military is not politically relevant. The major issues that pose a threat to the country's stability are social risks such as poverty, inequality, unemployment and HIV/AIDS. President Masisi declared his commitment to the rule of law during his inauguration in April 2018 and subsequent to that. However, since assuming office, President Masisi has appeared to be as equally intolerant of opposition as former President Khama.

Botswana does not have a history of significant and protracted conflicts along ethnic, religious, social or political lines. The possibility for such conflicts exists, but conditions have been prevented from deteriorating into more serious and open conflicts through (1) the country's established "kgotla" (traditional council meeting) culture of consensus-building and peaceful conflict resolution, and (2) a general public apathy. However, conflicts with ethnic connotations do exist, as illustrated by the conflict between the government and the San minority group, which was resolved through the courts (who maintained the San's independence). The country's constitution outlaws discrimination. The political leadership has shown little willingness to exploit ethnic prejudice, including during elections. Those who have tried to exploit ethnicity have been criticized by the public and government.

Although there was a sense of optimism when President Masisi succeeded Ian Khama in April 2018, that optimism has waned as Masisi has proven to be equally intolerant of his opponents and the private media. Masisi's intolerance first came to the fore when Pelonomi Venson-Moitsoi declared her intent to challenge him for the position of party president, which was to be decided at a party congress in April 2019. Venson-Moitsoi was immediately vilified and harassed, and was not allowed to campaign freely.

President Masisi and Ian Khama were involved in a public dispute soon after Masisi succeeded Khama in April 2018, which eventually led to Khama being pushed out of the ruling party in May 2019. Khama accused Masisi of being intolerant of opposition. Other key members of the party, who either criticized or opposed Masisi, were also purged. The state media decided not to provide airtime to former President Ian Khama, a decision that was criticized by the opposition. There were fears in some quarters that the public dispute between Masisi and Khama could lead to instability. The opposition has also experienced its fair share of President Masisi's intolerance, especially in the build-up to the October 2019 elections. Opposition politicians accused President Masisi of using state agencies, such as the BURS and the DISS, to harass his opponents, especially the leader of the UDC, Duma Boko. In turn, UDC Vice President Dumelang Saleshando accused the BURS and the DISS of playing a critical role in influencing the results of the October 2019 elections, which called the freeness and fairness of the elections into doubt. The BPF spokesperson, Justice Motlhabane, was arraigned for "an offensive statement against the government," and "degrading and maligning the leadership." The BPF is a breakaway party from the BDP and Ian Khama is its figurehead.

Anti-democratic actors

9



1

Cleavage / conflict management

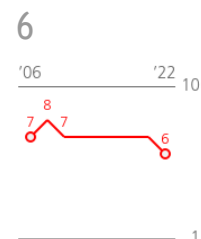
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Botswana has maintained its tradition of public consultation and consensus-building through traditional council meetings (“kgotla”). However, the absence of a strong civil society remains evident, in part because government policies continue to work against the development of strong civil society organizations (through legislative obstacles). The country’s political culture also contributes to passive public participation in issues of governance, as it promotes submission to those in positions of leadership and authority. Those who hold alternative positions are viewed with an element of suspicion and distrust by the government. In most instances, their views were not covered by state media, as they were often associated with the opposition. These include trade unions, private media and even intellectuals. However, in November 2018, 2019 and 2020, the state media covered the leader of the opposition’s response to President Masisi’s State of the Nation Address – a development that would not have been possible under former President Khama. In the main, civil society input into the government’s COVID-19 response has been insignificant. However, private media has played a critical part in disseminating COVID-19 information.

Civil society participation



Botswana has sustained a relatively stable human rights record since gaining independence in 1966. There are no noteworthy past injustices. Issues affecting minorities have continued to be addressed through the courts.

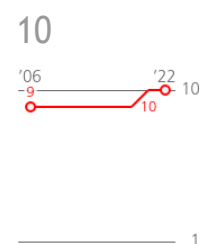
Reconciliation
n/a



17 | International Cooperation

In general, the country’s political leadership, even under President Masisi, has consistently demonstrated its readiness to work in partnership with external actors, including development partners, to implement its long-term development strategy, though it was not reliant on outside actors to determine its policy priorities. The country has continued to receive support from international organizations (i.e., bilateral and multilateral development partners and private foundations) that is intended to facilitate its transformation. Even so, support for Botswana has continued to decline significantly since it was placed in the upper middle-income category of countries. The government has maintained its judicious use and management of resources. It has also been successful in containing its public debt, in line with its medium range debt management strategy. According to the 2020 Heritage Foundation Index of Economic Freedom, “public debt is equivalent to 12.9% of GDP.”

Effective use of support

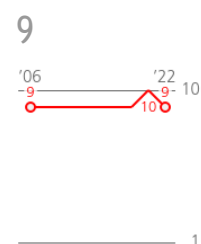


The country also maintained positive ratings from Moody’s Investors Service, and Standard & Poor’s, showing that the government has upheld attractive credit ratings.

The country's ability to collaborate has been clearly demonstrated in the area of HIV/AIDS, where a number of effective programs and interventions were delivered with the support of international companies and partners, with observable positive results. Collaboration has been extended to the development of a Health Financing Strategy. The country also received support to contain and manage COVID-19 from, among others, the World Health Organization (WHO). Overall, external actors have contributed to the country's transformation over the last 55 years, because the political leadership makes well-focused use of international assistance in order to implement its long-term development strategy.

Botswana has continued to enjoy the confidence and trust of most international actors and the government sustained its standing as a dependable partner in development, as shown by its sustained positive ratings. Even following the Great Recession of 2008 and 2009, and with the COVID-19 pandemic in 2020, the country does not appear to have experienced difficulties in repaying its debts. The government has consistently complied with the international agreements and conventions to which it is a party. Meanwhile, Survival International's criticism of Botswana's tourism industry, citing the government's poor treatment of the San minority group, has diminished. On the whole, Botswana has maintained good international relations with major countries, including the United States, demonstrating the country's commitment to sustaining diverse partnerships with external actors. Botswana has moved away from former President Khama's critical foreign policy stance, which openly criticized countries that failed to advance democracy and good governance, under President Masisi. Since he assumed office in April 2018, President Masisi has shown his inclination toward positively advancing the country's foreign policy. The country's international credibility has not been affected by its response to COVID-19. However, failure to tackle high-level corruption stands to harm the country's credibility. Furthermore, the country's gray-listing by the Financial Action Task Force (FATF), and the Eastern and Southern African Anti Money-Laundering Group (ESAAMLG), for its porous money-laundering framework, will negatively affect its international credibility and ability to attract foreign direct investment. The country has maintained its commitment to the International Criminal Court (ICC) and its position toward the ICC has not changed under President Masisi. Most African leaders are suspicious of the ICC, as they perceive it to disproportionately target African leaders.

Credibility



Botswana's political leadership has continued to build and nurture many regional and international cooperative and diplomatic relations. President Masisi has maintained the country's commitment to the African Union and its Agenda 2063. As part of its efforts to affirm and boost its commitment to the African Union, in February 2019, Botswana joined the African Peer Review Mechanism (APRM), which aims to advance governance standards across the continent.

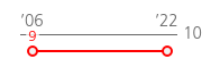
Botswana has also continued its memberships in the Southern African Customs Union (SACU) and the Southern African Development Community (SADC), through which it favors durable economic and political integration of the region. The country continued to nurture its plans to act as a hub for international investment, but without much success. Its efforts to attract international investment were disrupted by the COVID-19 pandemic in 2020. Moreover, Botswana has maintained good relations with its neighbors, including Zimbabwe,

since President Masisi succeeded former President Khama in April 2018. Botswana and Zimbabwe restored positive relations in 2013, and these have not fluctuated since President Masisi assumed office.

The two countries have maintained good relations, despite the economic and political turmoil that has been brewing under Zimbabwe President Emmerson Dambudzo Mnangagwa, following a contested election in 2018. In January 2019, violence was reported in some areas of Zimbabwe, but this did not spill over into Botswana. Relations between the two countries have also not been affected by the COVID-19 pandemic. However, Botswana has continued to attract people fleeing the economic hardship in Zimbabwe.

Regional
cooperation

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Strategic Outlook

Botswana's prospect of maintaining its trajectory of democratic transformation and economic performance remains moderate to high. However, dissatisfaction among the large number of unemployed young people, who constitute around 60% of the population, could lead to social disorder. The unemployment situation has been exacerbated by the COVID-19 pandemic, which led to an unprecedented contraction of the economy by 8.9% in 2020, according to the government. As reported in the last BTI review period, Botswana's future political and socioeconomic transformation will continue to be predicated on a number of critical facets.

First, an accommodating and tolerant leadership, which is able to balance the population's competing pressures, has been an important pillar that has contributed enormously to Botswana's political and economic accomplishments. However, several recent reports have led some to doubt the credibility of Botswana's political leadership. Khama's administration failed to embrace reforms, disclose personal assets or provide access to government information. In turn, this fostered a public perception that the leadership was corrupt and condoned corruption.

When President Mokgweetsi Masisi succeeded Ian Khama on April 1, 2018, there was a sense of optimism that the fear that had gripped the country under Khama was waning, as Khama had been considered an intolerant president. However, just like Khama, President Masisi has proven to be intolerant of his opponents. Since Masisi assumed power, President Masisi and Ian Khama have engaged in a public dispute, which could destabilize the country and its institutions. Their public dispute led to Ian Khama quitting the ruling party in 2019 in order to join the BPF, a BDP breakaway faction, as its figurehead. Although Masisi pledged to fight corruption, his dubious business dealings have played out in public, with some doubting his commitment to combating corruption and upholding the rule of law.

Second, the efficacy of the government response to the HIV/AIDS pandemic and its economic consequences remain crucial to Botswana's political future. As reported during the last BTI review period, the results of the nationwide distribution of antiretroviral drugs were promising and the program should be maintained. Likewise, preventive measures appear to be yielding positive results.

Third, worrisome levels of social risks, especially inequality, poverty and unemployment, continue to present major constraints for Botswana's future, which seem to have been exacerbated by the COVID-19 pandemic. Given the country's predominant culture of peace and political apathy, it appears unlikely that these social risks will necessarily translate into open social conflict, but the potential for moderate conflict still exists in the immediate future. In addition, these social challenges hinder transformation. In this context, it is crucial that the government accelerates economic diversification, which has so far largely eluded the country. Diversification remains crucial, as Botswana's economic vulnerabilities were evident during the 2008–2009 Great Recession and again during the current COVID-19 pandemic. The COVID-19 pandemic has

substantially disrupted the country's economy, and government priorities and plans. In an effort to sustain economic activity and cushion the economy against the effects of COVID-19, the government implemented a BWP 4 billion economic relief package in April 2020. In addition, in November 2020, the government announced the BWP 14.5 billion Economic Recovery and Transformation Plan (ERTP), following the plan's approval by parliament in September 2020. The government also undertook a mid-term review of its National Development Plan 11, which aims to mitigate against the disruptive effects of COVID-19 and stimulate an economic recovery. The country's sustained dependence on diamonds presents an obstacle to sound economic transformation.

Finally, Botswana must address several rights issues, including its treatment of the San and other minority groups, and freedom of the press. Although the intensity of the conflict between the government and the San has diminished, the government should continue to engage in finding a consensual solution to the dispute with the San by developing mutual understanding with representatives of the minority group.

The country's international reputation will continue to be of central importance to efforts to address the HIV/AIDS pandemic. Foreign assistance should be maintained. Botswana's development partners should continue to assist the country in its efforts to achieve progress on social problems (e.g., poverty, inequality and unemployment) and reduce its dependence on natural resources. The government's strategy for overcoming these challenges has continued to focus on indirect factors, such as education, rather than on directly alleviating poverty and inequality. This cautious approach has been driven by a concern that generous distribution policies would negatively affect macroeconomic stability. The international community should make use of the government's evident desire to maintain its reputation as both a political and economic "African success story." This might also prove effective in combating deficiencies with respect to freedom of expression as well as the treatment of immigrants from Zimbabwe and ethnic minorities, particularly the San.

Botswana's future transformation will largely depend on the government's success in fighting HIV/AIDS and reducing the country's economic dependence on diamonds. Social problems present additional challenges. In all areas, the leadership qualities of Botswana's fifth president, Mokgweetsi Masisi, who succeeded Ian Khama in April 2018, and those of other key actors will continue to be of the utmost importance. It will be crucial for public and private development partners to further assist the country in its efforts to address the HIV/AIDS epidemic, and support Botswana's efforts to diversify the economy and alleviate social risks.