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Dimensions and Measures to Reduce Poverty in Botswana

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Abstract

This paper brings out the various theoretical measurements of poverty and looks at Botswana's performance in terms of these measures. In terms of income poverty, Botswana's poverty has been declining over time and predictions are that it will continue on the downward trend even though the reduction is not at an adequate pace to achieve the Vision 2016 goal of zero poverty levels by 2016. Until the advent of HIV/AIDS, Botswana was doing extremely well in terms of capability poverty as was shown by improving human development indices such as life expectancy, infant mortality, primary school enrollment and illiteracy rates. The health indices have however started to decline due to HIV/AIDS. Botswana has had a system that allows for equal participation of all individuals, even though in practice women and minority tribes are excluded from participation in decision-making processes. The paper also looks at the various poverty reduction programmes and argues that even though some of them have been successful in reducing poverty, there is a need to move away from welfare programmes that created a dependency syndrome of Botswana on government. Lessons learnt from the past programmes are useful for designing better future programmes for poverty reduction.

Introduction

This paper deals with the theoretical aspects of poverty in general including issues about its measurement. It then looks at the dimensions of poverty in Botswana using the various measures discussed. The paper then looks at the initiatives that the Botswana government has made in the past to reduce poverty and discusses the limitations of those initiatives. The paper lastly makes suggestions of what can be done to effectively reduce poverty in Botswana.

Measurement of Poverty

Poverty is pronounced deprivation in well-being. The poor lack adequate food and shelter, education and health, and are often vulnerable to adverse events outside their control. They are often treated badly by the institutions of state and society and excluded from power in those institutions (World Bank, 2001:15). What this definition illustrates is that poverty has many dimensions. It is now recognized that poverty encompasses not only material deprivation (measured by income or consumption) but also low achievements in education and health or what is now known as capability poverty. There is also the third element of poverty, participation poverty, which is concerned with the poor people's inability to participate in decision making processes that affect their lives- the poor are usually voiceless and powerless. The main reason for considering broader dimensions of poverty is that the different dimensions of poverty interact and reinforce each other in very complex ways. For example, there is a close relationship between the low education of the poor and their low income both reinforcing each other

in ways that perpetuate their poverty.

The oldest measure of poverty is income poverty. The source of data for this measure is usually household income and expenditure surveys. The method involves developing a poverty line - the minimum level of income or poverty below which an individual or household is determined to be poor. This measure depends on a country's economic and social circumstances. As World Bank (2001) points out poverty measures based on income or consumption are not problem free. Survey design varies between countries and over time, often making comparisons difficult (World Bank, 2001: 16).

Other measures of poverty have been developed over time in recognition of some of the weaknesses of the income poverty measure. One such measure involves looking at deprivation in terms of capabilities in the dimensions of health and education. It is recognized that access to health and education impacts positively on poverty. The poor are also usually deprived in terms of health and education. They have low infant mortality, low life expectancy, and their children are likely to drop out of school early. Measurements of poverty along these lines is therefore made in terms of aggregates such as infant mortality and life expectancy on the health side, and net or gross primary enrollment and literacy rates on the education side. One of the main problems with these measures of capability poverty is that data on both health and education are not available on a regular basis.

A third element of poverty, which is even more difficult to measure, is participatory poverty. This element has a connotation of vulnerability of the poor to different risks like violence, crime, natural disasters, etc. But most important is the voicelessness and powerlessness of the poor. This dimension of poverty is measured using a combination of participatory methods, polls, and national surveys on qualitative variables such as the extent of civil and political liberties. As should be expected this measure has serious problems of methodology and unavailability of data that can be used to make international comparisons.

As World Bank (2001) rightly recognizes, measuring poverty in a multidimensional way poses a big challenge when it comes to measuring overall poverty. The issues that surface are what weights to assign to the different dimensions; how to generalize about the poverty where a person may be poor by one dimension and yet not poor by the other two dimensions. For instance, is a person who is not income poor and yet not healthy and not educated poor overall or not? It is the contention of this paper that despite these difficulties in generalizing, we should not get derailed from our intended purpose and truth. The issue is basically that measuring poverty dimensions other than income alone helps our understanding of both the poverty concept and also enriches our understanding of the various policy interventions that we can engage in. There is therefore need to continue to interrogate and work towards improving the data which will be useful to making meaningful assessment of the situation aimed at helping guide policy intervention towards poverty alleviation.

Dimensions and Extent of Poverty in Botswana

Income Poverty The most comprehensive study of income poverty in Botswana so far is still the Botswana Institute of Development Policy Analysis (BIDPA) study of 1997. The findings from this study show that 47 percent of Botswana or 38 percent of all households were living below the poverty threshold of P100 per person per month in 1993/94. Of these, 30 percent were classified as "very poor". Even though still high, the incidence of poverty had however declined compared to 1985/86, where it was found that 59 percent of Botswana were living below the poverty datum line. The poverty

reductions were however not uniform. The remote rural areas had the smallest fall in poverty levels between the periods. South West, Kgalagadi, Ghanzi, and the Western parts of Kweneng and Southern districts had the highest poverty rates in 1993/94 of 71 percent of its population classified as people living below the poverty datum line (PDL). But in general terms rural Botswana made more progress in poverty reduction than urban areas. This is an important progress given that 62 percent of the poor in 1993/94 were found in the rural villages. Another 14 percent and 24 percent were found in the urban areas and urban villages respectively. Poverty in Botswana, as in most developing countries, has a gender dimension as shown by the significantly lower success of female-headed households in getting out of poverty than the male-headed households. Whereas the female-headed households experienced a decrease of 10 percentage points, the male-headed households reduced poverty by 14 percentage points (BIDPA, 1997). The worst forms of poverty are concentrated in the country's most remote areas, where a high degree of dependence on government welfare exists. There are indications that income poverty may have declined since 1994¹. What is known currently is that, even though poverty may not be as high as in 1994, the levels are still unacceptably high enough to cause concern to policy makers and commentators on the Botswana economy. For the economy to achieve the Vision 2016 goal of zero poverty, there would be need for concerted efforts to be made in the line of poverty eradication or reduction.

Capability Poverty Botswana has made appreciable success in this area of poverty as shown by the positive changes in health and education indicators. Infant mortality rates have been declining significantly, falling from 98 per 1000 life births in 1970 to 38 per 1000 life births in 1998. Life expectancy at birth rose from 55 years in 1971 to 67 in 1997 before beginning to fall sharply to 47 in 2002. The country's progress in health has however been reversed by the advent of HIV/AIDS. The HIV/AIDS scourge has been so serious to the extent of reversing all the gains in health from the two decades and continues to strain the economy of its useful human resources². Botswana's performance in education has also been very impressive. School enrollments rates rose, as did literacy rates, due to rapid investment in education. The basic adult illiteracy rate fell from 66 percent in 1971 to 24 percent in 2000. The country has also attained a 97 percent primary enrollment ratio. Net primary enrollment rose from 76 percent in 1980 to 80 percent in 1997 (World Bank, 2001; UNDP, 2000). Gross enrollment in primary, secondary and tertiary increased 51% in 1980 to 71% in 1998. This put Botswana in sixth position in the SADC region in terms of this index (SADC Human Development Report, 2001). As part of the Revised National Policy on Education (RNPE), transition to junior secondary level is 100%. Due to limited resources, both human and physical, the transition to senior secondary level has been lower than 50%. Those students not finding space in senior secondary education join the vocational education centers, find jobs in the informal sector, or become openly unemployed. The formal sector could not absorb these yearly increases in the labour force from students who could not gain access to senior secondary or vocational training. These are individuals who are more likely to be poor, especially if they are unable to acquire any useful skills beyond junior certificate.

Apart from lack of resources to allow for more transition to higher levels of education, there are problems of school drop outs especially from children coming from poorer sections of society. Some of the reasons for the drop outs are hidden costs associated with education such as lack of money for uniforms, high opportunity cost of child labour, especially for the poor, lack of feeding fees, etc. With the children of the

poor unable to attend school because of the poverty of their parents, it is likely that poverty will be passed on to the next generation. There is need, therefore, to address the issues of equity in education and deal with issues of transition.

Due to the heavy investment in health and education, Botswana's Human Development Index (HDI) was showing an upward trend until the 1990s when there was a reversal mainly due to the HIV/AIDS scourge. Its Human Development Index was 0.611 in 1985, then rose to 0.651 in 1990, 0.673 in 1992, and 0.673 in 1994, before declining to 0.613 in 1998. The HDI of Botswana has continued on a downward trend mainly due to low life expectancy as a result of HIV/AIDS. It was estimated at 0.536 in 2002 (SARIPS, 2000, UNDP, 2002).

Participatory Poverty Participatory poverty is the most difficult dimension of poverty to quantify. Despite the difficulty, it is generally believed that Botswana has had a development system that is very participatory. There are structures in place right down to the local villages that are potentially geared towards allowing every Motswana to participate effectively in policy formulation and implementation. At the apex of this structures are the Kgotla and the Village Development Committees. On some occasions the Chiefs use the Kgotla to discuss publicly and gather views on matters affecting their communities before government makes policy decisions. This form, together with the freedom square, have been used extensively for getting inputs from the locals as well as communicating new policies. Kgosi Seepapitso IV (1989) argues that through the Kgotla people are being consulted and therefore there is a two-way communication. Harvey and Lewis (1990) argue that the Tribal Kgotla system provided a forum where the Chief listened to advice and where everyone could have a voice. Moreover, local councillors and members of parliament provided regular feedback and explained government programmes in the Kgotla.

There are however limitations to that participation, partly because of the limited capacity of some members of the community to comprehend some of the policies being proposed by government. As a result there is sometimes a tendency for the Chief and government to publicise their policies and programmes, while the tribe provides a passive, receptive and helpless audience (Chief Lenchwe II, 1989). Seepapitso IV (1989) argues that a problem with the two-way communication of the Kgotla is that politicians often fail to respond to the complaints which the people voice in the Kgotla. Holm (1989) observes that participation is very limited for two main groups, who are also very vulnerable to poverty. These are minorities and women. It is common for politicians to come from the dominant ethnic groups in the ward or constituency. Even though the Kgotla is an institution for all to freely speak, in practice members of the minority groups (Basarwa, Bakgalagadi, Bayei) would only be free to attend but not allowed to speak (Ngcongco, 1989). As for women, most tribes did not until recently consider public affairs a domain for women. Thus women did not participate in the Kgotla as a rule. Holm (1989), for instance, using survey data from the UB Democracy project, shows that close to a majority of the public in the rural areas believe a woman should not run for President.

The importance of all these is that there is a limitation to effective participation in Botswana, especially by the "minority" tribes and women, who also happen to be among the top of the list of those mentioned in our survey as well as in literature on poverty as being the most vulnerable to poverty. There is therefore some amount of participatory poverty in Botswana, even though its magnitude has not been determined quantitatively.

Causes of Poverty The main cause of poverty in Botswana has to do with the country's narrow economic base, limited income generation opportunities and a small domestic market. The economy is very dependent on mining and the population is not only small but has skewed income distribution. Poverty to some extent is an unemployment and underemployment problem. Other important causes of poverty in Botswana include drought, lack of education and skills, lack of productive assets, policy failure and inappropriate targeting of programmes, the decline of traditional support mechanisms such as extended family and mafisa³, and problems related to market access and low producer prices (BIDPA, 1997: 65).

Botswana's Poverty Reduction Initiatives in the Past

Botswana's attempt to reduce poverty has been based on three main areas of intervention. The first area is that of assisting entrepreneurs to enhance their productivity and therefore create employment opportunities and diversify the economy away from diamonds-direct productive support schemes. Amongst these policies were schemes such as Financial Assistance Policy (FAP), Small Micro and Medium Enterprises (SMMEs), and Citizen Entrepreneurial Development Agency (CEDA). The basic route through which these schemes were to reduce poverty was through employment creation and participation of citizen entrepreneurs in business ventures. Even though successful in creating employment to some extent, FAP and SMME faced numerous problems. Some of the problems mentioned in the FAP Evaluation report are: abuse of the scheme, lack of effective monitoring and evaluation, fraud, and the inability of some businesses to live beyond the subsidy era (BIDPA, 2000b). As a result of these problems and other logistics problems, FAP and SMME were discontinued and in their place government put in CEDA in 2001. Unlike the previous schemes, CEDA is not a grant but a subsidized interest scheme that is accessible only to citizen entrepreneurs. The change in the spirit shown in CEDA is to instill a business practice and move away from the philosophy of handouts from government. CEDA's success in creating sustainable employment and therefore poverty reduction lies on its ability to transform the culture of handouts among other things. There is already concern that CEDA does not cater for the poor because the requirements are stringent and the forms are too complicated. Those who hold that view argue that CEDA's success in poverty reduction will be very limited.

A second set of anti poverty policies relate to government programmes geared towards employment creation in the rural areas. Some of the programmes are; Labour Based Public Works Programme (LG117), Labour Intensive Public Works Programme, Accelerated Rainfed Arable Programme (ARAP), the Remoter Area Development Programme (RADP), and Arable Lands Development Programme (ALDEP). From different points of view, these programmes all aimed at either enhancing rural incomes through supporting productivities of key sectors and/or creating employment for the rural dwellers. These programmes have also been assessed as being successful in reducing poverty in Botswana, albeit to a limited extent. Their success was also limited by the very same problems that were found with FAP and SMME. They were also subject to abuse, were not well monitored, and were not well targeted. They are also criticised for creating a dependency syndrome of Botswana on government. There are examples of Botswana, for instance, who tilled big acres of land without planting any crops under the ARAP programme. Payment of programme money was based on the size of land tilled rather than output produced from the land.

A third group of policies developed by government to alleviate poverty are the

direct safety nets. The government of Botswana recognized very early in development that not all Batswana could benefit from employment and other productive endeavors. Examples of people who could not benefit are destitutes, orphans, disabled, etc. Government therefore came up with various safety nets as ways of fighting poverty directly. Examples of such programmes are the orphanage support programme, World War II veteran allowance, old age pension scheme and the drought relief programme. Assessment of these programmes also shows that they have had a major contribution in preventing starvation. The programmes are highly critiqued for creating a culture of dependency on government by Batswana. This is because most of these programmes are not well targeted and are therefore subject to abuse and fraudulent use by those who are not meant for the programme.

Conclusions

Botswana has made tremendous efforts in poverty reduction through various measures. Both income and capability poverty have been on the decrease even though not at a satisfactory rate that could make us achieve the Vision 2016 goal of zero poverty. The various policy measures have had small impacts on poverty reduction mainly because the programmes were subject to abuse, fraud, etc. and tended to create a dependency syndrome of Batswana on government. Such weaknesses of past programmes should be taken as good lessons when designing future poverty reduction programmes. It is generally accepted that a major part of poverty reduction will come from pro-poor growth, which is facilitated by growth that is employment intensive. Efforts should be made to push Botswana's growth to become employment intensive so that the growth should spread the benefits of employment to more Batswana. Policy issues to be addressed are: what can the training and education sector do to develop the relevant skills to reduce unemployment or make growth employment intensive? The choice of technology is therefore very important in determining employment creation and therefore poverty reduction.

A second issue relates to the fact that poverty has a gender dimension. Data shows that women are more hard hit by unemployment, they are more likely to be poor, they have a lower participation rate and are generally disadvantaged in a number of economic issues. There is therefore a question to address on gender and employment creation. Specifically, the question is why women tend to be disadvantaged in the labour market, and how that can be addressed to reduce unemployment of women in particular.

Notes

¹ A Household Income and Expenditure Survey has just been completed, which should give us the most up-to-date information on income poverty.

² For literature on impact of HIV/AIDS on the economy the reader should refer to Greener, et al, 2000, BIDPA 2000a)

³ Mafisa was a system of support for the poor by the rich. This involved lending some cattle to the poorer members of society, who would usually look after them in return for a service in the form of milk and draught power as well as being given one cow offspring at certain periods.

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