

# REFORM Case Study

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## The Practice of Public Policy Dialogue in Botswana, 1988-2007

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- Botswana's structures for public-private dialogue have enhanced transparency and good governance and enriched Botswana's culture of democratic consultation.
- This dialogue has resolved more than two dozen important issues of concern to business, such as the abolition of price and exchange controls, the reduction of taxes, and the creation of a privatization agency.
- The Botswana Confederation of Commerce, Industry, and Manpower (BOCCIM) established the biennial National Business Conference at which government officials and private sector leaders discuss the country's major social and economic challenges.
- BOCCIM also developed the High-Level Consultative Council, chaired by the President of Botswana, to provide a forum for ministerial level dialogue on the private sector's top priorities.



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**The Botswana Confederation of Commerce, Industry, and Manpower (BOCCIM)** is a private, non-profit organization that represents the interests of the private sector and is formally recognized by government as the voice of the private sector in Botswana. The federation has voluntary membership and currently represents registered companies and associations in 26 sectors of the economy.

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## Introduction

The Botswana Confederation of Commerce, Industry, and Manpower (BOCCIM) is one of Africa's most successful national business federations. BOCCIM's success stems in large part from its commitment to constructive dialogue with the Government on economic and regulatory issues. In the economic circumstances of most developing countries today, especially in Africa, public policy dialogue is no longer an option but should instead be regarded as a way of life that ensures participatory development and economic inclusiveness. Dialogue and good governance ensure that the private sector becomes an effective "engine of growth," building a sustainable and employment-generating sector for citizens and thus ensuring social stability on which economic progress is built. This study explores Botswana's experience with public-private dialogue and identifies key tips and principles that have facilitated democratic dialogue in Botswana.

## Background

Botswana, since its independence in 1966, has regarded democracy and good governance as the pinnacle of its nationhood. It is because of its adherence from the very beginning to democratic principles and a culture of consultation that Botswana today belongs to the community of successful democratic states around the world. At the time of its birth as a sovereign state, Botswana was one of the poorest countries in the world. However, behind this poverty lay an unshaken determination by its citizens (*Batswana*), to stand together and make the new state a success through democracy, good governance, development, equitable distribution of the little that there was, self reliance, and *therisanyo* (consultation).

The wisdom of nation-building accrued from the ideas of the individuals and organizations that constituted the nation. It would have been folly for any Botswana government to think that because it was in power, it had a monopoly on the wisdom of nation building. Botswana has constantly strived to preserve consultation and stay clear of the pitfalls

of dictatorship. President Festus Mogae has said, "Democracy is always a work in progress." – which could be interpreted to mean that democracy must be nurtured and consciously exercised in order to be sustained.

The emergence of the Botswana private sector started in earnest in the early 1970s. Through a deliberate government policy of involving citizens in the economic development of the country, many small-scale, citizen-owned companies were established. The establishment of these small companies, especially in the manufacturing and service sectors, was not only encouraged but also financially supported by government. Parallel to this development, the country's few large and medium-size firms – largely foreign-owned and multinational – decided to form a private sector business organization.

**BOCCIM keeps its finger on the pulse of the business community throughout Botswana.**

BOCCIM, originally known as the Botswana Employers' Federation, was established in 1971 through the initiative of the Anglo American Corporation, the diamond powerhouse in Botswana now known as Debswana. Other big businesses, including parastatal organizations, soon signed on to become BOCCIM members in order to build an organization that could become an influential private sector voice in public policy formulation. Small businesses followed the leadership of big business, though at times reluctantly, eventually comprising 80 percent of BOCCIM's membership.

In Botswana, many small business operators tended to be "activists," riding on the political sensitivities of citizens and demanding government support. They often blamed their business hardships and challenges on the government for lack of a clear policy on citizen economic empowerment. Politicians were divided on this matter. While some sympathized and supported the notion that government should be accountable and responsible for the success of small citizen-owned businesses, others felt that the survival of small businesses should be based on the strength of their

business management skills, their productivity, and their competitiveness. In the midst of these differences of opinion, the Botswana private sector remained convinced that building bridges between different national economic opinion builders called for closer cooperation and policy dialogue between government and the private sector.

Public policy dialogue between the government and the private sector started in earnest in 1988 when BOCCIM organized the first National Business Conference (NBC). BOCCIM was seeking public policy dialogue as a way to ensure that the interests of the business sector were catered in every sphere of economic policy formulation, so that business could grow, prosper, and create wealth for the country. The conference made over 50 recommendations to the government aimed at reducing bottlenecks to doing business. At the conference, BOCCIM also called for the establishment of a formal High-Level Consultative Council (HLCC). The council was conceived as a forum through which the government and the private sector would sit face-to-face, under the chairmanship of the President of Botswana, to discuss and resolve economic issues and policies that constrained the growth and development of the economy.

When BOCCIM presented the idea of the council, it expected that the government would readily accept it. To the contrary, the move was seen especially by senior government bureaucrats as a non-starter and an infringement on the privileged position of civil servants – the privilege of speaking “wisdom” to the head of state. The HLCC was also seen as a scheme by the private sector to weaken the power of bureaucrats and endanger their job security. As a result, the idea was strongly rejected. The lesson BOCCIM learned is that when it wanted the government to change its culture of doing things, it had to be prepared for a

**The HLCC structures have increased the flow of information between government and the private sector, enhanced transparency and good governance, and, most importantly, enriched Botswana’s democracy and culture of therisanyo (consultation).**

protracted debate that could take years of persuasive arguments. It was up to the private sector to lead the debate with perseverance and patience.

BOCCIM did not view the rejection of the HLCC as final, but as one step toward eventual acceptance. At every successive biennial National Business Conference, the call was repeated. After six years, on September 6, 1994, the government finally agreed to the establishment of the HLCC. Today, the Government of Botswana agrees that public policy dialogue is the best path toward the realization of the culture of democracy and good governance.

This study describes the formal structures and processes of public-private dialogue in Botswana, as well as some of the principles and practices that make dialogue effective. It is based on the experience of BOCCIM and the lessons learned from nearly two decades of sometimes difficult yet increasingly constructive dialogue. The key elements are the National Business Conference; the HLCC; and outreach, consultation, and consensus building organized by BOCCIM.

## Preparation for Public Policy Dialogue in Botswana

Preparing for policy dialogue with the government is a long-term project. It takes time, it calls for patience and perseverance, and it requires significant diplomatic efforts.

The first step in preparing the private sector for effective participation in public policy dialogue is to ensure acceptance by government. To be accepted by government, the private sector organization must satisfy, among others, the following criteria:

- It must be representative. Its leaders must be men and women of unquestionable and incorruptible integrity.
- The organization must be politically neutral and non-partisan.
- Its members must be knowledgeable about issues affecting all sectors of the economy.
- Issues put forward for discussion with

government must be well-researched and constructively articulated by those most qualified to do so.

- The organization must not be seen to be driving individual interests.
- Issues put forward by the private sector must show some form of national patriotism. (The private sector would ignore political sensitivities at its own peril.)

A private sector organization becomes irrelevant unless it can work well with the government of the day and is able to engage it in constructive public policy dialogue.

## The National Business Conference

The NBC is a biennial event organized by the private sector and co-financed by the private sector (80 percent) and the government (20 percent). Every two years, the conference brings together:

- Parliament
- Cabinet ministers
- Captains of industry
- Government officials
- All political parties
- Academics
- Non-governmental organizations
- The labor movement
- Women’s organizations
- Local authorities
- Traditional leaders
- All other major players in the social and economic spheres of the country

### CIPE’s Cooperation with BOCCIM, 1989–1993

CIPE assisted BOCCIM’s follow-up advocacy on recommendations made at the Second National Private Sector Francistown Conference in 1991. BOCCIM influenced the following legislative achievements:

- The Trade Union and Employers’ Organizations Act was amended in 1992 to allow these associations to operate without government interference.
- The Trade and Industrial Acts were amended in 1992. The amendments removed the power of the Licensing Board to investigate the economic feasibility of businesses before licenses were approved.

With CIPE support, BOCCIM established two regional field offices and extended outreach in small towns and rural areas through training seminars and visits to small businesses. This outreach incorporated new members’ input into the organization and provided the first representation these entrepreneurs had with the government.

- BOCCIM’s membership more than doubled during three years of the project.
- BOCCIM members that received services and assistance increased employment by an average of 27 percent during this period, compared to a national increase of 10 percent.

Francistown, more than 400 kilometers away from the capital city, Gaborone, has become a traditional venue for the NBC. The reason for “escaping” from the capital is to ensure that participants are engaged in a “conference mode” and not distracted by messages from their busy offices. Over three days, the conference discusses major economic and social challenges facing the country. At the end of the three days, conference participants compile a number of implementable “conference resolutions.” The resolutions are then presented to the President of Botswana. After the government studies the conference resolutions, those found to be acceptable and implementable are distributed to relevant government ministries and departments for follow-up and implementation.

## Implementation

The implementation of the accepted recommendations becomes the responsibility of the affected government organizations. The HLCC monitors the progress of

implementation. At every NBC, the executive director of BOCCIM is required to give an implementation report.

The implementation of conference recommendations since 1988 has been impressive, at a rate of about 80 percent effectiveness. The high implementation rate is a reflection of the seriousness with which government and the private sector take the NBC as a vital national *Kgotla* (tribal meeting place). Most NBCs have been opened officially by the President since 1988. Keynote speakers have been

## Issues Resolved by the National Business Council

### Concerns Raised

### Outcome

The government was requested to establish a consultative forum to be chaired by the President.	The HLCC was established and is chaired by the President.
The government was requested not to turn Botswana Railways (BR) into a monopoly.	The BR is today competing with the private sector in the transportation of goods and passengers.
BOCCIM called on the government to establish a National Productivity Centre (NPC) to enhance Botswana's productivity and competitiveness.	The NPC was established and is fully operational.
The Ministry of Trade and Industry was requested to establish a bureau of standards.	The Botswana Bureau of Standards was established and is now fully operational.
The government was called on to abolish the Price Control Act.	The Price Control Act was abolished.
The government was requested to abolish exchange controls.	Exchange controls were abolished in Botswana.
The government was called on to reform the Central Tender Board.	The Central Tender Board was reformed and replaced by new Public Procurement and Asset Disposal Board.
The government was called on to come up with a long-term vision for Botswana.	The government developed Vision 2016.
The government was called on to establish an industrial court.	An industrial court was established and is now operational.
Concern was raised that Botswana's sales tax was too high and too broadly based.	The sales tax was removed on some goods.
BOCCIM requested the government to reduce both the corporate tax and the individual tax from 35 percent.	Individual taxes were reduced and now stand at 25 percent. Corporate taxes for manufacturing companies now stand at 15 percent.
BOCCIM presented a privatization concept paper to the government and called on the government to start a privatization program.	A privatization agency was established and is now fully operational.
The government was called on to prohibit the use of brand names when inviting tenders.	The use of brand names when inviting tenders is no longer permissible.
The government was requested to institute a penalty on itself for delayed payments for services rendered to it by the private sector.	A penalty of 1.5 percent per month was instituted and is now levied on the government for delayed payments to the private sector.
The government declared HIV/AIDS a national emergency and requested the whole nation to join in the fight against this pandemic.	BOCCIM jointly established the new Botswana Business Action Against AIDS.
The government called on the nation to declare zero tolerance for corruption.	BOCCIM and the Directorate on Corruption and Economic Crime jointly commissioned a consultancy to produce codes of conduct for the private sector, civil servants, politicians, and funding political parties.
BOCCIM raised the concern to the government about the operations of money lenders (cash loans) which charge up to 30 percent interest per month, further impoverishing poor workers.	The government agreed to regulate this industry through legislation. A law is being drafted by the Attorney General's chambers.
BOCCIM called on the government to stop the practice of appointing civil servants as chairpersons of parastatal organizations.	The government accepted this criticism and, as a result, many parastatals are currently not chaired by civil servants.
BOCCIM met with the Vice President and asked him to visit Dubai to learn about the development initiatives taking place there .	A government delegation at the ministerial level visited Dubai. The delegation was led by the Minister of Trade and Industry.
The University of Botswana called on the private sector to encourage and support business students by giving an annual award to the best business student at the university.	The Annual BOCCIM Award was established and is awarded every year to the university's best final-year business student.
BOCCIM proposed the establishment of a growth and employment creation strategy for Botswana, in the face of the growing problem of unemployment.	The President appointed a Business and Economic Advisory Council to come up with an Economic Growth Strategy within a period of 12 months. This exercise was completed and the report was presented to the government on September 30, 2006.
The government was requested to look into the problem of work and resident permits.	This matter continues to be given high priority by the government as a way of improving the country's investment climate.
The government was called on to come up with a policy on citizen economic empowerment.	A consultancy was appointed by the Ministry of Finance and Development Planning to study this important matter and make recommendations to the government.
BOCCIM raised concern about the escalating rate of crime in the country.	The Botswana police service declared a "War against Crime" and the police are engaging the community in this effort.
BOCCIM expressed concern to the Commissioner of Police that his traffic police officers were rude to the public.	The commissioner took action and today Botswana police officers are noticeably more courteous.
The government was requested to remove the monopoly given to the Botswana Meat Commission for the export of meat and meat products.	The removal of the monopoly was agreed in principle and currently details are still being worked out.

drawn from a wide spectrum of global expertise. Speakers have come from Ireland, Malaysia, New Zealand, South Africa, the United Kingdom, the United States, Zimbabwe, and the United Nations, among others.

The NBC has addressed an impressive series of issues since 1988. As a result of the consultations, price and exchange controls were abolished; sales, individual, and corporate taxes were reduced; a privatization agency was established; codes of conduct were produced to combat corruption; and a long-term vision for Botswana was created – to name only a few achievements. A list of conference recommendations and the government’s responses can be found in the appendix.

## The High-Level Consultative Council

### Structure of the Main HLCC

The main HLCC meets twice a year under the chairmanship of the President of Botswana or, in his absence, under the chairmanship of the Vice President. The agenda of the main HLCC is standard:

1. The President gives opening remarks in the presence of the press for both transparency and maximum publicity.
2. All ministries report on issues discussed with the private sector in the HLCC sectoral meetings. Each minister reports on issues discussed between his/her ministry and the private sector in his/her ministry’s portfolio of responsibility. (Between the two main HLCCs, each ministry, under the chairmanship of the minister, must hold at least one meeting with the relevant private sector.)
3. After presentations by each minister, a private sector coordinator representing BOCCIM either confirms or disagrees with the report, and may add whatever he or she thinks has not been covered by the minister’s presentation.

All ministers and their most senior civil servants, unless they are out of the country on official duty, are

*required* to attend the main HLCC. Heads of major parastatal organizations such as the Bank of Botswana (the central bank), the Botswana Development Corporation, and the Vision Council also attend the main HLCC. The Vision Council is also required to present a report at the HLCC.

The private sector is represented by the officials of BOCCIM and by the BOCCIM-appointed HLCC sector coordinators. Efforts to bring in organized labor via the Botswana Federation of Trade Unions (BFTU) have so far been unsuccessful. These efforts continue and there is hope that one day the BFTU will take its rightful place in the HLCC structures.

### The Sectoral HLCC Forums

The sectoral meetings are the most important component of the HLCC structure. Here issues are discussed at length in technical detail. Where there are disagreements between a ministry and the private sector, this disagreement is presented to the President at the main HLCC meeting. The President must then make a decision to resolve the impasse. However, in accordance with Botswana’s tradition of democracy, the matter is put to the floor for discussion by the entire consultative council before the President makes a final decision on any issue.

**A private sector organization becomes irrelevant unless it can work well with the government of the day and is able to engage it in constructive public policy dialogue.**

Sectoral HLCC meetings are held at each ministerial headquarters under the chairmanship of the minister. The private sector attends these meetings under the leadership of a BOCCIM-appointed HLCC sector coordinator, who then links up with the minister at the main HLCC.

Ministries request agenda items from the private sector through the BOCCIM secretariat, which coordinates this function and ensures that the private sector submits agenda items to the ministries in time for thorough preparation. Because it is the private sector that is approaching the government

with burning issues and requests, the responsibility is placed on the private sector to generate agenda items. This arrangement also provides the private sector with an opportunity to extensively consult its members to get their input into the HLCC structures. Such consultation strengthens the commitment of the members to the organization because they feel they have a role to play and that they are part of the public policy dialogue, influencing public policy formulation or review.

The HLCC structures have worked miracles in the cultivation of relations between government officials and private sector leaders in Botswana. They have increased the flow of information between government and the private sector; removed suspicion between the two sectors; enhanced transparency and good governance; cultivated friendships and fellowship between government leaders, officials, and private sector leaders; demolished boundaries between the government and the private sector; and, most importantly, enriched Botswana's democracy and culture of *therisanyo* (consultation).

## **How Does BOCCIM Manage Its Public Policy Dialogue Agenda?**

### **The BOCCIM Outreach Program**

A program of outreach and participation is a vital component of democracy. BOCCIM regards its outreach program as a way of democratizing the organization.

BOCCIM maintains two regional outreach offices, one for the southern part of the country and the other for the northern part. These regional offices are headed by membership services managers who spend 80 percent of their time in the field. These field officers provide BOCCIM with a vital link to its members. Experience has shown that there are many good ideas and much practical knowledge in the field that can enrich the advocacy work of business organizations.

Apart from their role of information dissemination – that is, keeping BOCCIM members well-informed about major economic and social development issues taking place in the country and keeping the

BOCCIM secretariat in touch with the concerns and developments in the field – regional managers also provide on-the-spot business management advice, especially to small- and medium-sized enterprises. They also provide advocacy services, such as industrial relations, to BOCCIM members at both the local and national levels.

### **BOCCIM Business Councils**

BOCCIM's membership is drawn from all sectors of the Botswana economy, including the parastatal sector. BOCCIM has a well-established consultation network with its members throughout the country. This network is supported by a framework of BOCCIM business councils, which are "mini-BOCCIMs" located in 15 major population centers throughout the country.

These business councils meet once every month to discuss local economic and social issues of concern to the private sector such as crime, unemployment, roads and transport, licensing matters, public procurement, investment, environmental issues, and so on. Such issues are then taken to the Local High-Level Consultative Committee (LHLCC) for discussion with a view toward resolving them.

The LHLCC is headed by the chairperson of the district council or, in the case of urban towns and cities, the mayor. These meetings are attended by senior public officials and representatives of the local business community. Issues not resolved at this level are referred to the relevant ministerial sectoral meetings for further discussion and, if not resolved there, are passed on to the main HLCC for further debate and final determination.

Through this system of consultation, Botswana has become a debating society on various economic and social issues. This system is also encouraging BOCCIM to keep its finger on the pulse of the business community throughout the country.

### **BOCCIM and Building Consensus for a Common Business Position**

One of the biggest challenges faced by organized business in Botswana is that of building consensus for

a common business position. This difficulty is caused by the fact that a business organization is a composite of members with diverse and sometimes competing business interests. This is a generic problem faced by business organizations in many countries of the world.

Business organization leaders should be aware of this situation and should try to balance these different interests to the best of their ability. The situation demands that leaders of business organizations command the respect and confidence of its members. They must learn the art of working with small, medium, and large entrepreneurs, and must also be experts in building bridges between the interests of the private sector and those of government. Unless members have confidence and trust in their leaders, as well as in the leadership of the organization's secretariat, reaching consensus is difficult and the organization may not survive. The election of leaders and the selection of top management staff are therefore crucial components in building a strong, united, and respectable organization. These people must command the confidence of the general membership. Building consensus is a matter of confidence and trust.

The democratic election of BOCCIM leaders and the professional selection of BOCCIM management staff have served the organization well for the past thirty-six years. Members do disagree but they always strive to build a consensus. On numerous occasions, the President of Botswana has accused BOCCIM of sending conflicting concerns to the government. This is when consensus fails. In public, the voice of the private sector must always be seen and heard as one. Building consensus is an art which must be mastered by leaders of voluntary business organizations.

Transparency, integrity, and honesty play a vital role in building harmony among members of business organizations. These are prerequisites for building a consensus. In any situation, enemies take advantage of disunity in an organization to destroy it. Building consensus is not easy, but it must be attained at all cost.

### High-Level Consultative Council

President of Botswana

BOCCIM officials & Sector coordinators ↔ Ministers

Chaired by the President of Botswana, the HLCC is a national-level forum that meets twice a year for dialogue between the highest levels of government and private sector leadership. Ministers report on current issues affecting the private sector in their respective areas of responsibility. BOCCIM representatives then analyze the reports.

Sectoral HLCC forums are held at each ministerial headquarters. BOCCIM sets the agenda for these meetings, which give the private sector an active role in policy formulation and review.

### National Business Conference

Business leaders ↔ Government officials & Political leaders

↙ ↘  
Stakeholders

The NBC is a biennial event that brings together public and private sector leaders and other stakeholders to discuss Botswana's major economic and social challenges. Over three days, conference participants compile a set of actionable recommendations that are presented to the President of Botswana. Recommendations that are accepted are then passed on to relevant government structures for implementation.

### Local HLCC

District Chairperson or Mayor

Business representatives ↔ Public officials

Similar to the national-level HLCC, the LHLCCs bring together senior public officials and representatives of the local business community under the leadership of the district chairperson or mayor, as appropriate. The councils resolve issues identified by local-level BOCCIM business councils.

## Conclusion

Public policy dialogue between government and the private sector should now be regarded by governments as a way of administering the affairs of the state in any country. The private sector should no longer regard itself as a disinterested party in the affairs of the state. Without involving itself in politics, the private sector must be actively involved in the policy of economic development and employment creation.

A new area – that of the involvement of parliament in public policy dialogue – should be explored further, especially in Africa, where parliament seems to be an outsider in this matter. No matter how difficult it is and no matter how long it takes, the “mountain” of public policy dialogue must be conquered. Building closer cooperation between government and the private sector builds stronger economies, stronger economies build stronger states, and stronger states have the resources to provide a good quality of life to their citizens.

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