



Life as a Fellow: Suma Chakrabarti, Permanent Secretary, Department for International Development

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Economic Development, the Use of Economics, and the Utility of Technical Assistance: the Botswana Success Story.

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Except through my personal contribution to its beer and nightlife industries, I cannot claim to have made any lasting impression on Botswana's economy. Indeed, two of Botswana's worst years of economic growth coincided with my ODI Fellowship – due to drought rather than the effect of my work in the Ministry of Works and Communications! But I learned three lessons which have stayed with me ever since and made me optimistic about public service.

The first lesson is that rapid economic development is possible in the most inhospitable of circumstances. At independence in 1966, Botswana's GDP per head was about \$385. Today, its GDP per capita is about \$4130. Growth has averaged 7½% per year. If other African countries had managed a similar pace of progress, DFID and other development organisations could have closed down. What explains this success of a sparsely populated, sandy and landlocked country?

The reasons for success can be found in the political and social history of Botswana. Acemoglu, Johnson and Robinson's recent analysis of the key factors cannot be bettered. They are six factors:

- Good policies were chosen in Botswana as a result of good institutions.
- Botswana possessed relatively inclusive pre-colonial institutions, placing constraints on political elites.
- The footprint of British colonialism on Botswana was very light and did not destroy these institutions.
- Following independence, maintaining and strengthening institutions were in the economic interests of the elite.
- Botswana is very rich in diamonds, which created enough rents that no group wanted to challenge the status quo at the expense of rocking the boat.
- Finally, and critically, a number of very important political decisions were made by post independence leaders – Presidents Khama and Masire – which sent all the right signals on good government.

While the high incidence of HIV/AIDS has tarnished the record somewhat, Botswana's progress remains impressive. The difficult question is how many of the key factors are transferable. Nevertheless, when pessimists say progress in Africa is not possible, Botswana's experience suggests they are wrong.

The second lesson from my Botswana experience is the centrality of economics to good policies and good politics. Economic issues matter in all societies but not all polities take economics seriously. Economics needs a welcoming political environment in which to flourish. This was provided by an elite in Botswana that understood the need to make the most of its relatively thin natural resource base. Choices at the margin had big consequences. So those choices had to be well informed. The economist's natural scepticism, allied to a focus on costs and benefits, was helpful in this regard. The ODI Fellows and the Botswana officials schooled at Williams College in the US were always encouraged to contribute fully to policy-making, often to ask 'whether' the Government should intervene at all rather than just 'how'. Large majorities for the ruling party in the Botswana Parliament may also have helped avoid a 'bread and circuses' approach to economic policy. But the key was an elite interested in the long-term and in getting it right.

The third lesson is that technical assistance by way of good advice, judged largely a failure in the development story, can be made to work. The political circumstances in Botswana helped – advice was



taken and progress was not derailed by political ineptitude or instability.

Beyond the political climate, there were three main reasons why technical assistance was effectively used in Botswana:

- a simple 'gap filling' model was used with expatriates filling line posts as well acting as advisers. Donors met the additional costs but gradually there was a move in the late 1980s to 'pay TC' where Government met some of the additional costs of employing the overseas personnel in line posts;
- there was a well-established plan for the systematic localisation of expatriate staff through training and gradual progression of Botswana staff. Expatriates were not replaced prematurely and localisation was a gradual process in each Ministry;
- the management of technical assistance was fully integrated into the national planning system. All technical assistance inputs were planned and approved centrally and regular manpower reviews conducted. The Ministry of Finance approved both local staffing and technical assistance costs as part of the annual budget round.

ODI Fellows fit in to this picture by providing part of the capacity to implement advice. The key point is that ODI Fellows work, not as external advisers or consultants, but directly within the existing structures of national civil services. And, in the process, our own personal capacities are built up.

I, like others here, am grateful to ODI and to Botswana for giving me that chance to make a contribution to build up my skills, and to see that public service can make a difference.

Thank you.