

Botswana

Status Index (Democracy: 4.6 / Market economy: 3.7)		8.3	Management Index		7.5
System of government	Parliamentary democracy		Population	1.7 mill.	
Voter turnout	77.1 % (1999)		GDP p. c. (\$, PPP)	7,820	
Women in Parliament	17 %		Unemployment rate	15.6 % (2000)	
Population growth^a	2.9 %		HDI	0.614	
Largest ethnic minority	n. a.		UN Education Index	0.79	
			Gini Index	63.0 (1993)	
Data for 2001 – if not indicated otherwise. ^{a)} Annual growth between 1975 and 2001. Sources: UN Human Development Report 2003; EIU Country Profile 2002; EIU Country Report Botswana January 2003.					

1. Introduction

When then-President Sir Ketumile Masire resigned his office prematurely in 1998 in favor of his vice president, Festus Mogae, Botswana was able to point to an impressive transformation record. Except for Mauritius, Botswana was the only African country to remain democratic without interruption since independence. Its wealth of resources (diamonds) had endowed the country with steady, rapid growth—likewise an exception in Africa—which had been prudently channeled into a systematic improvement of the infrastructure.

On taking office, however, Mogae found himself faced with two problems. Despite extensive efforts, there had been almost no reduction in the country's dependence on diamonds, and the AIDS plague had drastically reduced life expectancy, most significantly threatening the economically active population and thus also posing a danger to the country's entire economic development.

An assessment of the status of the country's democratic and market-economy transformation over the past five years (1998-2003) indicates that in terms of the absolute achievement of goals, political development has stagnated at quite a high level. The economy has maintained its rapid growth, and some improvements have been achieved in general conditions. Deficiencies exist in the continuing absence of diversification, and especially in the social repercussions of AIDS. Given the country's credible AIDS policy, organizational capability and international cooperation, it can be credited with moderate management success.

2. History and characteristics of transformation

In Botswana, political transformation preceded economic transformation by only a few years. The first parliamentary elections were held more than a year before independence from Great Britain, in September 1965. The Botswana Democratic Party (BDP) and its leader, Sir Seretse Khama, emerged as the victors. In subsequent years this result repeated itself with no irregularities in either competitive conditions in the elections or election scheduling.

After Khama's death in 1980, Vice President Sir Ketumile Masire took over as head of the government. He in turn relinquished the office to his own vice president, Festus Mogae, in 1998. The BDP was kept in power not only by its indisputable political successes, but because of its strong support among the rural population and the majority Tswana groups (Khama was a chief of one of these groups), and also because of the weakness of the opposition parties—a result of their relatively weak semiurban voter base and their tendency toward factionalism. Despite a long period of adverse regional conditions because of the apartheid conflict in South Africa, Botswana's circumspect policies—which steered clear of both collaboration and confrontation with its incomparably more powerful neighbor—saved it from being destabilized by the apartheid regime.

Extensive diamond deposits were discovered in the mid-1960s and began to be worked more intensively in the early 1970s, triggering unparalleled dynamic growth that transformed Botswana from one of the 10 poorest countries of the world into a middle-income state. Its GDP grew an average of 12 % annually in real terms from 1977 to 1987. In the last decade of the 20th century, per capita GDP was still rising an average of more than 5 % annually in real terms. The critical factor here was the prudent handling of the country's natural wealth.

The government showed great acumen in its negotiations with transnational corporations. An almost over-cautious budget policy regularly led to budget surpluses. The infrastructure and educational facilities have been systematically expanded. Despite a fundamental market orientation and numerous efforts in the direction of privatization and diversification, Botswana remains largely dependent on its diamond deposits, which are mined through a joint venture between the De Beers multinational group and the state enterprise Debswana. The other core economic sectors are cattle ranching and tourism. Market-economy conditions are exemplary, at least compared with the rest of sub-Saharan Africa, and have grown considerably better in the past few years.

Despite considerable social progress, deficiencies remain, though admittedly they are comparatively moderate. Among these are comparatively great social inequality and worrisome unemployment figures.

The greatest challenge is the rampant HIV/AIDS pandemic that has been particularly devastating for this country since the early 1990s. Statistics indicate that Botswana can be considered the hardest-hit country in the world. The decline in HDI is entirely a result of this problem. One reason for the adverse effects is that the economically active population is the most severely affected. The government has instituted many initiatives to fight the epidemic. Their success or failure will have a critical influence on future economic transformation, at the least.

3. Examination of criteria for democracy and a market economy

3.1 Democracy

The country has maintained its high original level of transformation, and perhaps even advanced slightly. One remaining primary problem for the country's political and social integration is the ongoing dominance of the governing BDP, which is only inadequately balanced by the relatively weak opposition parties and civil-society organizations. There are minor deficiencies in freedom of the press, and occasional arbitrariness of actions by the executive, but these are fully subject to correction under the rule of law.

3.1.1 Political organization

(1) Stateness: There is practically no problem with state identity in Botswana. The state has an unrestricted monopoly on the use of force. Defining citizenship and who qualifies as a citizen is politically relevant only in that the second chamber of Parliament—the House of Chiefs, whose function is only advisory—has thus far included representatives only of the eight Tswana groups. Just recently, however, the government initiated a fundamental reform to remedy this problem. There is separation of church and state, and the political process is secularized. By and large, a highly functional administrative system, public safety and order are assured.

(2) Political participation: There is effective universal suffrage and the right to campaign for elected office, and elections are conducted properly. In the 1999 elections, the voting age was lowered to 18 for the first time; the previous voting age was 21. The elected government obeys the principles of an open, competitive election process. The government has effective power to govern. There are no actors with veto powers or political enclaves in the hands of the military.

Independent political and/or civil-society groups can form freely. The development of unions, however, is hampered by legislation that creates significant obstacles to legal strikes. Freedom of opinion is generally assured. The

electronic media (radio) were virtually a state monopoly for a long time. State television has existed only since 2000. One report was banned from the airwaves because of controversial coverage of the case of a South African woman who was convicted of murder and executed in the spring of 2001. There are also limited and sporadic government interventions against the independent print media. In 2001, the government temporarily suspended its advertising in some newspapers, which depend mainly on advertising for their revenues. Freedom of opinion encounters limitations in security matters.

(3) *Rule of law*: Under Botswana's parliamentary system of government, the president is elected by Parliament. Because of the dominance and extensive cohesion of the BDP, the executive occasionally acts mildly arbitrarily. The judiciary, on the other hand, is separate and independent, and thus its function of review is present. The government submits to defeats in the courts, and responds by changing course—as for example in the case of the advertising boycott, which the courts declared unconstitutional. There are slight limitations due to overloads and delays, mostly in rural areas.

The fight against corruption has an institutional base in an independent Directorate on Corruption and Economic Crime. Abuse of office by elected officials (and administration and police) is relatively rare, and subject to both legal and political sanctions. In the past, senior officials (ministers, undersecretaries) have had to resign because of their involvement in scandals and irregularities. But after a “respectability period” of several years they can return to high office.

Civil freedoms are assured in practice. There are slight deficiencies in the treatment of the Basarwa minority (also called San or Bushmen), whose traditional mode of living in the Central Kalahari is not supported, and whom the government attempts to incorporate into modern structures. The international campaign of Survival International, which claims to see economic interests—the exploitation of diamond deposits there—behind this policy, is rejected even by the highly critical Botswana human rights organization Ditshwanelo. One might also consider the ongoing existence of the death penalty a deficiency; it is still imposed and carried out, though rarely (see above; total of 30 executions since independence in 1966).

3.1.2 Political patterns of behavior and attitudes

(1) *Institutional stability*: With only minor exceptions for judicial efficiency in rural areas, democratic institutions are stable and competent. There are no roadblocks to decision-making in the parliamentary system, because of the absolute majority of the BDP. There is a dual factionalism within the BDP that causes slight inefficiencies. Democratic institutions are accepted and supported by

all relevant actors. Speculative doubts have, however, arisen in the past few years about the democratic integrity of Vice President Ian Khama, son of the country's founding president, and of some employees of the presidency.

(2) *Political and social integration:* Problems of executive control are associated with the BDP's domination of the party system since independence. This dominance is partly the result of the parties' social roots. The BDP represents mainly the rural and traditionally-to-conservatively oriented population, while the progressive opposition parties have their voter base in the semiurban belts around the major cities.

The resulting structural inferiority of the opposition parties is furthered by their considerable tendency to fragment, not to mention by the first-past-the-post electoral system and the successful political record of the BDP. The latest examples are the 1998 secession of the Botswana Congress Party (BCP) from the principal opposition party, the Botswana National Front (11 out of the 13 BNF representatives changed over to the new BCP), and massive personality-based factionalism beginning in 2001 and 2002.

Given the country's decades of democratic development, the topography of functional interest groups is relatively underdeveloped. By contrast, there is a relatively high density of nongovernmental organizations (around 24 per 100,000 inhabitants). The unions in particular do not play a substantial role, because of legislative obstacles discussed above. Representatives of ethnic minorities (the Kalanga) and the Tswana establishment engaged in a battle of words in 2001 over what many considered the disproportionately large role of the Kalanga in senior offices, especially the judiciary.

Traditional leaders, who came only from Tswana groups until the reform of the House of Chiefs, are institutionally incorporated into the system of government, with an advisory function. Human rights groups, especially Ditshwanelo and women's groups, and academics are present and effective mainly in urban areas. They are loosely associated with the opposition parties, and together with the media perform quite a substantial watchdog function. Outright protests such as demonstrations or strikes are extremely rare.

Despite relatively low voter participation, especially in registration, support for democratic standards and procedures runs high. In 1999, 84 % of those surveyed by Afrobarometer named democracy as the preferred form of government, and 82 % considered Botswana democratic, although 36 % of these saw "minor problems". The activity and efficacy of self-help groups meets with limitations in a culture of apathy, especially in rural areas.

3.2 Market economy

The transformation of the economic regime in Botswana is ambiguous. Starting from quite a high level, the country continues to make progress in economic performance, especially growth, and the organization of competition. Ongoing efforts have been unable to sustain diversification that aims to reduce dependence on diamonds. Existing deficits in social position among the population are intensified by the AIDS/HIV pandemic, which is already beginning to compromise earlier successes in transformation.

3.2.1 Level of socioeconomic development

The key indicators show a medium level of development, with a partially falling trend because of the AIDS problem. Measured by these indicators, the country's level of development does not permit adequate freedom of choice for all citizens. Moderate-to-substantial social exclusion results primarily from poverty (2000: 33 % of the population earned less than \$1 per day) and high social inequality (Gini coefficient for 1993: 63).

In opposition to other African states famine is not a problem. Gender discrimination is relatively slight, both socially and politically. Women are also represented in key political and economic offices such as the central bank, health ministry and education ministry. However, divorce laws still comprise slight disadvantages for women. The "millennium goal" of eliminating the gender gap has been achieved. In education, there has been general improvement.

3.2.2 Market structures and competition

The fundamentals for market-based competition are assured, and have improved in the past few years. In the formation of monopolies, de facto limitations exist because of the semi-state joint venture between the state enterprise Debswana and South Africa's De Beers in the dominant diamond sector. Thus the proportion of state involvement is relatively high. Ongoing efforts toward diversification have achieved substantial success only in tourism.

Foreign trade has been extensively liberalized. The Botswanan economy has high import and export ratios. Membership in the Southern African Development Community (SADC) and the associated customs union has not led to elevated protectionism. The basis for a banking system and capital market are present. Botswana has received awards from international organizations over the past few years for its credit status and the management of its independent central bank.

3.2.3 Stability of currency and prices

The local currency, the pula, parallels the South African rand relatively closely. The independence of the central bank (Bank of Botswana) in monetary policy is thus somewhat restricted de facto. Consequently, the fall of the rand was also partly to blame for somewhat elevated inflation rates of 6.5 % to 8.1 % in the past five years. Yet the government's fiscal and debt policies are exemplary. Debt is not only low, but has actually been systematically reduced over the last five years. By building up extensive foreign currency reserves, Botswana has in the past been the sole sub-Saharan country able to help fund the IMF. As a general rule, solid budget policies have resulted in surpluses. Deficits are the exception, as for example in fiscal 2000-2001 due to an externally induced decline in revenues from the diamond business.

3.2.4 Private property

Property rights and ownership are adequately defined, and effective in practical fact. There are slight limitations from a sometimes sluggish permit process for foreign investment. Efforts are under way to correct this problem. Private business activity and investments, including from abroad, are considered desirable and are assisted with special terms. Efforts in the direction of privatization had not yet met with sustained success during the period under review. They are not even planned in the diamond sector. In view of the successful management of the diamond business to date, this decision can hardly be considered a mistake.

3.2.5 Welfare regime

Social networks are well-developed to an extent, but do not cover all risks for all strata of the populace. There is still a risk of poverty for substantial segments of the population. Numerous initiatives have been instituted against the AIDS epidemic and have won international recognition. Because of the short time frame and the nature of the problem, it is not entirely possible to gauge their success. The health sector in general, however, is well-developed. Equality of opportunity is offered only with restrictions. The society is highly heterogeneous in social terms, but there are a number of institutions to make up for gross social discrepancies, especially in the well-developed education sector (see below). Women in particular have substantial, and improving, access to higher education and public office.

3.2.6 Strength of the economy

The economy's rapid growth rates continued during the period under review. Per capita GDP grew relatively fast, and went hand in hand with strongly positive macroeconomic figures. Most notable among these are the debt situation and the balance of trade, along with budget policy, despite the latter's somewhat more limited success compared with previous years. Employment (as far as data are available) and price stability also show slight deficiencies, but these remain within controllable limits. However, one should bear in mind the dependency on diamond revenues, which remain the engine for growth.

3.2.7 Sustainability

In sparsely populated Botswana, environmental problems are comparatively few and environmental awareness is rather underdeveloped. Economic activity does not cause severe ecological problems. Nevertheless, the country is making efforts to preserve regions of interest for tourism (especially the Okavango River delta), though these endeavors are thus subordinate to economic interests. As a result of systematic support from the government, Botswana has an excellent infrastructure, in sub-Saharan terms. In education, the country has been able to ensure free schooling nationwide for the entire population. The University of Botswana offers a diversified range of programs. Educational output is well above average in worldwide terms (1995-1997: 8.6 % of gross national product).

4. Trend

(1) Democracy: In general, Botswanan democracy has maintained its level of consolidation. Even before the period of this study, the criteria of a state monopoly on the use of force, a largely effective administrative system, functional courts and public safety were fully established. The same applies for democratically elected decision-makers' effective ability to govern, the stability and functionality of institutions, and citizens' organizational and practical options for self-realization, as well as effective civil rights.

There are rather minor restrictions on functions that counter the power of the dominant BDP government, via an effective mediation of interests by civil society, and the weak opposition parties. The population's plainly continuing strong support for the political system is counterbalanced by a certain level of voter apathy (registration). In elections as an indicator of performance, the first effective expansion of voting rights—to those between 18 and 20 years of age—was an advance. A slight downward trend in effective freedom of opinion results from public influence over media critical of the government.

(2) *Market economy*: Socioeconomic development in the past five years has been ambiguous. A substantial AIDS-induced deterioration in the general level of development as measured by HDI (see chapter 3.2.1) is countered by slight improvements in institutional conditions as measured, for example, by the Index of Economic Freedom (“mostly free”), and strong quantitative improvements in overall economic performance.

Table: Development of socioeconomic indicators of modernization

	HDI	GDI	GDP index	UN Education Index	Percentage of women in Parliament	GDP per capita (\$, PPP)
1998	0.593	0.584	0.69	0.74	8.5 (1994)	6,103
2000	0.572	0.566	0.71	0.75	17.0 (1999)	7,184

HDR 2000; 2002; a. 1993–1994.

In qualitative terms, points must be taken off for the scant reduction in dependence on the successfully managed diamond sector. Additionally, considerable social problem-situations such as inequality and poverty remain—even without the factor of AIDS. The assets side of the budget-and-debt picture has largely been maintained at a high level. The budget surpluses of 1999 and 2000 are especially noteworthy. The other indicators also draw a generally positive picture. Given the difficulty of fighting AIDS effectively, the data thus indicate a certain small success in the state’s performance.

Table: Development of macroeconomic fundamentals (1998-2002)

	1998	1999	2000	2001	2002
Growth of GDP in %	4.1	8.1	9.2	1.5	3.7 ^a
Exports in million USD (f.o.b.)	2,061	2,671	2,712	2,194	2,379
Imports in million USD (f.o.b.)	-1,983	-1,997	-1,780	-1,784	-1,928
Inflation in % (CPI)	6.5	7.8	8.5	6.6	8.1
Debt in million USD	515.6	474.4	413.0	357.7	360.5
Debt service ratio	2.6	2.4	2.0	2.3	1.9
Budget deficit or surplus in % of GDP	-6.4	6.1	9.7	-2.7	n.a.
Current account deficit in million USD (CAB)	170	517	575	138	165

Source: EIU Country Report Botswana October 2002; January 2003. a. actual.

5. Transformation management

5.1 Level of difficulty

The level of difficulty of transformation is uncertain. Politically, difficulty can be considered medium to slight. There are no intense, irreconcilable ethnic or other conflicts, although the potential for such conflicts exists. Democracy, including the rule of law and a largely efficient state administration, is assured. A basic consensus on democracy exists among the major actors and the population, but there are only limited traditions of civil society. However, elements of traditional Tswana culture are favorable to democracy.

Economically, the key indicators (PPP p. c.) indicate a medium level of difficulty. The potential negative impact of dependence on raw materials (diamonds) became a reality only in 2001, when demand for diamonds receded. Otherwise, the resulting revenues served as a growth engine, as in previous years. The raging AIDS pandemic poses a serious problem—not only because it alone is fundamentally responsible for the regression of some aspects of development, but also because it is an especially difficult problem to fight. Traditionally the sexual decision-taking ability of women is rather weak. To that extent, the level of difficulty in the socioeconomic segment must be considered medium to high. Overall, the level of difficulty is medium.

5.2 Reliable pursuit of goals

The Botswanan government sets strategic priorities for the economy, and pursues a largely consistent, coherent policy of reform. The goals of developmental policy are set forth in national development plans. The Eighth National Development Plan (NDP8, 1997-2003) sets priorities in core problem areas of diversifying the economy, creating jobs and especially combating the AIDS plague.

Another component, as in the past, is to improve overall conditions (infrastructure, education, investment opportunities). These goals are consistent with the country's problems and capabilities, and are by no means mere intentions. The government applies substantial funds toward implementing this plan and in formulating the subsequent NDP9, and has demonstrated relatively great prudence in implementation.

Policy for political reform is less pronounced. There has been a consistent rejection of reforming the electoral system into a proportional voting system, which would improve the opposition parties' chances of election. In principle, the government is willing to make lesser changes in the institutional framework. The opposition and civil society criticized the constitutionally established exclusive representation of Tswana groups in the second, advisory chamber of Parliament,

and a commission was set up in response. The government complied with that commission's 2001 recommendation of a constitutional change, with a consequent comprehensive representation of various groups, but implementation ran up against resistance from conservative forces.

Certain efforts have been made to alleviate voter apathy. In all, the government has established a strong confidence that expectations can be fulfilled, although this confidence is somewhat stronger in economic than political terms.

5.3 Effective use of resources

The government makes effective use of available economic, staffing and organizational resources. Unlike many other African states, Botswana does not have a bloated civil service. Candidates for important positions are recruited mainly on the basis of their competence, though there may be deviations from this principle in individual cases. The state budget almost always shows surpluses. Debt is low and is being systematically reduced. If the actual spending differs from projections, it is because the government did not spend as much as it had planned to. Local institutions exist, but their financial autonomy is limited.

The government is effective at implementing its plans for reform. But strong output is countered by deficiencies in outcome in the key points of diversification and reducing the AIDS problem. The government supports providing public services, which are relatively optimally attuned to the country's developmental needs. The relative success of anticorruption policies is documented by high ratings in the Corruption Perception Index (2002: 6.1 out of 10), where Botswana leads the African states (and places better than Italy). It is possible that in this, the Botswanan elite has tied in with traditional Tswana culture, which favors democracy and a rule of law, and is utilized by the government to build consensus (see below). Along the same lines, however, traditional tendencies toward promiscuity, which encourage the spread of HIV, constitute a deficiency.

5.4 Governance capability

The policy for political and economic reform was largely prudent and astute. Proven policies have been maintained in the budget and infrastructure and in education, as well as in the efficient, responsible handling of the diamond sector. The same applies only with limitations to diversification policy, because of the lack of a sustained success. In the AIDS sector, the country has worked to take countermeasures based on the latest scientific discoveries.

Politically, in occasional cases of intervention by the courts or in dealing with recommendations by commissions, the leadership has proved ready to learn, and

has corrected policies as directed. Examples include the reform of second chamber of Parliament (the traditional chiefs) and the intervention of opposition parties in the ban on advertising. The government has sufficient political authority to carry out reforms. It can additionally use its prestige as a resource, although this statement is only partially applicable to Vice President Ian Khama, because of his erratic character. However, as the son of the nation's founder, he enjoys particular prestige among the rural population.

The government's policies improve the allocative efficiency of the markets. One negative point might be the country's distinctly high military expenditures, for which there is no obvious reason. But the military has never been an important political factor in Botswana. Observers explain the armaments in terms of the country's relative wealth, which supplies the military with "the latest toys to play with." Economically, the reformers have shown considerable prudence. Politically this is less the case, since there has sometimes been a lack of consent to political procedures and occasional organizational breakdowns (2001 referendum). Yet given the stable political situation, these shortcomings are rather minor.

5.5 Consensus-building

All major political and social actors agree on the goal of reform (a market-based democracy), although their ideas about how to get there vary considerably. The opposition BNF party favors a strong social approach. Otsweletse Moupo, the new party chairman—who must still consolidate his position within the party—is said to have Marxist tendencies, which his predecessor Kenneth Koma once also supported. There are no actors with antidemocratic veto powers. Despite certain problems, there are no severe lines of social conflict.

In the past, prudent policies have curbed the existing potential for ethnic conflict. Certain stronger tendencies in the past few years, especially 2002, have been condemned in loud rhetoric by top officials, although parliamentary representatives also participated in verbal attacks. Consensus-building in general has a strong tradition in Botswana, within the traditional *kgotla* ("sit down and talk"), a forum for discussion.

The government has also encouraged such traditions with regular all-party conferences and with broad nationwide debate on reform projects—for example, in the reorganization of the second chamber of Parliament—in the form of regional workshops with participation from the populace. By appealing to these traditions, the government promotes and develops an attitude of solidarity among social groups and citizens, although this attitude meets with limitations in the occasional culture of apathy in rural areas. There have been no periods of historical injustice, and thus there is nothing to cope with in this regard.

5.6 International cooperation

Domestic actors unquestionably have a strong willingness to work with outside supporters and actors. The political actors apply international aid with good focus on the needs of economic transformation. But because progress has been so good, aid has been cut back considerably since the early 1990s. Thus there are equally few problems with internal acceptance of reform, in the form of imposition through structural adjustment programs.

The international environment regards Botswana as very reliable and steady. Last year (2002) there were certain tensions with neighboring Zimbabwe, whose policies Botswana regards as a destabilizing factor, although in principle it supports land reform there. Otherwise, the political actors are especially willing to cooperate with neighboring states, and in regional and international organizations. A border conflict with Namibia was resolved by appealing to the International Court of Justice in The Hague. The headquarters of the SADC—in which Botswana is one of the driving forces—is located in Botswana's capital, Gaborone, where numerous international conferences also take place.

As part of the efforts to make peace in the Democratic Republic of Congo, former president Masire acted as a mediator, earning international recognition. In 1998, Botswana joined South Africa in a military peacekeeping mission in troubled Lesotho. The country has also participated in numerous UN peacekeeping missions. It has good relations with the United States, including in security. As part of the Kimberley process, which was intended to suppress trade in “conflict diamonds” by imposing certificates of origin, Botswana was a driving force. Very much in its own interest, at the same time it launched a credible campaign for its own “development diamonds.” There are minor problems in cooperation with international human rights groups, but the disputes with Survival International over the treatment of the Basarwa (see above), which have gone on for years, are also partly a result of this organization's questionable dealings.

6. Overall evaluation

In view of the originating conditions, current status and evolution achieved, as well as the actors' political achievements (management), this assessment arrives at the following concluding evaluations:

(1) Originating conditions: All in all, the originating conditions for the political situation were good. This is particularly the case for state identity, the rule of law, administration and elections. Minor deficiencies are present in checks and balances on the executive, an effective civil society, and press freedom. Economic conditions have become less positive as a result of AIDS. Another problem, dependency on diamonds, has proved to be an engine that has powered

development, as in previous years. A rebuttal to its limitations is offered by the positive conditions the country has created for itself.

(2) *Current status and evolution.* Democratic transformation evolved only a short distance. The political decision-makers were not able to broaden democratic transformation in qualitative terms. In all, consolidation has stagnated. There are no evident internal threats to democracy. Adverse influences from the current vice president (and potential future president) are speculation. The ongoing weakness of the opposition parties is a hindrance to consolidation in the normative sense, but the government cannot really be held responsible in this case.

Transformation toward a market economy was significantly more substantial in growth and in the improvement of conditions. Counterarguments are offered by low economic diversification, ongoing social problems and, most important, reduced life expectancy due to AIDS. Thus transformation into a fully performing market economy is by no means complete. Positive development will continue or even accelerate if the AIDS problem can be solved. Otherwise, further stagnation or even regression can be expected.

(3) *Management:* The decision on the actors' relative management performance is moderately positive overall, but findings on output are better than those for outcome. Politically, the government's management successes have preserved the standards that had already been achieved. The government can be credited for maintaining its integrity and achieving slight advances, but in some subsegments (social and political integration) the governing BDP clearly does not have further consolidation of gains on its agenda.

The government is not the primary factor responsible for the lack of an effective opposition. The positive findings on management apply even more to reliability in achieving economic goals and to organizational capability, and in general to the government's performance in international cooperation. The actors cannot be held really responsible for developmental backsliding caused by AIDS. They have also made substantial efforts, but so far have failed because of the difficulty of the problem.

7. Outlook

Botswana's overall record is unquestionably positive. Nevertheless, the country still faces great challenges. In the past, the governing BDP and its leaders have in some regards done an impressive job of managing these tasks—the threat of the apartheid conflict in South Africa, maintaining a stable political and democratic regime, handling the country's natural wealth. To that extent, the absence of a fully valid transfer of power to a government headed by the former opposition

(the only thing that has changed is the person at the top) is a significant deficiency only in the narrower, normative sense, and not so much functionally.

Yet it remains unclear whether today's problems can be handled with similar success. Whether the country's successes in transformation can be consolidated or even expanded will depend on the outcome of AIDS policies and the skill of future leaders. It seems at least questionable whether the presumable next president, Ian Khama, is made of the same stuff as his predecessors. In regard to AIDS, success will possibly also depend on medical innovations.