Diamonds Are a State's Best Friend:
Botswana's Foreign Policy in Southern Africa

Michael Niemann

Since independence in 1966, Botswana has been a puzzle in the context of southern African politics. Its territorial boundaries were a result of the British imperial strategy to foil a potential link between German Southwest Africa and the Boer territories. Bechuanaaland's mere existence as a separate entity was continuously questioned by South Africa; as late as 1959, Prime Minister Verwoerd demanded the incorporation of Bechuanaaland into the Union of South Africa.1 Even after it became clear that the British were preparing the territories for self-government and independence, there was a conviction that this independence would not amount to more than a formalism in light of the economic and political realities of the region. One commentator on the region wrote that Botswana was little more than a hostage of South Africa.2 This view was reinforced by Botswana's dependence on the Republic in virtually every aspect of its economy. A member of the Southern African Customs Union (SACU), the country was a typical example of the dependency syndrome in the developing world: Botswana was heavily dependent on external markets, suppliers and capital, heavily reliant on a few trading partners, facing high opportunity costs in changing those relations, and the domestic economy was poorly integrated and generally much more responsive to external rather than internal stimuli.3

Today the former protectorate the British had regarded so insignificant as to locate its administrative capital in Mafeking, outside the boundaries of its territory, has the third highest per capita income in sub-Saharan Africa, being outdone only by South Africa and Gabon.4 The country has experienced rapid economic growth over the past decade and a half and its currency, independent of the South African Rand since 1976, is one of the most stable in the region. Botswana also has had a multiparty system with regular


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elections since independence, a rarity among African states. True, the
dominance of the governing party, the Botswana Democratic Party, has never
been seriously challenged, but that has not kept other African states from
establishing a one-party system. More importantly, for the subject of this
article, Botswana has become an important player in regional politics.
Botswana was a founding member of the Frontline States (FLS), the group
of states that was instrumental in bringing about the independence of Zimbabwe
in 1980, and is host to the headquarters of the Southern African Development
Coordination Conference (SADCC), an organization the objectives of which
include "the reduction of economic dependence, particularly, but not only, on
the Republic of South Africa."

To paraphrase the question raised by Carol Thompson," how can we
explain that this poor and weak state was able to pursue an independent
foreign policy in the region? While the usual references to the workings of
the capitalist world economy and the dependent nature of peripheral
economies can explain the limited policy choices available to a state like
Botswana, they cannot explain the increasingly independent content of such
policy choices. I will focus, in this analysis, on the changing nature of the
Botswana state and the changing conditions for the reproduction of the
dominant class as factors which explain the emergence of these policies in the
context of southern Africa.

Botswana in Southern Africa

The governing principle of Botswana's foreign policy consists of
maintaining the precarious balance between avoiding any action which would
appear to legitimize white minority rule in South Africa and avoiding any
action which would give South Africa (RSA) a pretext for intervening,
militarily or otherwise, in its territory. During the period since independence,
there has been, however, a noticeable shift in the manner in which Botswana
was willing to take positions contrary to South Africa's perceived interests.

In the early years after independence, the country was clearly unwilling
to anger the Republic to the south. In 1966, the International Court of Justice
determined that Ethiopia and Liberia had no legal standing to obtain a
judgement regarding their contention that South Africa had violated the
League of Nations mandate in South West Africa. In protest over this
decision, the United Nations General Assembly (GA) passed a resolution
terminating the mandate and placing South West Africa under the control of

5. "Southern Africa: Toward Economic Liberation:" A Declaration by the Governments of Independent States of
Southern Africa made at Lusaka on the 1st of April, 1980. Reprinted in Margaret C. Lee, SADCC: The Political
6. Carol B. Thompson, Challenge to Imperialism: The Frontline States in the Liberation of Zimbabwe (Boulder:

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the United Nations. Newly independent Botswana "strategically absented" herself from the voting. The same strategy was followed later in the year when the GA adopted a resolution recommending the obligatory severing of diplomatic and economic relations with Portugal to the Security Council. In 1976, Botswana abstained on a resolution creating the UN Council on Namibia. This action was repeated in 1968 on a resolution calling on South Africa to withdraw from Namibia and in 1969 on a vote calling on the United Kingdom to use force, if necessary, to end minority rule in Rhodesia. Similarly, Botswana was at odds with the Organization of African Unity (OAU) on some positions regarding southern Africa. At one point, a direct request was sent to the OAU to stop Zimbabwean guerrillas from crossing into Botswana's territory. This cautious policy toward white minority regimes in the region are clearly the outgrowth of Botswana's precarious geographical position in the region. In his statement on the Lusaka Manifesto of the OAU, the official OAU strategy statement on the liberation process in southern Africa, President Seretse Khama pointed out that

"...as a consequence of Botswana's geographical situation, we face unusual and onerous handicaps... Whilst Botswana accepts that we are part of the Southern African economic complex and that the harsh fact of history and geography cannot be obliterated, for obvious reasons, we have to maintain normal friendly relations with South Africa."

He praised the emphasis on negotiations that formed one aspect of the document but then disagreed with the methods of isolating the apartheid regime proposed in the Manifesto and closed with a call to "keep the channels of communication open and dialogue alive." Despite these actions, Botswana was able to avoid the stigma of being branded a collaborator with the white minority regimes, a label quickly applied to Malawi.

By the end of the 1960's, however, the Khamat government began to exhibit more independent behavior. Two cases in 1970 demonstrated this trend in Botswana's foreign policy. The first case related to the question of the border with Zambia. Even though a ferry service had existed between the two countries for some time, the plan to build a paved road leading to the ferry terminal raised South African objections and pressure to cancel the project, especially since the RSA felt that a road would have been the first step toward

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8. Ibid., pp. 102-4, 112.
10. Ibid., p. 55.
building a bridge, which South Africa opposed. The second case involved the establishment of diplomatic relations with the USSR. Even though diplomatic relations with Czechoslovakia existed since 1967, the idea of a Soviet embassy in Gaborone raised the ire of South Africa, where a newspaper claimed that the embassy would serve as a "Russian listening post" close to the RSA's territory. In both cases the final outcome of the confrontation was a slight modification of Botswana's position, i.e., the country agreed not to build a bridge at Kazungula in return for South African acceptance of a right of way across the Zambezi and the residence of the Soviet ambassador to Botswana initially remained in Lusaka, but the basic position was maintained against South African pressure.

Botswana and the Frontline States

In 1974, Botswana joined Tanzania, Zambia and Mozambique to form the Front Line States which set out to coordinate the politics of liberation in Southern Africa on the basis of the 1969 Lusaka Manifesto of the OAU. What began at Mulungushi Hall in Lusaka as a series of ad hoc meetings, soon developed into regular summit meetings between the presidents of the FLS. In line with the Lusaka Manifesto, the FLS advocated a "dual track" policy of confrontation and dialogue. In response to Prime Minister John Vorster's offer of dialogue, the FLS pursued the negotiation option between 1974 and 1976. Upon the failure of the Victoria Falls conference, and mindful of the criticism received from some OAU members, the FLS met in Quelimane in February, 1976, and decided that negotiations had led to a dead end, to support armed struggle as the strategy to achieve majority rule in Zimbabwe and to offer bases for that purpose. Renewed initiatives in 1977 by the UK and the US brought the FLS back into the discussion, but when the Ian Smith regime pursued its internal solution, the FLS again refused any negotiations along that line and insisted on what had become the maxim of the liberation struggle: "No independence before majority rule." At the Lancaster House negotiations, the FLS maintained their position while at the same time pressing the liberation movements to adopt more flexible attitudes towards the proposals tabled by British Foreign Secretary Lord Carrington.

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11 Quoted in Grundy, op. cit., p. 137.
12 See ibid.
13 Angola joined only after the "second war of liberation" in 1976.
Botswana’s actions as part of this group did not indicate that its position was markedly different from that of the other states in the group with only two exceptions: Botswana did not provide bases for the different liberation movements in the region, and Botswana was not expected to impose sanctions against Rhodesia. This policy was accepted by the other FLS members. At the same time, Botswana was a major haven for large numbers of refugees in the region. Between 1976 and 1979, Botswana took care of over 30,000 refugees fleeing from Namibia, Rhodesia, Angola and South Africa. Of that number about 20,000 remained residents in Botswana. In recognition of this selfless effort in support of refugees, Sir Khama was awarded the Hansen Medal by the UN High Commissioner for Refugees in 1978. This policy was used as a pretext by Rhodesian troops to stage incursions against refugee camps, leading in turn to the establishment of the Botswana Defence Force in 1977.

Most importantly, Botswana came to support armed struggle in the region as a strategy to end white minority rule. In sharp contrast to his statement in 1969, President Khama acknowledged as early as 1973, that, should peaceful means fail to bring about a settlement of the conflict in South Africa, his government would show understanding “when the people concerned decide to resort to violent means.” In 1975, after the first series of FLS meetings, he indicated that barring advances in the negotiations, “Africa will have no other choice but to give full support to the freedom struggle.” Finally, in 1976, Khama stated:

Violence breeds violence...The freedom fighters of Southern Africa are neither terrorists nor murderers. They are fighting on behalf of humanity for their basic human rights which are being trampled upon by those who seek freedom for themselves and deny it to others by force...What I have tried to do in this statement is to make sure we are not misunderstood when we say that we support fully the liberation struggle in Rhodesia, Namibia and South Africa...We have a moral obligation to insist on the restoration of human rights in the countries surrounding us; for the absence of peace in these countries is a threat to our own peace, without which we cannot survive. Therefore, if I speak the way I do it is because of my country’s geo-political situation.”

What is remarkable is that Botswana provided unqualified support for

armed struggle in the aftermath of the Quelimane conference in 1976, only ten years after being absent at the UN vote against the South African mandate in South West Africa. Equally remarkable is that President Khama used Botswana’s geo-political position to justify both a cautious foreign policy in the late 1960s and support of armed struggle in Rhodesia in 1976. Clearly, the independence of Mozambique and Angola had produced changes in the geo-political situation in southern Africa, tilting the balance of power away from South Africa. At the same time, Botswana remained wedged between Rhodesia, South Africa and South African controlled Namibia, a position not dramatically different from that before 1975.

Botswana and SADCC

Upon the achievement of majority rule in Zimbabwe, the FLS, joined by Lesotho, Malawi, Swaziland and Zimbabwe, formed SADCC.19 As the Lusaka Declaration of 1980 outlined, the purpose of SADCC was to cement with economic independence the political independence achieved in the earlier decades. The primary objective continued to be decreased dependence on South Africa, but the declaration now included a reference to the entire capitalist world economy. This goal was to be achieved through the coordination of development policies and the fostering of regional integration in the long run. This is not the place to outline in detail the basic aspects of SADCC; a short summary must suffice.20

In a way, SADCC was the logical continuation of the process of cooperation begun under the aegis of the FLS. All of the states were keenly aware of the nature of the economic patterns of the region. Having experienced the questionable results of typical customs union arrangements (the BLS states in SACU, Tanzania in the East African Community and Zambia and Malawi in the Central African Federation), the nine states made the coordination of production their prime goal with trade liberalization to follow once productive capacities had been developed on a regional basis. In line with these decisions, the first priority was the rehabilitation and expansion of the regional transportation system. Given that six of the nine states are landlocked, the urgency of securing access to the world market and each other is apparent. The fact that the only permanent institution created at that time was the Southern African Transport Coordination Council (SATCC), indicates that the transportation issue was foremost in the minds of


the heads of state gathered in Lusaka.

The institutional development of SADCC took another year to develop and was extremely decentralized. The entire organizational structure was based on a memorandum of understanding signed only a year later at a summit meeting in Harare.\textsuperscript{21} The actual operational apparatus of SADCC was kept very small with a secretariat in Gaborone being the only permanent institution in addition to the SATCC office in Maputo. Most of the work has been distributed to the SADCC technical units in the respective ministries of the member states. Responsibilities were and still are distributed on a national basis. SADCC's basic strategy consists of identifying suitable projects which further regional cooperation in any one of the areas of cooperation. Initially, the respective technical units perform this task. The projects are then reviewed at various stages until they are approved by the SADCC Council of Ministers. The final review takes place at the annual consultative conference in which the approved projects are presented to potential donor countries for funding. Once a project finds support from one or more donors, the country in which the project is located negotiates the specifics of implementation.

Since its inception, SADCC's program of action has increased in size and in the number of projects. The current program contains about 560 projects with a total value of $8.24 billion.\textsuperscript{22} The vast majority of these projects are in the transport and communications sector, followed by the energy sector and then the food and agricultural projects. The amount of foreign funding required for the implementation of the program is large, $7.42 billion or 90%. Not surprisingly, the gap between funding secured and funding required is over 50%. When asked about the continued dependence on foreign funding, SADCC Secretary General Makoni noted that the 'member states are committed to meeting the local costs of projects in their territories.'\textsuperscript{23} He went on to say that however small the local contribution may be, it is an indicator of the commitment to self-reliance by the states in the region. On the whole, SADCC's record has been mixed. In the area of diversification of transport routes, there have been definite successes. The rehabilitation of the Beira Corridor is but one example of the concerted action of SADCC and its supporters. During the first nine months of 1991, the port of Beira handled a total of 1,289,100 tons of cargo, including goods originating in or destined


\textsuperscript{22} These and the following numbers are based on SADCC, Annual Progress Report July 1989-August 1990 (Gaborone: SADCC, 1990), p. 29.

\textsuperscript{23} Southern African Economist, 4 no. 5 (October/November 1991), 38.
for Botswana, Malawi, Mozambique, Zambia and Zimbabwe. Furthermore, the SADCC states have been able to raise almost $3 billion over the last decade at a time when external funding became increasingly scarce and subject to conditionalities and restrictions. At the same time, as SADCC acknowledges, the member states are no less dependent than they were at the beginning; on the whole their economies continued to be weak and the goal of increased cooperation in the area of production remains elusive. Intra-regional trade remains at a low 5% of total trade, and individual member states tend to choose national objectives over regional ones.

Botswana's relationship with SADCC reflects these contradictions. On the one side, the late President Khama is hailed as one of the founding fathers of SADCC. The country takes an active role in SADCC activities, it hosts the institution's headquarters, and its Vice-President has presided over the organization since 1980. It even invested P5 million in the rehabilitation of the Limpopo rail line, the first case where a SADCC member pledged to support a project not located in its territory. This public involvement is somewhat at odds with the scant attention SADCC has received domestically. Nowhere in the development plans that cover the 1980s is there an in-depth analysis of how SADCC fits into Botswana's development. The only mention of the region is made in reference to a policy of "avoiding too great a dependence on any one trade route, source of investment, export product or export market, or source of imports."35

Botswana has also maintained an economic relationship with the RSA which is, at least on the surface, comparable to that of Lesotho and Swaziland. As a member of SACU, Botswana is firmly tied into the South African orbit, at least as far as imports are concerned. The dominance of South African capital in the mining sector, the most important sector of Botswana's economy, is an additional example of this ambiguous relationship. Two recent examples indicate clearly that this state of affairs is not just the inevitable outcome of past colonial forces but one clearly pursued by the Botswana government. In 1987, De Beers Botswana (DEBSWANA), which is 50% owned by the government, decided to use a sizeable quantity of diamonds which had been stockpiled as a result of a soft international market, to purchase a 5.3% share in De Beers, the South African parent company. The transaction also gave DEBSWANA the right to appoint two directors to the board of De Beers Diamonds throughout the world.36 The second example concerns the Sua Pan Soda Ash project which again constitutes a new joint venture between the Botswana government and South African capital. It

involves a large scale soda ash and salt mining operation, the exports of which are destined for South Africa and the region. The project was initially under consideration as a SADCC project but is now being financed primarily by African Explosives and Chemical Industries, a South African subsidiary of the Anglo-American Corporation. At the time they were made, both decisions strengthened relations between Botswana and South Africa. In the former case, Botswana, in effect, invested a large sum in the South African economy at a time when the world was pressed to isolate that country and restrict investments there. In the latter case, Botswana will provide the RSA with a secure supply of a raw material which does not occur inside South Africa and which was at the time a potential target for an embargo.27

Despite the ambiguous nature of the economic dealings with South Africa, Botswana’s government continued to maintain a clear pro-SADCC position in its public rhetoric. As the SADCC members became targets of South African destabilization and military intervention, Botswana steadfastly maintained an independent position. The country resisted strong South African pressure to sign a non-aggression pact similar to the Lusaka and Nkomati Accords between South Africa and Angola and Mozambique respectively. President Maire indicated that Botswana would not sign a similar treaty with the RSA "at any price" and that his country would "not trade principles for expediency."28 At the same time he emphasized again that Botswana would not permit ANC or PAC fighters to use its territory as a launching pad for attacks against South Africa. He used the example of Lebanon to drive home the point that outsiders should not criticize the actions of the states in the region since overt support for the liberation fighters would result in military intervention by the RSA similar to the manner in which Israel intervened in Lebanon.29 Despite these assurances, however, Botswana was not spared the military wrath of the apartheid regime. In June 1985, and again in May 1986, South African forces crossed the Botswana border to attack so-called ANC targets in Gaborone and Mogoditshane respectively. A diplomatic counter-offensive was launched immediately by the government and the UN Security Council considered the issue seven days later. In a unanimous vote the Security Council condemned South Africa for the raid. This attack even led to the recall of the US ambassador from South Africa, a rare display of US solidarity with southern Africa.30

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27. Ibid., p. 23; see also "Sanctions begat Protectionism," The Economist (October 24, 1987), pp. 95-96.
29. Ibid., p. 303.

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The pattern of Botswana's foreign policy in southern Africa outlined in this section reveals, within given geo-political parameters, an increasingly independent and hostile attitude towards South Africa. Starting with a very accommodating posture shortly after independence, the country slowly moved toward overt support for the liberation strategy of the OAU and the other FLS. It is this change in Botswana's foreign policy which "cannot be explained by its ideological positions" nor by changes in the geo-political position in the region alone that constitutes the basic question of this essay. The answer must be located in the nature of the state in Botswana and the changing patterns of reproduction of that state.

The Bureaucracy, the State and Political Power in Botswana

In his analysis of Botswana's polity, Jack Parson points out that two developments have been most conspicuous since independence, "the generalization of the peasantiat base and the widening and differentiation of an elite, or petty bourgeois, governing class." While the percentage of people deriving their income solely from agriculture has indeed decreased rapidly, about 80% of the population still is in one way or another involved in agriculture while supplementing its income with wage labor or informal sector activity. This part of the population, the vast majority, has received few benefits from the enormous economic growth of the past decade. Distribution of income and assets in the agricultural sector, especially cattle ranching, is very unequal. Forty-five percent of rural households have no cattle while 7% of rural households own almost 50% of all cattle. The petty bourgeoisie has expanded to include now not only large cattle owners and politicians, but increasingly top civil servants and an emerging professional class.

36. Holm points to a study of the Western Sandveld that revealed that one third of all cattle owners were civil servants. Holm, op. cit., p. 166.

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 Especially the bureaucratic faction of this class has grown rapidly since independence. As Table 1 indicates, the expansion of the civil service has been achieved through the recruitment of Batswana rather than expatriates, even though the latter still play an important role in the upper ranks of the civil service. In the mid-1980s, 21,663 civil servant positions in both central and local government paid at least P2,000 per year. In comparison, there were only 12,000 jobs in the private sector that paid more than P2,000. In other words, the bureaucracy constitutes an elite group with an income level significantly above that of the rest of society. Despite the increasing gap between the bureaucracy and the majority of the population, the relations between them can be described as calm. As Picard indicates, that is no accident:

The major concern of the post-colonial elites has remained, at least in the short run, similar to those of the colonial regime. This political quiescence is essential if Botswana’s policy-makers are to be able to pursue a strategy of economic growth which is based on mineral exploitation and commercial cattle production while making rural development a low priority item in terms of budget allocations... [giving] the populace a very minimal control over the resources.9

However, the different constituent factions of the ruling class have not necessarily been in agreement about the policies pursued since independence. Conflicts between the traditional elite of cattle ranchers and the new

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bureaucracy flared up on numerous occasions. The entire controversy surrounding the Tribal Grazing Land Policy highlights the fact that there is no harmony of interest among the top politicians, top civil servants and cattle owners. During the 1980s a further differentiation took place in the structure of the dominant class. On the basis of this differentiation, Patrick Molutsi challenges the notion that the bureaucracy primarily serves the interests of the cattle owners. Surveys undertaken as part of the Democracy Project in Botswana indicate that top bureaucrats "not only make policy, but make policies which generally promote interests other than those of the political elite." He goes on to say that the majority of top bureaucrats do not own cattle but tend to hold shares in a variety of companies, private or parastatal. A preferred area of investment was, and continues to be, the booming real estate and housing market, especially in Gaborone. The importance of this relatively new area of economic activity was revealed dramatically during the wide ranging corruption scandal in early 1992 which led to the resignation of Vice-President Peter Mmusi. The notion of an autonomous bureaucracy is further supported by Mpho Molomo, who posits that the bureaucracy in Botswana has never been challenged by a strong bourgeoisie and has therefore achieved a position where it not only controls the policy-making process but actually prevents the emergence of a local bourgeoisie. It becomes clear here that much of the government's policy is geared towards establishing or maintaining the control of a bureaucratic class over those parts of the economy not controlled by foreign capital and to prevent the control of those sectors by private, non-bureaucracy related interests. This division of labor between the TNCs and the bureaucracy is perpetuated by the restrictive monetary policy which prevents the surplus capital realized from the mineral and cattle economy from being invested in other sectors. The exclusive reliance on private financial institutions to direct investment in the economy prevented fundamental changes in the structure of ownership and the structure of production. The results are still being felt today when the majority of private economic activity in the modern sector takes place not in the manufacturing sector but in the service sector.

41. I am grateful to Richard Weisselder for this information.
43. See Catherine B. Hill, "Managing Commodity Booms in Botswana," World Development 19 (September 1991): 1185-96, for an analysis of this restrictive policy. While Hill generally praises the policy, she points out that investing in international reserves rather than domestic investment ultimately will slow down diversification of the economy and economic development.

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This pattern of bureaucratic class behavior is typical of many post-colonial societies in Africa and elsewhere. The emergence of this class was not the result of its specific position in the production process but of its control over the state apparatus. It uses this control over the state as a means to appropriate social surplus through taxation of private production for export, state controlled production, and access to foreign aid, among others. Determining the membership of this class is a problem. Simply being employed in the civil service or a parastatal corporation is not sufficient since that only provides "the advantage of a relatively secure, prestigious and, in the upper ranks, a well paid occupation." Membership in the bureaucratic class requires a more central position within the state apparatus. In particular, those individuals who participate in the surplus appropriation, who distribute such surplus between consumption and investment or who make investment decisions in parastatal corporations are members of this class. In the case of Botswana, the members of the upper echelons of the bureaucracy fit this description rather well. The consistent references to the fact that politicians have rather little influence on the design and the implementation of development policies only serve to highlight the dominant position of the bureaucratic class."

The Bureaucracy and Foreign Policy

It is my contention that the changing nature and role of the bureaucracy have to be taken into consideration when analyzing the shifts in Botswana's foreign policy towards southern Africa. There are two aspects which need to be highlighted. First, the emergence of the bureaucratic class and second, its revenue basis. Like any class, the bureaucratic class needs to reproduce itself. For that purpose it needs to manage the affairs of the state in such a manner as to not only maintain the conditions in which it arose, but also to further create the possibilities, both domestically and internationally, for continued reproduction and expansion.

46 See Molotsi, op. cit., and Mpho G. Molotsi, op. cit.

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Localization of the Civil Service

Like many African countries at independence, Botswana faced a serious shortage of trained personnel to fill the positions in the civil service which were created to implement the various development policies. In contrast to many other African states, Botswana welcomed expatriates to fill these positions, explicitly refusing to "sacrifice efficiency on the altar of localization." Many of these expatriates were British colonial administrators from former British colonies in East Africa. The presence of these expatriates and their generally short-term contracts at first limited the opportunities for a localized civil service to emerge and for the development of long-term plans and strategies. As indicated in Table 1 above, it is only by the mid-1970s that the size of the civil service increased while the percentage of expatriates decreased. In other words, the first ten years of independence were the transition period in which a civil service dominated by expatriates slowly changed into a civil service dominated by Batswana and became the basis of the bureaucratic class. It is during this period of transition that the nature of Botswana's foreign policy changed as well. The cautious policy pursued at the beginning of that period reflects the different interests dominant in the Botswana state and the lack of any strong indigenous class, bureaucratic or otherwise. However, the emergence of the bureaucratic class alone is not sufficient to explain the changing nature of foreign policy.

Changing Revenue Patterns

The second aspect relates to the structure of government revenues. As outlined above, access to and control over revenues constitute the basic manner in which the bureaucratic class reproduces itself. The booming mining sector was in part responsible for the expansion of the civil service but it also opened up a new source of revenues never before available to the state. Initially after independence, the state was heavily dependent on British grants-in-aid. In 1968/69, these alone amounted to 6.1 million Rand, more than the entire revenue from customs, excise and alcohol taxes. Slowly, however, that picture began to change. Figure 1 illustrates how the composition of government revenues has changed dramatically since then. Grants-in-aid provided by the British government decreased and ended, and in their place revenue from SACU became the most important item in the revenue mix. This was partially due to the renegotiation of the SACU agreement which increased transfers to Botswana on the basis of a formula which included


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Excise taxes for the customs union area in addition to traditional customs revenue to calculate the share for each member. At the high point in 1974, revenues from SACU constituted 54% of total revenue. With the rapid expansion of the mining sector, SACU revenue declined to 14% of total revenue by 1989/90. During that time period, revenues from mineral royalties and taxes increased from a low of 6% of total revenue in 1971/72 to 60% in 1990/91. The foundations for this change in the revenue structure were laid in the late 1960s when the first diamond mine in Orapa was discovered. The development plan in 1970 already noted that economic development would be "almost entirely dependent on the successful creation of a mining sector." 52

This trend is equally reflected in the change in export composition displayed in Figure 2. While meat exports were initially the largest single item in Botswana's export palette, reflecting the economic importance of cattle ranching in the economy, diamond exports rose from an average of 31% in the early 1970s to 77% of total exports by the end of the 1980s. These figures indicate that the development strategy based on mining exports was


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successful, at least in the sense of providing increasing export earnings. One of the side effects of this export boom has been the accumulation of large foreign exchange reserves, which accounts for the stability of the Botswana Pula. Incidentally, this comfortable hard currency position also enables the elite to satisfy consumption patterns which mirror those in the West. Finally, there has been a somewhat dramatic change in the composition of trading partners. As indicated in Figure 3, SACU received 38% of exports in 1974, that percentage went down to 3% in 1989. At the same time Europe, in particular the European Community, became an ever more dominant trading partner, its share rising from 47% to 91% in 1989. Clearly, these figures indicate a slow orientation away from the South African economic orbit and towards Western Europe. On the import side, however, this reorientation has not taken place to the same extent. South Africa is still the dominant supplier of goods to Botswana.

While this could be taken as an argument against the reorientation referred to above, I would maintain that the continued reliance on imports from South Africa is more a matter of convenience and cost savings than a necessity. Given the foreign exchange position of Botswana, there are sufficient funds available to purchase goods anywhere in the world. Despite the obvious potential for short term disruptions, Botswana is probably best equipped of all countries in the region to survive a South African embargo.
Facilitating Factors

A number of additional factors should be mentioned here which, while not determining in their nature, have had a facilitating impact on the changes in Botswana's foreign policy. Of these, labor migration is one of the more important. Migration of Batswana to work in South African mines has decreased since independence. As Figure 4 indicates, recruitment of miners for South African mines has fallen from a high of 40,390 in 1976 to a current level of about 19,000 annually. Part of this decline was due to the changes in the recruitment organizations in South Africa, i.e. the shift towards TEBA as the near monopoly recruiter in Botswana. Even the high in 1976 is mostly due to the extra recruitment efforts following the withdrawal of Malawian labor from South Africa in the wake of a plane crash in 1974. Yet, John Taylor confirms a trend pointed out earlier by William Martin where South African mining capital, in order to maintain gold production at a competitive level, is shifting towards employing more black South Africans and more experienced workers.


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while at the same time eroding the hold of South African whites on the higher level jobs.\textsuperscript{54} The impact of the decline of labor export depends on the level of analysis. At the individual level the lack of remittances poses a serious problem with people in the poorer agricultural areas who used to rely on remittance feeling a direct impact in the form of lower purchasing power.\textsuperscript{55} For Botswana as a whole, however, this reduction has had little direct impact. The remittances of miners from South Africa are no longer an important aspect of Botswana's balance of payments, as they are, for example, in Lesotho. Accordingly, South Africa is much less in a position to utilize migrant labor as a means to pressure Botswana.

The changing stature of South Africa in the international system is another facilitating factor. As Angola and Mozambique achieved independence in 1975, the balance of power in the region shifted and set the stage for what became the Lancaster House Agreement. Both the UK and the U.S. began to realize that Kissinger's dictum on the permanence of white rule in the region was incorrect, and, in the face of an escalated liberation war, began a more serious process of negotiation. While South Africa was unwilling to discuss domestic affairs, the Afrikaner government in effect conceded control of Zimbabwe in the face of undeniable evidence that further attempts to shore


\textsuperscript{55} Taylor, op. cit., p. 270.
up white rule there were futile. Then Prime Minister P.W. Botha's "total strategy" in defense against the "total onslaught" on South Africa, despite its horrendous results for the people of the region, was in effect an admission of defeat. South Africa's attempt to reach out and control the region had been unsuccessful, the great 'white coalition' of Afrikaners, Rhodesians and Portuguese had been defeated and South Africa's allies in the West were more reluctant to face Third World criticism over their support of the apartheid regime. This more defensive position in the region is a further factor facilitating the pursuit of a more independent foreign policy by Botswana.

Conclusion

Together, these factors provide an explanation for the changing nature of Botswana's foreign policy and for the paradox related to Botswana's geopolitical position. As outlined above, that position was used as a justification for both the cautious policy of the late 1960s and the early 1970s and the support for armed struggle in the mid to late 1970s. The factors presented above provide some indication of how this change of policy came about. When the country was still dependent on SACU revenues and its relations with the RSA, the geographical location exemplified the fact that the reproduction of the bureaucratic class was tied to the economic welfare of South Africa since the share of SACU revenue was directly tied not only to total imports but also to sales and excise tax volume in the entire SACU region. As the sources of revenue changed and an independent bureaucratic class emerged, the geographical location increasingly became a constraint, perceived or real, to that reproduction. The economic activities in the SACU region were no longer as important as unhindered access to the world market, especially Europe. Dependence on South Africa had in effect been traded for dependence on the larger world economy, especially on the European Community and the foreign policy reflected that shift in its more independent rhetoric and actions.

This is not to say that South Africa is no longer important to Botswana; only a cursory glance at the grocery store shelves in Gaborone will tell a different story. But South Africa is no longer important for the reproduction of the bureaucratic class. Its main sources of revenue and surplus are now dependent on the export of minerals to Europe not on exchange with South Africa. Consequently, access to Europe and to the world market is a primary concern of Botswana. It is therefore no surprise that Botswana is a strong supporter of SADCC, since diversification of the regional transportation network has so far been the primary goal of that organization. If association with the RSA was a necessary evil in the past since the bureaucratic class depended on the revenue sharing from SACU, South Africa has now turned
into a potential threat especially with regard to its control over Botswana's access to vital markets. The threat of RSA interruptions of this flow (as experienced in 1986 when Bophutatswana required visas for Batswana travellers) has always been a real one and it is being taken seriously, as witnessed by the P5 million investment in the Limpopo line outlined above.

Thompson's earlier analysis of Botswana's role in the FLS came to the conclusion that its limited contribution reflected "the dependence of the economy on foreign capital and the lack of relative state autonomy from the dominant class," with the dominant class consisting of foreign capital and cattle ranchers. This analysis omitted the role of the bureaucratic class entirely and therefore overlooked the internal dynamics which are quite unrelated to the machinations of foreign capital. What we have witnessed over the last decade and a half is the formation of an indigenous class which has used its control over the state apparatus as a means to achieve "primitive accumulation," i.e., the formation of an indigenous capital stock not controlled by transnational interests. In Botswana, this process was aided immensely by the dramatic success of the diamond sector. For the future, a number of developments are possible. In line with Motlou's observation that the bureaucratic class increasingly invests in modern sector activities, we may well see the unfolding of a process where "primitive accumulation" via control of the state has achieved its upper limits and the accumulated capital stock flows into private sectors, creating the beginnings of an indigenous entrepreneurial class. In presenting the sixth National Development Plan in November 1990, President Masire said as much when he indicated that the "private sector will have to assume greater opportunities and responsibilities for the promotion of economic development." To speed up this process, the government has spent P38 million in 1991 alone on a Financial Assistance Program for private entrepreneurs. This process of moving beyond the state once other venues of accumulation appear to be more profitable has been observed in other African countries. Botswana, however, will in all likelihood face fewer problems in that process given the more open political system in the country. The move from the state realm to the market realm will have significant repercussions for Botswana's external relations. The current debate in the region over the future of SADCC and the possibility of joining the Preferential Trade Area for Eastern and Southern Africa (PTA) points in that direction. While unhindered access to the European markets for

56. Thompson, op. cit., p. 221.

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Botswana's products was the issue behind Botswana's support for SADCC, the next decade may see the emergence of a need for markets for goods and services produced by this private sector activity. Rather than looking for markets in Europe, Botswana will probably look back to the region. The recent signing of a treaty turning SADCC into the Southern African Development Community in Windhoek signals the first step towards a more formalized regional organization.

A majority-ruled South Africa will also pose new challenges and new opportunities for the bureaucratic class. While we are likely to see further reductions in labor exports, the legitimation of relations with the RSA will probably result in even more cross-border activity. The Sua Pan project should be seen as a beginning of this process. Once in full operation, it will dramatically increase Botswana's exports to South Africa. Relations with what is now Bophutatswana will raise additional questions. Since a federal system with strong regional powers is a likely outcome of the current constitutional negotiations in South Africa, economic relations between Botswana and whatever entity might arise across the border are likely to increase and provide for further investment opportunities.

Will the bureaucratic class transform itself into a capitalist class? The answer to this question ultimately depends on the extent of the diamond reserves in Botswana. Since the current status of the bureaucratic class is so intricately tied to the diamond revenues, it is clear that once these are depleted, this class will need different mechanisms of reproduction. So while it is uncertain how important diamonds will be in Botswana's future, it is clear that diamonds have been an important key to an independent foreign policy for Botswana.

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