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## SOCIOLOGY | REVIEW ARTICLE

# Poverty dynamics in Botswana: Policies, trends and challenges

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**Abstract:** This paper provides an overview of poverty dynamics in Botswana from 1980 to 2014. It highlights, poverty-alleviation policies that have been implemented, the trends in poverty as well as the challenges that have been faced in reducing poverty. The main objective of this article is to discuss the successes that have been achieved and the challenges that have been faced in Botswana on poverty alleviation, with the view that other countries facing poverty challenges can learn from the dynamics. Poverty-reduction policies implemented in Botswana are three-pronged. Firstly, there are policies that increase income and livelihood for the poor. Secondly, there are policies that support infrastructure development especially in basic service provision like health and education. Thirdly, there are policies that focus on short term relief—targeting the poor and the vulnerable through social welfare programmes. Despite all the policies that have been implemented, it can be concluded that Botswana (like many other developing countries) still faces a number of challenges related to poverty reduction.

**Subjects:** Sociology & Social Policy; Development Studies; Economics and Development

**Keywords:** Botswana; poverty; trends; policies; challenges

**JEL classifications:** I3; I38

### 1. Introduction

The realisation that economic growth does not directly translate to poverty reduction has created renewed interest in poverty dynamics, especially in developing countries (Fauzel, Seetannah, & Sannasse, 2015; Sharma & Gani, 2004). A number of studies have examined the relationship between poverty and other economic variables, such as, economic growth, foreign direct investment, trade and financial development (Dollar & Kraay, 2004; Gohou & Soumare, 2012; Jeanneney &

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### PUBLIC INTEREST STATEMENT

Poverty Dynamics in Botswana: Trends, Policies and Challenges outlines poverty related policies that have been implemented in Botswana from 1980 to 2014. The article highlights the trends in poverty and the challenges that have been faced, in an effort to alleviate poverty. The main objective of this article is to discuss the successes that have been achieved and the challenges that have been faced in Botswana on poverty alleviation, with the view that other countries facing poverty challenges can learn from the dynamics.

Kpodar, 2008). The overarching objective in all these studies is to find the best economic variable that can lead to poverty reduction.

The growing need of a solution to poverty, on one hand, and increasing poverty levels in developing countries, on the other hand, resulted in Governments actively seek poverty solutions at national and international level. International partnerships have resulted in many countries—from developing and developed countries—being signatories to the Millennium Development Goals. The Millennium Development Goal of eradicating extreme poverty and hunger by 2015 was met at an aggregated level. The achievement is not widely shared at country level. African countries still face high poverty levels, which demand more government initiative and commitment. Some governments have set country targets on monetary and non-monetary poverty measures. The negative effects of poverty, such as low human capital, low investment, low productivity and poor health, retard economic growth. These characteristics if not reversed draw economies to low economic growth and deep impoverishment.

Economic growth is necessary, but not sufficient to achieve poverty reduction. The relationship between poverty and economic growth has been explored in a number of countries and consensus is arising that economic growth is necessary for poverty reduction. A number of studies also support the role of economic growth in poverty reduction. Tsai and Huang (2007), for example, found economic growth to be a major driver for poverty alleviation, in a study on Taiwan between 1964 and 2003. Odhiambo (2009), in a study on South Africa, found economic growth to Granger-cause poverty reduction. Dollar and Kraay (2002) also found economic growth to have a positive effect on poverty reduction in developing and developed countries.

The neo-classical and endogenous growth theories also support the role economic growth in poverty reduction. Capital and labour are important inputs in the production of output in both the neo-classical and endogenous theories. In the neo-classical models, besides the capital and labour, technology is exogenously determined (Solow, 1956). Output can be increased by varying the proportions of labour and capital. In the long run diminishing returns set in, which limit the capacity to increase output indefinitely. In contrast to the neo-classical growth theory, the endogenous growth theory assumes technology is endogenously determined. Technology offsets diminishing returns giving a long-run growth effect (Lucas, 1988; Romer, 1990). The resulting economic growth leads to improvement in job opportunities for the poor and general improvement in living standards, and increases government resources in tax revenue for developmental projects. It is this indirect effect that makes economic growth important for poverty reduction.

Botswana, like other African countries, has implemented a number of policies in order to reduce poverty. Poverty levels in Botswana have been decreasing, although they still remain high. Poverty levels also vary across provinces, level of education and settlement type. Effective poverty alleviation programmes demand an in-depth understanding of its dynamics. To this end, this study aims to analyse poverty dynamics in Botswana, in the context of policies implemented, trends and challenges faced.

The rest of this paper is organised as follows: Section 2 outlines some of the poverty-alleviation policies that have been implemented in Botswana. Section 3 provides the poverty trends in Botswana, and Section 4 highlights the challenges that have been faced in Botswana in reducing poverty. Section 5 concludes the paper.

## **2. Poverty alleviation policies in Botswana**

Government poverty reduction initiatives are engrained in the National Development Plans. The National Development Plan 9 explicitly outlines poverty reduction as one of the key policy deliverable while other subsequent National Development Plans advance poverty reduction through social justice principle. Government policies focus on three channels in alleviating poverty which are:

increase in livelihood for the poor, expansion in basic service provision and social safety net. The policies are guided by the National Strategy for Poverty Reduction (NSPR) of 2003.

The NSPR was formed in 2003. The NSPR gave a policy framework for the implementation of poverty initiatives in Botswana in a coordinated manner. It consolidated various sectorial poverty initiatives to provide a monitoring system. The strategy provided implementation of broad-based labour-absorbing economic growth and provision of quality basic services. It also upheld pro-poor cost-effective social safety nets and effect intervention policy on HIV/AIDS (Southern Africa Regional Poverty Network, 2006/2007). The NSPR outlines multi-sector approach to poverty reduction implementation, evaluation and monitoring. The Vision 2016 target eradication of poverty by 2016 and the NSPR provide the framework under which the objective is achieved.

A number of paths have been identified to alleviate poverty in Botswana under the strategy (NSPR) that include enhancing human capacity through increasing access to quality education, health and nutrition. Implementation of cost-effective social safety nets characterised by targeting and increase in coverage (Southern Africa Regional Poverty Network, 2006/2007). The strategy recognises the importance of fighting HIV/AIDS, which is seen as a threat to achievement of economic growth and social advancement (Southern Africa Regional Poverty Network, 2006/2007).

The first set of poverty-reduction policies focused on promotion of broad-based economic participation to be realised through economic incentives for employment creation, income generation, economic empowerment and entrepreneurial development (Seleka, Siphambe, Ntseane, Kerapeletswe, & Sharp, 2007). Programmes and policies that were implemented under this category include: Financial Assistance Programme, Citizen Economic Empowerment, Citizen Entrepreneurial Development Agency (CEDA), Local Enterprise Authority (LEA), rural area development support programmes, agriculture support programmes and youth support programmes.

The Financial Assistance Programme was established in 1982, to provide grants to businesses and promote production and employment creation. This fund was phased out in 2001 because of high failure rate of supported programmes, and was replaced by the CEDA (UNCTAD, 2003).

CEDA was established in 2001, as a successor programme to the Financial Assistance Programme, with different business support focus. The agency support citizens starting business or expanding existing ones, aged 18 and older (CEDA, 2015). CEDA provides a wide variety of products to cover a wide spectrum of business needs that include: loan finance, lease loans, credit guarantee, Citizen Entrepreneurial Assistance Equity, Factoring and Invoice discounting and business advisory services (CEDA, 2015). CEDA provide entrepreneurial development through availing of funds, training in areas that entrepreneurs lack business knowledge. The main objectives of CEDA are to encourage entrepreneurship as a way to empower citizens, foster economic diversification and development of competition (CEDA, 2015).

LEA is also among the initiatives rolled out to build local capacity and strengthen economic participation. The LEA was formed in 2006 to facilitate development and growth of Small Micro and Medium Enterprises (SMMEs) in agriculture, manufacturing service and tourism (AFDB and OECD, 2008). LEA provide services from incubation of a business and offers a wide variety of business ideas from the drawing up of a business plan, application of finance, provide assistance in access to markets and growing of the business (LEA, 2015).

In 2007, LEA and CEDA entered in a Memorandum of Understanding jointly to standardise the delivery of service to entrepreneurs who get assistance from the two programmes (Republic of Botswana, 2012). A follow-up on the services provided was also devised as a means of enhancing effectiveness on the support offered in achieving skills development and buttressing business operations. CEDA has successfully created sustainable employment and minimise dependency on government hand-outs and 5,000 business since its inception have been supported (CEDA, 2015).

The Citizen Economic Empowerment Policy of 2012 provides a group of different economic empowerment interventions with a common objective of increasing citizen access to the means of production (Republic of Botswana, 2012). The policy recognises the importance of human capital in the achievement of economic empowerment (Republic of Botswana, 2012). The CEE has a strategy with eight pillars, namely: citizen empowerment in social economic policy; increase in global competitiveness through empowerment and partnership; transformation of economic growth to private sector-led investment in quality human capital development; use of budgetary process to support empowerment; encouraging non-state actors, social upliftment and procurement; and licensing aimed at promoting empowerment (Republic of Botswana, 2012).

Other Economic Empowerment Policy Programmes include: localisation policy; Credit Guarantee Schemes; reservation policy; preference under public procurement; privatisation policy; Micro Finance Business Scheme; Citizen Entrepreneurial Mortgage Assistance Equity Fund, Economic Diversification Drive (EDD) (Republic of Botswana, 2012). The Localisation Policy gives preference to employment of Batswana in cases where similar skills and training are possessed by foreign and local applicants (Republic of Botswana, 2012), while the Credit Guarantee Scheme provides guarantees for loans given to SMMEs owned by citizens from commercial banks (Republic of Botswana, 2012). The guarantee pays a certain portion in the case of default. Reservation policy reserves some services for citizens only. Privatisation policy divests government interest in state enterprises and uses other initiatives like outsourcing of non-core activities from private sector.

The need to address special needs for the youth with the objective of increasing access to economic resources, empowerment and employment, resulted in the National Youth Policy in 1996. The youth in Botswana include individuals between 12 and 29 years (Ministry of Labour and Home Affairs, 1996). The policy had three goals which include: providing a broad framework for coordination of youth programmes and providing a platform to address issues related to youths; recognising and fostering participation of youth in economic development and provide structures that take into account youth needs (Ministry of Labour and Home Affairs, 1996). In 2010, the National Youth Policy was revised. The revision was also necessitated by the need to conform to regional and international conventions (Ministry of Youth, Sports and Culture, 2010). Youth programmes initiated include: Young Farmers Fund, Youth Development Fund, E-innovation Youth Empowerment Programme, Arts and Culture Grants (MTI, 2015).

The government strategy on reduction in poverty through support of livelihoods in rural areas was pursued through the National Policy on Rural Development, Remote Area Development Programme and Community Based Strategy for Rural Development. The National Policy on Rural Development was introduced in 1973 and later revised in 2002 to align policy objectives with new social-economic developments (United Nations Development Programme (UNDP), 2005). The primary objective of the policy was poverty-reduction in rural areas and encouraging participation of all stakeholders (UNDP, 2005). The policy also restored subsistence livelihood to those without alternatives as a means of reducing dependency on government (UNDP, 2005).

The Community Based Strategy for Rural Development was an initiative to encourage community participation in the development and provision of sustainable livelihoods (UNDP, 2005). The programme was based on activities initiated by the communities through the leadership structures and implementation was the responsibility of District Development Committee and Community Based Organisations (UNDP, 2005).

Remote Area Development Programme was initiated in 1978 and reviewed in 2003. The programme focus on accelerating economic development in social services, infrastructure and promoting economic and community development (Seleka et al., 2007). People who got assistance from this programme were highly marginalised and live far away from service centres and facilities. The objectives of the programme are to provide basic services like education, health and water; promote income generating; and foster self-reliance (UNDP, 2005).

Government has initiated projects that support agriculture as a way of providing livelihoods of Botswana and minimise dependency on hand-outs. The programmes implemented in support of the objective are: the Accelerated Rainfed Programme, Arable Lands Development Programme and Integrated Support Programme for Arable Agriculture Development Programme (ISPAAD). The Arable Lands Development Programme was introduced in 1981 to provide inputs to households in rainfed arable land (Ministry of Agriculture, 2015). The programme was terminated in 2008 and replaced by ISPAAD (Ministry of Agriculture, 2015). The ISPAAD targeted improving agriculture productivity through the use of technology. The farmers were categorised according to level of production and subsidies varied according to the needs of the class of farmers (Ministry of Agriculture, 2015).

The second broad category of poverty reduction measures implemented by the government is the provision of social safety nets. Social safety nets are used as short-term measures for poverty alleviation in Botswana, while the long-term objective is to empower the poor and reduce dependency on government support (Seleka et al., 2007). The old-age pension and World War II Veteran programmes are entitlements and access is not means-based (Seleka et al., 2007). Supplementary feeding programmes are offered by the Social Welfare Department to primary school children under the Primary School Feeding Programme (PSFP) and Vulnerable Group Feeding Programme. The programmes are used to reach the poor and to reduce malnutrition (BIDPA, 2008).

Botswana's social safety net also offers Orphanage Care Programme, Community-based Care Programme and Labour-based Drought Relief Programme. The Orphanage Care Programme supports children under 18 years who have lost one or both parents. Support is provided through food baskets, school fees, clothing and transport fares (BIDPA, 2008). The Community-based Care Programmes is designed to support needy full-blown AIDS patients by providing food baskets to boost nutrition (BIDPA, 2008). The labour-based Drought Relief Programme is offered during drought periods as a source of temporary income support (BIDPA, 2008).

The third category of policies targets provision of infrastructure in support of basic services provision like education and health. In Botswana, health care is delivered through public, private for profit, private for non-profit and traditional medicine (Ministry of Health, 2015a). The Ministry of Health formulates, coordinates and leads in health provision. The Ministry of Health is also responsible for setting quality, affordability, regulations and registration of private health providers (Ministry of Health, 2015b). The Public Health Act of 1981 (amended 2013) regulated the public sector health provision. The Pharmacy Act, Drugs and Related Substance Act, Mental Health Act, Professionals Act also guide in administration and provision of health.

Primary health care is provided through District Management Teams that run a network of health facilities that include hospitals, mobile stops, and community-based preventive support services (Ministry of Health, 2015b). The National Health Policy guides health provision with the first policy issued in 1995. Due to the changes in demographics and the disease burden the policy was revised in 2011 to align it with the prevailing health needs. Other policy documents that support health include the Integrated Health Service Plan 2010–2020 and Vision 2016.

One of the pillars enshrined in Vision 2016 is creating an educated and inspired nation able to sustain growth and facilitate global integration of the economy (Vision 2016, 2015). The importance of education was realised immediately after independence and the successive National Development Plans articulated its importance. In 1990 Botswana was part of the Jomtien World Conference which led to the world declaration on education for all as one of the objectives of meeting basic human needs (UNESCO, 2000). Basic education requires 10 years of formal education to obtain a Junior Certificate. The first National Policy on Education was launched in 1977 and emphasised on *Kagisano*/ education for social harmony (UNESCO, 2000).

To align education with the economic needs, the National Policy on Education was revised in 1994. The emphasis for the revised policy was on science and technology, making further education and

training more relevant and available to large numbers, increasing partnership between schools and the community incorporated the poor, disabled and disadvantaged (UNESCO, 2000). The new policy advocated for adult literacy which led to the formation of the Department of Non-formal Education. The aim was to eliminate illiteracy in rural and urban areas, and to support women's and children's education. Education for the adults was delivered through Village Reading Rooms, Income Generating Activities Programmes and literacy at the work place championed by Literacy Group Learners (UNESCO, 2000), while the Botswana Examination Council (BEC) was mandated under section 5 of the BEC Act of 2002 to conduct school examinations for the Ministry of Education and Skills Development (BEC, 2015).

The Tertiary Education Council through the Tertiary Education Act of 1999 mandates the Council to plan research, funding and developments of the tertiary institutions. In 2008, the National Assembly approved the tertiary education White Paper. The White Paper provided a framework for restructuring the tertiary education sector to increase Botswana human resource capacity and develop a coherent tertiary education sector, while the Vocational Training Act 22 of 1998 supports vocational education and creation of a vocational training fund (Botswana Training Authority, 2015). In 2009, the National Human Resource Development Strategy (NHSDS) was approved for implementation (Ministry of Education and Skills Development, 2009). The main outcome of the strategy is to create universally acceptable quality and productive people by 2022 (Ministry of Education and Skills Development, 2009, p. 4).

The national poverty reduction policies are complemented by regional poverty reduction initiatives from Southern Africa Development Community (SADC). The Regional Poverty Reduction Framework was signed by member countries in 2008 (SADC, 2015). The framework was developed to put the SADC Regional Indicative Strategic Development Plan an implementation framework. In 2008, a Protocol on Gender and Development was signed (SADC, 2015). Other protocols that have been signed related to poverty reduction are the Protocol on Education and Training in 1997 and Protocol on Health in 1999 (SADC, 2015). The Regional Infrastructure Development Master Plan of 2012 seeks to boost infrastructure in energy, transport, communication, technology, trans-boundary water resources and tourism.

### 3. Poverty trends

Poverty has multiple definitions depending on the focus of the study and these measures can be categorised into income and non-income measures. The poverty measures used in this study are poverty headcount calculated based poverty datum line at national level and Human Development Index (HDI)—a multi-dimensional measure that sum income, education and health dimensions of poverty (United Nations Development Programme (UNDP), 2015a). Besides country based poverty measures there is a standard measure of income poverty widely use—poverty headcount currently set at two income levels—\$1.90 and \$3.10 (World Bank, 2017). Poverty headcount is the percentage of the population leaving below the poverty datum line (Statistics Botswana, 2013).

Poverty distribution in Botswana by strata (type of settlement, which include cities/towns, urban villages and rural areas) reveal a great disparity between cities, urban villages and rural area (Statistics Botswana, 2013). The findings from the Botswana Core Welfare Indicators suggest poverty directly related to the type of dwelling. Table 1 shows poverty trends across strata from 2002/2003 to 2009/2010.

**Table 1. Poverty incidence by strata 2002/2003 and 2009/2010**

Residential area	2002/2003	Number of people in poverty	2009/2010	Number of people in poverty
Cities/towns	10.6	39,113	8	31,401
Urban villages	25.4	138,547	19.9	134,467
Rural areas	44.8	321,808	24.3	196,249
National	30.6	499,467	19.3	362,116

Source: Statistics Botswana (2013).

In 2002/2003 10.6% of the poor households were from the cities/towns compared to 8% registered in 2009/2010 (Statistics Botswana, 2013). Urban villages had the second highest impoverished individuals with 25.4% and a decline of 5.5% was recorded in 2009/2010 (Statistics Botswana, 2013). Rural areas had the highest impoverished individuals with 44.8% of the population living below the poverty line (Statistics Botswana, 2013). A decline of 20.5% was recorded in 2009/2010. High poverty levels were recorded in rural areas, followed by urban villages and lastly cities and towns for 2002/2003 and 2009/2010 (Statistics Botswana, 2013). Although there is a decline in poverty, the variation across strata has remained the same. It is interesting to note that, of the 499,467 individuals impoverished, 64% came from the rural areas in 2002/2003 and 54% in 2009/2010 (Statistics Botswana, 2013). Poverty levels vary between females and males across all strata. Figure 1 shows the incidence of poverty between male and female across different strata in 2009/2010.

In 2009/2010 out of the national poverty headcount of 19.3% the impoverished female contributed 10.5% while their male counterparts constituted 8.5% (Statistics Botswana, 2013). The difference between the female and male poverty headcount is marginal in cities and towns, but the gap widens as one moves from urban to rural settlements (Statistics Botswana, 2013). The urban villages have the second highest poverty level among females registering 4.1%, while rural areas recorded 5.7% (Statistics Botswana, 2013). This is in comparison to 3.1% in urban villages and 4.8% in rural areas recorded for males (Statistics Botswana, 2013).

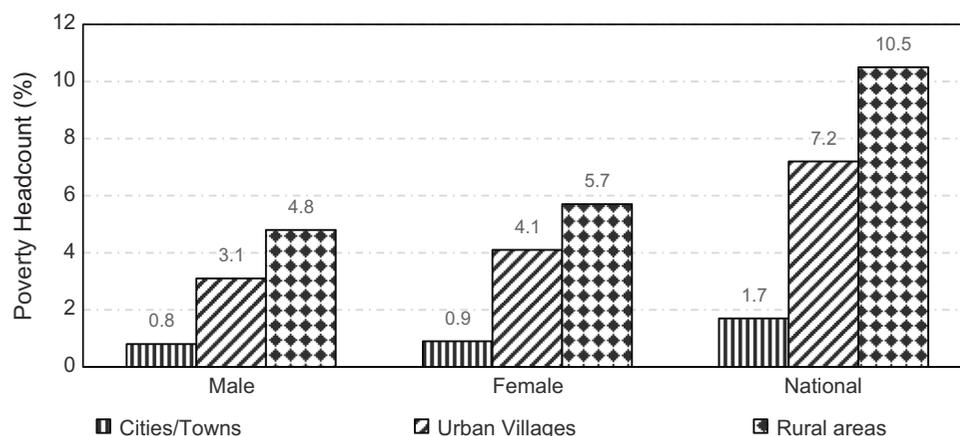
Variability within the strata recorded 56.5% of the urban village females being under the poverty line, compared to 43.5% in males in 2009/2010 (Statistics Botswana, 2013). Cities/towns and urban villages have the same distribution of within strata poverty variation of 45.8% in males and 54.2% in female for cities and 45.4% for males and 54.6% in females (Statistics Botswana, 2013). On average 45.6% of males from cities or urban villages are poor compared to an average of 54.4% females (Statistics Botswana, 2013).

Poverty levels in Botswana vary, depending of the educational level of the head of the household. The trends shown in Figure 2 suggest education playing a lesser role in improving poverty levels, especially when simple school attendance is used as a criterion for education. Figure 2 shows poverty levels across strata and sex of the household head in 2009/2010.

Figure 2 shows 78.2% of the poor in cities/towns attended school in comparison to 58.1% in urban villages and 50% in rural areas (Statistics Botswana, 2013). The poverty level is lowest among those who attended school in rural areas compared to urban dwellings. In the poor households in rural areas, 49.8% of the household head had never attended school (Statistics Botswana, 2013). The percentage of the poor who never attended school decreases as one moves from rural to urban areas (Statistics Botswana, 2013). Among the urban villages, 41.6% of the poor families were headed by someone who never attended schools (Statistics Botswana, 2013). The proportion of the poor families with a head who never attended school was lowest in cities, with 20.5% (Statistics Botswana, 2013).

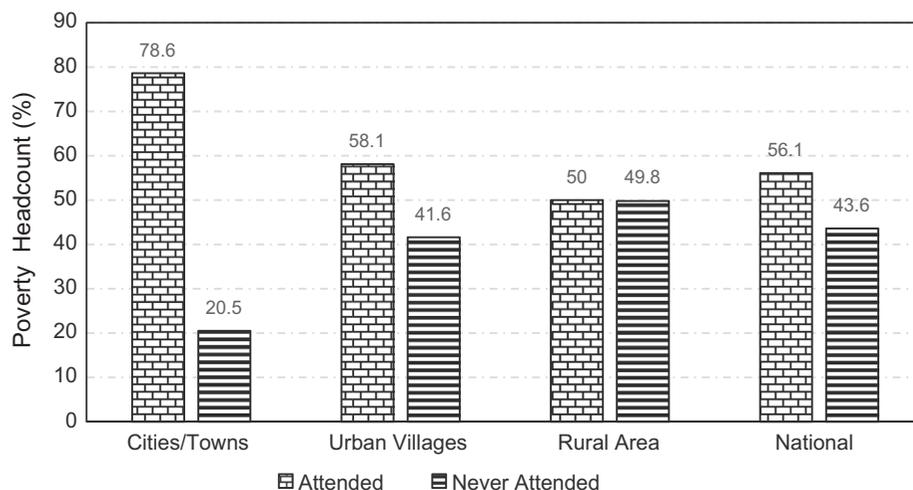
**Figure 1. Poverty distribution by sex and strata 2009/2010.**

Source: Statistics Botswana (2013).



**Figure 2. Poverty distribution by education and strata 2009/2010.**

Source: Statistics Botswana (2013).



The incidence of poverty among districts shows a large variation with some districts still recording high poverty levels like Ngamiland West and Ngwaketse West (Statistics Botswana, 2013). Table 2 shows poverty levels at district level in 2002/2003 and 2009/2010.

At national level, poverty decreased from 30.6% in 2002/2003 to 19.3% in 2009/2010, but large variation were registered across districts (Statistics Botswana, 2013). Ngamiland West remained the highest impoverished district in 2002/2003 and 2009/2010 recording 53.3 and 46.2% for the two periods (Statistics Botswana, 2013). Although there was a decrease in poverty in the district, poverty remained high. The second and third impoverished village in 2002/2003 were Kgalagadi South with 50.6% and Kweneng West with 48.5%. The districts with lowest poverty levels in 2002/2003 were Orapa, Sowa Town and Francis Town with 1.8, 3.4 and 7.6% respectively (Statistics Botswana, 2013). In 2009/2010 the second highest poor district was Ngwaketse West with 41.7% a decrease from 48.1% in 2002/2003. Central Bobonong was on the third ranking with 32.8% followed by Kweneng West with 32.4%. Orapa and Chobe had the lowest poverty levels in 2009/2010 with 0 and 2.2% (Statistics Botswana, 2013). Although poverty declined across most districts Francistown and Sowa Town recorded a surge in poverty over the period. The province which recorded the greatest reduction in poverty was Kgalagadi South with a decline of 33.7% (Statistics Botswana, 2013).

Botswana ranked 109th out of 187 countries in 2013 HDI, a slight fall from 108th position in 2012 (UNDP, 2015a). Botswana is among the medium HDI countries (UNDP, 2015b). UNDP define HDI as a summary measure of advancement in health, being knowledgeable and decent standards of living (UNDP, 2015b). In 1980, a HDI of 0.47 was registered. The index increased to 0.58 in 1990 before declining by 4% to 0.56 in 2000 (UNDP, 2015b). A consistent improvement has been registered from 2005 to 2013. The index grew from 0.61 in 2005 to 0.68 in 2013 (UNDP, 2015b).

Botswana has registered improvement in education, sanitation, access to electricity and waste disposal. Households with access to electricity for lighting increased from 13% in 1993/1994 to 46% in 2009/2010, although households who use paraffin for lighting remain high, the percentage has decreased over the years (Statistics Botswana, 2013). In 1993/1994, 71% of household used paraffin for lighting and 9% for cooking, but a decline has been recorded with only 32% using paraffin for lighting in 2009/2010 (Statistics Botswana, 2013). Access to piped water has also improved with 88.9% in 2009/2010, an improvement from 83.3% in 1993/1994 (Statistics Botswana, 2013).

**Table 2. Poverty levels by district 2003/2003 and 2009/2010**

District	2002–2003	2009–2010
	Poverty headcount (%)	Poverty headcount (%)
Gaborone	15.9	6.1
Francistown	7.6	7.9
Lobatse	19.1	14.9
Seibe Phikwe	15.7	14.2
Orapa	1.8	0
Jwaneng	8.8	3
Sowa Town	3.4	6.8
Southern	43	17.6
Barolong	43.4	24.2
Ngwaketse West	48.1	41.7
South East	17.5	13.4
Kweneng East	30	17.8
Kweneng West	48.5	32.4
Kgatleng	27.2	19.5
Central Serowe/Palapye	37.3	27.4
Central Mahlalapye	38.9	17.5
Central Bobonong	41.4	32.8
Central Boteti	42.5	29.8
Central Tutume	41.9	18.9
North East	21.4	20.2
Ngamiland East	33.9	22.6
Ngamiland West	53.3	46.2
Chobe	27.7	2.2
Ghazi	41.6	26
Kgalagadi South	50.6	16.9
Kgalagadi North	38.3	23.9
National	30.6	19.3

Source: Statistics Botswana (2013).

Improvement in education was registered with the literacy rate increasing from 1981, 2001, 2003 and 2010 by 34, 67.5, 76.6 and 85.3% respectively (Statistics Botswana, 2013). The gross enrolment for secondary and primary school improved with children aged 7–12 years registering 93.1% in 2012, an improvement from 90% in 2003, while secondary school gross enrolment for 14–18 years increased from 66.9% in 2002 to 70.7% in 2012 (Ministry of Education and Skill Development, 2015). Tertiary education enrolment registered an increase from 20,011 in 2003/2004 to 57,447 in 2012 (Ministry of Education and Skill Development, 2015).

#### 4. Challenges faced in poverty reduction efforts

High unemployment rate in Botswana poses a challenge to poverty alleviation through restrained economic participation by the most vulnerable groups (AFDB, OECD and UNDP, 2014; Ministry of Finance and Development Planning, 2013, p. 8). The rising number of youth who are unemployed has exacerbated the problem (Ministry of Finance and Development Planning, 2013). The unemployment rate was at 19.8% for the 18 and above age group, with the 15 and above age group recording 20% in 2013 (Statistics Botswana, 2013). The high unemployment is partly attributed to skills and job market mismatch (AFDB, 2009). Government strategy for employment is part of the National Poverty Reduction Strategy. Government has put in place policies to restructure the education system

through the Revised National Policy on Education and National Policy on Vocational Training. The main objective is to produce relevant skills in line with dynamic market demands.

The government of Botswana spends about 25% on education, but the quality of education remains a concern (AFDB, 2009). This has affected the quality of entrepreneurship, technical and managerial skills important for economic diversification according to the report (AFDB, 2009, p. 11). Low education also results in limited employment opportunities that consequently result in low income and the poverty trap. There has been a mismatch between education quality and the demand of the market (Ministry of Finance and Development Planning, 2013). In response to this challenge, government reviewed the Vocational and the Education Policy with the view of aligning the knowledge acquired to market demand. Government also places more emphasis on vocational training which is industry-oriented. The Vocational Training Authority was established in 2000 to oversee vocational training, quality assurance, accreditation monitoring and evaluation with the National Vocational Qualification Framework. In the public sector, government formed the Public Service College in 2011 to increase skills and improve the competency of the public service.

Botswana is faced with a shortage of health professionals which affects health provision (Ministry of Health, 2011). The country relies on in-country and out-of-country health professionals, with supply more skewed to out-of-country (Ministry of Health, 2011). Shortage of qualified staff also affects the National Drug Quality Control laboratory and the Drugs Regulation Unit (Ministry of Health, 2011). The health professionals' supply is highly constrained to provide quality health care to Botswana. This is worsened by high staff turnover and increasing demands of staff in different health projects, such as the HIV/AIDS programmes (Ministry of Health, 2011).

Botswana faces a challenge of over-reliance on the mining sector, especially diamonds, for revenues to support development projects and poverty programmes, which are non-renewable and constrain government ability to support growth and poverty reduction projects in the future due to depletion (Ministry of Finance and Development Planning, 2013). Diamonds contribute a large proportion of government revenue. The depletion of underground diamond mining, which is the most profitable, requires a new focus on another engine of growth for sustainable development (Ministry of Finance and Development Planning, 2013). This has resulted in a private sector economy-led growth drive for the future of Botswana. The Private Sector Development Policy and Public Private Partnership were rolled out to support private-sector participation in economic development.

According to AFDB (2009, p. 11), infrastructure bottlenecks in Botswana are negatively affecting the country's competitiveness. The transport network plays an important role as the country's gateway to the international market. Botswana is a landlocked country and its competitiveness rests on the ability to build and maintain quality communication network. In addition, the recent power challenges in South Africa have resulted in a reassessment of the country needs and a gradual reduction in electricity export (AFDB, 2009). This decision negatively affects Botswana's power supply, given that it imports power from South Africa. In 2017, however, South Africa management to boost its electricity production leading to a 3 year electricity export deal to Botswana (Eskom, 2017).

The need to overcome the HIV/AIDS epidemic has been highlighted in the AFDB Country Strategy Paper as a challenge that Botswana is facing (AFDB, 2009, p. 11). The HIV prevalence rate was at 18.5% in 2013, up from 17.6% in 2008 (Statistics Botswana, 2014). The impact of the epidemic increases costs for both public and private organisation through low productivity due to illness and frequent absenteeism. The training cost of labour also increases as staff turnover increases due to deaths and illnesses (AFDB, 2009). The increase in the burden of the HIV/AIDS also affects government social development programme. Pressure is exerted on government budget related to social service provision, such as health and increase in demand for social safety nets. AFDB, OECD and UNDP (2014), highlighted the negative impact that HIV/AIDS has on the life expectancy. In response to the challenge, government formed the National AIDS Council in 1999 to coordinate HIV/AIDS

programmes (National AIDS Coordinating Agency, 2015). The response to HIV/AIDS are guided by the National Policy on HIV/AIDS.

## 5. Conclusion

This paper has given an overview of poverty reduction in Botswana; highlighted poverty alleviation policies; tracked the poverty dynamics before outlining the challenges that the government faces in poverty alleviation efforts. The government approach to poverty alleviation has been three-pronged. First, there are policies that target increasing disposal income of the poor and economic empowerment, for example, CEDA, CEE, agricultural support among other programmes. Second, are policies that focus on infrastructure development in basic service provision. Third, are policies that give immediate relief to the poor through the social safety net programmes.

In response to the poverty alleviation policies, Botswana recorded a fall in poverty levels measured by poverty headcount, although there were variations across strata (settlement type), sex, and district and education level. Females were highly impoverished compared to their male counterparts. High poverty levels were recorded in rural areas, with poverty levels decreasing from rural to cities. The cities recorded a high number of impoverished household with the household head having attended school, while in rural areas, the highest percentage of impoverished households was recorded for households with a household head who has never attended any school. Despite the fall in poverty levels, Botswana faces a number of challenges in poverty alleviation efforts. Some of the challenges include high unemployment levels; poor education quality; infrastructure bottlenecks; high HIV/AIDS prevalence and over reliance on mining as the main source of revenue. Based on the policies, trends and challenges highlighted, it can be recommended that there is no single panacea for poverty alleviation, but calls for a number of policies that constantly need a review to identify challenges in order to rectify them.

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