The Sir Ketumile Masire Factor in the Making of Botswana as an 'African Miracle'

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Abstract

Economic growth and development are associated with or caused by many variables one of which is leadership. The functional approach of leadership holds that leadership is not about an individual and his/her attributes. Rather, it is about a group and its attributes. However, it is unwieldy to focus on the role of the entire leadership in impacting macro-economic outcomes such as economic growth and development. Therefore, this paper discusses Sir Ketumile Masire's role in shaping Botswana's economic and development trajectory as founding Deputy Prime Minister, founding Vice President and Finance Minister and, latterly, President. It concludes that he provided leadership which very favourably circumstanced Botswana to become a relative economic and developmental success. In the process, the country earned accolades such as the 'African Miracle'. However, serious macro-economic challenges such as persistent poverty and massive income inequality detract from these economic and developmental achievements. Hence, there is a need to determinedly address them to ensure prosperity for all or at least for the great majority of the country's citizens.

Introduction

To establish relationships between variables (say X and Y), statistical concepts of correlation (associational relationship) and causation (cause and effect) are vital. Even though the two are related, they are also different. Furthermore, correlation does not imply causation. In this regard, a famous slogan in statistics cautions that 'correlation does not imply causation' (Mumford and Anjum 2013:1). Therefore, 'even if there is a very strong association between two variables we cannot assume that one causes the other' (McLeod 2008:1). While correlation may be easy to establish, for instance, between increased application of fertiliser and yield in a given plot of land, the difficulty arises with regard to asserting causation. Moreover, while it is easy to establish that increased application of fertiliser in a given plot is positively associated with increased yield (up to a point of diminishing returns), it would be difficult for one to establish that the increased application of fertiliser causes increased yield. The same problem lies in the area of economic growth and development. On the one hand, it could be asked what factors are associated with economic growth and development? On the other hand, a question could be what factors cause economic growth and development? Whether through correlation or causation, it is often held *a priori* that economic growth and development are associated with or caused by many variables. This is can be expressed as:

$$\text{Economic Growth and Development} = f\,(X_1, X_2, X_{3,} X_{4,} X_{5,} X_{6,} X_{7,} X_8\, X_{9,} X_{10\ldots}\, X_n).$$

Xs are correlational or causative variables of economic growth and development in a given country. X_1, X_2, X_3 etc could be anything, for example, natural resources, human resources, capital goods, technology, efficiency, political stability, governance and leadership. Overall, some of the X_s are in short supply in Sub-Saharan Africa (Mills 2011 and Moghalu 2014) which results in poor development records. Thus, the euphoria that greeted the attainment of independence in Sub-Saharan Africa starting in the late 1950s was followed by pervasive disappointment. Largely, independence only translated into what has been branded flag-and-anthem independence because economic growth and development were stunted and the welfare

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of citizens did not improve or deteriorated badly in many instances (for example, see Meredith, 2005). The most extreme vulnerability that the overwhelming number of citizens faced was poverty. Mainly as a result of a poor economic development record, Africa earned negative descriptive terms such as the Dark Continent. Lacking domestic solutions, Africa sought help from the West. Largely, this came in the form of Structural Adjustment Programmes (SAPs) which were loans provided by the International Monetary Fund (IMF) and World Bank to countries that experienced severe economic crises. They came about as a result of a donor conference held by the World Bank in Paris on 3 to 4 December 1987 whereby donor countries and international organizations intended to make US$6.4 billion available in the form of a special programme to highly indebted, low-income African countries to carry out structural adjustment programmes during the period 1980-1990 (Mohs 1988). The SAPs were introduced across Africa in the 1980s and continued to operate throughout the 1990s (Heidhues and Obare 2011). Some of their policy prescriptions were: anti-inflationary macroeconomic stabilisation policies that pushed for private sector and free market development, controlling budget deficits, privatising public sector enterprises and services, dissolving parastatals, eliminating subsidies; and cutting public support for social services (Heidhues and Obare 2011).

SAPs were applied in a number of countries in the Sub-Saharan Africa sub-region such as Cote d'Ivoire, Ghana, Mozambique, Tanzania, Uganda, Zambia and Zimbabwe. There is no consensus regarding the efficacy of the SAPs on these countries (Bar-on 1997; Devarajan and Khemani 2016; Heidhues and Obare 2011; Lopes 2013; and Naiman and Watkins 1999). Botswana belongs to a category of countries that were never subjected to the SAPs. The country attained its independence from Britain on 30 September 1996 as one of the poorest countries in the world (Acemoglu *et al*. 2003; Leith 2005 and Magang, 2015). Botswana economic viability was doubted as to prompt a depressing cartoon in the British *Punch* magazine depicting the country's independence as 'Very Brave or Very Foolish' (Makgala and Seabo 2017 and Masire 2006). However, Botswana defied the odds and became a relative economic success story following her independence. In the end, the country earned itself superlatives such as 'African Miracle' by, amongst others, Acemoglu *et al*. (2003) and Samatar (1999), 'the Switzerland of Africa' (Stedman 1993) and 'African success story' (Serikbayeva 2017).

However, there are strong dissenters to the description of Botswana as, among others, the 'African Miracle', 'the Switzerland of Africa', and 'African success story'. For example, Mogalakwe (2003) questions whether Botswana is indeed 'An African Miracle or a Case of Mistaken Identity?' Cook and Sarkin (2003:488) are most scathing of the 'African Miracle' label and argue that despite Botswana's successes:

> The GOB [Government of Botswana] has failed to address many issues of great concern to a country that could be emblematic of what is possible in Africa. These include severe inequality, government aversion to criticism, limitations on civil society and the media, the dominance of a single political party, extensive executive authority, unemployment, the HIV/AIDS epidemic, and the marginalization of minority groups, among others.

Other dissenters are Kenneth Good (2009) and David Magang (2015). Magang is most incisive in his criticism because he argues that Botswana's economic and developmental success cannot be compared to economic successes such as Dubai, Singapore and Malaysia, for instance. Notwithstanding the above criticism, this paper argues that indeed Botswana has had economic successes. For instance, it cannot be denied that Botswana attained the highest rate of economic growth in the world during the 1965-1985 period (Stedman 1993); the country also graduated into the rank of Middle Income Economy in 1992 and entered the new millennium as an Upper Middle Income Economy; between 1990 and 2015 her Human

Development Index value increased by 19.3 percent from 0.585 to 0.698 (UNDP 2016). The country's economic slowdown in the 1990s, coupled with challenges of the global economic crisis, impacted negatively on these successes. Given the country's developmental record, a critical question to ask is: how did Botswana achieve this feat? Many observers have tried to provide an answer (Acemoglu *et al.* 2003; Leith 2005; Leftwich 2010; Lewin 2011; Samatar 1999; and Sebudubudu and Botlhomilwe 2011). Lewin (2011) attributes Botswana's success to history, circumstance, institutions and good policies. Leith (2005) credits the prosperity to a democratic political system, visionary leadership and effective institutions; and while Sebudubudu and Botlhomilwe (2011:29) assert that 'Botswana's transformation was possible in part because of the good leadership and good policy decisions'.

It is clear from the foregoing that there are many variables associated with economic growth and development. However, it is not possible to discuss all of them in one paper. Therefore, this paper, which is influenced by Sebudubudu and Botlhomilwe's (2011) model of the nexus between good leadership and good policy decisions on the one hand and economic growth and development on the other, focuses on Sir Ketumile Masire's contribution in directing Botswana's economic and developmental trajectory from 1965 to 1998 when he retired. Specifically, the paper also focuses on Masire's role in four dimensions/aspects namely i) developmental statism; ii) natural resource management; iii) development planning; and iv) fiscal conservatism.

Leadership, Economic Growth and Development

For purposes of clarity, leadership must be defined even though this is not an easy task as noted by Stogdill (1974:7) who says 'there are almost as many different definitions of leadership as there are persons who have attempted to define the concept'. Leading definitions of leadership are found in works by some of the following: Cohen (1990), Hemphill and Coons (1957), Katz and Kahn (1978), Rauch and Behling (1984), Stogdill (1950); and Tannenbaum *et al*. (1961). For its part this paper defines leadership as the sum of attitudes, aptitudes, competencies and skills of leaders. As much as there are many definitions of leadership, similarly, there are many theories of leadership. Examples are Great Man Theory which was common in the 1840s; Trait Theory (1930s-1940s); Behavioural Theories (1940s-1950s); Contingency Theories (1960s); Functional Theory (1960s); Transactional Leadership Theories (1970s); Transformational Leadership Theories (1970s) etc. However, here we use the functional approach of leadership which is expounded in the writings of McGrath (1962). Functional leadership theory suggests that the leadership role is 'to do, or get done, whatever is not being adequately handled for group needs' (McGrath 1962:5).

Although some leadership theories focus attention on formal team leaders in terms of who gets things done in an organisation, the functional view of leadership is different. It is inclusive when it comes to who gets things done in an organisation (Hackman 2005; Hackman and Walton 1986; and McGrath 1962). Given the fact that different individuals get things done in an organization, the functional approach puts emphasis on leadership as opposed to one single or individual leader. Therefore, the functional approach of leadership is not based on one individual and his/her attitudes, aptitudes and competencies and skills. Rather, it is concerned with the attitudes, aptitudes, competencies and skills of leaders of a group. Thus, leadership does not repose in one person but in a set of attitudes, aptitudes, competencies and skills of a group which are deployed to get tasks done, and move an enterprise towards its pre-determined goals. Therefore, the emphasis is on how an organisation and its tasks and assignments are collectively led rather than on one individual who has been designated leader.

The functional approach was expanded by theorists such as John Eric Adair (1973) who developed the 'Action-Centred Leadership' model that focuses on three variables namely i) the task; ii) the team; and iii) the individual. Adair proposed that a good leader must consider all three elements at all times in order to successfully balance the needs of an organisation and its staff. He enumerated eight key functions of which the leadership is responsible for namely i) defining the task; ii) planning; iii) briefing the team; iv) controlling what happens; v) evaluating results; vi) motivating individuals; vii) organizing people; and viii) setting an example. With this theoretical framework of leadership in place, the paper next discusses how leadership impacts macroeconomic outcomes such as economic growth and development.

Due to the high premium placed on leadership, there is abundant scholarship on it and these works have one overarching objective which is to produce the ablest and most effective leadership. The works range from antiquity, for example Sun Tzu's *The Art of War*, to pre-modern times, from material such as Niccolò Machiavelli's *The Prince* and, latterly, modern times, with publications such as John Maxwell's *The 21 Irrefutable Laws of Leadership* (1998), Warren Bennis' *On Becoming a Leader* (1989), Daniel Goleman's *Primal Leadership* (2001), Daniel Goleman's *What Makes a Leader* (2014), and Peter Drucker's *The Effective Executive*: *The Definitive Guide to Getting the Right Things Done* (2006). The common thread that runs through these books is the need for leaders to provide direction and vision in steering an organization towards a pre-determined end point. In the case of a country, leadership is an imperative need to steer the entity towards many goals, the most important being economic growth and development.

Raymond Firth (196:186) states that 'in the voluminous literature on economic progress, growth or development, interest in factors other than the supply of capital has now become evident, as it became increasingly clear that more capital alone is not the answer to problems of economic advances'. According to Firth, these non-capital factors include the amount and quality of entrepreneurial, technical and managerial skills and abilities. He further states that enquiry by economic historians such as Max Weber on Western Europe demonstrates the correlation between entrepreneurship and economic advance. He also asserts that the same is true of the United States of America and Japan. Hence, as asserted by Sebudubudu and Botlhomilwe (2011:29) 'it is indisputable that leadership is a significant factor in any country's… economic development prospects'. In a related vein, strong political leadership, relating to authority, inspiration and management, is necessary for economic development (Arndt 1984). Holding other variables constant, good leadership will influence macro-economic variables such as economic growth and development through effective policy-making. In the end, high economic growth and development will potentially improve the welfare of citizens.

In the large literature on economic growth, the role of national leaders has received relatively little attention (Jones and Olken 2008). Our literature review supports Jones and Olken's claim because we found a few empirical studies that interrogate the link between leadership and economic growth and development. However, one study by the World Bank's Commission on Growth and Development stands out. The Commission produced a report in 2008 titled '*The Growth Report*' (World Bank 2008). The report is based on the views of a Commission of 19 leaders, mostly from developing countries and two academics. From the report it can be concluded that three variables; being: politics, leadership, and political economy are vital for growing and developing an economy. Brady and Spence (2009:206), drawing on the *Growth Report*, hold that to achieve high economic growth and development, policy arenas that need leadership are:

i) An economic component dealing with the issue of which models of growth and development work best and what kinds of policies tend to support sustained growth models.
ii) An institutional component dealing with the question of which institutions enhance and facilitate economic growth and development and how those institutions come into existence and become stronger; and, finally,
iii) A component that deals with the politics of growth featuring the ways in which countries deal with the issues created by growth, such as inequality.

From the Growth Commission's study 13 countries which applied the right policy choices, aided by their leadership, sustained high-growth rates in the post-Second World War period. These are Botswana, Brazil, China, Hong Kong, China, Indonesia, Japan, Republic of Korea, Malaysia, Malta, Oman, Singapore, Taiwan, China, and Thailand (World Bank 2008). In this regard, Botswana's period of rapid growth was between 1960 and 2005 and the per capita income was US$210 (in constant US$ of 2000) in 1960 and US$3800 (in constant US$ of 2000) in 2005. The growth rate during the 45 years was 17.1% (3800-210)/210))*100.

Outside Africa, the link between leadership and economic growth and development has been investigated in Singapore by, for example, Menon (2007). Menon's study (2007:1) offers 'Singapore as a classic example of effectively utilizing leadership and public management to attain economic growth with sustainability, equity and distributive justice'. There are studies which demonstrate the effect of bad leadership on economic growth and development. One such work is by Saidu (2015:25) who concludes that 'the study identified bad leadership as the primary threat holding Nigeria's economic greatness in the past and at present'. Saidu further argues that 'specifically, these problems are corruption, running an expensive democratic system, and the immunity of prosecution enjoyed by political office holders for as long as they are in power'. In another study on Nigeria by Okafor-Dike (2008), it was revealed that: a) leadership characteristics and some demographic characteristics of Nigeria's presidents influenced Nigeria's economic development; b) economic growth in Nigeria has not been sustained; c) inadequate leadership contributed to lack of sustained economic growth; d) military rule contributed to inadequate leadership; and e) ineffective leadership, not resource availability, was responsible for the lack of economic development.

It can be concluded that there is a relationship between leadership and economic growth and development. In an immense way, leadership matters as asserted by Jones and Olken (2008:1) saying that 'leaders matter for growth'. Leadership can either be an enabler (World Bank 2008; Jones and Olken 2008 and 2010) or a dis-enabler of economic growth and development (Saidu 2015 and Okafor-Dike 2008). While Botswana has, arguably, been an exemplar economic and developmental success in Africa, the link between leadership and economic growth and development during the Masire era is under researched. So, this paper intends to fill this gap by focusing on the role of leadership on developmental statism; natural resource management; development planning; and fiscal conservatism during the Masire years.

Developmental Statism

When Botswana attained independence on 30 September 1966, it was one of the poorest countries in the world (Acemoglu *et al.,* 2003; Leith, 2005; Leftwich, 2010). One of the questions that confronted the ruling Botswana Democratic Party (BDP) was: *what economic and development trajectory should Botswana follow*? Given the dire state of development at the time, the choice of developmental statism was forced into the hands of the government. Statism is the belief that the state should control either economic or social policy, or both (Levy 2006). Thus, developmental statism is the practice whereby the state aggressively intervenes in the economy to direct growth and development. Therefore, developmental statism is actualised through or by developmental states. The term 'developmental state' was coined by Chalmers Johnson in 1982 and was originally associated with East Asian economies, chiefly Japan (Johnson 1982). Over the course of time, this term has been used to describe countries outside East Asia which satisfy the criteria of an archetype developmental state. In this regard, since Botswana satisfied the criteria of an archetype developmental state, it was regarded as a developmental state beginning in the 1970s (Leftwich 1994). Broadly speaking, there are two types of developmental states namely authoritarian (for example, South Korea) and liberal democracy (for example, Botswana and Mauritius).

While nobody can point out to any official document titled the 'Developmental Statism Policy of

Botswana', it can be argued that the actions of the government of Botswana in terms of economic and development policy were in line with developmental statism (or developmental state). This observation is based on the analysis of Botswana by Leftwich's (1995 and 2000) six characteristics of a developmental state being i) a determined developmental elite; ii) relative autonomy; iii) a powerful, competent and insulated bureaucracy; iv) a weak and subordinated civil society; v) the effective management of non-state economic interests; and vi) legitimacy and performance. Save for point iv, Botswana satisfies the Leftwich's model (Botlhale, 2017). It is notable that some scholars such as Hillbom (2012) and Magang (2015) disagree that Botswana is a developmental state. To illustrate, Hillbom calls it 'a gate-keeping state'. Magang (2015) observes that while Botswana's economic growth is sometimes said to have outstripped that of South Africa, Singapore, South Korea, Dubai among others in terms of Gross Domestic Product (GDP), there is no comparison with these countries in terms of what actually obtains on the ground. He further argues that now Botswana even lags far behind the genocide-scarred Rwanda.

Despite the foregoing criticisms, there is enough proof in the mainstream literature that supports the claim that Botswana is a developmental state (Dassah 2011; Edge 1998; Leftwich 1995; Lockwood 2006; Maundeni 2008; Mbabazi and Taylor 2005; Meyns 2010; Mkandawire 2001; and Thovoethin 2014). Developmental statism very favourably circumstanced Botswana to achieve relative economic and development success as next illustrated. Botswana was the world's fastest growing economy from 1966 to 1989 (Harvey 1992). Growth peaked in the early 1970s, and vital to note is that real Gross Domestic Product (GDP) grew at a rate of about 26% in 1971 and 1972 (Tregenna 2006). The growth trajectory continued until the 1980s with a slowdown experienced in the 1990s (Tregenna 2006). In terms of human development, the same success was achieved as evidenced by Botswana's Human Development Reports. For instance, between 1990 and 2015 Botswana's Human Development Index value increased from 0.585 to 0.698 which is an increase of 19.3% (UNDP 2016). However, these achievements are overshadowed by issues such as poverty and income inequality (see *Results of the Botswana Core Welfare Indicators Survey* by Statistics Botswana (2013) and Mogalakwe and Nyamnjoh 2017) and growing elite corruption (see Mogalakwe and Nyamnjoh 2017).

Admittedly, the developmental success that Botswana has achieved since the 1970s was not an accident. It was due to deliberate policy decisions that were adopted by the government. Among others, the 'Landell-Mills affair' (Morton and Ramsay 1994:63) wherein Pierre Landell-Mills, together with Quill Hermans, who favoured developmental policies were pitted against fiscal conservatism policies advocated for by Alfred Beeby who was Permanent Secretary in the Ministry of Finance, laid the framework for the developmental state (Taylor 2005). Our subject for discussion, Masire, was then Minister for Finance. The sharp disagreement or 'Landell-Mills affair' led to the creation of Ministry of Development Planning. Therefore, 'it would not be too much of an exaggeration to say that the foundations for the Botswana developmental state were laid during the 'Landell-Mills affair' in the sense that afterwards the key Ministry of Development Planning was developmentally-driven whilst the objectives of the bureaucrats were politically-driven and supported by both Seretse Khama and Quett Masire' (Taylor 2005). Hence, Masire and Seretse Khama provided strategic leadership as both President and Vice President. Therefore, it is doubtful that Botswana would be the 'success story' that it became had it not chosen developmentalism.

Natural Resource Management

Botswana is richly blessed with natural resources in the form of diamonds, copper/nickel, coal, water, wildlife, forests, veld products, and ecosystems. Diamonds have had the most impact on the country's economic growth and development (Jefferis 1998). However, minerals alone cannot generate economic growth and development. Thus, there is a need for a sound mineral resource management regime. This is what the BDP-led government did before Botswana started mining minerals on a very big scale (Botlhale

2013). Prior to independence, mineral rights in the country's tribal areas reposed in those tribes or ethnic groups. The Seretse Khama government argued that this would cause uneven development (see Masire 2006 and Tlou *et al*. 1995). This position was clearly articulated in the BDP's 1965 election manifesto which stated that:

> Leaving mineral rights vested in tribal authorities and private companies must necessarily result in uneven growth of the country's economy, as well as deprive the Central Government of an important source of revenue.… It will be the policy of the BDP Government to negotiate with all parties concerning the takeover of the country's mineral rights by the Central Government (Leith 2005:31).

Immediately after the attainment of independence, the government initiated discussions with various ethnic groups to cede mineral rights to the state. The crusade was led by President Seretse Khama. The tribes ceded their mineral rights to the state leading to the promulgation of the Mines and Minerals Act in 1967. The Act (as amended) provides the institutional-legal framework for mineral exploration and exploitation in Botswana (Botlhale 2013). Through this framework, the country was able to extract rent from the mineral sector and finance development, be it economic, social or human. The rent is also reserved for future generations in a sovereign Pula Fund which was created in 1984. It is important to note that unlike other resource-rich states in Sub-Saharan Africa, Botswana avoided both the resource curse (Acemoglu *et al*. 2003 and Pegg, 2012) and 'Dutch Disease' (Pegg 2010). However, the country's former Cabinet Minister, David Magang, argues that Botswana has suffered a 'Diamantine Curse' which he describes as failure by government to beneficiate diamonds for economic diversification, and to grow the economy to the level of success witnessed in countries such as Singapore and Malaysia which attained their independence around the same time as Botswana (Magang 2015). Magang even dismisses the label 'African Miracle' and refers to Botswana as an 'African Mirage' instead.

Development Planning

Botswana inherited the practice of national development planning from the colonial administration through the use of National Development Plans (NDPs). In preparing the colony for self-rule, to be followed by full independence, the colonial administration formulated the Transitional National Development Plan (1963-1969). After the attainment of independence, government formulated the first NDP (1968-1973). The NDPs outline development policies, strategies, programmes and projects to be implemented within a particular Plan period (Republic of Botswana 2011). The Ministry of Finance and Economic Development consults various stakeholders such as other ministries, local authorities, the civil society, the private sector, and development partners among others to produce NDPs. Since independence, government has prepared a series of 6-year NDPs. The mandate of the Ministry of Finance and Economic Development is to coordinate national development planning, mobilise and prudently manage available financial and economic resources (Republic of Botswana 2011). The core functions of the ministry are i) treasury and budget administration; ii) economic management and national development planning coordination; and iii) financial administration and management (Republic of Botswana 2011).

Immediately after independence, Finance and Development Planning were separate portfolios which Masire headed in 1966 and 1967 respectively. However, the two Ministries were merged into one; Ministry of Finance and Development Planning in 1971. Due to the high premium placed on the Ministry, or Finance and Development Planning to be precise, it was headed by the Office of the Vice President. Hence, Masire was both Vice President and Minister of Finance and Development Planning for 14 years until Seretse's death in 1980 when Masire succeeded him as President of Botswana. Masire's role in the

Ministry laid the foundation for the often cited economic and developmental successes that Botswana posted post-independence (see Europa 2003). Since Masire, like Seretse Khama, wanted to direct finance and development planning from the Office of the Vice President, his second Vice President, Peter Mmusi, served as Minister of Finance and Development Planning from 1983 to 1991 when he resigned. The same tradition continued with Masire's last Vice President, Festus Mogae (1991-1998). All in all, it is deducible from the placement of the finance and planning function in the Office of the Vice President that the government placed a very high premium on it and, therefore, wanted to give it utmost attention.

Fiscal Conservatism

From the formative stages, Botswana practised fiscal conservatism (see; e.g., Rotberg 2013). Fiscal conservatism (also economic conservatism or conservative economics) is a political-economic philosophy regarding fiscal policy and fiscal responsibility advocating low taxes, reduced government spending and minimal government debt (Coates 2012). This philosophy is anchored in the thinking of classical economists such as Adam Smith (1723–1790), Jeremy Bentham (1748–1832), Thomas Robert Malthus (1766–1834), David Ricardo (1772–1823) and James Mill (1773-1836). Vital to note, fiscal conservatives preach fiscal prudence, including balanced budgets at a minimum, and budget surpluses at best. Therefore, they begrudgingly countenance the use of deficit financing (that is, a practice whereby a government spends more money than it receives as revenue (*Encyclopaedia Britannica* 2018).)

The Khama/Masire regime was known for practising fiscal conservatism (for example see Rotberg 2013). Khama was said to live modestly (for instance, he had a small motorcade and security detail) and preached modest living to his cabinet ministers. For instance, cabinet ministers did not fly first class (this was unlike in other African countries at the time), they drove their own automobiles and were given little trappings of ministerial offices (Rotberg 2013). Masire unremittingly continued the ethic of fiscal conservatism that he inherited from Khama. In addition, he introduced new fiscal management tools. For instance, during his time as the Finance Minister, he oversaw the creation of fiscal tools such as the Public Debt Service Fund and Revenue Stabilisation Fund. It was during also his tenure that the Pula Fund, a Sovereign Wealth Fund, was established in 1994 – four years before his retirement in 1998. This is a long-term investment portfolio with the aim of preserving part of the income from diamond exports for future generations (Bank of Botswana 2013). In the end, as a result of the fiscal conservatism of his government, Botswana was able to accumulate substantial foreign reserves. These provided imports cover and paid debt payments and current account deficits.

Conclusion

Growing the economy and developing a country is a joint project between the leadership and the led. Even then, leadership is not about the attributes of one individual if one uses the functional theory of leadership as this paper does. The ethic of collective leadership notwithstanding, it helps to isolate one leader in order to understand the kind of leadership that he/she exacts on macro-economic outcomes such as economic growth and development. Therefore, this paper uses the case of Sir Ketumile Masire to illuminate his leadership on promoting economic growth and development in Botswana. It focused on four variables: developmental statism, natural resource management, development planning and fiscal conservatism. It concludes that his leadership transformed Botswana economically.

Masire retired on 31 March 1998 leaving the economy in a sound state as evidenced by an uninterrupted run of budget surpluses. Between 1982 and 2008 Botswana enjoyed 20 budget surpluses (Jefferis 2008). Notably, it joined the ranks of middle income countries in 1992. Despite these economic and developmental successes, there were severe macro-economic challenges that Masire left behind in the form of poverty, unemployment, inefficient civil service, income inequality and HIV and AIDS. Latterly, there is the problem of a middle income trap because despite efforts to transcend the middle income status, Botswana is stuck in the middle income trap. His successor, Festus Mogae (1998-2008), inherited these challenges but mounted a gallant fight against HIV and AIDS. Mogae's successor, Ian Khama (2008-2018), also inherited these challenges and they still remain even after his retirement on 1 April 2018.

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