

2022 NBC RESOLUTIONS

1. INTRODUCTION

1.1. Business Botswana, in collaboration with the Government of Botswana (represented by the Ministry of Trade and Industry) convened the 16th biennial National Business Conference (NBC) in Francistown from the 17th -18th October 2022. As is custom, the event brought together a broad range of stakeholders, primarily government and business leaders, to dialogue on how to make Botswana globally competitive. The conference was held under the theme “**Roadmap to High Income: Accelerating Transformation.**” The theme was inspired by Vision 2036, which envisages a dynamic high-income knowledge-based economy for Botswana by 2036.

1.2. The conference recognized that Botswana’s prospects for rapid and sustainable economic growth, transition to a knowledge economy, and the sustainable resolution of the key development challenges of unemployment and poverty, rest on a rejuvenated high-performance private sector, and not the government. Unless the private sector performs exceptionally well on a sustained basis, Botswana’s quest for a high-income knowledge economy by 2036, and a higher standard of living for its people, will be considerably more difficult! Thus, the deliberations of the 16th NBC focussed on the key reforms necessary to create an investment climate that conduces to the accelerated development of a dynamic high-performance private sector.

1.3. The 16th National Business Conference also recognized the need for Botswana to undertake structural reforms to diversify the economy, broaden the export and revenue bases, and reduce Botswana’s reliance on diamonds and the Southern African Customs Union (SACU) for foreign exchange and government revenue. Botswana has to take deliberate measures to ensure the rapid transition from the old low productivity and mineral and government-dependent economy to a new and more dynamic economy that relies more on emerging sectors and value addition.

1.4. The conference resolutions outlined below reflect the thrust of the conference deliberations and the deep recognition of the urgency for rapid private-sector-led economic transformation and growth.

2. CONFERENCE RESOLUTIONS

2.1. The delegates expressed a desire to have a manageable set of implementable resolutions, no more than two, preferably one, per thematic area. The consensus conference resolutions, by thematic area, are as follows:

THEMATIC AREA 1: ROLE OF LEADERSHIP IN DRIVING GROWTH, COMPETITIVENESS, AND ACCELERATING OUR JOURNEY TOWARD VISION 2036

RESOLUTION 1.1: Botswana should make a decisive “cultural” shift towards ensuring that leaders, in both the public and private sectors, are held to high standards of accountability, ethics and competence

RATIONALE

For Botswana to achieve economywide transformation of productivity and competitiveness, modernize and diversify its economy, accelerate growth across sectors, and achieve its Vision 2036 Goal of a high-income per capita Gross Domestic Product (GDP), it must not only develop good policies and strategies but should also excel at effective planning and execution. Key to effective planning and execution is competent, enterprising, farsighted, ethical, accountable, and results-oriented leadership at all levels and across the public and private sectors. Botswana must meet the leadership challenge to succeed. In an increasingly integrated, fast-changing, and fiercely competitive world, Botswana needs leaders who are fit for purpose - undoubtedly competent, ethical, results-oriented, and accountable - in both the public and private sectors if it is to compete effectively with its peers and claim its fair share of global prosperity.

KEY ACTIONS/IMPERATIVES

- ***Institutionalisation of a culture of Results Based Management (RBM) and Results Based Monitoring and Evaluation:*** This means that success/achievement will be measured in terms of suitably ambitious planned outputs, outcomes, and impacts rather than effort (money spent or activities/processes undertaken).
- ***Institutionalisation of robust systems of performance management and consequence management to ensure that individuals are held to account for their performance or lack thereof.*** Key to the system would be helping people and institutions to improve performance, incentivizing and rewarding, and appropriately sanctioning undesirable behavior.
- ***Institutionalisation of robust merit-based systems of recruitment, talent management, and progression to leadership:*** Botswana competes against nations that put their very best in positions of responsibility and leadership. Botswana should likewise put merit above all else in making appointments to positions of leadership and responsibility. Leadership is perhaps the single most determinative factor of success for institutions and nations. The economic transition Botswana desires that it takes leadership and merit very seriously.

- ***A robust system of continuous professional and leadership development to help leaders and their employees upskill, broaden their skill sets, and adjust to a fast-paced, fluid, and disrupted world of work:*** To achieve its economic and human development goals, Botswana needs Fourth Industrial Revolution (4IR) skills. These include core skills, the most critical of which are founded in the Science, Technology, Engineering, and Mathematics Disciplines, but especially critical are the skills leaders and workers need to have a meaningful impact in the workplace and society, e.g., critical thinking, problem-solving, people skills, collaboration, and creativity.

THEMATIC AREA 2: STRUCTURAL AND REGULATORY REFORMS

RESOLUTION 2.1: Botswana should undertake robust and comprehensive regulatory reforms to address the perception, widespread in Botswana, and gaining ground globally, that it is losing ground in the battle against corruption.

RATIONALE

The perception that Botswana is losing the war against corruption, which is backed by evidence from credible global observatories, is causing great damage to the country's investment climate. In 2021, Botswana was ranked the 45th least corrupt country in the world, down 10 positions from 35 in 2020. Worryingly, the sharp drop suggests a rapid acceleration of deteriorating perceptions of corruption that have been broken only twice since 2012, in 2016, and 2017. In its 2020 report, Afro Barometer writes on its cover page, "Rising perceptions of graft weaken citizen trust, threaten Botswana's democratic standing". Its key survey finding was that a third of survey respondents said Botswana is corrupt. Worryingly, 70% said that reporting corruption would result in retaliation. The Bertelsmann Stiftung's Transformation Index (BTI) report of 2022 expresses similar concerns. Locally, corruption concerns have received extensive media coverage. Botswana cannot afford to have perceptions that corruption is growing persist. They hurt the investment climate and cost the economy much-needed investment.

KEY ACTIONS/IMPERATIVES

- ***Review of laws to decisively address concerns about conflict of interest and insider trading and to strengthen the independence of oversight prosecutorial institutions, and the judiciary.*** A key concern about corruption is the role of political leaders and public servants in business. Botswana needs to have best-in-class laws that deal decisively with the principal-agent problem as it relates to government. Thus, it is desirable to review the laws to ensure that conflict of interest and insider trading are dealt with effectively, the DCEC's

independence and security of tenure for its head are assured by international best practice, whistle-blowers are adequately protected, and corruption risk in public procurement is minimized.

- ***Institutionalisation of King IV principles of corporate governance in both government business and the private sector:*** The King IV code of corporate governance provides best practice standards of corporate governance that apply to both the public and private sectors.

THEMATIC AREA 3: LEVERAGING TECHNOLOGY, DIGITALISATION, AND THE 4IR TO DRIVE COMPETITIVENESS

RESOLUTION 3.1: Accelerate the implementation of the National Digital Economy Masterplan to accelerate technological and competitiveness upgrading and maximize the benefits to business and society, of the new technologies

RATIONALE

For the Botswana economy to grow fast enough to address the country's key development problems, e.g., unemployment, poverty, and exclusion, local firms and industries must experience a profound transformation of productivity and external competitiveness. That transformation requires widespread and effective harnessing of the transformative power of 4IR technologies such as the Internet of Things, Big Data, Cobots, Augmented Reality and Virtual Reality, and 3D and 4D Printing. The implementation of the National Digital Economy Masterplan will accelerate the effective adoption and use of 4IR technologies. The required government-led investments include expanding the coverage of enabling infrastructure such as high-speed internet, data centers, policy alignment, and the development of a critical mass of 4IR skills.

KEY ACTIONS/IMPERATIVES

- **Accelerated implementation of the National Digital Economy Masterplan:** The masterplan provides for investment in a comprehensive suite of activities that facilitate the transition to the 4IR.
- **Education Reform:** The transition to the 4IR requires workers with the skills required to work with 4IR technologies, e.g., data analytics, artificial intelligence, robotics, etc.
- **Regulatory Reforms:** The requisite adjustments to policies and laws must be made to facilitate the application of 4IR technologies. For instance, the laws must adequately cover data access and data security issues.

THEMATIC AREA 4: YOUTH ECONOMIC EMPOWERMENT

RESOLUTION 4.1: The Government of Botswana and the private sector should both undertake deliberate actions to facilitate youth economic empowerment through entrepreneurship development and formal employment

RATIONALE

One of Botswana's key development challenges is ineffective youth development. According to the 2021 Quarter 4 Multitopic Survey, youth unemployment, i.e., unemployment amongst those aged 15-35, was measured at 34.4% in quarter 4 of 2021. The NEET Rate, that is the proportion of youths "Not in Education, not in Employment or Training" was 39.4%. These statistics suggest that Botswana is not doing well on investment in its youths. The significant outlay on youth empowerment programs notwithstanding, Botswana is simply not achieving the desired results. It is underperforming in both human capital development and the creation of opportunities for youth to engage in gainful employment. The statistics suggest that youth economic empowerment is not only urgent but is now a national emergency. An unemployment rate of 34.4% and a NEET Rate of 39.4% make it very unlikely for Botswana to realize the demographic dividend. Rather, they suggest the heightened risk of social and political instability. Already, Botswana is experiencing rising levels of violent crime and social decay that bear some relation to the situation of the youth.

KEY ACTIONS/IMPERATIVES

- **Comprehensive education reform to improve alignment between education and the current and future skills needs of industry:** Botswana needs to reform its education system urgently to ensure that: a) young people leave colleges and universities with employable skills, which in the current epoch means 4IR skills, and; b) the NEET Rate is rapidly brought closer to zero, i.e., we ensure that youths follow only one of three paths - they are either in education, employment or some form of training - that guarantee their potential is not wasted.
- **Institutionalisation of effective programs of Continuous Professional and Leadership Development (CPLD) in both public and private sectors:** The world of work is changing. As we embrace technology, employees will become redundant unless they deepen and broaden their skill sets to meet the demands of rapidly evolving work environments and to enable them to seize new opportunities.
- **Accelerated Job Creation:** Both the government and the private sector must be ultra-creative in the quest to create employment for young people. A Job Creation Fund is an option worth pursuing to create incentives for the private sector to

enroll more youths on the job. The fundamental challenge, however, is one of structural transformation. That requires comprehensive regulatory reforms and investments in the reformation of the investment climate to give impetus to both domestic and foreign investment.

THEMATIC AREA 5: GROWTH, COMPETITIVENESS AND PRODUCTIVITY

RESOLUTION 5.1: Undertake comprehensive regulatory reforms and make the key investments necessary to transform productivity and competitiveness profoundly and create a competitive investment climate.

RATIONALE

Relative to its investment needs, Botswana is lowly investible. The country is not attracting enough volumes of new domestic and foreign investment to address its pressing problems of unemployment, underemployment, and poverty. So, a key priority for Botswana is to build an investment climate that galvanizes domestic investment and helps Botswana compete effectively for foreign direct investment and markets. The new National Strategy for Investment urges, amongst other things, comprehensive regulatory reforms, strategic investments in areas such as human capital development and infrastructure, and profound reforms to investment financing. Regulatory reforms are the proverbial low-hanging fruit but their impact is potentially high.

KEY ACTIONS/IMPERATIVES

- Accelerated implementation of the National Investment Strategy (NIS): The NIS proposes a comprehensive package of reforms to improve the investment climate and give impetus to investment. These include doing business reforms and strategic investments, e.g., in upgrading hard infrastructure, connectivity, and incentives.

- Comprehensive Education Reform: The transition to the 4IR requires workers with the skills essential for working with 4IR technologies, e.g., data analytics, artificial intelligence, robotics, etc. This requires, in the first instance, first-rate public education. Botswana has to act aggressively over the medium term to shorten the period of transition to quality education.

- Governance Reforms: The government has to work better and more effectively. The “Mindset Change” and “Reset” agendas must be led by the government, where the priority must be to build an efficient, solutions-oriented, and enterprising public service that embraces modern technology and is conscious about performance and results.