

COUNTRY PROFILE – BOTSWANA

1. INTRODUCTION AND CONTEXT

This report is part of a Mapping exercise launched by the International Co-operative Alliance and its regional offices within the framework of a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects led within this partnership include a worldwide Legal Frameworks Analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research seeks to provide exhaustive information on cooperatives worldwide. This is achieved through a process jointly conducted by the ICA and its four regional offices – Cooperatives of the Americas, Cooperatives Europe, ICA Africa, and ICA Asia-Pacific – using a common methodology. Each office collected the input of ICA members present in the countries within its geographic area, by using the same questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in Botswana.

Historical background

In Botswana, the first two decades of Cooperative development showed remarkable results and growth. Co-operatives presented themselves as a model of success which other countries could adopt. However, due to poor management and low education level by members which includes Boards, the movement failed to adapt the new business methods that came with years to allow them to compete in the market.

The general view of the movement clearly shows that it has not been doing well and it has not been able to build up a well patterned structure nor the capacity for self-management at the primary, secondary and apex levels. At the lowest level, primary cooperatives have not been able to contribute significantly to the economic empowerment of their members, nor have they been able to ensure social protection for their members. At the apex level, the movement is faced challenges such as financial problem and limited support from Primary Societies hence lead to Apex bodies struggling for survival. While the Government has made attempts to revitalize and revamp the movement from its moribund status, it has not been able to raise funds for itself and is highly dependent on the Government for financial resources as well as technical, managerial and administrative support.¹

The Co-operatives have operated in Botswana for more than fifty (50) years ago, under the guidance of the **Co-operative Societies Act of 2013** (as amended), their byelaws and other regulatory instruments. Furthermore,

¹ Modukanele, M. (2005) *The Origins, Development of Cooperatives and the Role They Play in the Development of Members and Communities: Capacity Building for Cooperatives, HIV/AIDS Education and Awareness*, Gaborone, Botswana.



the **National Policy for Co-operative Development** was developed and approved by Parliament in 2007 with the aim to set a road map guiding the strategies for enabling Co-operatives to meaningfully contribute to income distribution, employment creation and poverty reduction at the local and community level.

The **Co-operative Transformation Strategy for Botswana** (2012) was developed and approved by the Government and its implementation started in 2013 with an aim to resuscitate, revamp and re-direct the development of Co-operatives into globally competitive enterprises, as the world has undergone and continues to undergo considerable transformation as a result of the advent of technological advancement, trade liberalization and globalization. The implementation of the strategy came with both market challenges and opportunities, which the Cooperative movement responded to in a competitive way.

Public National statistics available

- Number of Cooperatives and Membership

The Cooperative Societies were introduced in 1964 and since then, the registered Cooperative Societies have increased significantly to more than 268 including five (5) Secondary Societies (March 2018) with a total membership of more than 115,000.

Cooperative Societies' in Botswana have been categorised as follows:

- **Operating**
- **Dormant**
- **Start-ups** and
- **Under liquidation**

The table below, reflect status of the **268** Co-operative Societies including five (5) Secondary Societies to which all these societies are affiliated); 167 (**62%**) are operating, 23 (**9%**) are dormant, 48 (**18%**) start-ups, and 30 (**11%**) are under liquidation.

Cooperatives' Status

Status	March – 2018			Percentage
	Financial	Non-Financial	Totals	
Operating	46	121	167	62%
Dormant	3	20	23	9%
Start-Up	9	39	48	18%
Under Liquidation	7	23	30	11%
Totals	65	203	268	100%

- Employment

According to Statistics Botswana, unemployment has remained stubbornly high at 17.7% and Botswana's income inequality is one of the highest in the world. This is attributed to high levels of poverty and inequality in the country.



According to department of Cooperatives, non-financial cooperatives contribute to about 83% of the total employment created by cooperatives in the country and of this number 65% are female.

- Production Values

The estimated GDP for the fourth quarter of 2016 for Botswana was P43, 657.4 million compared to a revised level of P44, 090.6 million registered in the third quarter of 2016.²

2. Research Presentation

In the Botswana, the Mapping questionnaire, was distributed to, and completed by the one ICA member in the country. After some additional follow-up and clarifications from the member, the figures provided were compiled as presented below.

3. KEY HIGHLIGHTS – BOTSWANA

3.1 List of Alliance Africa Members

In Botswana, Co-operative societies are grouped into the following categories; Service Co-operatives: These comprise Consumer Co-operatives, Multipurpose Co-operatives, Marketing Co-operatives and Savings and Credit Co-operatives. They provide a variety of services such as trading, marketing of agricultural products, as well as savings and money lending services to their members.

BOCA as mother body of all Cooperative's societies in Botswana, 43 members representing 15 % of the total registered Cooperative societies are affiliated to BOCA. These members cover both financial and non-financial Cooperatives.

It is imperative also to that the Cooperative Societies Act of 2013 does not put it mandatory for Cooperative societies to be members of the mother body.

Producer/Worker Cooperatives: These are set up primarily to create employment for their members. The minimum membership for this type of Cooperative is 10, but for Savings and Credit Cooperatives its minimum membership is 20 as per statutory requirement.

In addition to the above-mentioned traditional types of Cooperatives, there are emerging non-traditional types of Cooperatives being explored such as:

- Housing Cooperative Society
- Industrial Cooperative Society
- Cleaning Services Cooperative Society
- Security Guard Services Cooperative Society
- Catering Services Cooperative Society
- Repairs and Maintenance Works Cooperative Society.

² <http://www.statsbots.org.bw/sites/default/files/publications/GDP%20Q4%202016.pdf>



The Botswana Cooperative movement structure is classified into Primary and Secondary cooperatives. The Primary Cooperatives are formed by respective individuals, while the Secondary Co-operatives are formed by Primary Cooperatives. The Primary Cooperatives are affiliates to different Secondary Cooperatives depending on their types. There is BOCA as the Apex body for all types of Cooperatives in Botswana. BOSCCA is a Secondary for SACCOS (Financial Coops) while BAMCU is a Secondary for Livestock Marketing Cooperatives (Non-Financial coops).

3.2 Data on ICA-Africa Members

3.2. 1 Preamble

Botswana Co-operative Association is the only Alliance Africa member in Botswana. The data collected relates to that of 2016 according to the information relieved from Limesurvey.

- BOCA represents cooperatives in the following sectors: Consumers, marketing, multipurpose, producers and savings and credit co-operatives. There was no detailed data provided in relation to the membership (gender segregation), number of cooperatives in the sectors and their economic data. However, according to the data provided, it is noted that BOCA represents 43 Co-operative organizations.
- In the 43 Co-operative organizations, 29766 membership are men, 18754 are women and 8853 are young people
- The number of employees in the 43 Co-operative organizations include: 358 men, 284 women and 231 young people

From the data obtained there was no economic data available from the Co-operative organizations in relation to the sectors.

As most of Societies are not members of BOCA, it affects its performance as its main source of income is subscriptions from members. Even members are not up to date with their subscriptions. The following are unaudited figures for the financial year ending 30th June 2016:

• Operating Income	-	P91 100	EUR 7,552
• Accounts Receivables	-	P2 258 601	EUR 187,238
• Cash & Cash Equivalentents	-	P1 299 531	EUR 107,731
• Accounts Payables	-	P915 459	EUR 75,892
• Share Capital	-	P360 500	EUR 29,885
• Operating Expenses	-	P202 974	EUR 16,827
• Net Assets	-	P2 642 673	EUR 219,078

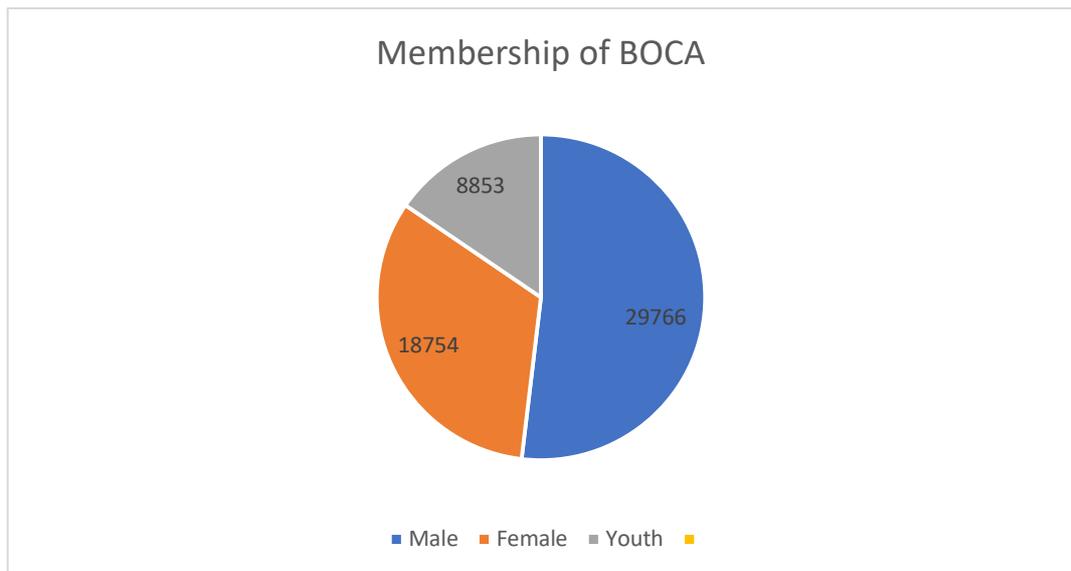
3.2.2. General overview

The information provided below represents the data provided in form of infographs for ease of comprehension.



- Number of Co-operatives of BOCA

	Category	Total
1.	Number of Co-operatives	43
2.	Number of Membership	57,373
3.	Number of Employees	873



Co-operative Employment Status

As one of the main objectives of the Co-operative sector, Co-operatives continue to create employment for Botswana and the trend for job creation status is as follows:

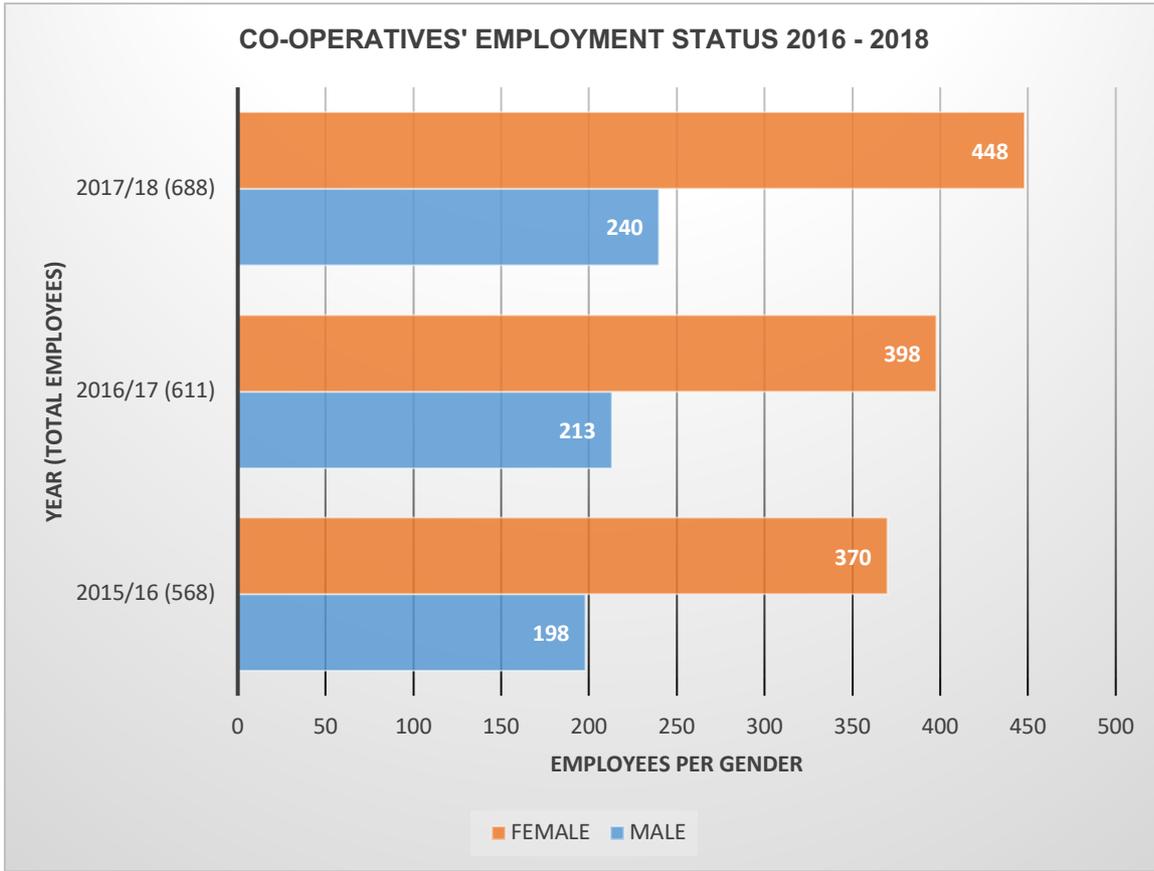


2015/16 (568)	MALE	FEMALE	TOTALS	GROWTH (%)
FINANCIAL	29	56	85	
NON-FINANCIAL	169	314	483	
TOTALS	198	370	568	1.6³
2016/17 (611)				
FINANCIAL	33	65	98	
NON-FINANCIAL	180	333	513	
TOTALS	213	398	611	7.6
2017/18 (688)				
FINANCIAL	47	91	138	
NON-FINANCIAL	193	357	550	
TOTALS	240	448	688	12.6

³ Total employment from the financial year 2014/15 was 559



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