

# *Pre-colonial culture, post-colonial economic success? The Tswana and the African economic miracle<sup>1</sup>*

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Cultural explanations of economic phenomena have recently enjoyed a renaissance among economists. This article provides further evidence for the salience of culture through an in-depth case study of one of the fastest-growing economies in the world during the last 50 years—Botswana. The unique culture that developed among the Tswana before and during the early days of colonialism, which shared many features with those of western nation-states, appears to have contributed significantly to the factors widely seen as determinants of Botswana’s post-colonial economic success: state legitimacy, good governance and democracy, commercial traditions, well-established property rights, and inter-ethnic unity. Neighbouring Southern African cultures typically did not exhibit these traits.

Economists have long been reluctant to study the role of culture, for two main reasons; because of the myriad channels through which culture can affect, and be affected by, economic outcomes, and because culture ‘has a sulfuric odor of race and inheritance, an air of immutability’.<sup>2</sup> In the world of neoclassical economics, preferences and beliefs are taken as given, but many mainstream economists have now joined the economic historians who have traditionally been less sceptical of cultural hypotheses.<sup>3</sup> Landes, for example, argues that economies succeed (or fail) as a result of attitudes driven by cultural factors and concludes that ‘if we learn anything from the history of economic development, it is that culture makes all the difference’.<sup>4</sup>

A common definition of culture is: ‘The system of shared beliefs, values, customs, behaviors, and artifacts that the members of society use to cope with their world and with one another, and that are transmitted from generation to generation through learning’.<sup>5</sup> Distinguishing culture and institutions is always a challenge. This article’s main contribution to the new cultural economics is an in-depth case study of an economic success story—namely, Botswana, where culture in fact seems to have influenced economic outcomes as a *transmission*

<sup>1</sup> Helpful comments from Barry Eichengreen, Ted Miguel, Q. Neil Parsons, the editor, and three anonymous referees are gratefully acknowledged. All errors are my own.

<sup>2</sup> Landes, ‘Culture’, p. 2.

<sup>3</sup> See, for example, Guiso, Sapienza, and Zingales, ‘Does culture affect economic outcomes?’; Guiso, Monte, Sapienza, and Zingales, ‘Culture, math, and gender’; Guiso, Sapienza, and Zingales, ‘Social capital’; R. Fernández, ‘Culture as learning: the evolution of female labor force participation over a century’, New York University working paper (2007); Fisman and Miguel, ‘Corruption’; E. Miguel, S. Saiegh, and S. Satyanath, ‘National cultures and soccer violence’, University of California Berkeley working paper (2008).

<sup>4</sup> Landes, *Wealth and poverty*, p. 516.

<sup>5</sup> Bates and Plog, *Human adaptive strategies*, p. 7.

*mechanism* from historical to current institutions.<sup>6</sup> It should be emphasized that this article focuses on the exogenous influence of Tswana culture on post-colonial outcomes and institutions.<sup>7</sup>

Both the post-colonial economic trajectory of sandy, landlocked Botswana and the traditional culture of the Tswana sharply contrast those of most neighbouring states. Its economy has been the fastest growing in the world during the last 40 years with an average annual growth rate of 7 per cent.<sup>8</sup> Several authors have pointed to parallels between traditional political and economic Tswana practices and those of the modern state of Botswana. Beaulier and Subrick argue that the ability of the post-colonial governments of Botswana to adopt growth-enhancing policies derived from their legitimacy, which in turn was due to limited military spending and a connection with traditional authorities.<sup>9</sup> Robinson and Parsons discuss how the Tswana developed an integrative political structure.<sup>10</sup> Acemoglu, Johnson, and Robinson, who argue that private property rights have been the main determinant of Botswana's success, emphasize the importance of certain pre-colonial arrangements.<sup>11</sup> The most relevant article in the literature is Gennaioli and Rainer's 'Precolonial centralization'. They argue that centralized pre-colonial institutions allowed some colonial and post-colonial African governments successfully to implement 'modernization' programmes in rural areas by increasing the accountability of local chiefs. The results of this article support their argument that economic success is more likely in countries where post-colonial economic institutions are consistent with 'pre-existing, informal arrangements'.<sup>12</sup> While this review of the literature is by no means complete, this article seems to be the first to offer detailed, comprehensive evidence on the role of a culture.<sup>13</sup> This article emphasizes individual property rights, inter-ethnic unity, and democratic traditions that developed among the Tswana before and during the early days of colonialism in shaping the post-colonial path of Botswana, by contrasting economically important aspects of pre-colonial Tswana culture with those of neighbouring tribes.

The article proceeds as follows. Before analysing the extent to which Tswana culture influenced the factors that probably led to its unprecedented growth rates, a brief overview of the history of Botswana is provided. The article begins by setting out the factors that the academic consensus sees as drivers of Botswana's economic miracle—aspects of post-colonial Botswana that set it apart from its neighbours—in the following section.

<sup>6</sup> Etounga-Manguelle ('Africa', p. 75) argued that 'culture is the mother . . . and institutions are the children'. In my opinion, as an important (though certainly not the only) transmission mechanism, culture is more of a midwife for institutions.

<sup>7</sup> See Fernández, 'Culture as learning' (see above, n. 3), for a treatment of culture as an endogenous factor. Reverse causality should not be ignored—it is not unlikely that, in the long run, Botswana's well-functioning market system served to solidify the cultural characteristics of the Batswana that helped to bring about economic progress in the first place. However, the approach taken in this article is justified by considering cultural practices that developed before and during colonialism. I do not focus on specific colonial policies and only briefly touch upon events during the later years of colonialism in Botswana.

<sup>8</sup> F. G. Mogae, 'Natural resources: resourcing development: the Botswana experience'. Speech given at the Christian Michelsen Institute, Norway, 24 March 2005.

<sup>9</sup> Beaulier and Subrick, 'Political foundations'.

<sup>10</sup> Robinson and Parsons, 'State formation'.

<sup>11</sup> Acemoglu, Johnson, and Robinson, 'African success story'.

<sup>12</sup> Gennaioli and Rainer, 'Precolonial centralization', p. 185.

<sup>13</sup> In fact, Acemoglu et al. ('African success story', p. 25) and others rule out 'simple cultural explanations'.

## I

Firstly, few scholars would question that Africa's post-colonial economic failure was in part a failure of state institutions; until recently the prevalent institutional structure on the continent was that of autocracy, a result, in part, of the detrimental impact that colonialism had on traditional institutional structures. The state of Botswana is one of only a handful of countries in Africa assessed as 'legitimate' by, for example, Young in *African colonial state* and Bayart in *L'historicité de l'état importé*, both of whom label as illegitimate those states where colonialism or the new indigenous regimes of the 1960s and 1970s uprooted pre-colonial political structures.<sup>14</sup> Englebert argues that state legitimacy can explain about a third of the variance in state capacity across the continent,<sup>15</sup> and Botswana attains the highest score in Africa on his index of state capacity. Given the stark contrast between the traditional culture of the Tswana and those of its neighbours, it appears likely that the nature of those customs—in addition, of course, to the fact that they survived colonialism—played a role in shaping Botswana's superior post-colonial institutions.

Secondly, the fact that much of Africa's economic misfortune is due to self-appointed leaders' misguided economic policies and rent-seeking, which has inhibited commercial activity and trade, is also widely acknowledged. However, Botswana—Africa's longest-lasting multi-party democracy—consistently scores highly on indices of governance, freedom, democracy, government effectiveness, and control of corruption.<sup>16</sup> The Botswana Democratic Party (BDP) has been in power since the country gained independence. The opposition parties have, however, closed in on the BDP in recent elections, which may be taken as a sign of the vitality of Botswana's democracy.<sup>17</sup> That the public is able to hold Botswana's leaders accountable is clear. Acemoglu et al. cite strong evidence that the BDP has been responsive to the threat of losing power, and the courts have on several occasions declared specific government actions illegal.<sup>18</sup>

It is a widely-held view that much of Botswana's economic success can be attributed to good governance.<sup>19</sup> The political institutions—vastly different from those of most neighbouring countries—that developed in Botswana after independence suggest that the exceptionally proto-democratic traditions of Tswana culture may have played an important role.

Thirdly, institutional economics, most famously Acemoglu et al., attribute the contrasting states of the former colonies' economies to variation in institutions of

<sup>14</sup> Young, 'African colonial state'; Bayart, ed., *L'historicité de l'état importé*.

<sup>15</sup> Englebert, 'Pre-colonial institutions'. However, 'halo' coding effects in the construction of Englebert's index cannot be ruled out.

<sup>16</sup> Botswana scores a two on Freedom House's indices of political rights and civil liberties, on a scale ranging from one (most freedom) to seven (least freedom) in 2006. Botswana's scores on Polity IV's measure of democracy have also been high and increasing since independence. The World Bank's Governance Indicators assigned Botswana 0.73 for 'Rule of Law' and 0.83 for 'Government Effectiveness' in 2004—three-quarters of a standard deviation above the world mean on both indicators. Botswana also scores highest in Africa on Kaufman, Kraay, and Zoido-Lobaton's ('Governance matters II') indices of government effectiveness, regulatory quality, and control of corruption. Transparency International's Corruption Perceptions Index, which ranges from 0 to 10 with 10 being the least corrupt, assigns the country a score of 5.6—higher than Italy and South Korea.

<sup>17</sup> Leith, *Why Botswana prospered*.

<sup>18</sup> Acemoglu et al., 'African success story'.

<sup>19</sup> See, for example, Colclough and McCarthy, *Political economy of Botswana*; Samatar, *African miracle*; Acemoglu et al., 'African success story'; Leith, *Why Botswana prospered*; Robinson and Parsons, 'State formation'.

private property.<sup>20</sup> In another study, Acemoglu et al. present a strong case that what set Botswana apart was to some extent the institutionalization of private property rights in the country.<sup>21</sup> However, the British colonized Botswana mainly for strategic purposes and largely ignored their protectorate.<sup>22</sup> Thus, a natural starting place when studying the emergence of institutions of private property in Botswana is pre-colonial indigenous culture. It turns out that the concept of private ownership was well established in Tswana society in the nineteenth century and further strengthened during the first half of the twentieth century.

Fourthly, Seretse Khama, the first president of Botswana, and his BDP government followed a sound party programme that appealed both to the economic elite and the majority of Batswana—interests were relatively homogenous and centred on the cattle economy. Although urban bias ('the African disease') was avoided, new commercial centres quickly emerged after independence in 1966. The construction sector boomed as modern-sector housing mushroomed, an electricity generation and distribution system was developed domestically, telecommunications expanded rapidly, and—unlike in neighbouring countries—the cattle sector was highly successful.<sup>23</sup> The diamond revenues that started flowing in the 1970s drove Botswana's growth rates into double figures. Manufacturing has constituted around 5 per cent of GDP throughout the history of independent Botswana—'quite an achievement'.<sup>24</sup> The government played an important role in kick-starting Botswana's economy, but in the 1980s and 1990s the degree of central planning was gradually reduced, and private commerce and entrepreneurship flourished. Botswana is today one of the easiest places to do business in Africa.<sup>25</sup> Until recently, however, capitalism had largely failed in the rest of Sub-Saharan Africa. Factors such as inadequate investment in public goods and services and lack of ownership and trade traditions stalled the process of 'marketization'. The governance and commercial culture of the Tswana may have facilitated Botswana's very different capitalist path.

Fifthly, given the importance of ethnic fractionalization in development, the absence of ethnic conflict in Botswana is arguably one of the country's biggest advantages over almost all other African countries.<sup>26</sup> Estimates of the proportion of Batswana that are Tswana range from 50 per cent<sup>27</sup> to 80 per cent.<sup>28</sup> Though Tswana culture is clearly dominant in Botswana, the country has always been ethnically diverse; the 1946 census, for example, showed that the Ngwato territory contained 43 different ethnic communities. If Tswana that do not live in their 'home territory' are treated as different from those that do (the most compelling

<sup>20</sup> Acemoglu, Johnson, and Robinson, 'Colonial origins'.

<sup>21</sup> Acemoglu et al., 'African success story'.

<sup>22</sup> The argument in Acemoglu et al., 'Colonial origins', is that the inhospitable countries where Europeans set up 'extractive' institutions ended up with poor outcomes, whereas the more 'settler-friendly' countries where the colonial powers created European-style institutions ended up with better outcomes. This argument cannot fully account for arid Botswana's success.

<sup>23</sup> Leith, *Why Botswana prospered*.

<sup>24</sup> Acemoglu et al., 'African success story', p. 24.

<sup>25</sup> 'Africa's prize democracy', *The Economist*, 102 (4 Nov. 2004), pp. 912–50.

<sup>26</sup> See, for example, Easterly and Levine, 'Africa's growth tragedy'.

<sup>27</sup> Parsons, *Botswana history index*.

<sup>28</sup> Miguel, Posner, and Eifert, 'Political competition'.

approach), then Mauro<sup>29</sup> and Easterly and Levine's<sup>30</sup> index of ethno-linguistic fractionalization (ELF) index is above 90 for Botswana, similar to that for Uganda and Zaire.<sup>31</sup> When asked in the Afrobarometer survey to identify themselves, 92 per cent of respondents in Botswana saw themselves 'first and foremost' as members of a tribe (Ngwato, Kwena, Kgatla, and so on, as opposed to the Tswana ethnic group as a whole).<sup>32</sup>

The findings of Miguel et al. suggest that ethnic conflict should be seen as an endogenous variable in the development equation, albeit one that is clearly shaped by long-term historical forces.<sup>33</sup> The case of Botswana corroborates this view; the damaging effects that ethnic conflict can have on the political economy of a country have been avoided, even though Botswana is ethnically diverse. Further, the Tswana tribes cooperated to an extraordinary degree before and during colonialism. An exploration of the role of traditional Tswana culture in the inception and solidification of national unity is called for.

In sum, the main factors that set post-colonial Botswana apart from its neighbours in Sub-Saharan Africa appear to have been: (i) state legitimacy, (ii) democracy and good governance, (iii) well-established property rights, (iv) a 'culture of commerce', and (v) inter-ethnic unity. That the juxtaposition of these factors accounts for the bulk of independent Botswana's economic success is well-documented and fairly uncontroversial.<sup>34</sup> These five factors, therefore, are taken as given and this article will focus on their historical roots rather than the drivers of growth themselves. A brief overview of the history of Botswana is now provided.

The ancestors of the Tswana tribes settled in approximately their present-day territories in the first half of the eighteenth century.<sup>35</sup> The earliest Tswana state was that of the Ngwaketse, which grew into a powerful chiefdom in south-eastern Botswana around 1750.<sup>36</sup> Other Tswana tribes settled further north.<sup>37</sup> Less powerful indigenous ethnic groups such as the Khoe and San were incorporated into the Tswana states. In the late eighteenth century, trade, migration, and war accelerated in southern Africa with the impact of the European settlements on the coasts of Angola, the Cape Colony, and Mozambique, and disputes over the scarce fertile land flared up. Wars with neighbouring ethnic groups and the Boers further strengthened the Tswana states and sparked a tradition of inter-tribal cooperation that proved pivotal in later centuries. By the 1880s, however, the Tswana states—which did not have standing armies—looked increasingly fragile with regard to the European colonies in the Cape, the Boer states, and the Rhodesias. It was only when Germany colonized South-West Africa (present-day Namibia) that Britain proclaimed the creation of its Bechuanaland Protectorate in 1885. However, white settlement was restricted to a few border areas and the Tswana were largely left alone by the British throughout the colonial period; commercial

<sup>29</sup> Mauro, 'Corruption and growth'.

<sup>30</sup> Easterly and Levine, 'Africa's growth tragedy'.

<sup>31</sup> Leith, *Why Botswana prospered*.

<sup>32</sup> Miguel, Posner, and Eifert, 'Political competition'.

<sup>33</sup> *Ibid.*, p. 8.

<sup>34</sup> See, for example, Englebort, 'Pre-colonial institutions'; Acemoglu et al., 'African success story'; Leith, *Why Botswana prospered*; Robinson and Parsons, 'State formation'.

<sup>35</sup> See, for example, Schapera, *Tswana chiefs*; Parsons, 'Khama's country'.

<sup>36</sup> Robinson and Parsons, 'State formation', p. 113.

<sup>37</sup> The eight main Tswana tribes are Ngwato, Tawana, Ngwaketse, Kwena, Lete, Kgatla, Rolong, and Tlokwa.

and administrative investment in the protectorate was limited. Upon independence in 1966, Botswana was one of the poorest countries in the world with a GDP per capita of \$69.<sup>38</sup> The BDP, then led by the popular Seretse Khama and based on support from both the rural poor and the elite, won the first election and has ruled ever since. Although the economic development programmes that began in the mid-1960s were successful, the cattle economy expanded rapidly, and it quickly became apparent that Botswana was moving down a different path than its neighbours; it was not until the revenues from the newly discovered diamond deposits started flowing in the early 1970s that the 'African economic miracle' truly took off. An annual growth rate of 12 to 13 per cent was sustained for decades through extraordinarily successful economic policies (such as heavy investment in infrastructure, health, and human capital; free trade policies; and a notable circumvention of Dutch Disease<sup>39</sup>) and a Tswana population that proved adept at adjusting to a modern market economy.

The following section explores the influence of Tswana culture on the five factors seen as imperative to Botswana's post-colonial economic success, as identified above.

## II

The Tswana chiefdoms solidified as sovereign states during the first half of the nineteenth century. Historians highlight remarkable similarities between the pre-colonial Tswana chiefdoms and western nation states, such as a centralized and hierarchical power structure built up around large towns. As noted above, the legitimacy of the modern state of Botswana has probably contributed to its stability and economic success. This legitimacy derived in part from the pre-colonial institutions and a nationalistic culture centred on the Tswana state that emerged in Botswana in the nineteenth century.

Several of the characteristics of Tswana culture discussed below (for example, the tradition of integrating minorities) evolved in conjunction with the size of the Tswana polities and towns. By the late nineteenth century, unlike most of the southern Bantu, the Tswana did not live in small villages or scattered family groups, but in large towns built around the chief's *kgotla*—a meeting place where all polity decisions were to be taken.<sup>40</sup> Shoshong, for example, had a population of 30,000 in 1886 when it was the centre of eastern Kalahari trade, and was thus second only to Cape Town in Southern Africa.<sup>41</sup> Such huge settlements were the result of the mobility of the Tswana. During the wet season most of the population dispersed to isolated agricultural lands with their cattle, but during the dry season the entire polity would live in or around the capital, a tradition that also facilitated a hierarchical power structure (which was typically not possible among nomadic or fully sedentary African tribes).<sup>42</sup>

<sup>38</sup> Acemoglu et al., 'African success story'.

<sup>39</sup> See, for example, *ibid.*; Leith, *Why Botswana prospered*; Hjort, 'Citizen funds'.

<sup>40</sup> Hodgson and Ballinger, *Britain in southern Africa*, p. 7.

<sup>41</sup> Good, 'Exceptionality of Botswana', p. 70.

<sup>42</sup> Reid, 'Cattle resources'.

In the nineteenth century, the Tswana nations were among the most centralized in the region.<sup>43</sup> Robinson and Parsons highlight that the state capitals were hierarchical agglomerations of lower level polities—some with five levels of political authority.<sup>44</sup> The tribal chief was both the political and the spiritual leader and, in most tribes, received tribute.<sup>45</sup> A typical Tswana tribe was further stratified into four classes: royalty, commoners, settlers, and serfs.<sup>46</sup> The centralized and hierarchical nature of the Tswana polities, which proved useful for the British, is one of the reasons why Botswana's political institutions and culture were not obliterated by colonialism. Unlike in other colonies where chiefs had to be 'created' or where indigenous leaders could not command the people with great effect, the British in Botswana could rely directly on the chiefs and their state apparatus.<sup>47</sup>

Of course, the nature of colonialism in Botswana and the process through which the Bechuanaland Protectorate was created influenced the chiefs' willingness to cooperate with the British. In the 1870s and 1880s, a consensus emerged among the chiefs and other leading Tswana in favour of subordination to the British imperial authority, which was seen as a lesser evil than the only realistic alternative: incorporation into the settler states.<sup>48</sup> After the creation of the protectorate in 1885 and the Union of South Africa in 1909, both the British and the South African governments believed that some day the Bechuanaland Protectorate should be incorporated into South Africa. The British colonial administration still considered the area bereft of exploitable resources—the aim was simply to minimize British expenditures by making Botswana self-sufficient.<sup>49</sup> Thus, Botswana was largely neglected by the British; on 30 May 1890 an Order-in-Council was issued for the High Commissioner instructing him 'to confine the exercise of authority and application of law, as far as possible, to whites, leaving the native chiefs and those living under their authority almost entirely alone'.<sup>50</sup> As a result, the traditional state institutions and the authority of the chiefs and their advisers remained intact throughout the colonial period.

The first BDP government symbolized the way the post-colonial power structure in Botswana was based on traditional Tswana customs. When the BDP was formed in 1962, 'it was clearly identified as the party of chiefs and therefore the inheritor of their legitimacy and institutions'.<sup>51</sup> The first government, consisting of farmer-politicians whose interests were closely aligned with those of the majority, contrasted with the situation in most of contemporary Sub-Saharan Africa where leadership was in the hands of urban elites.<sup>52</sup> Though sovereign states existed elsewhere in Africa before colonialism, few of these resembled the western state as the Tswana chiefdoms did, and arguably no other country in Sub-Saharan Africa

<sup>43</sup> Gennaioli and Rainer, 'Precolonial centralization'.

<sup>44</sup> Robinson and Parsons, 'State formation', p. 120.

<sup>45</sup> P. E. Peters, 'Struggles over water, struggles over meaning: cattle, water and the state in Botswana', Boston University African Studies Center, working paper no. 88 (1984).

<sup>46</sup> Makgala, 'Taxation in the tribal areas'.

<sup>47</sup> Peters, 'Struggles over water' (see above, n. 44).

<sup>48</sup> Ramsay, 'Bechuanaland Protectorate'.

<sup>49</sup> Parsons ('Khama's country') notes that the Bechuanaland Protectorate revenue matched or exceeded expenditure from 1911 until 1956.

<sup>50</sup> Quoted in Schapera, *Tswana chiefs*, pp. 51–2.

<sup>51</sup> Maundeni, 'Botswana and Zimbabwe', p. 125.

<sup>52</sup> Good, 'Exceptionality of Botswana'.

ended up with a post-colonial state apparatus based on traditional institutions and indigenous culture to the extent that Botswana did. Before colonialism in present-day Zimbabwe, for instance, the institutionalization of political power had been thwarted by the influence of religious authorities and the decentralized population patterns of the Shona.<sup>53</sup>

Similarly, in Botswana the independence process itself was strongly influenced by the political history of the Tswana. Unlike in South Africa and Rhodesia where 'radicals' spearheaded the demand for reforms, the Batswana elites controlled the independence movement and sought gradual modernization.

Few, if any, countries have achieved sustained economic progress in the absence of an institutionalized state structure. In most African countries, colonialism gradually eroded any political institutions that had existed before the arrival of the Europeans. The colonizers shrewdly shaped the power structures of their subordinates into whatever configuration allowed them to extract the resources of their territories most economically, thus prohibiting the ex-colonies of the 1960s and 1970s from basing their new states on traditional political customs and institutions. In Botswana, however, the Tswana chiefdoms had cemented highly centralized and hierarchical state structures and a nationalistic culture—which Fortes and Evans-Pritchard argued closely resembled 'the pattern with which we are familiar in the modern nation-state'<sup>54</sup>—before colonialism. The strength of these traditions, in combination with the British policy of basing their limited exercise of power on the pre-existing institutions and customs in Botswana, meant that the Tswana state structures were largely intact upon independence. The BDP and economic elite based the administrative system of their new nation on these political traditions, thereby legitimizing the state and expediting the institutionalization of the state apparatus of independent Botswana. The political culture of the Tswana gave the BDP governments a strong incentive to invest in state capacity.<sup>55</sup>

The success of Botswana's democracy is remarkable. Every election since independence has been free and fair and individual liberties are generally protected by effective checks and balances. The contrast with the histories of neighbouring South Africa, Namibia, Zimbabwe, and Mozambique could not be starker. Botswana's modern parliamentary system is rooted in the Tswana 'cultural history of consensual politics'.<sup>56</sup>

The proto-democratic traditions of pre-colonial Botswana centred on the *kgotla*. Every administrative unit, from the state itself down through the ward, had its own *kgotla* where all adult males could contribute to the debate. A culture of popular consultation evolved around the *kgotla* in the nineteenth century. Decisions on new laws, for example, were reached collectively; meritocratically appointed

<sup>53</sup> Maundeni, 'Botswana and Zimbabwe'. Another striking contrast is the way that the Tswana—unlike, for example, the Shona, the Zulu, and the Ndebele (ibid.)—managed to build coherent political structures without the use of standing armies. This tradition continued after independence; Botswana did not have a standing army until 1977, which may have reduced the scope for corruption and the likelihood of coups.

<sup>54</sup> Fortes and Evans-Pritchard, 'Introduction', p. 6.

<sup>55</sup> See T. Besley and T. Persson, 'The origins of state capacity: property rights, taxation and politics', NBER working paper 13028 (2007).

<sup>56</sup> P. Peters quoted in Good, 'Exceptionality of Botswana', p. 70.



councillors<sup>57</sup> were summoned to the *kgotla* to deliberate on the issue in a manner ‘inclined to present-day parliamentary democracy’.<sup>58</sup> Several advisory fora also existed beyond the *kgotla*.<sup>59</sup>

The consensual culture was devolved; regional chiefs had substantial influence on nationwide issues. Charles James Andersson, a trader, assessed the king’s position in 1853 thus: ‘His power, though very great . . . is nevertheless controlled by the senior chiefs who, in their “pichos” [parliament, or public meetings] use the greatest plainness of speech in exposing what they consider culpable or lax in his government. An able speaker will sometimes turn the scale even against the king’.<sup>60</sup> It was also common for Tswana states to invite foreigners to stay in the capitals as advisers. Crucially, the British allowed the culture of consultation and consensus-seeking to continue through their rule.<sup>61</sup>

There is extensive evidence documenting the continued influence of public opinion in Tswana society through the colonial period. As Gennaioli and Rainer argue, ‘the colonial history of the Tswana of Botswana . . . testifies that, by increasing the accountability of local chiefs, precolonial centralization fostered modernization’.<sup>62</sup> An illustrative example took place in the 1940s. Tshekedi Khama had ruled the Ngwato while the true heir to the throne, his nephew Seretse Khama, was young. But Tshekedi desired to hold on to the chieftainship, and the matter eventually reached the *kgotla* in the capital. Wylie described the outcome thus: ‘in 1949 . . . four thousand men leapt to their feet in the Kgotla and voted their regent out of power’.<sup>63</sup> Makgala documents how public opinion constrained taxation in the Bechuanaland Protectorate.<sup>64</sup> The public was normally consulted on tax measures, some of which they successfully rejected.<sup>65</sup> In return for popular consultation, the large majority of Batswana tolerated the imposition of taxes. Thus, the salience of dissent and public opinion—solidified in Tswana culture before and during the early days of colonialism—constrained the chiefs, colonizers, and politicians in Botswana during the nineteenth and twentieth centuries.<sup>66</sup>

The Tswanas’ mobility and dependence on cattle encouraged high-quality tribal governments; leaders in pre-colonial Botswana always faced the risk of any dissent group within their jurisdiction moving to another territory with their cattle. Unlike elsewhere in Africa, Tswana chiefs were constrained by the tribe rather than the

<sup>57</sup> Maundeni, ‘Botswana and Zimbabwe’.

<sup>58</sup> Mgadla, ‘Kgosi’, p. 6.

<sup>59</sup> For instance, the ruler occasionally had to consult a broadly representative formal advisory council of ward heads, and notables could insist on the council being called (Tlou, ‘Nature of Batswana states’).

<sup>60</sup> Andersson, *Lake Ngami*, p. 431.

<sup>61</sup> For example, a Native Advisory Council was established in 1919. Membership was made up of representatives from each tribe, including the chiefs. Sillery, *Botswana*, p. 128, argues that the Council ‘afforded a real link between the Administration and the people’.

<sup>62</sup> Gennaioli and Rainer, ‘Precolonial centralization’, p. 196.

<sup>63</sup> Wylie, *Little god*, p. 216. Seretse Khama eventually became the first president of Botswana and an admired leader, but in 1956 the two khamas agreed to both renounce their claims to the chieftaincy and to create a tribal council, ‘thus effectively formalizing the tribe’s democratic constraints on the chief’ (Leith, *Why Botswana prospered*, p. 26).

<sup>64</sup> Makgala, ‘Taxation in the tribal areas’.

<sup>65</sup> For example, when the imposition of a tax on bicycles was discussed in the 1920s, the residents of Serowe, who were particularly dependent on bicycles for transport, voiced united opposition. Public opinion prevailed and the idea was abandoned (*ibid.*, p. 292).

<sup>66</sup> Continuity is again apparent: Ayittey (*Africa betrayed*) argues that toleration of dissent was the key determinant of post-colonial Botswana’s success.

other way around.<sup>67</sup> Several Tswana polities faced secessions because the chief had ruled autocratically or not conformed to the traditional norms of chieftainship.<sup>68</sup> In the words of Ngcongco, 'The leaders were thus forced to a large extent to rule in the interests of the people. It was not a replication of Greek or American democracy: it was a peculiarly Tswana form of democracy'.<sup>69</sup> The outcome, typically, was competent leadership, as exemplified by, for example, Khama III (who encouraged the processes that led to the institutionalization of many of the Tswana customs discussed in this article), Seretse Khama, and Ketumile Masire.<sup>70</sup>

Finally, from an early stage the Tswana had an extraordinarily well-developed legal system, as documented in detail by Schapera.<sup>71</sup> The missionary John Mackenzie noted in 1884 that 'the Tswana decidedly prefer to [fight] with their tongues . . . And so diplomacy played a prominent part in the public business in each little court, without letters and without secret cypher'.<sup>72</sup> Courts, detailed legal procedures, and, in some cases, rights of appeal were in place in the nineteenth century. A 'strong sense of constitutionalism' also constrained the chiefs, who were not above the law.<sup>73</sup> Again, the limited impact of British rule proved pivotal, as the same Tswana legal customs can be observed in post-colonial Botswana—one example being a recent ruling in favour of the San people whom the government had attempted to evict from diamond-rich areas.

The proto-democratic character of Tswana culture and political institutions dating back at least to the nineteenth century stands in contrast to those of its neighbours. In the nineteenth century, 'many Europeans contrasted the confederative and consensual character of [Tswana] polities to the more overtly authoritarian, coercive, and directive rule of the Zulu paramounts south of Botswana'.<sup>74</sup> North of Botswana, the Bemba tribe was a warrior people whose whole economic system was dominated by the political relationship of subject and chief.<sup>75</sup> The polities of the Bemba were extremely autocratic and no Bemba could attain high social or economic status unless related to the royal family.<sup>76</sup> The *kgotla* had a central role in Tswana culture, but Schapera noted that popular assembly was not a common practice of African tribes; 'this feature is far more characteristic of . . . the Tswana, than any other Bantu'.<sup>77</sup> In fact, 'Botswana's tribal experience was an exceptional one in that there was more toleration of dissent in this region than anywhere else in pre-colonial Africa'.<sup>78</sup>

Democracy has been in deficit in Africa; all regions of the continent have until recently been dominated by coups, 'big men', and autocracy. Botswana's thriving democracy is thus an anomaly, one that is rooted in the history of the Tswana and

<sup>67</sup> Beaulier and Subrick, 'Political foundations', p. 107.

<sup>68</sup> Mgadla, 'Kgosi', p. 7.

<sup>69</sup> Ngcongco, 'Tswana political tradition', p. 46.

<sup>70</sup> See, for example, Acemoglu et al., 'African success story'; D. Rodrik, 'Trade policy and economic performance in Sub-Saharan Africa', NBER working paper no. 6562 (1998).

<sup>71</sup> Schapera, *Handbook*.

<sup>72</sup> Mackenzie, *Transvaal*, p. 221.

<sup>73</sup> Crowder, Parsons, and Parsons, 'Legitimacy and faction', p. 10.

<sup>74</sup> Peters, 'Struggles over water' (see above, n. 44), p. 4.

<sup>75</sup> Richards in *Land, labour, and diet*, p. 17, argues that the Bemba can be taken as 'representative' of the Northern Rhodesian tribes.

<sup>76</sup> Ibid. See Roberts, *History of the Bemba*, for an alternative argument.

<sup>77</sup> Schapera, *Ethnic composition*, p. 64.

<sup>78</sup> Beaulier and Subrick, 'Political foundations', p. 107.

their culture. As Gennaioli and Rainer argue, the history of Botswana ‘reveals a clear continuity between postcolonial political leaders and precolonial rulers, as traditional patterns of politics influenced the nature of the postcolonial state itself’.<sup>79</sup> While it was not a real parliament, the *kgotla* certainly provided a forum where the Tswana could voice their opinions, and there is extensive evidence documenting how public opinion influenced successions to the chieftainship and the leadership of the rulers—both in the pre-colonial and the colonial period. Leith and Ngcongco are correct to conclude that Tswana tradition has important features in common with western democracy.<sup>80</sup> The culture of consultation continued through the twentieth century and is apparent in Botswana’s current political system; for example, policy proposals are circulated for comment among all relevant ministries and only after an inter-ministerial consensus has been reached will a memorandum go forward to the Cabinet.<sup>81</sup> The strong political checks and balances present in traditional Tswana society encouraged competent leadership, and the quality of Botswana’s leaders has been noteworthy. Botswana’s economic success is built on its robust democracy and legal system, which in turn are due in part to the democratic character of Tswana culture.

Unlike among many African tribes, the institution of private property and wealth has existed in Tswana society since at least the mid-nineteenth century. Cattle, which were privately owned, were the *sine qua non* of Tswana economic relations, and variations of many of the property practices observed in pre-industrial western societies developed. Respect for private property rights—perhaps the foremost reason why *African Business* recently ranked Botswana second only to Singapore in terms of best emerging market risk<sup>82</sup>—is rooted in Tswana culture.

In pre-colonial Botswana, land was not individually owned in the western sense of the word. Control of land was vested in the chief, but none of the land was his personal property. All married members of the tribe were entitled to land for homesteads.<sup>83</sup> In fact the existing evidence suggests that the laws and customs governing land rights in nineteenth-century Tswana society embraced the full modern notion of property rights, except selling rights. Tribesmen could not be forced to hand over land once granted to them. Individual Tswana usually took up bigger plots than members of neighbouring tribes, and surrounded their plots with fences. Once built, a homestead remained the exclusive property of the household occupying it and was inherited by later generations of that family. Wives were entitled to their own fields; husbands had no control over the fields allocated to wives. From the early colonial period women could hold land in their own right. Individuals could also transfer their land to others or lend it out.<sup>84</sup> Incentives to invest in the land thus appear to have been relatively intact. There are also early examples of the explicit recognition of the value of individual land ownership in

<sup>79</sup> Gennaioli and Rainer, ‘Precolonial centralization’, p. 197.

<sup>80</sup> Leith, *Why Botswana prospered*; Ngcongco, ‘Tswana political tradition’.

<sup>81</sup> M. Sarraf and M. Jiwaji, ‘Beating the resource curse: the case of Botswana’, World Bank, Environment Department Papers, Environmental Economics Series (2001).

<sup>82</sup> *African Business*, 261 (Jan. 2001), p. 12; Musyoki and Darkoh, ‘Adjustment to globalisation’.

<sup>83</sup> If a man could not be given land by relatives after marriage, he would acquire it from someone else, typically in exchange for a cow. The cow was, however, seen as compensation for the labour invested in the land, not payment for the land itself (Schapera, *Handbook*).

<sup>84</sup> *Ibid.*

Botswana; for example, Chief Montshiwa in 1885 divided his country north of the Molopo into 416,000-acre farms, which were distributed to individual notables.<sup>85</sup>

Cattle, the principal capital asset, were individually owned in almost all Tswana tribes—the chief had no rights in the distribution of animals.<sup>86</sup> Women could possess cattle, and household heads were required to allocate cattle to their wives. A custom developed around the turn of the century dictating that a father should also allocate cattle to his sons, and it gradually became possible for children and young adults to own cattle. Among the Ngwaketse:

it was formerly the rule that no young member could own separately an animal . . . Tribal custom decreed that it belonged to his father. [But] the younger members found themselves with a new outlook. As a result of being unable to own cattle they spent their wages . . . on 'swagger' suits, watches, or other articles of little use to them. The Chief (Seepapitso) saw the effect of [this] and had a law passed making it possible for anyone to own cattle in separate ownership.<sup>87</sup>

(Former chief Macheng had precipitated his own downfall in 1859 by attempting to impose indiscriminate royal ownership of cattle.) Khama III, who ruled the Ngwato from 1875 to 1923, recognized the notion of the individual's right to own cattle that had developed in Tswana culture and officially declared cattle private property,<sup>88</sup> also in principle liberating semi-servile groups to own property.<sup>89</sup> The individualization of cattle ownership facilitated the development of a market cattle economy in arid Botswana during the twentieth century. The owners of large cattle herds that eventually became the economic elite 'had a clear interest in maintaining property rights, and did so'.<sup>90</sup>

An illuminating example of the institutionalization of property rights among the Tswana can be found in the Kgatla tribe in the 1920s and 1930s. As scarcity of water led to pressure on supplies, Isang Pilane, the chief of the Kgatla, declared that all those who would dig wells in remote areas would be given sole water rights in the vicinity of the well for a period of 10 years.<sup>91</sup> As Peters recounts, seven boreholes were successfully sunk.<sup>92</sup> These were initially tribally owned but were placed under the management of 'committees' who charged users and were responsible for maintaining the borehole pumps. The committees, however, performed poorly, so the decision was made in the 1930s to privatize the boreholes by transferring ownership to 'syndicates'—small groups of cattlemen.<sup>93</sup> The justification offered for this move demonstrates a clear appreciation of the potential benefits of private property rights. The Native Advisory Council (NAC) held that no individual or group felt obliged to maintain the boreholes since they were

<sup>85</sup> Sillery, *Botswana*, p. 106. Another example, this one from the colonial period, is the explanation offered by Isang, chief of the Kgatla, in 1930 for why new bulls introduced into the reserves were not being treated well: 'Our Reserves are communal property' (Botswana National Archives, Native Advisory Council, transcripts, 1930, p. 13).

<sup>86</sup> Schapera, *Handbook*.

<sup>87</sup> *Ibid.*, p. 221.

<sup>88</sup> Parsons, 'Khama's country'.

<sup>89</sup> Samatar, *African miracle*.

<sup>90</sup> Leith, *Why Botswana prospered*, p. 22.

<sup>91</sup> Schapera, *Handbook*.

<sup>92</sup> Peters, 'Struggles over water' (see above, n. 44).

<sup>93</sup> There are clearly very interesting parallels between water management practices among the Tswana in the 1930s and policies—typically seen as new and innovative—advocated by numerous development experts today.

publicly owned.<sup>94</sup> A member of the NAC explained, ‘Where anything is used tribally no proper care is taken of that thing because any man can come along and use it, well knowing that any expenditure attaching to it he has not to bear alone’.<sup>95</sup> Isang, similarly, argued that the previous management had failed because ‘all these boreholes are tribal holes, and we are always in trouble with [them] because no one is actually responsible for them’.<sup>96</sup> Sanctioned by Tswana customs and prompted by market principles, boreholes thus began to be recognized as personal property in the 1930s, and moves towards the private ownership of adjacent grazing lands and dams soon followed.<sup>97</sup>

In few, if any, Sub-Saharan African countries was the concept of private property rights as cemented in the indigenous culture upon independence as it was in Botswana. In early twentieth-century Northern Rhodesia, among the Bemba, all the crops grown belonged to the chief. Europeans often observed that the Bemba had no system of land tenure: tribesmen could choose land as they pleased, and boundaries were often ill-defined.<sup>98</sup> When some villagers in Chief Citimukulu’s court complained that people from another village had crossed to their side of the river and cut trees near their village, he responded: ‘They are all my people . . . Let them cut trees wherever they like! It is I who am the owner of the [land]’.<sup>99</sup> The impact on investment incentives was clear; while travelling in Bemba land, Richards often ‘heard . . . the statement that it was no use developing the ground, since one might not [have the same land] next year’.<sup>100</sup> Similarly, among the Tonga, in present-day Zambia, land was neither sold nor inherited.<sup>101</sup>

A sizeable literature attributes Africa’s poverty in part to its history of communal ownership, and in particular the lack of individual property rights that characterized many tribal societies.<sup>102</sup> But the Tswana developed an individual concept of ownership centred on cattle during the nineteenth century. Cattle were privately owned, and, as Alverson put it, livestock in Botswana represented ‘what the “investment portfolio” represents in ours’.<sup>103</sup> Land could not be sold in traditional Tswana society, but investment incentives were largely preserved, as it could be transferred and inherited, and control of the land was vested in the individual to a much greater extent than among most neighbouring ethnic groups. During the first half of the twentieth century, comprehensive individual property rights were progressively extended to land and other assets such as water resources—most famously, Chief Isang’s privatization of boreholes among the Kgatla. Thus, a firmly entrenched respect for individual ownership in Botswana by the time of independence should come as no surprise. The Tswana traditions of private property facilitated the development of a post-colonial market economy in Botswana.

<sup>94</sup> Peters, ‘Struggles over water’ (see above, n. 44), p. 11.

<sup>95</sup> Quoted in *ibid.*, p. 11.

<sup>96</sup> Botswana National Archives, Native Advisory Council, transcripts, 1937, p. 252.

<sup>97</sup> Good, ‘Exceptionality of Botswana’, p. 72.

<sup>98</sup> This was a result of the ‘citimene’ agricultural tradition; the Bemba had to shift ground constantly in order to slash-and-burn new crop circles in the woods.

<sup>99</sup> Richards, *Land, labour and diet*, p. 266.

<sup>100</sup> *Ibid.*, p. 275.

<sup>101</sup> Dixon-Fyle, ‘Tonga Plateau’, p. 579.

<sup>102</sup> See, for example, de Soto, *Mystery of capital*.

<sup>103</sup> Alverson, *Mind in the heart of darkness*, p. 11.

By the 1880s, Chief Khama III of the Ngwato had acquired a herd of 8,000 cattle and his annual income around that time reached £3,000.<sup>104</sup> Besides his extensive sale, hire, and use of cattle, wagons, and grain crops, Khama grew tobacco for the market and bred bloodstock horses and cattle.<sup>105</sup> Though he had the advantage of the chieftainship, Khama started out with few assets (after abolishing any inherent royal rights to cattle) and his entrepreneurialism illustrates well the culture of trade and enterprise that developed among the Tswana in the nineteenth century.

Their experience with trade and the semi-arid conditions of the area, which required travellers to keep to certain well-watered routes,<sup>106</sup> enabled the Tswana tribes to control the trans-Kalahari trade routes that were established between the Cape and Zambezia in the early nineteenth century and ushered in a long era of trade and prosperity in Botswana. By the 1840s, the Tswana were exporting ivory, cattle, skins, and ostrich feathers southwards.<sup>107</sup> ‘The first words of Chief Mothibi to the missionaries Evans and Hamilton were, “What have you brought for barter?”’, and the chief was not pleased to learn that the missionaries had not come to trade’.<sup>108</sup> By the 1880s, a wide range of imports were available and the Tswana economies were further stimulated by closer links with the rapidly developing industrial economy of Europe through the Cape.<sup>109</sup> There are also indications that income from ‘the road’ extended to the broad masses, such as photographic evidence of the widespread adoption of western dress. Among the Ngwato, the extension of cheap credit, wagons, breeding stock, and so on from the elites enabled the tribesmen to sell surplus production directly to traders and travellers.<sup>110</sup> In Shoshong, there were nine traders’ stores in 1879. Lieutenant E. A. Maund reported that, in 1885, ‘in the palmy days, one firm alone had a trade of £50,000’.<sup>111</sup>

Internal commerce among the Tswana was facilitated by the use of trade-promoting instruments similar to those known in the west. Schapera documents the range of well-specified contracts known in Tswana law, including various forms of service contracts common by the nineteenth century.<sup>112</sup> Similarly, the use of credit was common among the Tswana.<sup>113</sup> In case of default, a detailed procedure existed whereby the lender could present his case at the *kgotla*, and, if necessary, take over property owned by the debtor.<sup>114</sup> Commoners would lend to one another, but, in particular, the wealthy were expected to extend such services to the poor. The *mafisa* system, whereby the poor could borrow cattle from the more affluent in return for their labour, was widespread and had features in common with the feudal systems known on other continents.

The early introduction of both money and taxes in Botswana proved complementary. The Tswana chiefs (along with the administrators of Barotseland in

<sup>104</sup> Maundeni, ‘Botswana and Zimbabwe’.

<sup>105</sup> Parsons, ‘Khama’s country’.

<sup>106</sup> Peters, ‘Struggles over water’ (see above, n. 44).

<sup>107</sup> Parsons, ‘Khama’s country’.

<sup>108</sup> Moffat, *Missionary labours*, p. 229.

<sup>109</sup> Parsons, ‘Khama’s country’.

<sup>110</sup> *Ibid.*

<sup>111</sup> British Parliamentary Papers (P.P. XLVIII, C.-4643), p. 104.

<sup>112</sup> Schapera, *Handbook*.

<sup>113</sup> *Ibid.*

<sup>114</sup> *Ibid.*

Northern Rhodesia) were among the few indigenous leaders in the area to be given tax-collecting authority and a percentage of revenues. In the 1880s, the exports of cattle to Kimberley escalated and became an increasingly important source of cash for the Tswana. A growing retail market signified the emergence of a cash economy in the Bechuanaland Protectorate, and when taxes were introduced the British found reserves of cash among the population and tax yields to be surprisingly large.<sup>115</sup>

While very few tribes in Africa developed contracts and credit systems as sophisticated as those of the Tswana, many tribes did trade extensively among themselves, if seldom with Europeans to the extent that the Tswana did. The commercial history of Southern African tribes varies substantially. Maundeni shows how religious institutions in pre-colonial Zimbabwe wrested economic power from the state and that economic success was understood in terms of magical powers rather than commercial talent.<sup>116</sup> No organized system of barter or exchange existed among the Bemba in Zambia, who had few material possessions that could be accumulated as capital or used as any form of currency.<sup>117</sup> In fact, the Bemba had 'no tradition of commerce, no habit of exchange',<sup>118</sup> and a commercial system in which 'incentives to work [had] disappeared'.<sup>119</sup> Other neighbouring groups such as the Sotho and the Xhosa were more commercially minded, but these traditions were lost during the early colonial period when restrictions were imposed on African commerce.<sup>120</sup> Once again, the combination of the traditional culture of the Tswana and Botswana's limited colonial experience proved pivotal.

It quickly became apparent that Botswana had moved down a path radically different from that of most Sub-Saharan countries after independence, even before the diamond wealth came on stream.<sup>121</sup> By the 1980s, as many African countries continued to experiment with import substitution and quasi-socialism and only small minorities took part in the nascent market economies of the continent, commerce and entrepreneurialism thrived in Botswana. That the commercial aspect of Tswana culture had survived colonialism was evident as new businesses mushroomed; Botswana was once again becoming integrated into the world economy, as it had been in the nineteenth century. The Tswana tribes had always traded with one another, but their culture became centred on exchange when the Ngwato and Kwena chiefdoms controlled the trans-Kalahari trade routes in the latter half of the nineteenth century. The traditional use of credit, contracts, and default mechanisms proved increasingly useful as the cash nexus and import goods spread. One of the few ways in which British rule in Botswana had a significant

<sup>115</sup> Parsons, 'Khama's country'. The first 'hut tax' imposed on the Ngwato, which had to be paid in cash, yielded £3,816 in 1899–1900 (Parsons, *Botswana history index*, p. 127). Subsequently, the colonial income from the Ngwato hut tax grew steadily; in 1908–9 it yielded £13,225 (*ibid.*, p. 130). As in other colonies, the British introduced taxes in the Bechuanaland Protectorate in part to induce the indigenous population to take up wage labour. The move was relatively successful; the households that could not find employment in the indigenous economy typically dispatched young men to migrate temporarily, often to work in the South African mines. Labour migration and remittances remained an important aspect of Botswana's economy throughout the colonial period.

<sup>116</sup> Maundeni, 'Botswana and Zimbabwe'.

<sup>117</sup> Richards, *Land, labour and diet*.

<sup>118</sup> *Ibid.*, p. 222.

<sup>119</sup> *Ibid.*, p. 23.

<sup>120</sup> See Richards, *Land, labour and diet*.

<sup>121</sup> Robinson and Parsons, 'State formation'.

lasting impact was through the introduction of a western system of taxes and wage labour. Though the Tswana culture of commerce in itself can explain little of Botswana's astonishing growth rates after independence—other African tribes, though few of the neighbours of the Tswana, had extensive commercial traditions—this is an aspect of the Tswana culture that proved economically important in combination with the farsighted expansion of infrastructure and public goods in the 1960s, 1970s, and 1980s.

By 1600, the Tswana as a whole occupied approximately their modern territory,<sup>122</sup> but the tribes dispersed over much of modern-day Botswana during the nineteenth century when various groups aggressively expanded from the south. Land was abundant and the only important asset, cattle, was mobile so it was relatively easy to move. The result was a dispersion of geographically separated tribes that were relatively independent of each other economically and politically, but who shared a common language, traditions, and institutions.<sup>123</sup> The lack of ethnic conflict in modern Botswana that contrasts with the experience of almost all other African countries appears to be due in part to the integrative nature of Tswana culture developed in the pre- and early colonial period that encouraged cooperation across Tswana tribes and the inclusion of non-Tswana minorities in tribal life.

After the British colonized the Bechuanaland Protectorate in 1885, the Tswana tribes negotiated the boundaries of tribal reserves.<sup>124</sup> There was no geographic territory for non-Tswana tribes, which institutionalized the cultural dominance of the Tswana. During the pre-colonial period the Tswana had, however, developed a culture and political structure that integrated other groups into the state. Minorities were present in many Tswana villages and had well-established rights; for example, the right to speak at the *kgotla*. The Kalanga is one example of a group being integrated into many Tswana towns, retaining their own leaders and identity while increasingly coming to associate themselves with the Tswana nation.<sup>125</sup> The integrative nature of Tswana culture thus continued through the twentieth century and was strengthened by the recognition of the benefit of speaking with one voice when dealing with the colonial authorities, who consulted the indigenous population in Botswana to an unusual extent. Robinson and Parsons argue that Botswana was the only African nation that was dominated by such a homogenizing force at the time of independence.<sup>126</sup>

A specific feature of pre-colonial Tswana culture that illuminates this homogenization is the use of age-regiments. When boys and girls came of age they went through an initiation process that symbolized the creation of a new age-regiment, to which members belonged for the rest of their lives. Age regiments were required to perform public duties.<sup>127</sup> Initiation rituals were in use in many places in Africa. However, the unique feature of the initiation of the Tswana, whose states and towns were much larger than was typical in Africa and brought together diverse

<sup>122</sup> Alverson, *Mind in the heart of darkness*.

<sup>123</sup> Leith, *Why Botswana prospered*.

<sup>124</sup> Schapera, *Handbook*.

<sup>125</sup> Robinson and Parsons, 'State formation'.

<sup>126</sup> *Ibid*.

<sup>127</sup> Several of the regiments, for example, fought for the British during the Second World War, at the request of their chiefs.



groups, was the extent to which the process was essentially employed as a nation-building tool. This allowed ethnically diverse communities to retain their peculiarities while identifying with the larger whole of the state.<sup>128</sup> Samatar conjectures that the initiation process, through its focus on tradition and loyalty to the state, instilled a sense of national unity into the young.<sup>129</sup>

In addition to integrating minorities effectively within their states, the Tswana cooperated to an extraordinary degree across tribes before, during, and after colonialism. The Tswana halted the Boers, who had moved aggressively into present-day Botswana, at the battle of Dimawe in 1852, in part due to inter-tribal strategic cooperation. Besley and Persson argue that, historically, facing a common enemy often motivated leaders of territories to develop state capacities—an argument that is corroborated by the case of Botswana.<sup>130</sup> Tlou and Campbell note that facing a common enemy ‘was to lay the foundations for a future Republic of Botswana, in which *merafe* [Tswana tribes] recognize a common unity’.<sup>131</sup> Inter-tribal cooperation was not diminished by colonialism, the most famous example being three Tswana chiefs’ remarkable united defence in London in 1895 against Cecil Rhodes’s attempt to persuade the British government to let his British South Africa Company (BSAC) take over the Bechuanaland Protectorate. Later chiefs and their advisers continued the tradition of speaking with one voice when dealing with the British.<sup>132</sup> The unusual and limited nature of colonial rule thus seems to have further strengthened inter-tribal unity in Botswana. Samatar argues that this cooperation ‘sowed the seed of contemporary Botswana national identity’,<sup>133</sup> which had solidified by the time Botswana’s first government reduced the political powers of tribal chiefs shortly after independence. Seretse Khama also took the remarkable decision to transfer property rights over sub-soil diamonds away from his native Ngwato tribe (on whose territory the newly discovered deposits were located) to the government, to prevent conflict among tribes over the control of diamond wealth.

The practices of neighbouring ethnic groups and states in Africa contrast with those of the integrative Tswana. Unlike, for example, the Khoe and San in Botswana, minorities in many African countries today have a separate historiography and experience of ‘stateness’, such as the Ga and Ewe in Ghana.<sup>134</sup> In what is now called Zimbabwe, ‘the Shona people in the early nineteenth century, although possessing a common language, religion, material culture and system of law and custom, were not a united people. Limitations imposed upon them by their laws of marriage, succession and inheritance tended to work against the development of large united states’.<sup>135</sup> The limited colonization of Botswana that

<sup>128</sup> Parsons, ‘Khama’s country’.

<sup>129</sup> Samatar, *African miracle*. See Miguel, ‘Tribe or nation?’, for an argument on the importance of nation-building in Africa.

<sup>130</sup> Besley and Persson, ‘Origins of state capacity’ (see above, n. 56).

<sup>131</sup> Tlou and Campbell, *History of Botswana*, p. 170.

<sup>132</sup> For example, the chiefs mounted a forceful defence against Resident Commissioner Charles Rey’s attempt to impose his authority and to establish a ‘native tax’ in the 1930s. After analysing and disapproving a legislative draft suggesting the introduction of the new tax in 1931 and receiving Rey’s reply, the chiefs wrote back complaining that he had replied to them individually while they had written collectively (Makgala, ‘Taxation in the tribal areas’, p. 288).

<sup>133</sup> Samatar, *African miracle*, p. 7.

<sup>134</sup> Acemoglu et al., ‘African success story’, p. 11.

<sup>135</sup> Beach, ‘Rising’, p. 1.

allowed traditional Tswana culture to survive and solidify was no doubt an important factor; integrative political institutions had developed before colonialism among the Barotse in Zambia and in Bophuthatswana in South Africa, but these institutions collapsed under the pressures of colonial rule.<sup>136</sup>

Though the Tswana tribes are relatively culturally homogenous, present-day Botswana has been an ethnically diverse territory since the nineteenth century. The lack of ethnic conflict in Botswana, which appears to have stifled growth elsewhere in Africa,<sup>137</sup> can thus not be taken as an exogenous factor but should be explained in any satisfactory account of Botswana's economic success. The integrative culture that evolved among the Tswana before colonialism that encouraged the inclusion of minorities in Tswana communities and a tradition of inter-tribal cooperation is perhaps the most important factor underlying the emergence of the national identity that proved elusive among Botswana's neighbours. Whether capitalism could have thrived in an ethnically divided Botswana after independence is unclear. Independent Zambia, for example, could probably have developed its cattle economy as successfully as Botswana did, but Kenneth Kaunda and his United National Independence Party (UNIP) did not want to provide economic empowerment for the cattle-owning Tonga and Ila, who opposed their regime.<sup>138</sup> Also, had Botswana been ethnically divided, the diamonds discovered in the 1960s might have proved more of a curse than a blessing, as the experience of other resource-rich African countries such as Nigeria suggests. Recent research indicates that nation-building, which has taken place *de facto* in Botswana since the nineteenth century, culturally and informally at first (through, for example, the age-regiments) and more formally in the second half of the twentieth century (through, for example, the exclusive use of Setswana and English in schools) can in part explain the progress of the few successful African economies.<sup>139</sup> In helping to forge a national identity and restraining ethnic conflict in a diverse country, Tswana culture clearly facilitated Botswana's economic success.

### III

A series of recent articles shows that, when high-quality data is available, it is not necessary to abandon the standard approach of economics—combining theoretical formalism with rigorous econometric techniques—in order to incorporate culture.<sup>140</sup> The evidence presented in this article—which out of necessity has relied on more qualitative sources—indicates that taking culture seriously in economic research is long overdue. Through an in-depth historical case study of the fastest-growing economy in the world during the last 40 years, that of Botswana, I have provided extensive evidence strongly suggestive of the conclusion that traditional

<sup>136</sup> Robinson and Parsons, 'State formation', p. 134.

<sup>137</sup> Easterly and Levine, 'Africa's growth tragedy'.

<sup>138</sup> Instead they rewarded UNIP supporters in the remote North-West Province with an expensive pineapple processing plant that rusted in disuse as no pineapples were produced locally (Robinson and Parsons, 'State formation', pp. 121–2).

<sup>139</sup> See, for example, Reinikka and Svensson, 'Local capture'; Miguel, 'Tribe or nation?'.

<sup>140</sup> See, for example, Tabellini, 'Culture and institutions'; L. Guiso, P. Sapienza, and L. Zingales, 'Cultural biases in economic exchange', NBER working paper no. 11005 (2005); R. Fernández and A. Fogli, 'Culture: an empirical investigation of beliefs, work, and fertility', NBER working paper no. 11268 (2005); Fernández and Fogli, 'Fertility'.

Tswana culture has been an important force contributing to the factors widely seen as determinants of Botswana's post-colonial economic success.

Of course, culture is difficult to define and observe. Sceptics may argue that this article has simply redefined, say, institutions as culture. The traditional economist is uncomfortable with any account in which one cannot point to a concrete, (more or less) exogenous 'cause' of an outcome—in this view, the *kgotla* as an institution may be a legitimate explanatory factor but the culture of consultation that grew up around it is not. However, studies of diplomats and immigrants present in environments away from the institutions that, according to the traditional argument, shape their behaviour have clearly documented that people behave in ways that cannot be explained by the constraints and institutions they currently face—certain behaviours become embedded in their culture.<sup>141</sup> These studies have shown that culture is in fact observable and measurable. They have also, however, illuminated the current state of economists' difficult relationship with culture—most economists now accept a cultural explanation for behaviour *only if the current constraints and institutions cannot 'justify' the observed behaviour*. This is not a satisfactory state of affairs since, of course, there is no reason why culture should not have an influence above and beyond the constraints and institutions at play even when those constraints and institutions may also contribute to the observed choices made. Certain elements of the differentia that have set post-colonial Botswana apart are undoubtedly explained by underlying forces beyond Tswana culture. Further, the history of the Tswana has probably played a beneficial role in ways that will be difficult for economists to accept, as more traditional economic alternative explanations exist; for example, a sceptic may argue that Botswana's secure property rights somehow derive from British institutions, and not traditional Tswana culture (though such an argument would be mostly wrong). Conversely, other likely determinants of post-colonial Botswana's success, such as the perceived legitimacy of the state and the extraordinary degree of cross-tribal unity, are very difficult to account for by referring to current institutions in isolation. The main avenue of influence for historical institutions on current outcomes, meanwhile, would seem to be through current institutions.<sup>142</sup> The evidence presented in this article, however, supports the view that an important transmission mechanism from historical to current institutions *is* culture. As Fernández puts it, 'one way to think about institutions is as congealed culture: that is, which institutions are set up and how these evolve depends not only on the problems faced by society (or by a particular group in society) . . . but also . . . on the culture that [is] prevalent'.<sup>143</sup>

Of course, the argument is *not* that Tswana culture was the sole determinant of Botswana's economic success, nor that the economy of the Tswana would have grown at 7 per cent annually after a more typical African colonial history, or in the absence of diamonds; the pre-colonial culture and institutions of the Basotho that constitute the majority in Lesotho, for example, were very similar to those of the Tswana, but were subsequently torn apart by colonialism and ravaging internal disunity that continued into post-colonial times—and independent Lesotho has

<sup>141</sup> See, for example, Fisman and Miguel, 'Corruption'; Fernández, 'Culture as learning' (see above, n. 3).

<sup>142</sup> As argued by Acemoglu et al., 'Colonial origins'.

<sup>143</sup> Fernández, 'Culture and economics', p. 13.

failed economically.<sup>144</sup> But from a Sub-Saharan African perspective, traditional Tswana culture proved uniquely beneficial to economic development after colonialism in the presence of a market system and productive opportunities. That is, the Tswana developed a culture before and during the early days of colonialism with characteristics similar to those of the western nation states that scholars often emphasize as potential reasons why, for example, the industrial revolution started in Europe, once the necessary technology was in place.<sup>145</sup> A legitimate state apparatus, good governance, commercial traditions, well-established property rights, and a national identity were initially not in place in other Sub-Saharan African countries to the extent necessary for a market system to function successfully. The standard view in economics is that culture is labile and can be explained by the constraints and opportunities faced by agents. This view is only partly true; whereas, for example, the cultural characteristics of the Tswana discussed in this article are probably being solidified by the market economy that has now been institutionalized in Botswana, history clearly has an independent influence on current culture above and beyond the economic universe faced by individuals, as evidenced by the multitude of cultural practices that persist after the original underlying rationale has ceased to exist. Conversely, the fallacy of many historians is to assume that cultures are fixed. Some cultural traits can and do change rapidly and the promotion of cultural change beneficial to economic progress should not be taboo. However, while not over-generalizing on the basis of a single case study, we can perhaps draw the following conclusion from the Sub-Saharan African culture that proved uniquely well-suited for western-style capitalism and governance; to succeed, Sub-Saharan African countries, like all other societies, need market institutions that are *complementary* to the relevant culture. The characteristics of those institutions should be fertile ground for future research.

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<sup>144</sup> Acemoglu et al., 'African success story'.

<sup>145</sup> Temin, for example, argues that 'the culture of Protestantism only provided its unique benefits in the presence of a particular industrial technology and its need for organization' ('Talk about culture?', p. 269), even though, for example, Clark ('Political foundations') demonstrated that stable property rights existed for at least 200 years before the industrial revolution in England.

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