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South Africa's Underdevelopment of Botswana from the 1850s to the Present: A Case Study on sub-Imperialism in Southern Africa

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Walter Sisulu, the ANC deputy president, firmly rejected, in January 1992, the established policy of South African economic 'hegemony', and declared that his party favoured 'participating in the restructuring of existing relations on a more equitable basis'. Cyril Ramaphosa, the party's secretary general, emphasized the same position even more strongly later that year. The ANC accepted 'an historic obligation to cooperate with our neighbours in overcoming the imbalances in existing regional economy'.

—Kenneth Good and Skye Hughes (2002)

[A]fter the end of apartheid…. In order to stop the complete implosion of their automobile industry the South Africans had started to provide massive subsidies for exports and thereby restructure their industry. There was no way they were going to allow some small 'screw-driver operation', as their industry commonly calls the Hyundai factory in Botswana, to undermine their industrialization plans.

— Roman Grynberg (2014)

Abstract

The end of apartheid in South Africa in 1994 raised hope that the post-apartheid African National Congress (ANC) government would help drive economic growth, and prosperity in Botswana and other neighbouring smaller countries. For generations, black people in these countries had contributed to economic growth and industrialisation of South Africa with cheap labour. These countries also provided a captive market for manufactured goods and services from South Africa. This paper uses Botswana as a case study to analyse this historical scenario through Underdevelopment and Dependency theory. Botswana played a significant role in giving sanctuary to people fleeing oppression and exploitation from the south as early as the 1850s. This continued despite military reprisals on those Tswana states that hosted such refugees. As British 'dependents' Batswana also played a critical role in the South African War of 1899 to 1902 which culminated in the establishment of the white-controlled Union of South Africa in 1910 which ironically tried to incorporate Botswana. After Botswana's independence in 1966, the country actively supported the South African liberation struggle despite military reprisals by the powerful apartheid regime. The paper also utilises Realist theory of International Relations to conclude that the new ANC-led post-apartheid government brazenly pursued a foreign policy that continued the underdevelopment and dependence of Botswana on South Africa despite promises to reverse the entrenched historical trend. This flew in the face of the objectives of the New Partnership for Africa's Development (NEPAD) championed by, among other African leaders, South African President Thabo Mbeki at the turn of the new millennium.

Keywords: Underdevelopment; economic dependence; apartheid; liberation struggle; NEPAD

Introduction

In its edition of 7-13 November 2021, Botswana weekly newspaper, *Sunday Standard* carried a story with a headline: 'Botswana Struggling to get out of South Africa's shadow'. The story was based on a report

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by the United Nations Conference on Trade and Development (UNCTD) on how Botswana is struggling to get out of South Africa's overbearing economic shadow, and is even treated as an extension of South Africa by some foreign investors (UN 2021). Although the report focused specifically on Information Technology (IT), Information and Communication Technology (ICT), and E-commence- related foreign direct investment (FDI), this should be located within the context of about 170 years' history of South Africa as a regional hegemon which has always cast a shadow on Botswana and indeed the entire Southern African region. It is common knowledge that Botswana's economy, and its small private sector, have always struggled to compete in a regional economy that has always been controlled and manipulated by South Africa. This introductory section gives historical background to this situation.

Throughout the generations, European socio-economic, religious, and political impact on Botswana largely came from or through South Africa. For instance, European missionaries reached Tswana societies from South Africa by the second quarter of the nineteenth century or earlier. Precolonial mercantile capitalism penetrated Tswana states through South Africa (Okihiro 2000 and Nangati 1980). Batswana bartered their local products in the form of animal skins, ostrich feathers, and ivory for manufactured European goods such as guns, ox-drawn wagons, ploughs, mirrors, clothing and other items.

In the 1830s some Boers or Voortekkers fleeing British rule at the Cape Colony settled in the land of Tswana-speakers in what would become the western part of the Transvaal Boer Republic. In 1852 the British and the Boers signed the Sand River Convention, one of its provisions being the prevention of African states from acquiring guns. The idea was to render Africans defenceless in the face of loss of their land at the hands of the Boers, who also forced Africans to provide unpaid labour akin to slavery (Eldredge and Morton 1994). However, the Tswana had access to guns through friendly European missionaries, European traders, and gunrunners. Loss of land and forced labour on Boer farms eventually forced several Tswana groups to flee the area for refuge among the Bakwena of Kgosi Sechele. Among these groups were Bahurutshe boo Manyane and Bakgatla baga Mmanaana. Efforts by the Boers to force the Bakgatla and their leader Kgosi Mosielele back to the Transvaal were resisted by Sechele, who had given them sanctuary. The Boers also worried that Dr David Livingstone, the resident Scottish missionary doctor among Bakwena, helped them gain access to guns and ammunition (Ramsay 2014). This culminated in the Battle of Dimawe in 1852-1853 when Boer commandos' attacks were countered by the Bakwena with the help of other Tswana groups. This Pan-Tswana military alliance in defence of the territory has led some observers to conclude that the Battle of Dimawe was the dawn of modern Republic of Botswana (Ramsay 1991 and Magang 2008). However, Sechele continued hosting Tswana refugees from the Transvaal. For instance, in 1870 he settled Bakgatla-ba-Kgafela in Mochudi sometime after their leader Kgosi Kgamanyane was publicly flogged by the Boer leader Paul Kruger. Another group that also found sanctuary among Bakwena were the Batlokwa of Kgosi Gaborone, who arrived in 1883 after losing their land to the Boers.

In the late 1860s diamonds were discovered in Kimberly, which the British annexed in the early 1870s, while gold was discovered in the Transvaal in the 1880s. The result of this development was cheap African migrant labour to the diamond and gold mines, and Batswana became an integral part of this phenomenon. Batswana also provided cheap labour in white domestic service and farms (Schapera 1947).

In line with the Sand River Convention the British limited their affairs to their territories of Natal and Cape Colony without venturing into the interior of Southern Africa. The Boers were given a free rein to deal with Africans as they pleased. The discovery of diamonds and gold in large quantities, however, led to a change in British policy in the region. They became actively involved and even fought wars of imperialism and suppression against African states such as Zulus and Bapedi in 1879, and Tswana-speaking Batlhaping and Batlharo (Shillington 1985). They even came into conflict with the Boers, leading to the Anglo-Boer War of 1881 which the Boers won, maintaining their independence. The Germans had colonised what is now Namibia in 1884 and the British feared geopolitical linkage between the Transvaal Boers and the Germans in Namibia. In addition to a possible anti-British German-Boer military alliance there was a fear of this alliance blocking the 'Road to the north' used by British missionaries and traders venturing into Central Africa through the land of Batswana. This was also important for African migrant labour and other resources for the Kimberly diamond fields.

These factors led to the British imposing colonial rule over the land of the Tswana and others in what the British would call Bechuanaland Protectorate (colonial Botswana) in 1885. The British had also colonised Tswana territory south of Molopo River and styled it British Bechuanaland, and ceded it to the Cape Colony in 1895. This accounts for the division of the main Tswana territory between Botswana and South Africa. However, in this paper the 'Tswana' refers to ethnic Tswana-speakers in Botswana. Most Tswana *dikgosi* (chiefs) whom the British 'consulted' reluctantly accepted colonial rule because resistance would have been crushed just as had happened with the Bapedi, Zulus, Batlhaping and Batlhoro.

The administrative centre of colonial Botswana was originally at Vryburg and later relocated to Mahikeng in British-controlled Cape Colony. This makes Botswana one of the very few colonies administered from outside its soil right up to the time of independence in 1965-1966. As an integral part of colonisation, a railway was constructed from South Africa through Botswana to Zimbabwe (Southern Rhodesia) in the late 1890s by the chartered British South Africa company (BSAC) effectively controlled by leading British imperialist Cecil Rhodes. Rhodes, who was a diamond mining mogul in South Africa and also the prime minister of the Cape Colony, wielded immense influence in the British political establishment in London which shows the importance of South Africa in the British colonial enterprise in the Southern African region. The *dikgosi* along the railway mobilised men to provide cheap labour for its construction. The British government gave tracts of land on the eastern portion of the country to the BSAC which sub-divided it into farms and sold these to European investors and speculators. Africans such as Babirwa in the Tuli Block were forcibly removed from the land and resettled elsewhere. Needless to say, many were impoverished in the process.

The massive gold wealth of the Transvaal triggered a war between the British on the one hand, and Boer Republics of the Transvaal and Orange Free State on the other, as the Republics fought in vain to preserve their independence from 1899 to 1902. While some Batswana played a role in this conflict, the Bakgatla-ba-Kgafela under Kgosi Linchwe I were the most actively involved throughout the war. They fought on the side of the British hoping to be rewarded with their land grabbed by the Boers in the Transvaal where a section of Bakgatla still remained. While traditionally this war was known as the Anglo-Boer War, the role of Africans such as Bakgatla has since been recognised and the war is now usually referred to as the 'South African War'. The Bakgatla involvement was significant even leading to the loss of the war by the Boers after which Bakgatla occupied the land they had previously lost to the Boers. Nevertheless, after the war ended in 1902 the British and the Boers reconciled. The Bakgatla, who had fought gallantly, were left in the lurch as they were disarmed and driven out of Boer farms. Their only consolation was that Kgosi Linchwe I was allowed to have authority and appoint a representative among Bakgatla in Moruleng, Transvaal. Kgosi Linchwe even had to buy farms from the Boers to settle some of his people (Morton 1985).

The result of the South African War was the eventual unification of British territories of Natal and Cape Colony with the Transvaal and the Orange Free State. This led to the establishment of the Union of South Africa in 1910, a dominion. The constitution of the Union of South Africa provided for eventual incorporation of Botswana, Lesotho and eSwatini (Swaziland), also called High Commission Territories (HCTs) into the Union. However, being familiar with exploitation of Africans by whites and loss of their land, the *dikgosi* in Botswana vehemently resisted the planned incorporation of their territory into South Africa. When a separate Dominions Office for the dominions (Canada, Australia, New Zealand and South Africa) was separated from the Colonial Office in 1925, Botswana and other HCTs fell under the Dominions Office by virtue of being administered from South Africa. Following the principle of inequality of humanity that informed colonialism, the hierarchies that came with it meant that outside of Britain, the dominions came first.[1] Put differently, they were extensions of imperial authority, including the superiority of whiteness and Britishness that came with it. No wonder that, the proud British settlers in the 'self-governing colony' or 'honorary dominion' of Southern Rhodesia (Zimbabwe) saw themselves as more 'British than the British' (Smith 1997).

Nonetheless, colonial rule in Botswana differed from most other African colonies in that Africans in Botswana had a say in how they were governed and in some instances, such as the incorporation issue, they could even reject colonial measures they deemed unfavourable to them (Makgala and Mogalakwe 2021). The British started paying less attention to South Africa's pressure for incorporation of the HCTs after Afrikaners' ultra-rightwing National Party won the 1948 elections and replaced the pro-British Afrikaner Prime Minister Jan Smuts. In 1961 South Africa withdrew from the British Commonwealth, further marginalising Britain in South African political affairs.

In 1960 the ANC and other liberation movement groups were banned by the apartheid regime and they had no choice but to operate from outside South Africa through armed struggle. Individual Batswana, some of whom had been ANC activists in South Africa (Keitseng 1999, Edge 1996 and Dingake 2015), greatly assisted refugees from South African in transit to independent countries such as Zambia and Tanzania (Parsons 2008). Following Botswana's independence in 1966, the country supported the liberation struggle against apartheid and also hosted South African refugees despite being economically dependent on South Africa (Makgala and Seabo 2017; Mgadla and Mokopakgosi 2013). Consequently, Botswana incurred military reprisals by the apartheid government for not preventing ANC combatants crossing illegally from Botswana into South Africa to commit acts of sabotage (Dale 1987).

Conceptual Framework

To the Underdevelopment and Dependency theorists, notably Frank (1967) and Rodney (1972), the challenges of development confronting many Third World or developing countries were created by Europeans or the West, first through the trans-Atlantic slave trade and then through colonialism. They also argue that the current configuration and texture of the developing countries' economies were shaped by the needs of the capitalist countries, bearing in mind that colonialism was an outcome of capitalism. According to Frank (1967), the Third World countries had failed to develop not because of any internal barriers to social change and development (as postulated by Modernisation theorists) but because European capitalist countries like Britain, or their outposts, in this case South Africa, have systematically underdeveloped these nations through various mechanisms such as exploitation of cheap labour and unequal exchange, thus keeping these nations in a state of underdevelopment and dependency.

Following on Frank, Rodney (1972) has argued that the general tendency of colonialism was to subvert and subjugate colonised African societies, to retard their economic progress and destroy the material base of the indigenous ruling classes. Rodney makes his argument in his seminal 1972 book *How Europe Underdeveloped Africa*. The title inspired Monageng Mogalakwe's 2006 article 'How Britain Underdeveloped Bechuanaland Protectorate: A Brief Critique of the Political Economy of Colonial Botswana'. Needless to say, Rodney's and Mogalakwe's works have influenced the title of the present paper on Botswana-South Africa relations.

It is now common knowledge that when in 1885 Britain declared Botswana its 'protectorate'

1 Personal communication with Professor Francis Nyamnjoh, 8 December 2021.

this was a move driven largely by British military strategic consideration, rather than by the availability of raw materials and other economic resources (Mogalakwe 2006). This has given the wrong impression that the process of underdevelopment that is often associated with colonialism, could not have taken place in a place like Botswana. This is sometimes linked to a misunderstanding of the technical status of Protectorates. But what happened on the ground was that even in the protectorate, the British colonial state policies subverted indigenous African economic interests, and stifled opportunities for indigenous private capital accumulation, while actively promoting the economic interests of a small white settler capitalist class mainly of South African origin (Mogalakwe 2006 and Parsons 1975).

Examples of how Britain subverted indigenous African economic interest in colonial Botswana include, but not limited to the following: a) Credit Sales to Native Proclamation which restricted the borrowing capacity of 'natives' to £35 a year; b) restricting 'native' economic activities to agriculture while reserving 'modern' commercial activities to whites and Asians; c) use of white-owned trading stores as cattle sale stations in a system of unequal exchange known as 'good-fors' whereby white traders obtained African products on the cheap and sold them consumer goods at exorbitant prices; d) giving the whites exclusive trade monopolies in places like the Batawana Reserve, Kgalagadi, Ghanzi, Gaborone Block and Tuli Block; and e) precipitation of labour migration to South Africa through hut tax (Mogalakwe 2006). The migrant labour system among others perhaps stands out as a good example of how Britain and South Africa colluded to subvert the economic wellbeing of Bechuanaland (Massey 1978).

The applicability of the underdevelopment thesis to Botswana is however strongly disputed by Steenkamp (1991). He argues that with reference to Botswana, colonialism did not retard the development of the territory, but rather that it was the development of capitalism that was retarded, especially in the period before 1929. Steenkamp asserts that the retardation of capitalist development, and by extension the development of Botswana, arose from the opposition of indigenous classes and the negative attitude of the colonial state officials towards the capitalist enterprise. He further claims that colonial state officials often drew on the values of feudalism rather than capitalism and sought to preserve the precapitalist order by protecting it from the 'dangers' of capitalist development. He also concludes that the authorities were hostile to commercialisation, affirmed the communality of peasant production, and rejected the destructive effects of individualistic tendencies of capitalism (Steenkamp 1991). Steenkamp cites Jules Ellenberger, resident commissioner from 1923 to 1928, as an examplar of such negative colonial state attitudes towards capitalist development in Botswana. Ellenberger was of the view that capitalist development threatened African interests by increasing pressure for transfer of the territory to the Union of South Africa.

According to Mogalakwe (2006) the problem with Steenkamp's approach is that he is looking at a very limited time frame of 1929 to 1939, whilst the roots of capitalism as a world system were planted several decades before. At the same time, it is important to note that capital is much more powerful than the motivations of any individual, even one with 'good intentions' such as Resident Commissioner Charles Rey who presided over Botswana from 1929/30 to 1937. Mogalakwe argues that even if Rey (1988) had good intentions towards the welfare of the 'natives', he was working very much within the parameters and structure of a system whose logic and laws of motion outweigh the benevolence of individuals. As several authors such as Rodney (1972) and Taylor (1979) have convincingly argued, the general tendency of capitalism is to subvert, subjugate and subsume other modes and forms of production to its own requirements. The empirical evidence presented in the discussion that follows shows that like everywhere else, colonial capitalism subverted and underdeveloped the African socio-economic structure in Botswana. Furthermore, the British colonial officials, including Charles Rey himself, played a crucial role in this subversion (Mogalakwe 2006). In Botswana, this subversion was mainly through the migrant labour system propelled by the hut tax, the unequal exchange in cattle trading, and in trade licensing.

The cause of the denialists of the underdevelopment and dependency theory has not been made easier by economist Howard Nicholas of the International Institute of Social Studies at the Erasmus University of Rotterdam in the Netherlands. Nicholas' (2015) argues sarcastically in a presentation on 'Underdevelopment in Africa' for continued neo-colonial relations between the West and sub-Saharan Africa. In his presentation speech, which is available on YouTube and widely shared in social media, he argues that:

> Sub-Saharan Africa has historically been fundamental to the prosperity of the advanced countries. Africa has a role to play as raw material producer. We will not allow sub-Saharan Africa to escape that. We will do everything to keep sub-Saharan Africa exactly where it is, also impoverished. It is absolutely vital for the prosperity of everyone else…. This means all the economic structures, all the global institutions and economics we teach everyone is all designed to keep Africa exactly where it is. And whether it is Europe or the US or now China it is always the same. We need Africa to be impoverished because we need those raw materials and we need them very cheap….
>
> If Africa does something different, I assure you living standards of all those in Europe, North America and Asia is going to fall and that is a big price to pay. I assure you that the West is not going to allow that [to happen] without a big fight. This is what it is fundamentally about…. As universities and academic institutions, we are complicit in this whole enterprise. The job of many Western academics is to convince Africans to keep doing what they are doing, and to show them that it is your fault that you are poor, it is not our fault.

It is also worth pointing out that in several cases Western powers instigated the elimination of African leaders through military coups and assassinations for standing against neo-colonial agenda and seeking to follow a different path for the development of their countries. Examples include assassinations of Patrice Lumumba of the Democratic Republic of the Congo (DRC) in 1961 and Thomas Sankara of Burkina Faso in 1987.

In this paper we focus more on South Africa, whose economic stranglehold on Botswana seem to continue unabated, more than half century after Britain formally ended political control over Botswana in 1966. The post-apartheid government of the ANC, which came into power in 1994, is 'friendly' to Botswana and in theory committed to the protocols of continental and regional economic and political organisations such the African Union (AU) and Southern African Development Community (SADC) for equitable economic development of member states. But, in reality it rides roughshod over these for its own interests. An example this paper uses is the New Partnership for Africa's Development (NEPAD) conceived at the turn of the twenty-first century with the then president of South Africa, Thabo Mbeki, playing a leading role.

Hence, post-apartheid South African seems to follow aspects of the Realist theory of International Relations which stresses pursuit of a country's national interests at all costs. This differs from the Liberal theory or Liberalism that can be used to explain the small Botswana's multilateral foreign policy (Lekoa 2019) that observes moral considerations, human rights, democratic principles and restraining protocols of international organisations among others.

With this conceptual framework outlined our attention now turns to the theme of how South Africa underdeveloped colonial Botswana from 1910 to 1966. Even as Europe underdeveloped Africa collectively as Rodney (1972) observes, South Africa as an 'outpost of monopoly capitalism' (Makgetla and Siedman 1980) could be argued to have taken on the attributes of Europe in Africa, and this is evidenced in how it actively compounded the underdevelopment of Botswana.

South Africa's Underdevelopment of Colonial Botswana, 1910-1966

This section is divided into three parts: a) the exploitation of Botswana as a cheap labour reserve for South Africa and tax payment; b) South Africa's restrictions of cattle imports from Botswana; and c) the Southern Africa Customs Union (SACU) Agreement which constituted Botswana as South Africa's economic satellite and undermined the country's economic sovereignty and viability. This generations -old economic relationship in which South Africa has been a regional economic core and hegemon with Botswana as satellite and periphery is explained by the Dependency and Underdevelopment theory.

The migrant labour system and taxation

Since Britain's colonisation of Botswana was influenced more by military strategic or geopolitical considerations than by availability of raw materials, Britain decided that in order to maintain financial viability in the absence of exploitable raw materials, the colonial enterprise in Botswana had to be self-financing (Mogalakwe 2006). In order to generate revenues internally to meet the territory's recurrent costs, in 1899 Britain introduced a hut tax system that was levied per annum in respect of every dwelling occupied by adult African males (Makgala 2004). Because the tax was not based on income earnings, but simply payable by every African male of apparent age of 18 or above, it precipitated an outflow of able-bodied labour to the South African mines, farms, industries, and even white households, in an effort to earn money to pay the colonial tax back home (Makgala 2004 and Schapera 1947). Only a few rich families who could sell their cattle cheaply to pay tax were spared the ordeal.

This enforced labour migration disrupted, subverted, and undermined Botswana's subsistent economy as there were few adult men to look after livestock, hence ploughing fields became less productive because of the absence of able-bodied men with women and children taking over the responsibility (Schapera 1947). The migrant labour system led to 'migrant labour syndrome' which impacted the African society at all levels, and not just the economy. According to Schapera (1947) the traditional family system was also disrupted as wives became unfaithful due to their absentee husbands, and pre-marital pregnancies and single parentage became common as eligible bachelors were almost permanently absent from home. Moreover, returning mine workers brought with them the then-incurable Tuberculoisis (TB) which they spread among people back home (Merriweather 1999 and Molefi 1996). In 1943, it was estimated that about a third of Botswana's male population resided in South Africa (Magang 2015). Their employment was facilitated by South African-based Native Recruitment Corporation (NRC) and the Witwatersrand Native Labour Association ('Wenela').

The migrant labour system, and the disruption of the local African economy also revealed the intersection of interests between the white South African state and the British colonial state. Massey (1978) correctly observes that whilst there is no hard evidence of deliberate planning between the British colonial officials and the British/South African mining interests to precipitate such a flow of labour migration, there was certainly an overlapping of interests bringing about the same effect. The white mine employers were assured of a steady supply of cheap African labour from the periphery of the capitalist revolution taking place in South Africa at that time. According to a report by the Mines Native Wages Commission, the maintenance of a system under which the South African mines were able to obtain unskilled labour at a rate below that paid in the market depended on migrant labour system and had to be encouraged as the disappearance of subsidiary means of existence for these workers would produce permanent workers who would demand more wages (Schapera 1947). That the migrant labour system was also advantageous to the British colonial state was captured in Resident Commissioner Charles Rey's remarks that the hut tax would help the 'natives' to get a little money which they badly needed, and would enable the colonial administration to get a certain amount of additional tax which the colonial administration also needed badly (Massey 1978).

Although the migrant labour system was used to subvert the Botswana economy and benefit white South African capitalist class, it is important to note that South Africa's capitalist mining interests were in reality an outpost of British capitalism. Notwithstanding, the challenges of migrant labour as outlined above, some enterprising returning migrant labourers are reported to have invested their earnings in peasant agriculture and improved their social and economic standing in their communities (Morapedi 1999).

The SACU Agreement

Here we demonstrate how South Africa underdeveloped and made Botswana dependent on the South African economy through the SACU mechanism. SACU was established in 1910 and was also known as Common Customs Area (CCA). The SACU Agreement is reputed to be the oldest customs union in the world but despite the nomenclature, it benefited South Africa's white economy, more than the Southern Africa regional economy, Botswana included. SACU started as a customs union convention between Britain's Cape Colony and the Boer Republic of Orange Free State in 1889 (Ettinger 1973). It was joined in 1891 by British Bechuanaland and Lesotho, followed by Botswana in 1893, and finally the British colony of Natal in 1899. However, this customs convention was replaced in 1910 by a new customs union convention that was extended to the new Union of South Africa and the HCTs.

SACU entailed collecting customs, excise, and additional duties paid in member countries into a common revenue pool and apportioning the monies accrued on the basis of an agreed revenue sharing formula. Initially, the sharing arrangement, known as the Potchefstroom Formula, related to imports from within the CCA itself only, which inevitably gave South Africa a near-shutout share of 99%, with Botswana's at less than 0.5% (Ettinger 1973). South Africa not only set the rules and lorded over other members but also pocketed almost the entire receipts. The sharing formula remained unchanged until 1965, when a new sharing arrangement called the Lewes Formula came into force. Even then, the uptick in Botswana's share was negligible as overall it still remained below 0.5%.

In 1925, and 15 years into the life of SACU Agreement, South Africa had adopted import substitution industrialisation strategy backed by the common external tariffs on non-SACU products (Ettinger 1973). The consequences of South Africa's import substitution industrialisation strategy, taken together with the agreed free movement of SACU manufactured products within the SACU area, made the whole of Southern Africa region a consumer market for South African manufactures, and relegated the HCTs to primary commodity producers. South Africa was also to become the sole administrator of the common SACU revenue pool, setting SACU import duties and excise policy, and in which the sole decision-making powers of South Africa led to unequitable revenue sharing. Botswana, Lesotho and eSwatini also used the South African Rand, which replaced the South African Pound in 1961 as their currency and legal tender.

One of the most exploitative relations that South Africa has had with Botswana (and other HCTs in general) was the SACU revenue sharing formula. According to Muzorewa (1974) the benefits from the use of the Rand currency by Botswana, all went to South African government coffers, and for nearly half a century nothing was received by Botswana. Muzorewa posits that when South Africa imported goods from Botswana, she paid for them with non-interest bearing liabilities like the South African Rand but when Botswana imported goods from South Africa, she had to give up on goods and services which were costly to produce in order to get Rand notes. Muzorewa (1974) further notes that to the extent that South Africa did not give up real costly resources to obtain goods and services from Botswana, South Africa was receiving additional real income which she would not have received if Botswana had its own currency.

Botswana cattle sales restrictions, cattle weight restrictions and sabotage of African business

One of the mechanisms that South Africa used to subvert Botswana's economy was in the form of cattle sales restrictions. As pointed out above, the SACU Agreement of 1910 provided for a free interchange of the products and manufactured goods of South Africa and the three HCTs, and it was assumed that the benefits of the Agreement for Botswana in particular was to facilitate the entry of the territory's main export, cattle, into the South African market (Ettinger 1972). As if the negative impact of the migrant labour system on the economy of Botswana was not enough, in 1924 South Africa put in place measures designed to subvert Botswana's economy and benefit South African Boer/Afrikaner cattle producers (Ettinger 1972).

These measures were in the form of weight restrictions on cattle imports from Botswana. According to Ettinger (1972), the measures in the form of trade embargo of Botswana cattle were designed to achieve two objectives. Firstly, to protect white farmers both in South Africa and Botswana from competition with African farmers in Botswana. Secondly, as an economic weapon to force the incorporation of Botswana into the Union of South Africa. It would seem that acceding to the pressures of the white South African cattle producers to be protected against competition with African cattle producers from Botswana seamlessly coincided with the strategic objective of the South African government to force the incorporation of the HCTs into the Union of South Africa.

Ettinger (1972) observes that Botswana cattle sales to South Africa were of mixed blessing in the sense that when South Africa's meat production was low, Botswana cattle imports were cheaper than overseas imports. However, when South African meat production was high, the Botswana cattle imports forced down producer prices and reduced profitability, hence benefiting the consumer. But the South African government sided with the producers at the expense of the consumers. In order to avoid what would have been a possible economic embargo against a British territory, the South African government decided to impose non-tariff barrier in the form of cattle weight restrictions. This entailed imposing a minimum weight of 800lb (363kg) a beast as cut-off point for live cattle imported from Botswana to South Africa (Ettinger 1972). According to Ettinger (1972), the basis of this minimum weight restrictions was based on the realisation that overall, cattle produced by white farmers, both in the Union and in Botswana, were generally much heavier and a better quality breed than those produced by black cattle producers in Botswana, and indeed in the other two HCTs.

Ettinger notes that this explains preference for weight restrictions, rather than a trade embargo, because a general trade embargo would have hurt white cattle producers in Botswana. In most cases these cattle farmers identified with the Union rather than Botswana. In other words, the cattle weight restrictions were nothing but a racialised non-tariff barrier driven by white South African farmers, aided and abetted by their own government, and targeting Botswana African cattle producers in particular. The consequences were obvious: no income to be earned that could be invested internally to drive economic growth within Botswana, hence underdevelopment. Nonetheless, the cattle weight restrictions exacerbated already existing underground cross-border smuggling enterprise involving both blacks and whites with Bakgatla reserve as the epicentre (Molosiwa 2003) traceable to the nineteenth century when it became an art (Morton 2009). The cattle weight embargo ended in 1941 during the Second World War when the *dikgosi* in Botswana greatly assisted the British war effort with men and financial resources.

Nonetheless, the South African government was not alone in subverting the indigenous capital accumulation in Botswana. In 1910, Khama III of the Bangwato became a sleeping partner in a commercial company that had white managers trading in his tribal domain in order 'to make his state's internal economy self-reliant through participation in commerce' (Parsons 1975). However, the success of the venture provoked a backlash from European competitors who angrily demanded the closure of the company by the colonial government, which complied, and the business folded up in 1916. In 1923 the British administration introduced the Credit Sales to Natives Proclamation which capped the borrowing capacity of the Africans to

£35 a year. This piece of legislation restricted the indigenes' economic activities to largely subsistence agriculture and reserved modern commercial activities for Europeans and Indians (Mogalakwe 2006).

Therefore, it can be argued, following Rodney (1972), that the racialised cattle sales non-tariff barrier, the forced closure of the Bangwato monarch's profitable company and the equally racialised Credit Sales to Natives Proclamation effectively subverted and thwarted any prospects of the development and growth of indigenous African capitalist class in Botswana. Little wonder that soon after Botswana's independence in 1966, it was found that of the 439 small shops registered, only 31% were citizen-owned (Best 1970). As shown in the section below, some 55 years after Botswana's formal independence in 1966, most of the economic activities are still foreign-controlled and or foreign-owned, with citizens mainly rising to the position of comprador bourgeoisie.

South Africa's Underdevelopment of Independent Botswana, 1966-1994

At independence Botswana was the second poorest country on earth after Bangladesh, with a gross domestic product (GDP) per capita of only US$70 (Magang 2015a). The little economic activity there was in the country was limited to subsistence agriculture in the main, public administration, public works, and social services, all of which employed dismally small numbers of people. Over 50% of the recurrent budget and almost all of the development budget was funded by donor countries, principally Britain. Botswana also depended heavily on South Africa for the country's imports which amounted to 75% in 1974 and 86% by 1983 of the total import bill (Curry 1987).

In this section we address the underdevelopment of Botswana at the hands of apartheid South Africa from 1966 to 1994 through continued migrant labour, SACU and sabotage of infant brewery industry in Botswana, De Beers diamond mining company's tight control in Botswana. Finally, we look at vain efforts to break free from South African dominance.

Continued migrant labour to South Africa

Addressing the Organisation of African Unity (OAU) in 1969, President Sir Seretse Khama spoke with a plaintive tone as he underscored Botswana's dire economic straits thus:

> Our trade and transport systems are inextricably interlocked with those of South Africa. So meagre are our employment prospects that we have for many years been obliged to permit our people to go and work in the mines of South Africa. In the immediate foreseeable future, we can find no way of providing alternative employment for these men, nor can we afford to dispense with revenues they earn (Sechele 2019:41).

In 1966, the number of Batswana working in South Africa was approximately 22,000 and their remittances and deferred payments amounted to just under R1,150,000 equivalent to 10% of Botswana's annual exports at the time (Magang 2015a). In 1979, remittances by this same exported labour cohort totalled P11 million (Morapedi 2018). About 30% of this sum was spent on agricultural activities and in 1983 the spending topped P9.7 million. In 1979 the number of migrant workers from Botswana in South Africa was 19,985 (Morapedi 2018). The formal figures for Batswana working in South Africa, however, told only part of the story as it was estimated that there was a further 20,000 or thereabouts whose exact work station in South Africa was unknown (Magang 2015a). It was not until the Botswana economy turned a corner thanks to the diamond rents windfall that employment opportunities appeared in the 1980s and the routine labour migration traffic to South Africa attenuated. In 1990, there were only 10,000 Batswana working in the South African mines, and by the turn of the twenty-first century, the economic trek had all but petered out, with only 4000 or so working there (Morapedi 2018 and Magang 2015a).

Some migrant workers did acquire some useful skills and invested their earnings in gainful pursuits back home (Morapedi 2018), however, the structural underdevelopment of the country's economy and dependence on South Africa remains critical.

The SACU windfall and fiscal independence for Botswana amidst Prinz Brau sabotage

The SACU Agreement was revised in 1968, which saw Botswana benefit in a marked way, from R1.4 million in that year to R5.14 million in 1969 (Ettinger 1973). The new formula, which now took account of imports both from within and out of the CCA, had the result that for the first time ever, Botswana balanced the national budget from domestic sources (Hermans 1974), whereas hitherto the country had in the main relied on donor countries for a budgetary lifeline. The good financial fortune saw Botswana adopting its Pula currency in 1976 to break away from the Rand Monetary Area which included Lesotho and eSwatini. The Bank of Botswana was also established to manage the currency and inflation which was previously done by the South African Reserve Bank in Pretoria. There was an onward revision of the formula post-1973 and this engendered an even greater leap in Botswana's share of the cake. For instance, by 1982 the SACU boost to Botswana national fiscus was in the region of P30 million.

However, the SACU renegotiation and windfall also created problems for Botswana. When the SACU sharing formula was renegotiated in 1969, Botswana was allowed leeway to impose a special import duty on goods procured from fellow SACU members for up to eight years. The only precondition South Africa prescribed was that this should be in relation to protecting an embryonic industry and that Botswana itself should be the principal market of the product arising in this context. In order to make use of this provision, the government had its investment wing, the Botswana Development Corporation (BDC), partner with a German company called the Urtger Group to set up a brewery company called Prinz Brau in Gaborone, the forerunner to Kgalagadi Breweries. Prinz Brau started operation in 1976 and enjoyed insulation from competing imports in the form of a 100% duty on all beers imported into Botswana. The South Africans were incensed, Botswana's sin being that she had invited a German company rather than South African Breweries (SAB). The methods they resorted to in order to prevent the venture from flourishing seem stranger than fiction. 'This was a project that could have succeeded but we were sabotaged by the South Africans', writes former President Sir Ketumile Masire in his memoirs. 'All sorts of foreign objects, including insects, somehow found their way into beer cans and bottles during production. This tampering took place in the hottest season of the year, during the Christmas and New Year holidays, when sales were traditionally the largest' (Masire 2006:179).

The damage was so profound that the ensuing losses were staggering and ultimately crippling. Prinz Brau had no option but to restructure, if it was to survive. This inevitably entailed ousting the German partner and bringing on board the SAB. It was no coincidence that no sooner had this new partnership been forged than all the previous woes ceased once and for all (Masire 2006). It was later discovered that the South Africans again followed after Prinz Brau when it set up in eSwatini and forced it to beat a path back to Germany using almost the same unethical tactics they had employed in Botswana.

The De Beers factor in the Underdevelopment of Botswana

It is said Botswana is the respectable and resilient mineral-based developing economy it is today thanks to diamonds mined not long after independence, not to mention the oft-touted 'prudent' management of the wealth that emanated thereof. This, of course, is debatable (Magang 2015a and 2015b; Hillbom 2012). Some observers factor in the South Africa mining giant De Beers in the Botswana diamond 'success', pointing out that in its joint partnership with the government in the form of their joint venture Debswana company, it has been atypically generous in the portion of the diamond proceeds overall it cedes to Botswana. The economist Keith Jefferies has even posited that De Beers allows for diamond revenues to at once yield

80% profit and 80% tax tab in favour of the Botswana government (Jefferies 2021).

What these experts overlook is that Botswana's dependence on De Beers' investment and technical knowhow since independence translates to the country's perpetual economic colonisation by South Africa considering that De Beers originates in that country. One of the authors of this paper, David Magang, on the basis of his experience as a former minister responsible for mines, states that all the intellectual and technical work in respect of diamond mining activity in Botswana has always been done in South Africa not Botswana. Moreover, the De Beers had for decades frustrated or thwarted Botswana's efforts to try and beneficiate the country's diamonds for value chain benefit and creation of more gainful employment (Magang 2008: Magang 2015a and Magang 2015b).

Botswana's futile attempt to loosen South Africa's economic stranglehold

As would be expected, Botswana's independence did not mean much to South Africa in sabotaging the country's attempt to loosen itself from South Africa's tight economic grip. For instance, from the 1960s to the 1980s South Africa, which was in control of Namibia including the Caprivi Strip (now called Zambezi Region), was against construction of the Kazungula Bridge claiming that there was no common border between Botswana and Zambia (Malambo 2020). Such a bridge was meant to stimulate and boost trade between Botswana and Zambia as well as other Central African nations.

Like all SACU member states, Botswana was under an obligation to sound out South Africa every time the country contemplated joining a complementary economic grouping. For instance, Botswana did so when overtures were made to the country to join the Preferential Trade Area (PTA) for Eastern and Southern Africa in 1977. South Africa gave her the green light to go ahead, only because PTA did not challenge South Africa's economic interests and Pretoria had calculated that its potential success was at the very least debatable.

South Africa also tried other more subtle ways of economically exerting control over Botswana and by extension the broader neighbourhood. For instance, in 1979 Prime Minister PW Botha of South Africa came up with the idea of a Constellation of South African States (CONSAS), whose ulterior motive was to effect an image makeover in light of South Africa's apartheid notoriety and to sink its economic claws deeper into a total of 10 sovereign countries. However, its target countries saw the plan for what it was and responded by establishing the Southern African Development Coordination Conference (SADCC) later the same year with Botswana playing a leading role.

NEPAD and Post-Apartheid South Africa's Underdevelopment of Botswana, 1994-2021

The end of apartheid in 1994 and a new black ANC government under Nelson Mandela as president ushered in an air of expectation that the 'new South Africa' would boost the region and Africa generally to industrialisation, economic growth and development. After its unbanning in the early 1990s the ANC made strong promises to replace South Africa's historic regional economic hegemony with balanced trade (Good and Hughes 2002). In 1995 William Oupa Mokou, South Africa's first high commissioner to Botswana, allayed fears of his country's economic domination of the neighbouring smaller countries. He said 'if South Africa attempts to dominate its neighbours, it will restrict their growth, reduce their potential and markets and worsening their unemployment rates' (Sechele 2019:95). He also pleaded with the neighbouring countries such as Botswana not to judge South Africa on the basis of the unfortunate apartheid era and that a 'new chapter' was beginning.

In 2001 African heads of state at the OAU adopted NEPAD which was ratified in 2002 by the successor of the OAU, the African Union (AU). NEPAD's key objectives were to reduce poverty in Africa, put Africa on a sustainable development trajectory, end marginalisation of Africa globally, and embark on women empowerment. This Pan-African agenda was also embraced by the United Nations. Mandela's successor President Thabo Mbeki (1999-2008) played a significant role in the establishment of NEPAD providing headquarters for the entity in South Africa for coordination and implementation of its regional and continental priority development programmes.[2] With the end of apartheid in South Africa SADCC was reconstituted as Southern African Development Community (SADC) with Pretoria on board for a common regional development agenda. However, in line with the Realism theory of International Relations South Africa pursued a realpolitik foreign policy whereby her interests had primacy over the interests of other regional players of which Botswana is part. It was a case of 'South Africa First', to borrow a recently familiar phrase from the American scene.

Complaints have been expressed to the effect that South African businesses in Botswana did not accord leeway to their local management to make decisions on the spot concerning buying products from Botswana producers, as they were micromanaged from across the border. This was related to concerns of non-stocking of Botswana products in South African-owned shops which preferred bringing in goods from South Africa even when the Botswana government imposed levies on some specific goods. Issues have also been raised concerning South African retail and eatery franchises in Botswana being under a tight and predatory 'ethnic monopoly' which generally gives greatly disadvantageous conditions to indigenes wishing to venture into such franchise businesses.

A retired Kgalagadi Breweries master brewer informed us that popular Botswana beer, St Louis, was so liked in South Africa that white farmers on the Botswana-South African border crossed into Botswana to buy it in bulk. This led to the Kgalagadi Breweries introducing St Louis into the South African market, but surprisingly it performed badly there. The master brewer states that when they happened to be in South Africa even as far afield as Durban, upon enquiring about St Louis in bars where it was not displayed in fridges, the staff would retrieve it from the storerooms where it would have gathered dust for a long time. It is suspected that just like the fate of Prinz Brau, the SAB may have been behind the failure of St Louis in South Africa.

Furthermore, there is a long-established tradition of Botswana attorneys and advocates comprehensively arguing cases in courts, and then mostly white advocates from South Africa brought in, even by the government of Botswana, when some of the cases are appealed. Although these South African advocates largely rehash points already made by local attorneys, they rake in enormous payments for their service.

Below we provide some evidence of South Africa's sabotage of infant industries in Botswana, namely the Hyundai motor assembly plant in Gaborone and the International Financial Services Centre (IFSC).

South Africa's sabotage of the Hyundai motor assembly plant in Gaborone

The implosion of Motor Company Botswana (MCB), an operation that assembled Hyundai sedans both for export (to South Africa) and for the local market, makes for depressing reading. It took off in 1995 (just one year after the official end of apartheid in 1994) and by the turn of the new millennium, it closed shop. Once again, the death knell was dealt by South Africa notwithstanding the fact that fellow blacks were the ones now in power and were led by the saintly and internationally acclaimed Nelson Mandela.

The facility was built at a cost of P60 million with very heavy outlay by BDC and over time employed between 600 to 900 Batswana. Even with a cap on exports to South Africa, MCB was making significant inroads in that country's motor market share, about 10%. But from the beginning, South Africa, at the bidding of its own motor vehicle producers, looked askance at the project and not objectively. Every complaint in the book was levelled at Botswana, from allegedly giving them the wrong impression of exactly what the country was doing (uncrating rather than assembling, so they said) to Botswana

2 https://au.int/en/nepad, accessed 1 August 2021.

neglecting to collect the proper customs and exercise duties (Masire 2006; Good and Hughes 2002). According to Botswana all these were baseless accusations of which South African officials were invited into the country to see for themselves (Masire 2006). At one stage, one huge batch of exported Hyundai vehicles were refused entry into South Africa until President Masire had a word with then Acting President Gatsha Buthelezi. The latter even wondered why South Africa was treating Botswana in such a manner when Botswana had been so good to them (Masire 2006). This was realpolitik at work and the minister for finance and development planning ‘told Parliament in Gaborone that South Africa’s actions amounted to a “trade war” against Botswana’ (Good and Hughes 2002:52).

Meanwhile, South Africa had imposed an import limit of 1000 cars per month, which was way below the profitable level of 2000 cars a month. Moreover, the South African government, in a bid to protect its own motor vehicle industry, heavily subsidised exports of vehicles under the Motor Industry Development Plan (MIDP). This was, in fact, illegal under World Trade Organisation (WTO) rules (Black and Mitchell 2002), leading to its eventual replacement with the valued-addition-based Automobile Production and Development Programme (APDP). To further pare down the cost of vehicles in the country and, therefore, revitalise the motor vehicle industry, the South African government had slashed tariffs on imported cars from 115% to 25% (Grynberg 2014). South Africa’s determination stemmed from her desire to protect her car manufacturing industry while the neigbouring countries provide the market. Years after the closure of the Hyundai assembly plant in Gaborone with massive job losses, a Hyundai dealership called Hyundai Automotive South Africa was opened in Benoni, Gauteng Province of South Africa. It has been a roaring success, recording a turnover of 35,000 vehicles in 2019 alone (Furlonger 2021). By early 2021, the company announced that it would start assembling Hyundai cars in 2022 and eventually set about manufacturing them from scratch (White 2021). This is to take advantage of the highly buoyant Hyundai market: the Hyundai brand is third after Volkswagen and Toyota (White 2021).

Another largescale motor vehicle assembly endeavour in Botswana under the auspices of Volvo Swedish suffered a fate similar to that of Hyundai and again at the same hands of South Africa (Good and Hughes 2002).

This de-industrialisation process prompted Roman Grynberg, an economist at Botswana Institute of Development Policy Analysis (BIPDA), to write that ‘For years economists have said that Botswana cannot diversify, especially into the manufacturing of industrial products. They have argued that we should export services instead and put the nation’s youth into call centres as the Indians have done. But if you look at the figures there was a point in the late 1990’s when manufactured (and other) exports made up almost 20% of our total exports’ (Grynberg 2014).

The fate of the International Financial Services Centre

Another project which South African authorities rejected was the IFSC. It was established in 1999, and within a year or two of its inception the South African Finance Minister Trevor Manuel, attacked the IFSC’s 15% tax dispensation as ‘a race to the bottom’ and just stopped short of characterising Botswana as a tax haven (*Business in Botswana Magazine* 2005). Manuel even had South Africa’s tax laws amended so that any company that had operations in any country whose tax rate was 90% lower than that of South Africa’s was still liable to pay additional tax at home. *Business in Botswana Magazine* (2005) quotes him as charging that Botswana was in breach of the SADC Convergence Agreement and the Protocol on Taxation, both of which had come about with a view to harmonising corporate tax rates in the region. However, it was observed in Botswana that it seemed he had not done his homework thoroughly as these two instruments did not at all prescribe a uniform tax rate across the board.

Just why Manuel took issue with the IFSC tax when Botswana had a concessionary 15% tax rate for manufacturing companies in place since 1997 was surprising. Moreover, it was ironic of Manuel to pick on Botswana in this regard as South Africa was in the habit of giving highly generous tax breaks under its Strategic Industrial Project scheme. Beneficiaries of this arrangement included the energy group Sasol, the packaging firm Nampak, and the aluminum producer Pechinery, whereas Botswana had no such arrangements.

In 2005 a research fellow at the South African Institute of International Affairs (SAIIA), Peter Draper, indicated that Botswana's IFSC was bound to remain in the shadows of the established South African Financial Centre. His argument was that the IFSC had no comparative advantage (Molaodi 2005). That was reported to be the reason why the IFSC had to make sacrifices such as charging low corporate income tax for the companies to come on board (Molaodi 2005).

Attempts at Curtailing South Africa's Regional Hegemony

The exploitative nature of the relationship between South Africa and other Southern African nation states was only somewhat addressed by the revised SACU Agreement of 2002. An agreement was reached on joint decision-making and the establishment of an independent secretariat based in Windhoek, Namibia. Alongside the secretariat there were to be new institutions such as the Customs Union Commission, the Technical Liaison Committee, the SACU Tribunal, the SACU Tariff Board and the SACU Council of Ministers (Sechele 2019). In 2012/13 SACU revenues marginally but notably eclipsed diamond revenues as the top revenue generator for the first time in Botswana. As of 2018/19, the SACU sharing formula had South Africa at 47% and Botswana second at 21%. In the 2018/19 fiscal year, Botswana earned a wholesome P13. 8 billion from SACU revenue alone.

However, the remedy for SACU did not practically address the disparity between South Africa and other members. In point of fact, thanks to South Africa's massive subsidies of its motor vehicle industry, in the final analysis Botswana has substantially lost out. For instance, a 2014 evaluation by Roman Grynberg makes this clear by noting that 'In total over the last four years for which there was data (2008-2012), some ZAR 57 billion was handed out in subsidies to the SA automobile industry under the MIDP. The reality is that this was money that would otherwise have been paid to SACU members. Based on the distribution of the customs pool in 2012, about 32% would have gone to the government of Botswana' (Grenberg 2014). In 2012 alone, Botswana's effective subsidy to the South African motor vehicle industry amounted to R5.22 billion (Grenberg 2014). It can be argued that had the SACU largesse been parceled out equitably to smaller member states such as Botswana, the country would have benefitted greatly and invested in meaningful wealth and employment creation.

As for the De Beers rejection of diamond beneficiation in Botswana, it did not change until 2006, when President Festus Mogae finally yielded to long-standing pleas and gave De Beers an ultimatum. This saw the dawn of the beneficiation epoch in the country although it was more than 30 years late. De Beers would also relocate its Diamond Trading Company International (DTCI) from London to Gaborone in 2013. This is not to suggest that De Beers is indispensable, particularly in today's world where it competes with the likes of Alrosa and Rio Tinto for dominance in the diamond production firmament. Nevertheless, the marriage between De Beers and Botswana government has essentially been cast in stone. It must also be borne in mind that the De Beers movers and shakers are not as innocuous as they may appear. They have a subtle or covert way of having a say in who takes the political reins in Botswana or 'state capture' (Gapa 2016). It is common knowledge, for instance, that De Beers had much to do with both the retirement of President Masire (1980-1998) and the accession of Lt. Gen. Ian Khama to the presidency of Botswana first as vice president to President Festus Mogae in 1998, and then president from 2008 to 2018. Therefore, one can argue that Botswana may be as much a 'political colony' of South Africa as it is an 'economic colony'.

Ultimately, it seems South Africa's underdevelopment of Botswana and the country's dependence on South Africa will continue for generations owing to South Africa's realpolitik and survival-of-the-fittest foreign policy. However, the consequences of South Africa's failure to provide political and developmental support in the region and Africa generally has been the influx of documented and undocumented immigrants from some of these countries into South Africa where they experience violent xenophobic attacks. Widespread joblessness, pervasive crime, state capture and political and corporate elite corruption, and poor service delivery seem to be some of the issues leading to hopelessness on the part of some South Africans who vent their frustrations on African foreign nationals in South Africa. The frustration was also in the form of the anti-British colonial legacy and 'white privilege' leading to the #RhodesMustFall movement which forced the removal of the nineteenth century British imperialist, Cecil Rhodes, statue from the grounds of the University of Cape Town (Nyamnjoh 2016).

Conclusion

Following the argument by Frank (1967) it can be argued that over the generations, South Africa has systematically underdeveloped Botswana, by putting in place various mechanisms, whose effect was to keep Botswana dependent on South Africa. This was done to the extent that Botswana has only political independence and the other outside trapping of sovereignty, but economically it remains a South African dependency.

The foregoing account of the political economy of South Africa-Botswana relations shows that the current Botswana's economic dependence on South Africa has been long in the making. It was only in 2002 that a new SACU Agreement was adopted, but its benefits to the Southern African region remains to be seen, as South Africa is already an economic hegemon, not only in the region, but in Africa as a whole and it would not want to lose such a critical leverage.

The transition from apartheid to a new democratic South Africa has not done much to change the Botswana-South Africa economic relations. Tragically, the automobile manufacturing industry, which significantly and meaningfully diversified the Botswana economy, was ended rather brutally by the ANC government, for whom Botswana had sacrificed a lot to assist it to attain state power in South Africa.

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