Economic Empowerment in Marginalized Populations of Botswana: An examination of what two NGOs are doing to help provide sustainable income-generating projects in rural and urban communities

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Introduction
Botswana has experienced an average GDP per capita growth rate of over 7% since its independence in 1966 making it one of the fastest growing countries not only in Sub-Saharan Africa but also in the world. With the discovery of diamonds and the establishment of good economic institutions, Botswana has achieved significant economic wealth. The problem is that this wealth has been concentrated in the hands of the political elite with only 12 percent of the population owning 80 percent of the country’s wealth. This has left many marginalized groups in the country. Many economic empowerment initiatives have been developed and undertaken by NGOs and other organizations in Botswana. My research will outline two of these organizations and the steps they are currently undertaking to eradicate poverty in marginalized areas of Botswana specifically in rural and women in communities.

Contributors to rural poverty in Botswana:
- Land reform policies that marginalized small farmers
- Institutions built on the income from migrant laborers
- Capital-intensive industrialization that creates limited job opportunities in rural areas

Contributors to women’s poverty in Botswana:
- Socialized institutions of gender roles
- Lack of access to productive resources which limit economic opportunities
- HIV/AIDs which disproportionally affects women

Above: (Palmer & Parsons, 1977); (http://www.womenscoalition.org/bw)

Methods
My research process consisted of a series of repeated informal conversations with various members of each organization regarding the nature of the organization and its process. I spent several afternoons with each of the organizations sorting through publications and project profiles as well as conducting informal interviews. Some of the questions I sought to answer through my research included: How did your organization get started? How do you determine where to direct your funds? How do you contribute to poverty eradication in Botswana? How do you create awareness of your organization? Where do you get your funding? How do you see your organization makes a project/projection successful? What is your methodology? What contributions do you make to projects/society being? What services do you offer? Where do most of your expenses go? What are the demographics of your typical client? What are the biggest challenges/hurdles you face?

Action for Economic Empowerment Trust (AEET):
Mission: enhance poverty reduction by supporting projects that will contribute to the sustainable socio-economic empowerment of communities and households in rural areas

“AEET is a registered Botswana-focused development trust whose aim is to contribute to socio-economic development of Botswana through initiating, implementing, and maintaining sustainable socio-economic income generating projects in rural areas.”

The Action for Economic Empowerment Trust is an NGO located in Gaborone that was implemented by US African Development Foundation (USADF) and the Government of Botswana to perform the day to day functions of facilitating economically sustainable projects in Botswana. AEET operates according to the Participatory Development Methodology (PDM) which requires community mobilization and discussions to determine the development needs of a community and potential solutions to persisting problems from the perspective of community sub-groups. PDMs have been identified for their potential to facilitate strengthening of local capacity for poverty reduction, self-sustainability, and sustainable development at the grassroots level. The PDM framework helps to enhance the integration of local knowledge systems in project design, a two-way learning process between the project and local people, and commitment and support to the project.

AEET currently monitors 25 projects in Botswana. The majority of projects that AEET mobilizes are funded in the Serowe-Palapye and Mahalapye districts. The majority of the projects implemented are agriculturally related since farming and breeding small stock is considered a familiar activity for most rural families in Botswana. Some of the other projects that AEET supports include pig rearing and dairying and livestock raising and logging. AEET places an emphasis on awareness and communication to education and visibility of the projects. 5-day intensive training sessions on awareness and training is under the leadership. AEET advocates an emphasis on managing incomes and sales revenues and making business decisions based on financial position.

The biggest challenge that AEET faces is lack of commitment in the projects. “People get excited and want to see instant results. They again neglect the project because of the time it takes to see consistent revenue.” Another challenge AEET often faces is how they deal with an overenthusiastic volunteer. “Less literacy rates among members leads to difficulties in communication and requires them to not only see immediate value in the accomplishments of running a business. Due to the farmers and transport costs and insufficient demand, the community also faces problems of access to quality raw materials for their projects often resulting in sub-par products that are not competitive on the market.

Women’s Finance House of Botswana (WFHB)
Mission: to alleviate poverty by improving the lives of economically active, low-income women in Botswana by promoting microenterprise development and other business supportive services.

“The contend to reduce poverty through the provision of financial services and the promotion of innovative business opportunities, particularly those who do not have access to the services of conventional financial banking.”

The Women’s Finance House of Botswana (WFHB) is a non-governmental organization organized in 1989 by a group of women in Gaborone to provide cost effective and sustainable micro-finance loans to poor women in Botswana. WFHB is a member of the Women’s NGO Coalition (WNGOC) of Botswana which is a network of non-governmental organizations that are concerned with the empowerment of women through coordination and collaboration of its members. The services that WFHB offer include micro-credit and micro-loans, savings bonds, and hire professional consultants to provide basic business training.

The dynamic of women employing WFHB’s services most often includes a mixture of married and unmarried women mostly in rural areas, the majority of which are middle aged or older. Only about 15% of Botswana’s youth take advantage of WFHB services, a surprisingly low amount. An example of the businesses that WFHB typically finance include mostly small enterprise operations such as candy and arts vendors, coconut vendors, and food stands as well as such shops, or small tailoring shops. WFHB mainly operates within 14 villages ranging within the Central district. To become a member a person must do a) have a woman aged 21 to 65 years b) Must be a citizen and c) Have a business in operation for at least 6 months which make at least P100 per month.

WFHB operates under the Gaborone Development Model where women are given loans in groups. The group model requires prospective borrowers to form in 5-member groups. Groups are then organized into Centers located throughout the district that have up to 20 groups. Center meetings take place on a weekly basis and are facilitated by Center Managers who are employed by WFHB. The group meetings and WFHB’s lending standards promote successful repayment and also provide a valuable forum for best-practice sharing and training on financial issues. Because of the structure of the model, this creates an element of peer pressure among the women to make their payments. The model works especially well in the Botswana context taking into consideration the social factors and attitude toward business culture. Under this model, WFHB has achieved a 95% repayment success rate on average.

When asked where the majority of the organizations expenses go to, administration costs were targeted as the number one answer: Microfinance organizations such as WFHB operate based on scale and a lot of administration staff is needed to cover costs in Botswana because of its low population density.

Conclusion
Historically, schemes to extend marketing facilities, to provide rural credit, to mechanize agriculture, and to build co-operatives have been done little to alter the fact that a vast majority of rural Botswana still struggle to survive on the threshold of hunger. Traditional Western enterprises that have failed in the past have been those that neglect and overlook the socio-cultural and economic characteristics of the rural population. Furthermore, an understanding of the blow that the rural population is experiencing is necessary to understand the complex nature of rural poverty. Therefore, it is necessary for poor women to be able to determine the type of services that they want and to be able to participate in ensuring that the services that they would like to have are being provided. Policies that are not inclusive of women are not only a waste of resources but lack of commitment and participation which are essential resources. It is important to continue to employ economic empowerment programs to tap into human economic potential in these marginalized areas to reduce poverty and build better communities.

Below: (http://www.womenscoalition.org/bw)

Policy Recommendations:
- change in gender biased laws, to include women in economic power and social security programs
- increase infrastructure in rural areas to allow access to markets and better education and training opportunities
- increased support from corporations and government agencies to expand outreach operations
- push for structural change in social and gender dynamics

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References