

## EMERGENCE OF COOPERATIVES AND THE FUTURE OF THE SOCIAL ENTERPRISES SECTOR IN BOTSWANA

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**ABSTRACT:** *The concept of integrating social aims with profit-making is an emerging trend in the world today, especially in the wake of the 2007-2009 financial crisis which shone the spotlight on the problems of pure profit maximisation. Social enterprise is at the very core of this new movement to integrate social aims with profits, taking root in an increasing number of circles. The Botswana situation is marked by social enterprise being almost non-existent as a concept in the general consciousness. In spite of this conceptual absence, it can be argued that the main ingredients of social enterprises have played a substantial role in the historic formation of the Botswana welfare state in the form of cooperatives. In the first period the workers' and farmers' cooperative movements were the most influential actors concerning improvement of livelihoods. As such, this paper will seek to understand the emergence of social enterprises globally and how Botswana as a country can increasingly apply the tool of social entrepreneurship to address a plethora of differing social issues, such as extreme poverty and unemployment, in ameliorating and improving the condition of the people.*

**KEYWORDS:** Social Enterprise, Cooperatives, Poverty Alleviation, Botswana

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### INTRODUCTION

Botswana declared its independence on September 30, 1966, from which time it has continued to grow and prosper. While Botswana has been hailed as a beacon of economic management compared to most African states, youth unemployment, poverty, and inequality have remained major policy challenges (Nthomang & Diraditsile, 2016). In recent decades, the promotion of entrepreneurship as a possible source of job creation, empowerment, and economic dynamism in a rapidly globalizing world has attracted increasing policy and scholarly attention. The cooperatives movement in Botswana has witnessed frequent and major changes in its development, which have subjected the movement to many challenges and limitations. The challenges encountered have largely been in relation to structural organization, membership, management, and affiliation (Seleke & Lekorwe, 2010). With regard to membership, they have not attracted the very poor, but rather appealed to the rural elites and middle income groups.

In terms of their organizational structure, the movement has been characterized by lack of commitment from members, embezzlement of funds, and mismanagement of primary cooperatives (Modukanele, 2005). This situation has been exacerbated by the legislative framework that has largely linked cooperatives to the government, with the result that some primary cooperatives function as semi-public bureaucratic enterprises rather than genuine voluntary and private business enterprise. Overall, the movement in Botswana has not been doing very well and has not been able to build up a well patterned structure, nor has it been able to develop the capacity for self management at the primary, secondary and apex levels

(ILO, 2014). The apex bodies have also completely collapsed and they have, in some instances, failed to mobilize resources on their own, which has quite often required them to rely almost entirely on credit from the Government. The functioning primary cooperatives are performing poorly, while some are no longer active and therefore facing extinction.

In spite of the tradition of cooperative enterprises and citizens' engagement in fields other than the social, it is worth noting that the concept of social enterprise has not, to this point, been used in Botswana. However, there are a large number of projects and initiatives which have developed during recent years, which could be taken into consideration when considering social enterprises. They are often mostly financially supported by government and the private sector. Such programmes have had a considerable influence on social work practice and probably also on the modernization of the welfare state.

This paper is structured as follows. Following an introduction, the paper presents section two, which is the emergence and challenges of cooperatives in Botswana and lessons learnt. This is followed by section three which discusses the wide range of social entrepreneurship definitions to identify a specific definition. Section four will consider factors behind the emergence of the social enterprise sector on a global level. Finally, section five will examine the future of social enterprise development in Botswana, and analyze what possible measures could facilitate the domestic growth of the sector.

### **The emergence of cooperatives in Botswana**

According to International Cooperative Alliance (ICA) Robert Owen (1771-1858) fathered the cooperative movement. He defined cooperatives as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. They are based on the values of self help, self responsibility, democracy, equality, equity, and solidarity. Alter (2007) states that, in the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others. Noticeably, the cooperative definition and characteristics are those embraced by social entrepreneurship.

In Botswana, cooperatives did not arise spontaneously from the local peoples' interest, as is the case in developed countries. Instead, they were introduced by the colonial government in response to that regime's needs. The first attempt to introduce cooperatives, according to the Department of Cooperatives Development (2002), was made in 1910 through the Cooperative Agricultural Society Proclamation (CASP). However, Seleke & Lekorwe (2010) argue that the proclamation did little to enhance cooperative development throughout the colonial period. A second attempt was made in 1962 when the government enacted the Cooperative Societies Law. The introduction of this law created a two tier cooperative structure in Botswana, consisting of primary and secondary cooperatives (Government of Botswana, 1962). This law also provided for the establishment of two principal organizational forms in Botswana: the Department of Cooperatives and the Cooperative Movement.

This law saw the Government assume the responsibility of organizing and promoting cooperatives in Botswana. Accordingly, it provided for the appointment of a registrar of cooperatives and made provision for financial support to the office of the registrar, as well as the Department of Cooperatives (Chamme, 1989). The cooperative movement developed under the Government, in that the state played a very crucial role in the establishment of cooperatives and continues to play a vital role in their development and ongoing existence.

Botswana's cooperative movement is comprised of consumer cooperatives, agricultural marketing and supplies cooperatives, savings and credit cooperatives, producer cooperatives, and thrift and loan cooperatives. Of these, it is the agricultural marketing and supply cooperatives that were predominant and well received by farming communities, for they responded to most of their agricultural problems. In particular, marketing of livestock to the Botswana Meat Commission (BMC) became much easier and more affordable for these cooperatives.

According to the Department of Cooperatives (1978) in 1965 there were four marketing cooperatives as compared to two consumers and two thrift loan cooperatives. In 1971, the number of marketing and supply cooperatives rose to 75 compared to just 18 consumer cooperatives. Modukanele (2005) reveals that there was a phenomenal growth of the cooperative movement in Botswana between 1964 and 1978. Most of the growth was recorded in the agricultural marketing and supplies and consumer cooperatives. This growth was evidenced by the considerable increase in livestock sales in 1978. The Department of Cooperatives (1978) annual report indicates that livestock marketing was very popular amongst farmers in communal areas, as it reduced their marketing margins and they enjoyed economies of scale through group action.

The 1980s witnessed the emergence of institutional Savings and Credit Cooperatives (SACCOs) in Botswana for the first time (Seleke & Lekorwe, 2010). They further indicated that these were initiated by individuals employed in the same institution that could not access credit services from the formal banking sector. SACCOs instantly became very popular among salaried groups of people in different sectors of the economy. The 1990s saw the emergence of yet another type of cooperative in Botswana, namely producer cooperatives. The government encouraged the development of these cooperatives as a means of diversifying the agricultural base, as well as encouraging more people to engage in profitable agricultural activities. It was felt that, with these cooperatives, people would generate for themselves gainful employment opportunities that would bring about a steady flow of income for the betterment of their living conditions.

### **Challenges facing cooperatives in Botswana**

Botswana's cooperatives have many challenges and limitations. Most prominent is the lack of management skills, particularly those related to book keeping and accounting. According to ILO (2014) many cooperatives in Botswana lack an accounting plan. Cooperatives unions and federations in the 1980s and early 1990s used management tools that had been provided by their donor. The Department of Cooperative Development and the Cooperative Training Center are also under funded and thus do not have adequate staff to execute their mandate effectively (Seleke & Lekorwe, 2010). The Department suffers from poor budgetary allocations that do not enable it to carry out audits in the primary cooperatives. Hence, this hampers the Department in offering training cooperative leaders and members. According to Seleke & Lekorwe (2010) not a single manager could be identified as having attended two or more training courses on cooperative management and business development. They further indicated that the existing training curricula made it clear that the content mainly focuses on elementary book keeping, rather than cooperative management, marketing, and the management of business. This may be attributed to the lack of specialized and professional staff at the Cooperative Training Centre.

The other limitation that has adversely affected the growth of the movement has been the attitudes and commitment levels of the members. The Department of Cooperative Development annual report of 2000 indicates that some members had had high expectations when joining the cooperative movement but they consider them to have failed when their perceived social needs were not met. Thus, most members view themselves as beneficiaries of the cooperatives but do not see that they have any responsibility or obligation to the functioning of these organizations. Consequently, whenever their personal needs are not satisfied, members withdraw their support. This leaves the responsibility of running the affairs of the movement to management committees, which sometimes fail to execute certain roles due to the lack of members' mandate. The outbreak and devastating effects of foot and mouth disease in Botswana continue to pose a major challenge and threat to agricultural marketing cooperatives. The last outbreak of this disease occurred in October 2008 and it was assumed to have killed most of the estimated 300,000 head of cattle in the Gantsi area (ILO, 2014).

### **Lessons learned from cooperatives in Botswana**

This paper acknowledges the positive contribution made by the Department of Cooperative Development in addressing the socio-economic challenges presented by poverty in Botswana. There have been some laudable achievements such as monetary assistance by the government in establishing cooperatives. Some have also succeeded in getting people off the street and keeping them positively engaged in temporary or self-employment. However, it is also clear that successes are far outweighed by challenges because the needs of the people remain largely unaddressed by the existing cooperatives. In particular, there is very little, and in some cases no noticeable change or improvement in the quality of life of members. An intervention cooperative that does not improve the socio-economic conditions of the beneficiaries is a failure and should be reviewed to make it better or discontinued.

This paper advocates for the introduction of social enterprise as a way of addressing poverty and unemployment in Botswana. It is important for government to commit resources and dedicate time to conducting research on the challenges to existing cooperatives, in particular, their inability to provide long-term solutions to the problems of poverty and improvement of peoples' conditions in Botswana. To address the situation, there is need to engage all relevant stakeholders in constructive dialogue with a view to finding long lasting solution to the problem. To this end, calls have been made for social enterprises to address a variety of social issues.

In Botswana the problem is not necessarily the absence of financial resources, institutional frameworks or the political will. It is, rather, flawed policy and programme designs that do not factor in monitoring and evaluation frameworks and are not informed by empirical research. Given this reality, the critical question is: How can we make policies and programme work, produce results and impact positively on the lives of the unemployed Batswana? To arrive at solutions, a radical shift is required towards creative and innovative measures. This paper proposes that, given the lessons learned, it is imperative that cooperatives should be re-designed and strengthened. The Botswana Government, in collaboration with relevant stakeholders, should be creative and develop context specific intervention programmes that will tackle the problem of poverty in a more direct manner.

In order to achieve this it is important to consider the following areas for improvement: increased consultation, collaboration, and partnerships; creation of institutional structures for

effective implementation; mentoring; provision of relevant entrepreneurial skills and knowledge; promotion of a work ethic, resilience; and a commitment to achieving results through monitoring and evaluation procedures for effective programme implementation. This paper, therefore, proposes social enterprise as a vehicle specifically for addressing the social problems such as extreme poverty faced by a large segment of Botswana's population.

### **Introducing social entrepreneurship**

The term social enterprise has been widely and loosely applied to a wide variety of institutions and organizations. In consequence it has become difficult to engage in a positive dialogue without first establishing the precise definition to which one alludes in characterizing an organization as a social enterprise. Many researchers (Kao, 2009; Dees, 2001; Poon, 2011; Hindle, 2010; Koen & Thomas, 2015; Mckeever et al., 2014; and Mulunga, 2014) have attempted to justify the significance of social entrepreneurs by focusing on definitions, boundaries, and goals. Poon (2011) reveals that the term is poorly understood, and that such confusion and lack of understanding is a major short term barrier to the growth of social enterprise. Therefore, it is important to examine the range of social enterprise definitions to determine those that will be applied in this paper.

According to Gregory Dees, Professor of Practice in Social Entrepreneurship and often referred to as the 'Father of Social Entrepreneurship Education; the plurality of social enterprise definitions necessitates into two main types. The social enterprise school of thought as pioneered by Dees & Anderson (2006) is centered on the notion of entrepreneurship by individuals who start their own business. As such, the corresponding definition of a social enterprise tends toward a more generic model with organizations focusing on the dual focus of economic and social value creation being classified as social enterprise. This includes non-profit organizations which set up income generating business units to generate resources which go towards supporting the organization's social mission.

The second school of thought laid out by Dees & Anderson (2006) is the social innovation school of thought. Poon (2011) states that this social innovation school of thought is centered on the concept of an entrepreneur as defined by Jean Say and Joseph Schumpeter, according to Say, an entrepreneur is one who shifts economic resources out of an area of lower and into an area of higher productivity and greater yield. Hence, the central tenet within this school of thought is the innovation which an entrepreneur brings to the table in value creation. In the context of social entrepreneurship, it then involves the implementation of new and better ways to address social problems or meet social needs.

Malunga, Iwu & Mugobo (2014) posit that, to understand social entrepreneurship, there is a need to unpack the "social" element of the concept. Mari & Marti (2006) present the example of three successful cases of entrepreneurship around the globe which are essential for understanding the "social" aspect in social entrepreneurship. These are the Grameen Bank in Bangladesh, the Aravind Eye Hospital in India, and Sekem in Egypt. These social enterprises reveal a common feature: all three creatively combine resources to address a social problem and thereby alter existing social structures. The Grameen Bank, founded by Professor Muhammad Yunus in 1976, has changed the lives of millions by bringing financial services to the poor (Yunus, 1999). This example according to Mulunga et al (2014) shows how social entrepreneurship addresses social problems, in this case poverty, as poor people cannot access loans in commercial banks. This encourages equality in the society as the poor are also able to access financial services.

After understanding the “social” in social entrepreneurship, it is essential to understand the term entrepreneurship. The term entrepreneurship originated in France as early as the 17<sup>th</sup> and 18<sup>th</sup> centuries (Dees, 2001). In agreement with Dees (2001) are Mugobo & Ukpere (2012) who point out that the word originated from the French verb *entreprendre* and the German word *unternehmen*. They indicate that the term was originally used in the middle ages, implying a person who is active and who gets things done. Entrepreneurship as a practice seems to also attract some degree of misunderstanding among researchers (Mulunga et al., 2014).

In some cases, entrepreneurship is defined as the process of adding new (creativity) and something different (innovation) for the purpose of creating wealth for the individual and adding value to the society (Kao, 1993) while in another instance, being an entrepreneur is linked to starting a business. This, according to Dees (2001) is very narrow for a concept which is significant and has evolved over the years. The perception of entrepreneurship as possessing economic benefits for an entrepreneur was contested by Korsgaard & Anderson (2011) who insist that economic growth is not the only relevant outcome of entrepreneurship. They argue that entrepreneurship is as social as it is economic. In fact, Rai (2008) argues that entrepreneurship can be explained as a continuous innovative practice by an entrepreneur who works under difficult conditions associated with uncertainty and high risks yet ensuring productivity in their ventures.

With respect to the link to innovation made by Kao (1993), Zampetakis & Moustakis (2006) further highlight the fact that innovation may be viewed as the ability to recognise the relationship that might exist between an existing problem and a probable solution by identifying a novel solution or by using available resources in an unusual manner to solve an existing problem. Therefore, innovation can be seen as an essential element of entrepreneurship. Leadbeater (1997) argues that there is a need to innovatively develop new forms of social capital through social entrepreneurs empowering disadvantaged people and encouraging them to take greater responsibility for their lives. It is evident that Leadbeater (1997) concurs with Kao (1993) that entrepreneurship, regardless of its context, must include innovation and the addition of value to society.

In ascertaining which definition of social enterprise should be adopted for the purpose of this paper the following conclusion was reached. While social enterprise can be adopted as an approach to solve a plethora of differing social issues, this paper seeks to understand social enterprise as a vehicle specifically for addressing social problems, such as extreme poverty, by people in Botswana. As such, the paper seeks to understand social enterprise in the context of such extreme poverty, where it can be used as a vehicle for solving the problem of delivering essential goods and services to people in order to improve the condition of their lives. With this in mind, the social enterprise concept is adopted in this paper. As Dees & Anderson (2006) opine, social entrepreneurship creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements required for sustainable social transformation.

### **Factors behind the emergence of the social enterprise sector worldwide**

According to the literature, there are many factors that contribute to the emergence of social enterprises. Poon (2011) identified five such components: the political environment on the extent of the government’s role; the legal environment: and the ease of experimentation; the social environment with a widespread focus on socio-economic problems; the cultural

environment: in the form of an active civil society and linkages with countries having a social enterprise sector; and the institutional environment constituting a supportive eco-system of enabling organisations.

### **Political Environment**

The first factor necessary for the emergence of social enterprise, according to Poon (2011) is a supportive political environment. The issues which social enterprises and social entrepreneurs seek to address are often basic social problems, which are also frequently the very issues which the government sector seeks to address. However, there exists a clear imbalance in power relations between the state actor and the social enterprise sector as the state has the first pick of which issues it chooses to address, and which issues it is willing to leave to the social environment sector. As such, for the social enterprise sector, or even for a civil society, to develop, the state has to necessarily be willing to accommodate the presence of these extra actors. Therefore, the political climate is a crucial fundamental factor for the emergence of the social enterprise sector.

Mair et al (2015) state that a favorable political climate can be achieved in two forms; First, the government can choose to step aside and leave a void for civil society to fill which social entrepreneurs can then step into; or, secondly, the government can go further to actively promote, support, and facilitate the development of social enterprises. The example of the former is in the United States, where the Republican government's drive to cut the scope of government led to a relinquishing of duties to civil society. Examples of the latter in United Kingdom (UK) and Italy, the UK actively promoted social entrepreneurial solutions through regional government units under former Prime Minister Tony Blair, while Italy set up official classifications for the purpose of promoting social entrepreneurial organisations. Based on the above, it is of paramount importance to note that, for a social enterprise sector to develop, government has to necessarily withdraw from certain roles, either voluntarily or involuntarily. This is necessary to provide civil society and the private sector with the opportunities and space to enter and emerge.

### **Legal Environment**

Following the fundamental function of the political environment, the next level of influencing factors is that of the legal environment. Social entrepreneurship, like traditional entrepreneurship, is not a moment of eureka-like discovery, but rather a long drawn out iterative process in refining an idea and bringing it to fruition (Poon, 2011). As such, it requires an environment that will allow for such an iterative process of continuous trial and experimentation which is necessary for incremental fine-tuning for it to eventually succeed. Therefore the legal environment should not be overly oppressive with excessive regulation, oversight or obstructive policies that hinder such a process of experimentation due to difficulties in operations for the organisation.

Roitter & Vivas (2009) argue that the problem of legal status is undoubtedly one of the main issues facing the development of social enterprise in Argentina. Obstructive legal and regulatory conditions can and do often lead to exclusion from the formal economy, which creates challenges for market insertion, invoicing systems, impossibility of accessing sources of financing, and ineligibility for public sector programmes. Drawing a parallel with traditional entrepreneurship and business operations, the legal environment is an often used indicator for the potential of doing business. The World Bank ranks countries based on their

regulatory environment, taking into account various indicators of the local legal regulatory environment along the lines of the ease of starting a business, getting credit, paying taxes, enforcing contracts, and closing a business (Zoomers, 2014). Such an approach likewise applies to the context of social enterprise, where the legal and regulatory environment needs to allow ease of experimentation, failure, and incremental improvements by social enterprises. As such, an ideal legal environment would be one that allows a multitude of organisational forms which social entrepreneurs can take advantage of depending on their own circumstance. One bound by constraints, such as the profit non-distribution constraint found in Eastern Europe, limits the nature and innovative potential of social enterprise.

### **Social Environment**

The political and legal environment creates the necessary opportunity for social enterprise to attempt to address social problems. However, a conducive social and cultural environment is also necessary to facilitate the emergence of social entrepreneurs who will be able to capitalise on such opportunities (Poon, 2011). Social enterprises are fundamentally driven by the strength of individual social entrepreneurs, and a conducive social and cultural environment helps to nurture and enable such social enterprises to emerge. Jafta (2013) posits that there must be sufficient focus and emphasis on various socio-economic issues to attract the attention of potential social entrepreneurs. Such focus and emphasis must be sufficiently significant to go beyond attracting the attention of a few social entrepreneurs. It has to be of a magnitude that attracts a nuclear individuals and groups within society to recognise social enterprise as a scalable solution toward addressing such issues. Clark & Brennan (2012) noted that there is a common thread running through the respective geographic analyses that economic dislocations in the form of communism's fall or the oil crisis of the 1970s focused attention on amplifies socio-economic problems within the society. This led to the emergence of groups and individuals to address these issues. As such, it can be extrapolated that there must exist a significant level of attention and emphasis on various socio-economic issues within the society to foster the development of a whole sector developing around social enterprises, and not just individual initiatives of a few individuals.

### **Cultural Environment**

A favourable cultural environment is necessary as a complement to a favorable social environment in facilitating the emergence of social enterprise. Poon (2011) stated that the cultural environment differs from the social environment in that the culture within the population comprises habits or customs that are ingrained and have been part of everyday life for a prolonged period. This means that they are second nature to the population whereas social environments can be altered within a shorter time frame. The most important characteristic of a cultural environment that affects the emergence of social enterprise is the presence and vibrancy of a civil society and activism (Mair et al, 2015) where civil societies in the form of various non-profit and non-governmental organizations responded to addressing socio-economic issues with the new approach of social enterprise.

### **Institutional Environment**

The political and legal environments provide opportunities and space for social enterprises to emerge and the social and cultural environments provide the necessary conditions for enabling social entrepreneurs to emerge. However, to foster growth from the stage of



emergence to a highly developed state, the institutional environment plays a crucial role in supporting the scaling and development of these social enterprises (Poon, 2011).

Gilliss (2011) states that a clear example is that of the United States of America, where a supportive ecosystem of academic institutions and private foundations established a range of measures and supporting services. These range from research on non-profit management which supports the work of practitioners and also provides a testing ground for new innovative models and solutions, to business plan competitions which serve as platforms to harness expertise as well as financial resources. Such supporting institutions play an important role in facilitating the development of a sector around social enterprises, as they are able to serve as a focal point for best practices and financial resources. This assists in channeling them toward individual social entrepreneurs to aid them in their incremental processes of experimentation in managing their organizations.

### **Future of social enterprises in Botswana**

As stated in the introduction to this paper, the concept of social enterprise has not been utilized in Botswana. Having discussed factors influencing the emergence of social enterprise sectors, this section of the paper proceeds to suggest possible approaches to catalyze the development of the social enterprise sector in Botswana. As previously noted there are prerequisites for social enterprise to exist as a sector. In fact, the five factors influencing the emergence of social enterprise sectors can be broadly grouped into three main categories: conducive political, cultural, and legal environments. Government must necessarily allow for the role of a third sector, and this can be best seen in the regulatory environment which the political control, where a regulated legal environment is necessary to enable the natural process of social enterprise development.

Having reviewed the social enterprise literature, one of the prerequisites for social entrepreneurs to emerge is a conducive social and cultural environment. Social entrepreneurs emerge under two core conditions: the presence of severe socio-economic problems which they wish to solve, and sufficient internal motivation to take a step to address these issues. While there will always be individuals within society focused on various socio-economic issues (social entrepreneurs) unless there is a widespread focus on socio-economic issues, it is less likely that we will see the tipping point necessary for a whole sector to emerge around social enterprises. Therefore, since there are social movements that focus widespread attention on socio-economic issues, that is more likely to lead to the emergence of a social enterprise sector in Botswana.

This paper argues that, beyond just having social problems to address, the cultural conditions of a strong civil society provide the very people who are likely to establish social enterprises in Botswana. This is because they feel strongly about socio-economic issues and are willing to invest time and effort in addressing them. Where local civil society is lacking however, Alter (2007) indicates that this can be compensated for, to some extent, by linkages with other regions having more developed social enterprise sectors which allows for importing of talent and expertise. As such, social and cultural environments go hand-in-hand in providing a supply of social entrepreneurs which is crucial to social enterprise formation in Botswana.

Another prerequisite for the emergence and future of social enterprise in Botswana is the institutional environment. Social entrepreneurs, like entrepreneurs in the business world, require supporting institutions to take their ideas from conceptualization to execution and eventual success. Just as there exists a while ecosystem of venture capitalists, consulting firms, and growth capital financiers to take ideas to fruition, social enterprises will likewise benefit from an ecosystem of institutional support. This should constitute financing, expertise, and networking, which will serve to accelerate and facilitate the successful development of social enterprises in Botswana.

The Government of Botswana should proactively promote the driving of social change as a rewarding pursuit, both emotionally and materially. This should start with targeting students in educational institutions, as it is important to instill concern for society in young citizens. They are more open to ideals, and less preoccupied with economic and financial aspirations. It is also an effective means of reaching a large segment of the population by leveraging the educational system, since more than 60% of the population in Botswana is young people. This approach will inspire interest in social entrepreneurship and raise awareness of related issues through school activities and student organizations, such as clubs, societies, and similar fora. Students can thus be exposed to the severity social problems, and correspondingly develop stronger convictions toward devoting their efforts to the pursuit of their amelioration.

Another approach that can be taken to the facilitation of the development of social enterprise in Botswana is the improvement of the institutional environment. Foreign-based social enterprise enablers should be introduced into the Botswana market. This can be achieved by setting up agencies to actively entice and support them in setting up local operations. The key towards catalyzing the emergence, growth, and development of the social enterprise sector in Botswana lies in an integrated approach targeting the cultural, institutional, and legal environments. In the short term, the active importing of foreign expertise, talent, and services would be a most productive measure in speeding up the immediate growth of social enterprises. In the longer term, the alteration of culture is necessary to provide the necessary conditions for a steady pipeline of social entrepreneurs to emerge in Botswana society.

## **CONCLUSION**

This paper has explored the emergence of cooperatives in Botswana; challenges and lessons learned; definitions and factors behind the emergence of social enterprises globally; and the future of the social enterprise sector in Botswana. It has shown that, in Botswana, cooperatives were established by government immediately after independence and operated to facilitate the interests of government. The movement experienced phenomenal growth in the first two decades of operation and made substantial contributions to rural development. However, reforms undertaken to mobilize liberalization signaled a new era in cooperative development, leading to stagnant growth, decline in membership, poor sales, and inferior management. As a result the cooperative movement in Botswana witnessed a considerable decline and is now in a near state of collapse.

This paper highlights the fact that, with increasing focus worldwide on the need to adopt business approaches aimed at sustainability and a consideration of social problems, aims, and goals, the emergence of social enterprises in Botswana is an unavoidable trend. Cooperatives

are a common form of social enterprise found in Botswana. The paper recommends that empirical research should be undertaken in Botswana to explore social entrepreneurship as a survival strategy for community economic development in Botswana and to identify existing enabling environments in relation to the emergence and development of social enterprise in Botswana. A variety of issues must be addressed including the existing enabling environment in relation to the development of social enterprise in Botswana. Thus policies that seek to encourage social enterprise development. Are they being implemented? Which of these have a positive impact? What might be regarded as best practice in the future? The answers hold the key to future positive growth in the country and a more independent economy.

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