

PRODUCTIVITY WEEK DINNER DANCE ADDRESS

by

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Master of Ceremonies

Honourable Ministers

Honourable Members of Parliament

Chairman and Members of the BNPC Board of Directors

The Executive Director of BNPC, Rre Lebang

Distinguished Guests

Ladies and Gentlemen

It is with great pleasure that I stand before you to take part in one of our important national events, the annual Productivity Week. As you are aware, this is a week-long programme of productivity promotion and networking activities undertaken jointly by the Botswana National Productivity Centre (BNPC), the Directorate of Public Service Management (DPSM) and other stakeholders in the public and private sectors.

I feel even more privileged to share with you some thoughts on the very important subject of productivity. However, I have always been mindful of giving a dinner speech when dancing is part of the programme. On these occasions, the speech, especially if it promises to be lengthy, will seem out of place in comparison with the culinary delights and the relaxation associated with dancing, particularly following a hard day's work; this is a perfectly natural reaction.

I can assure you, however, that I have taken all of this into account and see no reason why I should not attract your attention as I speak to the national issue of productivity which is so central and critical to our progress as a people and as a nation.

First, I wish to commend the BNPC, through you Mr Lebang, for organising the activities of the Productivity Week with an appropriate and fitting theme of Efficiency and Effectiveness - the Smart Choice to Customer Satisfaction. You will agree that this theme goes to the very heart of the subject matter of productivity.

Not only does productivity mean efficiency, which is producing a high quality finished good or service with a minimum use of resources, including time, it also recognises that in the end the product must be something the consumer wants to purchase. By focusing on this broad concept of productivity, the Botswana National Productivity Centre is truly taking its rightful role as the beacon and guide for our survival.

As we all know, Botswana has a small domestic market. Therefore, for the country to achieve the lofty and ambitious goals of Vision 2016, which include a tripling of per capita income, producers of both goods and services must look to satisfy customers abroad. Obviously, customers abroad will have little interest in our products if they are not of high quality, competitively priced and delivered on time. In other words, if we do not produce efficiently so that Botswana continues to prosper, both foreign and domestic investment will be diverted elsewhere, and we can only expect a worsening of the unemployment problem and its associated ills, such as poverty and crime.

We are all aware of the fact that the world economy has become increasingly competitive as it has become a global village. Botswana is part of this global village, particularly since its accession to the World Trade Organization and the SADC Trade Protocol. Not only is communication easy, and with it international shopping, but there is also increasing mobility of human and financial capital. Therefore, in this increasingly interdependent world, our economic and social survival is critically dependent on our ability to compete. The fact of the matter is that directly or indirectly, competition, and successful competition at that, will determine the degree to which the country and its populace prosper.

The BNPC's continuous promotion of productivity through a number of initiatives is evident. It is encouraging to learn that the BNPC is planning to introduce prestigious Productivity and Quality Awards in the not too distant future. I understand the awards will be a key aspect of the strategy for ensuring that productivity awareness goes hand in hand with enrolment into the productivity movement. Through such awards, the efforts of organisations and individuals to achieve world-class excellence will be recognised and rewarded. The productivity message is also being taken to schools and the general public through the media, seminars and essay competitions. All these initiatives will help to create an environment in which organisations and individuals are eager to improve their performance at all times. Indeed, the establishment of a Joint Forum in Francistown For Productivity Awareness (JFPA) was an excellent idea; the Forum has been successfully organising promotional and benchmarking activities for the past two years. What is most encouraging about this Productivity Awareness is that it is led by stakeholders.

It is fitting that the Bank of Botswana has also been very conscious of the need to encourage productivity. Those financial institutions that fall under the regulatory and supervisory purview of the Bank are constantly being reminded of the need to deliver to their customers the high standard and quality of service to which they are entitled.

To help in this, and as highlighted in the Press recently, the Bank commissioned a survey on the quality of banking services in Botswana. The survey revealed that while commercial banks in Botswana are perceived to be honest and trustworthy, there is considerable room for improvement with respect to the efficiency and effectiveness in the delivery of service. For example, the survey revealed that there was a large gap between the level of banking charges and the quality of the service bank customers felt they were getting for those charges. It suggests that the commercial banks should improve their productivity and close the perceived gap by lowering charges and improving service. Following the completion of the survey, the Bank has engaged the commercial banks to redouble their efforts in ensuring that Botswana's financial sector, and the banking system in particular, provides world-class service. Excellence requires that service standards in Botswana should be comparable to the best standards anywhere in the world.

Another area of the Bank's activities that is relevant to productivity and efficiency is the National Payments System project. The NPS project (as we call it at the Bank) involves a thorough review of all of the channels through which payments are made and transmitted in the economy, and a reorganisation of many of these payments mechanisms. One of the first components that the public will notice will be the introduction of electronic cheque clearing early in the year 2002, which should shorten cheque clearing times and improve the accuracy of transactions. This will be followed by other developments, many of which will not be obvious to the public, but will all contribute towards progressively improving the efficiency of the payments system in the country. Improved accuracy and timeliness in the execution of payments transactions that will result from the National Payments System project is of course fundamental to a wide range of economic

activities and will, I hope, support businesses in their efforts to reduce costs and improve productivity.

The banking sector and the payments system are two specific areas where the Bank of Botswana can help improve productivity. But encouraging productivity more generally in the economy is also in the Bank's interests because productivity gains help keep costs and the price level down, which in turn makes the Bank's task of controlling inflation easier. It also makes my job as Governor less difficult, which is another reason why I whole-heartedly support the efforts of BNPC and others in this important task of productivity promotion.

Botswana can learn from the examples of small landlocked countries such as Luxembourg and Switzerland that have modest industrial and manufacturing capability, but still achieve some of the world's highest living standards by focusing and excelling on providing high quality services to their larger industrialised neighbours. Similarly, countries like Singapore and Hong Kong have successfully attracted businesses and competed in the global market due to their efficiency, quality of service and customer driven approach to business.

We should take courage and build on the overall national performance. As we all know, Botswana is recognised as a well-run economy with a reputation for good governance, stable macroeconomic environment and political stability. This recognition was embodied in the impressive sovereign credit ratings the country achieved early this year, from two international rating agencies, Moody's Investors Service and Standard and Poor's. Without fear of being contradicted, we can state with justification that, as a nation, Botswana is conforming to the ideals of efficiency and effectiveness. A country develops at a rate achieved by Botswana when the resources are utilised efficiently and effectively. What remains is to ensure that this ideal of efficiency should permeate the whole fabric of our business, administratively, operationally and socially, on a consistent basis. That way, the task of maintaining the good results already attained and of improving on identified weaknesses will be made easier.

If we fail to raise productivity levels to best international standards, then the Government initiatives such as privatisation will not see the light of day. In Botswana, privatisation, as you know, is not driven by immediate Government revenue needs, but by the desire for more efficient operation of many services. It is also expected to provide greater business development, management and expertise. Furthermore, privatisation should assist the private sector to be prepared for global competitive challenges. Thus, the country will be better placed to attract foreign direct investment and achieve sustainable economic diversification and its resultant job creation.

Focusing on productivity is the only way that Botswana can be competitive in areas such as tourism and financial services. Indeed, encouraging productivity is the other side of the coin with respect to Government policy of economic diversification. In the end, we should all be asking ourselves: Why should the rest of the world purchase goods made in Botswana? Why should foreigners come to Botswana and enjoy our wildlife, staying in our hotels rather than visiting other countries? Why should investors bring their capital to Botswana? If the answer to these questions is because we are more efficient, effective and customer driven, then our place is secured in the global market and we will rightfully aspire to attain the objectives of the "People's Manifesto" - Vision 2016 - as enshrined in its theme - "Towards Prosperity For All." As a reminder, Vision 2016 exhorts the nation to strive to be, among other things, productive and innovative; these are the challenges Botswana must face squarely if the country is to achieve the desired level of economic development.

To use a medical analogy, I believe higher productivity is to the economy what the role of the circulatory system is to the human body – a mechanism for delivering vital nutrients. A weak circulatory system renders the body ineffective, weak and vulnerable. Starved of oxygen and other vital nutrients, some parts of the body will become infected and will have to be amputated; some parts will atrophy and become useless.

You will recall that the Botswana National Productivity Centre was established in 1993 to stimulate and generate productivity consciousness in Botswana as well as to promote increased productivity in all sectors of the economy. Looking back, there is evidence that this message has taken root. The economy has expanded and diversification has taken place as evidenced by the rate of growth of the non-mining sector in recent years. But more remains to be done. As the saying goes “productivity is a marathon without an end”. In that regard, I wish to call on all of us – the individual and the corporate, the manager and the worker – to become more involved in the ongoing national campaign to make productivity and quality awareness a way of life for Botswana.

Looking further ahead, it is my expectation that the SADC region as a whole will realise the objectives of the SADC Declaration on Productivity, which calls for a region-wide productivity movement.

Let me add to the sentiments expressed many times before at all levels of our society. One of the daunting challenges that we face in the quest for higher productivity is the HIV/AIDS pandemic. The most treasured resource is our people and, if their health deteriorates, productivity and excellence will become mere talking points and not achievable objectives. Therefore, as we strive towards improved and higher productivity, we should simultaneously put in place a concerted strategy against the spread of HIV/AIDS and ameliorate its devastating effects on our population. We are in it together; just as HIV/AIDS affects the very heart of our existence in terms of life expectancy and social well being, it is unfortunately also at the heart of our efforts to encourage productivity.

It has been said that everybody’s business is nobody’s business. This is not true with respect to productivity; it is truly everybody’s business. Therefore, we should all join hands as stakeholders in a win-win partnership with the BNPC in a bid to realise the dream of transforming Botswana into a society which pursues excellence for individual and national prosperity.

With the words I have just shared with you, it only remains for me to applaud the BNPC, with Mr Lebang at its helm, in its continuing quest to raise the standard of performance and overall productivity as well as quality awareness in Botswana, as this is the only way that will ensure the long term sustainability of the Botswana economy.

I thank you for your kind attention.