YOUTH UNEMPLOYMENT AND VOCATIONAL TRAINING STRATEGIES IN BOTSWANA

G. R. MOTLALENG* AND N. NARAYANA**

The aim of this paper is to discuss some of the vocational training strategies or models that might reduce youth unemployment in Botswana. Currently unemployment in Botswana stands at 17.8%. Most of the unemployed are the youth. For instance, from the age of fifteen to nineteen years and for twenty to twenty four years unemployment is 41.4% and 34% respectively. Also worth noting is that the youth (15-35yrs) constitute 51.1% Labour force. This problem arises because of mismatch between supply and demand of labor in Botswana, i.e., the youth do not have appropriate skills from tertiary training needed by the employers. In this paper we argue that the Corporate Model and other strategies are better placed to deal with youth unemployment as opposed to the current State Training Model employed in Botswana.

I. INTRODUCTION

Across the world, young people face real and increasing difficulty in finding decent work in spite of efforts made by government to create employment opportunities to youth. Youth unemployment has become a threat to the social, economic and political stability of nations. The situation of youth unemployment thus deserves urgent attention as it affects adversely the efforts made to achieve equality and solidarity between generations, which is broadly covered under social justice. In addition, while unemployment destroys the economic and personal welfare of all those affected by it regardless of age, the destruction is most pronounced when it comes to youth.

Youth unemployment refers to the share of the labour force ages 15-24 without work but available for and seeking employment. At a global and regional level, youth unemployment rates have been on an increase. A number of countries in Africa have identified youth unemployment as a matter of national security and job creation is being encouraged in order to provide youth an opportunity to earn income. Youth unemployment has a profound impact on young people's lives, and has implications for long-term vulnerability brought about by marginalization and exclusion.

Global unemployment remained stable at 8 percent between 2010 and 2012. Bur unemployment was highest in the Middle East and North Africa (22%) and sub-Saharan Africa (17%) in 2012 and lowest in Asia (5%). Sub-Saharan Africa has one of the highest unemployment and underemployment rates and the lowest good jobs rates in the world. Sub-Saharan Africa has one of the highest unemployment and
underemployment rates and the lowest good jobs rates in the world (World Development Report, 2013). This indicates the need for quality employment opportunities and business growth in the region. Asia has the lowest unemployment rate in the world, but also has relatively few people working in full-time jobs for an employer. Low unemployment rates, such as those in Asia, can mask high rates of subsistence jobs. Underlying these numbers is a need for better job opportunities.

II. UNEMPLOYMENT IN BOTSWANA

Despite being an upper middle income country, Botswana continues to face development challenges such as high HIV prevalence rates, persistent poverty and inequality, high unemployment especially among youth and vulnerability to external shocks due to lack of diversification of the economy beyond minerals.

Botswana, South Africa and Swaziland are among those countries having the highest unemployment rates in the world. The rate of unemployment in Botswana, however, is worse than that of South Africa and even Zimbabwe. While Zimbabwe and South Africa have between 30 and 39 percent of its able-bodied citizens employed full time, Botswana only has between 20 and 29 percent. More than 35 percent of Batswana, South Africans and Zimbabweans are under employed (African Development Bank, 2013).

In Botswana, as indicated earlier, at 41%, unemployment rates amongst those 15-19 years of age, it is 23 percentage points higher than the national average. Unemployment Rate in Botswana increased to 17.80 percent in 2010 from 17.50 percent in 2009. Unemployment Rate in Botswana averaged 18.10 Percent from 1991 until 2010, reaching an all-time high of 23.80 Percent in 2006 and a record low of 13.90 Percent in 1991 (Statistics Botswana, 2013).

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Botswana’s population is predominantly young. According to the 2001 Population Census, young people of the age group 0-29 constitute 67.6% of the total population of Botswana. The Household Income and Expenditure Survey of 2002/03 reveal that youth unemployment rate is highest among the age group of 15 to 29 years. Whilst the contribution of agricultural sector to the GDP is currently low, the national significance of the sector is still highly recognized. This stems from the fact that the agricultural sector has the potential to provide some solutions to the problems of unemployment, particularly if agriculture is undertaken in a commercial fashion. The sector is dominated by elderly people, while the youth, including those with requisite training are unemployed or have found jobs in other occupations. Young people between the ages of 15 and 29 are three times more likely than their older counterparts to be unemployed. Fifteen percent of 15- to 29-year-olds are unemployed, compared with 5 percent of 30- to 49-year-olds and 5 percent of 50- to 69 year-olds. Young people are also twice as likely to be underemployed. On a positive note for young people, they are more likely than 50- to 69-year-olds to be working for an employer.

At a national level, a number of youth empowerment initiatives have been undertaken. Youth Empowerment Scheme (YES) as part of a comprehensive
framework for dealing with youth unemployment. The data suggest that while youth are struggling with unemployment, those who are working are more likely than older people to have good jobs. In order to create employment opportunities, a fund under CEDA is made available to provide agricultural loans for graduates (degree, diploma and certificate holders) from agricultural training institutions and thus further add impetus to efforts to tackle youth unemployment. Through the Young Farmers Fund (YFF), as the Fund will be called, young people will have improved access to finance and entrepreneurial training and thus will be able to engage in sustainable agricultural activities better equipped with the requisite skills for running farming businesses.

The purpose of this paper is to discuss some of the vocational training models that might reduce youth unemployment in Botswana. This problem of youth unemployment arises because of mismatch between supply and demand of labor in Botswana. i.e., the youth do not have appropriate skills from tertiary training needed by the employers. Currently the youth, those aged between fifteen and thirty five years constitute 51.1% of Labour force in Botswana. In this paper we argue that the Corporate Model and other strategies are better placed to deal with youth unemployment as opposed to the current State Training Model employed in Botswana.

The discussion that follows examines the unemployment situation in Botswana and the current training model. This is followed by a discussion of various training models. Lastly we draw our conclusions from the aforementioned.

III. UNEMPLOYMENT AND THE CURRENT TRAINING MODEL IN BOTSWANA

Table 1 shows that Botswana’s unemployment rate is 17.8%. Unemployment is high among the youth (15-35yrs) who constitutes 51.1% of Botswana’s Labour force. Unemployment rate is 41.4% and 34% for those aged between fifteen to nineteen years and for twenty to twenty four years respectively (Statistics Botswana 2013). This problem arises because of mismatch between supply and demand of labor in Botswana. i.e., the youth do not have appropriate skills from tertiary training needed by the employers (Siphambe, 2005). It is also clear from Table 1 that unemployment rate is high among the female population across all age groups. However, unemployment is severe for females for age groups 15 to 19 years and 20-24 years where it is at 50.5% and 41% respectively.

Unemployment is also inversely related to the level of educational attainment as indicated in Table 2. For example, unemployment rate is 24.4%, 8.4% and 5.1% for those with Secondary, Tertiary and University education respectively (Statistics Botswana 2013). This implies that investment in human capital through education and training enhances the candidate’s employment opportunities. It is worth noting that unemployment is high for females than for males at all levels of educational attainment. For instance, at Non Formal education level unemployment rate is 14% for males while for females is 20.3%. Similarly, at University level unemployment rate is 3.6% and 7.2% for males and females respectively.
Table 1
Employment and Unemployment Rate in Botswana

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Economically Active</th>
<th>Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Males</td>
<td>Females</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>12-14</td>
<td>4822</td>
<td>330</td>
<td>5152</td>
<td>13.9</td>
</tr>
<tr>
<td>15-19</td>
<td>20756</td>
<td>14692</td>
<td>35448</td>
<td>34.2</td>
</tr>
<tr>
<td>20-24</td>
<td>64093</td>
<td>33011</td>
<td>97104</td>
<td>27.8</td>
</tr>
<tr>
<td>25-29</td>
<td>99719</td>
<td>28738</td>
<td>128458</td>
<td>16.6</td>
</tr>
<tr>
<td>30-34</td>
<td>88898</td>
<td>18527</td>
<td>107425</td>
<td>14.6</td>
</tr>
<tr>
<td>35-39</td>
<td>74411</td>
<td>10979</td>
<td>85390</td>
<td>11.1</td>
</tr>
<tr>
<td>40-44</td>
<td>58329</td>
<td>6694</td>
<td>65024</td>
<td>7.7</td>
</tr>
<tr>
<td>45-49</td>
<td>48734</td>
<td>5381</td>
<td>54115</td>
<td>8.6</td>
</tr>
<tr>
<td>50-54</td>
<td>41774</td>
<td>4412</td>
<td>46185</td>
<td>6.8</td>
</tr>
<tr>
<td>55-59</td>
<td>31223</td>
<td>2272</td>
<td>33495</td>
<td>7.6</td>
</tr>
<tr>
<td>60-64</td>
<td>20066</td>
<td>1222</td>
<td>21288</td>
<td>4.8</td>
</tr>
<tr>
<td>65+</td>
<td>31426</td>
<td>90</td>
<td>31516</td>
<td>0.2</td>
</tr>
<tr>
<td>Total</td>
<td>584251</td>
<td>126349</td>
<td>710600</td>
<td>14.5</td>
</tr>
</tbody>
</table>

Source: Statistics Botswana 2013

The state of unemployment in major towns is 19.1%, 18.0%, 14.3%, 11.8%, and 9.8% in Selebi-Phikwe, Francistown, Orapa, Lobatse, and Gaborone respectively. In terms of districts, unemployment rate is higher than the national unemployment rate. It is 29.3%, 26.2%, 23.6%, 22.5% and 20.8% in Ngamiland West, Serowe/Palapye, Southern, Kgotlang and Kweneng East respectively (Statistics Botswana 2013). It is apparent from the foregoing that unemployment is a serious socio-economic challenge in Botswana.

Currently in Botswana the government sponsors most students for Tertiary and Vocational training without prior knowledge of skills required by the employers and the industry. This has resulted in unemployment rate where the youth do not have appropriate skills required by the employers. It is therefore necessary to find Vocational and Tertiary training strategies that can address the youth

Table 2
Unemployment Rate by Educational Attainment in Botswana

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Economically Active</th>
<th>Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Males</td>
<td>Females</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>No Education</td>
<td>93395</td>
<td>11391</td>
<td>104786</td>
<td>9.2</td>
</tr>
<tr>
<td>Non Formal</td>
<td>12272</td>
<td>2582</td>
<td>14854</td>
<td>14</td>
</tr>
<tr>
<td>Primary</td>
<td>125945</td>
<td>24644</td>
<td>150590</td>
<td>14</td>
</tr>
<tr>
<td>Secondary</td>
<td>248438</td>
<td>80008</td>
<td>328446</td>
<td>19.9</td>
</tr>
<tr>
<td>Tertiary</td>
<td>55820</td>
<td>5139</td>
<td>60959</td>
<td>8.5</td>
</tr>
<tr>
<td>University</td>
<td>48381</td>
<td>2585</td>
<td>50966</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>584251</td>
<td>126349</td>
<td>710600</td>
<td>14.5</td>
</tr>
</tbody>
</table>

Source: Statistics Botswana 2013
unemployment. The training strategies must equip them with market and industry relevant skills. To achieve the desired goals, stakeholders being the Sponsor, Tertiary Institutions and Private sector must work together. This would lead to competitive human capital for economic development and growth. It is paramount to note that skills of labour determine competitiveness and productivity of a nation.

Görlich et al. (2010) emphasizes the importance of youth employment by arguing that the youth are the potential and future of every country. Therefore any state with a long-term vision for welfare and development like Botswana is concerned with the best ways to integrate the youth into the labor force (see also Assaad et al. 2007)). On the other hand Ryan (2001) and O'Higgins (2007) posit that youth unemployment may have persistent negative consequences for the individuals' subsequent career. i.e., it may impair their productive potential and employment opportunities. Furthermore, Nordström (2004) and Arulampalam (2001) concur that there appear to be scarring effects attached to early unemployment spells. They argue that they significantly reduce subsequent wages and increase the probability of future unemployment spells. For instance, Ryan (2001) argues that skills and motivation may decay during the unemployment spell. i.e., skills may become obsolete due to non-use or technological developments make formerly acquired skills less valuable (De Grip and Van Loo, 2002). Additionally, Gibbons and Katz (1991) argue that firms and employers may take unemployment spells as a signaling device, suggesting to them that the unemployed youth is potentially less productive. Lastly, youth unemployment has been found to be associated with drug use and crime by O'Higgins (2007) and Fougère et al. (2009)). The foregoing arguments show that solutions to youth unemployment in Botswana are a nationally priority and need an immediate attention from the Botswana Human Resource Development Council.

IV. VARIOUS TRAINING MODELS

State Training or Supply-led Model
This is the current training model in Botswana. The Government of Botswana pays for training and runs most Tertiary institutions. For instance, the University of Botswana, Botswana International University of Science and Technology, Colleges of Education and Health Sciences mostly train without proper skills requirements. Firms or the industries have no incentive to fund training. This model is currently producing skills not wanted by firms or skills that have saturated the labour market. This creates a mismatch between supply and demand of labor in Botswana. Some of the skills or training acquired is not specific to any firm. Another disadvantage of the Supply-led Model is free riding and poaching by firms. i.e., where a firm assume that other firms fund training to provide a pool of skilled labour to benefit from and hire qualified labour from other firms (Edwards 1997, Motlaleng, 2004).

Voluntarist Model or Demand-led Model
In this case training is provided by employer or firm and funding is from Government grants. The skills acquired are firm specific. The model Provides marketable skills. This model matches the supply and demand of labor. There is also limited free riding
and poaching by firms. It must be noted that this model assumes mature industrial base that can implement and conduct training. One of the disadvantages of this model of vocational training is that it is employer or firm specific and can results in oversupply of such specific skills.

The Corporate Model or Dual System
This vocational training strategy is common in Germany. Training takes place in two places i.e. at vocational school and at place of work. In this model at least two thirds of finance comes from the employers or private sector. Vocational training covers all economic sectors. It results in low youth unemployment and high levels of productivity. Youth accept trade-off between low wages during training and useful skills in long term. The low training allowance is an incentive to firms to train the youth. In return the youth get relevant qualification that pays off after training. The Corporate model is also said to make transferable and specific skills to be complementary. Poaching by Firms is low. Firms in Germany invest in Research and Development in order to train the youth. This training model is also found in Switzerland and Austria. However, critics argue that the Corporate model is inflexible due to high regulation. Also training is said to be too specific and not transferable (Edwards, 1997).

Company Model: Vocational Training in Japan
It emphasizes high standards of mathematics and engineering. There is also intensity of basic education and vocational training. The Company Model produce multiskilled and adaptable workforce for the world of rapidly changing technology. Training is on-the-job training. It leads to Lifetime employment. Employers provide training and retraining in both marketable and firm specific skills. Teaching and learning in Japanese companies is in context of Lifetime employment. Training address the needs of industry and it matches the supply and demand of labour (Edwards 1997; Stevens, 1999)

‘Tiger’ Economies Training Models
Education and training is integral to the competitiveness of ‘Tiger’ economies of Singapore, South Korea, Taiwan and Hong Kong. The state control of education and training was a key political component of ‘Tiger’ economies. The acquisition and transformation of skills were to match economic transformation in these economies. i.e., economic ‘miracles’ were achieved by education ‘miracles’ (Edwards, 1997). Their educational attainment was already high in 1960 relative to third world countries. They had already established sophisticated modern public training systems.

The state performed the matching role of supply and demand of skills superior to the market system. Their educational policies worked because they responded appropriately to market failures. They emphasised on universal high quality primary education. There is a direct link between skill formation and economic objectives. The mechanism conveyed relevant information and ensured that the needs of economy are given priority by policy makers in ‘Tiger’ economies. Their training policies meet skill
requirements for industries. For example, in Singapore there is strong link between tertiary institutions and the Ministry of Trade and Industry (Green, et al 1999). Also, the Economic Development Board and Council of Professional and Technical Education (CPTE) provide human resource requirements for industries. This mechanism matches the supply and demand for skilled personnel for current and future requirements.

Therefore, the above discussion may help us to deal with Botswana situation where there is a mismatch of supply and demand of labour. Key players must address industrial needs not just enrolments.

V. CONCLUSION

This paper discussed vocational training models that might reduce youth unemployment in Botswana. Currently unemployment in Botswana stands at 17.8%. For instance, from the age of fifteen to nineteen years and for twenty to twenty four years unemployment is 41.4% and 34% respectively. Also worth noting is that the youth constitute 51.1% Labour force. This problem arises because of mismatch between supply and demand of labor in Botswana, i.e., the youth do not have appropriate skills from tertiary training needed by the employers. This paper argues that the Corporate Model and other strategies are better placed to deal with youth unemployment as opposed to the current State Training Model employed in Botswana.

References


