

# UNEMPLOYED YOUTH AND SELF-EMPLOYMENT IN BOTSWANA

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## **Abstract**

This research attempts to understand why many unemployed young people are not entering self-employment in Botswana as well as actual youth trajectories to self-employment. It is based on the analysis of documentary sources, focus groups and interviews with young people, both unemployed and self-employed, and officials in Mogoditshane and Gaborone. Interviews with young people constitute the main data source while others are complementary. The study found that the prior experience of a job that has provided training is often the route into self-employment, and that many unemployed young people do not consider it feasible to move to self-employment from unemployment. But at the same time they are not willing to stay in unskilled, risky, low-paid and insecure employment that does not provide decent work. It challenges policy makers to ponder strategies towards the creation of decent employment, training, wage employment, work experience and self-employment and their inter-linkages as a way of addressing youth unemployment in Botswana. The study suggests how self-employment constraints can be reduced to provide a more enabling environment.

## **1.0 Introduction**

When Botswana gained her independence from Britain in 1966, she was considered one of the poorest countries in the world. Aside from a few citizens who worked in the South African mines, employment opportunities in the country were almost non-existent. The economic reports at that time were invariably gloomy about the potential future economic growth and development (Fako & Sechele, 2011). After the discovery of diamonds, shortly after independence, Botswana rose from being among the poorest countries in the world to being one of the few African countries that were classified by the World Bank as middle income. On the one hand, in terms of economic indicators such as Gross National Product and Gross Domestic Product, Botswana continues to have a positive report. On the other hand, in terms of actual access to and distribution of resources, the country continues to grapple with problems of poverty, inequality, and unemployment (BIDPA, 1997; Fako & Sechele, 2011). While the national unemployment rate is 17.8 percent according to the 2011 Population and Housing census, unemployment rates for the different categories of youth are more than double the national and adult rates (Statistics Botswana, 2014). It is apparent that the formal sector that has been the key employer over the years is unable to generate enough jobs to absorb the ever growing labour force.

This paper addresses the persistent problem of youth unemployment in the context of a shortage of formal sector jobs in Botswana. International organisations and policy makers in developing countries, including Botswana, suggest that unemployed young people should seek to create their own jobs by engaging in self-employment activities, particularly in the informal sector. A review of literature on the

youth labour market in Botswana reveals that despite high levels of youth unemployment in the country very few of the youth are engaged in self-employment. This is in spite of a number of policies and self-employment schemes, such as the Citizen Entrepreneurial Development Agency and the Youth Development Fund that have been initiated by the government of Botswana to support self-employment. The research therefore attempts to understand why many unemployed young people are not entering self-employment in this country and to uncover the actual trajectories to self-employment by this cohort. This would help to assess whether it is feasible for young people to move directly from unemployment to self-employment as it is generally assumed by officials.

## **2.0 Theoretical Framework**

This work was informed by a reconstituted theory of structuration by Rob Stones (2005). The theory argues for the incorporation of both structures and agencies in research in a manner that does not subordinate either of them. Of relevance in this research is its ability to capture external and internal structures as constraints and enablement that affect an agent's projects and intentions as well as dispositions that affect their practices. The external structures entailed studying the labour market situation, government policies and statutes and access to funding. The internal structures investigated entailed knowledge of existing self-employment funding and training opportunities that could enhance access to the job market and self-employment. It also entailed investigating dispositions that young people have accumulated by focusing on employment histories as well as formal and informal skills that young people have been exposed to. The agentic aspects entailed capturing young people's aspirations and labour market intentions.

## **3.0 Research Design and Sites**

This study uses a comparative research design in the sense that it looks at and compares two distinct cases: the unemployed and self-employed young people's experiences. Initially the study intended to focus on one group, the unemployed young people's labour market experiences and their perception about employment opportunities. It then occurred to the researcher that in order to grasp a better picture of the labour market situation of this group, it is necessary to find out how other young people (the self-employed) have managed to enter the labour market and avoided unemployment. It was in the light of the promotion of self-employment as a strategy to reduce youth unemployment in Botswana that the self-employed were incorporated in this study.

The study was carried out in Gaborone (the capital city of Botswana) and Mogoditshane (an urban village in the outskirts of Gaborone). The urban towns and cities are the most populated areas where a lot of industrial activity and informal self-employment is concentrated. In terms of unemployment, the highest levels are found in urban villages and lowest levels in towns and cities. Due to time constraints, this research was confined to Gaborone, representing high levels of informal sector and self-employment activity, and Mogoditshane, representing areas with highest levels of unemployment. As a peri-urban area adjacent to Gaborone, Mogoditshane is expected to have a higher level of informal self-employment activities than other peri-urban areas and villages.

#### **4.0 Sampling**

This research covered young people aged 15 – 29 years. The initial sample covered 40 unemployed and 40 self-employed young people spread equally between the two research sites. However, the final interviews captured 38 unemployed and 45 self-employed youth. Two unemployed young people's interviews had to be dropped on account that they did not meet the criteria for having made an effort to look for jobs although they wanted them. More self-employed youth were covered because they voluntarily came forward for the interview having heard about the study from their friends. This may also be due to the monetary incentive of P30.00 given to each participant. In total, 83 individual interviews were carried out with young people comprising 42 males and 41 females. Since no list of self-employed and unemployed young people was available, the sampling method was a combination of purposive and snowball sampling methods. Snowballing entailed entering a residence, identifying an interviewee who was then asked to locate others in similar situations or having the same characteristics. Sampling was purposive in that the selection of residences gave priority to areas where there were visible signs of self-employment activities.

#### **5.0 Data Collection and Analysis Methods**

This study employs methodological triangulation because it uses a multiplicity of data collection methods as a way of maximising internal consistency or reliability. This allows for cross checking of the truthfulness of phenomena by using different techniques. For example, what the young unemployed people state as their constraints to self-employment through individual interviews was compared to those mentioned by authorities (key informant interviews). The methods entailed semi-structures interviews, four focus groups segmented into equal sex groups (two in Gaborone and two in Mogoditshane), two key informant interviews and documentary sources in the form of statistics, policies and some legal documents to verify information collected through interviews. It is worth noting that interviews with young people constitute the bulk of data while others support them. The interview guides covered such issues as background characteristics and formative experiences. The guide for the unemployed young people focused on how they experience unemployment, considerations of self-employment and issues around the general labour market. The self-employed interviewees were asked to narrate stories about their lives as well as map a trajectory to self-employment. The focus groups focused mainly on details on constraints in the areas of educational progression and access to jobs and self-employment which are the themes that emerged from individual interviews. After their design the individual interview guides were piloted on four young unemployed people in the study area to test whether they would be understood and what needed to be changed and clarified. However, the pilot exercise revealed no problem and the interviews were included as part of the sample. The key informant interviews just like focus groups were also held to further explore or verify the issues raised in individual interviews. The key informants were from the Ministry of Youth, Sports and Culture and the Botswana National Youth Council. The former represents the government while the latter represents youth organisations outside government in matters of youth. It was not possible to interview officers who directly deal with young people in the field due to matter of protocol in both organisations. With regard to documentary sources, existing records on the use of enablements such as the Citizen Entrepreneurial Development Agency and the Out of School Youth Programme grants were not made available. However, documents collected included application forms/guidelines and some legal documents, such as Industrial Development Act, Trade Act and Interpretation Act that have been useful in verifying information gathered through the interviews.

Almost all information obtained through focus groups, individual interviews and key informants aside from one interviewee was tape-recorded. Aside from the officers, all young people who participated in the study were given some monetary incentives to compensate for the time spent in responding to the interviews as well as participating in focus groups. In focus groups participants were provided with refreshments. Following completion of data collection, each interview and focus group discussions were translated from Setswana into English and transcribed at the same time. Once transcripts were produced, they were read through and data analysed on the basis of emerging themes as well as those generated by the researcher at the initial stage of the research design. Some important topical issues here entailed constraints to educational progression and skills acquisition, the labour market situation and precarious employment, self-employment considerations, access to self-employment enablers and the significance of self-employment experience (dispositions). Data presentation uses interview excerpts to give young people a voice in their own words. Although no consent form was generated and signed, a verbal consent or permission to interview and record the voices of both young people and officials was sought. As a way of ensuring confidentiality, pseudo names instead of real ones have been used in this research.

## 6.0 Employment and Unemployment Statistics in Botswana

In Botswana, an employed person refers to any person involved in some form of work plus those temporarily not performing any work due to sickness and who would certainly return to work (CSO, 1998). Work is understood as an economic activity carried out for payment in cash or kind and self-employment for profit or family gain. Voluntary work would not count as work according to this definition. The unemployed persons are those individuals who did not do any work in the period under review, usually 30 days, either for payment in cash or in kind and who were not in self-employment for profit or family gain (ibid.). This definition covers two groups of unemployed persons, namely, (1) the unemployed who have not taken steps to actively look for employment in the last 30 days (mainly the discouraged job seekers) and (2) those who were not only available for work but have taken steps to look for jobs in the reference period. For purposes of international comparisons and planning however, the government uses the definition of unemployment for those actively seeking work. These definitions are derived from persons constituting the labour force, aged from 12 years and above, and who are able to work. However, it is important to note that the Government of Botswana Employment Act prohibits the employment of those aged below the age of 15 years in the formal sector, and this has tended to increase the proportion of the youth that remain unemployed (BOCCIM- Botswana Confederation of Commerce, Industry and Manpower, 1996).

**Table 1: Employment and unemployment indicators in Botswana from national census and labour force surveys (LFS) 1981 – 2001**

Indicator	1981	1984/85	1991	1995/6 LFS	2001
	Census	LFS	Census		Census
Labour Force	315000	368000	442000	528000	559000
Employment	283000	275000	380000	345000	449000
Formal Sector	-	88000	-	239000	-
Informal Sector	-	44000	-	57000	-
Traditional Agriculture	149000	143000	91000	49000	18000
Unemployment	32000	93000	61000	94000	110000

Unemployment rate (percent)	10.2	15.7	13.9	21.5	19.6
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*Sources:* BIDPA, 1997; 1995/96 Labour Force Survey (CSO, 1998); Labour Statistics 2001 (CSO, 2003a); Bank of Botswana (2006).

Tables 1 and 2 show that unemployment is an acute problem in Botswana and women and young people are hardest hit. It is important to note that the labour statistics report that contains detailed information on employment and unemployment statistics for the 2011 population census has not been published as of yet. Table 1 shows the total labour force in Botswana and its disaggregation between the employed and unemployed from 1981 to 2001. Those employed are further disaggregated into formal, informal and traditional agricultural sectors. However, the population censuses do not disaggregate the data into formal and informal sectors. There has been a general increase in employment opportunities in the country since 1981, although some fluctuations are evident in some years. These increases have been confined to both the formal and informal sectors of the economy. However, the overall contribution of the informal sector to employment is very small. According to the 1995/96 labour force survey, the informal sector's contribution to overall employment is 17 percent (CSO, 1998). This scenario is different from other African countries such as Mali and Tanzania where over 60 percent of the labour force is employed in the informal sector (ILO, 2002).

While employment has been growing, it is evident that this has not kept pace with growth in the labour force. As a result, unemployment has remained problematic in Botswana. Between the 1991 census and 2001 census for instance, the average annual growth rate of employment was 1.7 percent while that of the labour force was 2.4 percent (Mukras & Seemule, 2005). Table 1 reveals that there has been an overall rise in unemployment rates over the years. The national census reports, for instance, show that the unemployment rate rose from 10.2 percent in 1981 to 19.6 percent in 2001. The low unemployment rate recorded in 1981 is attributed to the fact that at that time subsistence agriculture played a major role in the provision of employment opportunities in Botswana. Similarly, the labour force surveys show a rise in the unemployment rate from 15.7 percent in 1984/85 to 21.5 percent in 1995/96. While officially the unemployment rate excludes discouraged jobseekers, the inclusion of this group raises unemployment significantly. According to the 1995/96 Labour Force Survey, the official unemployment rate for the year was 21.5 percent, and this rose to 34.6 percent when discouraged jobseekers were included (CSO, 1998:9).

Table 2 shows significant variations in unemployment rates according to age and sex. Female unemployment rates are higher than male unemployment rates for all age groups. While total unemployment rate for males is below the national figure, the unemployment rate for females is way above the national rate of unemployment. This means that being female reduces the chances that one may be employed in Botswana's labour market and the inverse is true for males. This therefore shows the critical importance of gender in the analysis of both employment and unemployment. Another key finding is that highest unemployment rates are recorded among those aged 12 – 29 years, officially recognised as the youth in Botswana, and that generally the rates drop when age increases. Unemployment rates for all youth categories are higher than the national rate. The most affected are those aged between 15 and 24 years whose rates are either double or more than double the national rate of unemployment. This is further confirmed in the 2011 population and housing census which noted that 79.7 percent of the unemployed people consisted of those aged from 15 to 34 years (Statistics Botswana, 2014).

These statistics suggest that youth unemployment is a major problem in Botswana. They also suggest that formal sector employment cannot be guaranteed in the near future and that alternative strategies should be identified to enhance the capacity of the labour market to absorb the ever increasing labour force, particularly the young people that are adversely affected by unemployment.

**Table 2: Unemployment rates by age group, August 2001**

Age Group	Male rates	Female rates	Total rate
12-14	19.1	38.2	23.9
15-19	41.6	58.1	48.9
20-24	31.9	44.7	38.0
25-29	16.5	25.4	20.6
30-34	11.0	15.8	13.1
35-39	10.1	11.9	11.0
40-44	8.9	9.2	9.0
45-49	8.1	7.5	7.9
50-54	7.2	5.8	6.7
55-59	6.7	5.6	6.3
60-64	6.2	5.5	6.0
65-69	5.2	5.1	5.1
70-74	4.1	5.6	4.5
75+	4.1	9.6	5.6
Unknown	13.2	11.7	13.1
<b>TOTAL</b>	<b>16.4</b>	<b>23.9</b>	<b>19.6</b>

Source: Labour Statistics (CSO, 2003:41)

## 7.0 Self-employment and Entrepreneurship initiatives

Given the youth labour market situation in Africa, where formal jobs are no longer guaranteed, attention is being paid to the promotion of self-employment among the youth as a complementary employment strategy. The International Labour Organization is in support of entrepreneurship and self-employment as a way of tackling the problem of unemployment. It recognizes that this is a new development as self-employment research has been conducted on the model of the adults, paying little attention to youth and calls for further research in this area (Schoof, 2006). Globally this is further supported by the fact that although most of the self-employed are adults, the Global Entrepreneurship Monitor research project points to the fact that the highest entrepreneurial activities are recorded among people aged between 25 and 34 years and that in Sub-Saharan Africa the informal sector appears to provide more new jobs for youth than the formal sector (Mlatsheni & Leibrandt, 2004; Schoof, 2006). According to Chigunta (2005), entrepreneurship and self-employment have a number of benefits in that they serve as a way of creating employment for those who start projects and employ other youth who might be marginalised in society; boost the local economy by way of providing needed goods as well as creating linkages between the formal and informal economies; encourage innovation among young people; and seek to promote young people's self-worth in society. Moreover, self-employment is understood to contribute to start-up of families by young people as well as fostering their independence from parents.

Similarly, the government of Botswana upholds economic empowerment and self-employment as a tool to uplift the lives of all Batswana, especially the disadvantaged groups, including unemployed youth

in the context of a shortage of formal sector jobs. However, for much of the post-independence period, government economic empowerment initiatives and programmes were targeted at and designed on the model of adults (Government of Botswana/UNDP, 2000). Apart from community initiatives, such as vocational education through brigades, there were no economic empowerment initiatives that aimed specifically at uplifting the welfare of young people and to ensure their integration in society. The apparent neglect of young people's economic situation meant that they continued to be at the margins of society.

Since the close of the 1990's, however, there has been a wakeup call for young people's economic integration in society as their unemployment situations worsened over the years (Durham, 2007). Similarly, government officials, NGOs and politicians have developed interest in youth matters. Some of the government initiatives that support the integration of young people in the labour market are the formulation of the National Youth Policy in 1996 and a revised one in 2010 and credit facilities that are specifically targeted at young people who wish to engage in self-employment. Specific policies and programmes to support self-employment include vocational education and training, Citizen Entrepreneurial Development Agency (CEDA), Young Farmers' Fund and Youth Development Fund (YDF).

The Botswana National Youth Policy (Ministry of Labour and Home affairs, 1996) recognises that young people constitute the marginalised sections of society in terms of their economic empowerment and overall participation in society. As a result, they are more vulnerable to poverty, unemployment, abuse and exploitation than adults. The policy therefore views the empowerment of young people by the government, communities and the private sector as a way of integrating them in society.

The National Vocational Educational Policy of (1997) emphasises lifelong education and the provision of vocational skills to young people in order to make them employable as well as meet the needs of the industrial sector and self-employment. Similarly, the revised National Policy of Education (Ministry of Education, 1994) calls for the revision of the secondary curriculum in to order to offer skills that would facilitate entrepreneurship development. Since 1999 the government of Botswana has introduced business studies subjects to all secondary schools in Botswana to offer entrepreneurial skills, although the extent to which these have addressed the levels of unemployment has not be reviewed (Assan, 2012). However, the most well-known vocational training programme for the youth in Botswana is brigade training. This is designed to accommodate young out-of-school people between the ages of 18 and 25 years. Brigades are independent, community based, and mostly rural institutions with emphasis on productive skills training. Individual brigades offer skills in welding, business, carpentry, building, auto-mechanics, draughting, textiles, plumbing, machine shop, forestry, electronics, and farming techniques (Mwansa & Mufune, 1994; Fidzani & Mafela, 1995; Assan, 2012). One major problem that the brigades face is that they can only admit very few students in the country and have tended to lack resources and facilities. This is due to the fact that they have, for most of the post-independence period, been run by communities (which do not have adequate resources) and were heavily dependent on donor funding (Motsatsing, 1995). As a result, youth unemployment in the country has persisted in spite of the provision of vocational education by the communities. Expansion in facilities and increase in up-take of students in these institutions would certainly improve their chances of entering the labour market (Ministry of Finance and Development Planning, 2006).

The CEDA, which commenced operations in 2001, runs a scheme meant to provide support to small, medium and micro-enterprises, as well as to foster citizen economic empowerment. It subsidizes interest rates and provides training, monitoring and business mentoring, as opposed to outright grants. In order to qualify for the loans, an applicant needs to be a citizen and aged 18 years and above (CEDA guidelines). However, in 2003 a venture capital fund was established under CEDA to facilitate joint ventures between citizens and foreign investors (Bank of Botswana, 2006). This general scheme was not tailor-made for young people, even though they could apply for assistance as long as they met the requirements.

In an effort to enhance young people's access to self-employment funding, in 2007 CEDA introduced a new funding initiative called the Young Farmers Fund. This is specifically designed to provide financial assistance in the form of subsidized loans to young farmers aged between 18 and 35 years who wish to engage in viable and sustainable agricultural projects. As part of the requirements, young people need to demonstrate that they have received training in what they wish to undertake and complete a business plan (CEDA, 2009).

The YDF, initially the Out- of-School Youth Programme, administered under the Department of Youth, is a scheme aimed at assisting young out of school and unemployed people who wish to start viable and sustainable income generating projects (Department of Culture and Youth, 2006). Funding is in the form of a 50 percent grant and a 50 percent interest free loan with P100 000 (USD 12 500) as the maximum loan amount that can be disbursed to a successful applicant (Okurut & Ama, 2013). The initial project operated as a 100 percent grant facility, without the need for young people to provide collateral.

In 2008 the government of Botswana initiated a graduate internship programme that targets citizen graduates of tertiary institutions for attachments to government offices and the private sector for experience and on-the-job training. Attachments are for two years and participants are paid P1420 as monthly stipend. The programme has so far not been evaluated to establish whether it has met its intended objectives. However, some politicians on the opposition front are beginning to question the intention of the programme: they consider this to be a strategy to exploit young people by using their skills and paying them a pittance at the same time (Mmegi Newspaper, May 22, 2013).

## 8.0 Self-employment Intentions

Whilst the aforementioned initiatives are an indication that something is being done about the plight of unemployed young people, youth unemployment in Botswana is still high and very few young people and adults engage in self-employment. One of the issues that this research investigated is whether the unemployed young people considered self-employment in their job searches given the limited job opportunities.

**Table 3: Unemployed young people's consideration of self-employment by sex**

<b>Intentions</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Intended	5	13	18
Not Intended	14	6	20
<b>Total</b>	<b>19</b>	<b>19</b>	<b>38</b>



Table 3 reveals two categories of unemployed youth: those with self-employment intentions and those without. The findings reveal that more than half (53 per cent) of the unemployed young people interviewed in Gaborone and Mogoditshane did not consider self-employment in their employment searches while the other half (47 per cent) did so. This validates other studies conducted on the status of the labour market in Botswana (such as CSO, 1998; Siphambwe, 2003). Those without self-employment intentions considered a paid job, preferably in the formal sector, as the most feasible form of employment for those that are completely unemployed and without resources to engage in self-employment. They dismissed the idea that self-employment in vibrant or viable activities could be entered into directly from unemployment:

*I haven't considered starting a business at all. This is because I know that in order to start a business project you need to have found a stable job and having saved a lot of money. When you are completely unemployed like me you only think about paid jobs... (Maele, unemployed youth in Gaborone).*

*No. I haven't considered self-employment at all. Even right now I don't have any idea. I also feel that it is important for one to find a paid job before they could venture into self-employment. Work would also give one a source of income to start up a business. I feel the most important thing for me is to get a job and work (Ricco, unemployed youth in Mogoditshane).*

This information suggests to policy makers that while self-employment is emphasized it is equally important to think about job creation. Not all unemployed young people have aspirations for self-employment and the labour market needs to cater for them as well. While in Botswana formal employment has been concentrated in the government sector, it is important to strengthen the private sector to take the baton in job creation. It is also important to support self-employment initiatives to assist those who wish to engage in this endeavor.

The study found that while the unemployed young people could possibly survive on casual employment and survivalist activities, which they considered to be readily available, they were unwilling to do so. They considered these to be risky, low-paying, insecure and exploitative, and that they do not provide decent employment. Some unemployed young people had quit their jobs to avoid exploitation:

*After completing my form five I came here to Gaborone to look for jobs. It was difficult to find one and I ended up working for some Indian neighbours as a domestic servant. I was taking care of the child, cleaning the house and yard and washing clothes...it was low paying and unchallenging at the same time... I had to quit my job after working for one month so that I could have a chance to travel around the city to look for better jobs... (Neo, unemployed young woman in Mogoditshane)*

*Yes after completing my secondary schooling I worked for a certain electrical company in Mogoditshane as a labourer for five months. I had to leave the job because the supervisors were harsh on us and we were forced to work under unsafe conditions... (Kgabo, unemployed young man in Gaborone).*

It is worth noting that unemployed young people's labour market histories at the point of entering current unemployment were categorized into three groups: the never employed (13 young people), job losers (10 young people) and job quitters (15). This data demonstrates that job quitters constituted the

largest single category of the unemployed youth. Both job losses and quitting are indicators of the precarious nature of the labour market situation which increases youth unemployment in Botswana.

### 9.0 Self-employment Constraints: Programmes, Statues and Resources

It was further found that unemployed young people who considered self-employment could not start their projects due to the constraints that they faced in attempting to do so. As a result, they committed themselves to search for paid jobs. Some of the constraints entailed access to credit and the conflicting policy initiatives that affect access to other resources, such as land. It is apparent that self-employment programmes are designed to cater for young people who are already resourced and trained in entrepreneurship. The required skills and resources to obtain funding are not easy to meet for young people. According to the CEDA guidelines (undated), it is imperative that proposed businesses for funding have a license of operation, registration certificates, land or premises, and applicants must provide security. Furthermore, they should provide a business plan that covers such topics as sensitivity and SWOT (Strength, Weaknesses, Opportunities and Threats) analyses. Some unemployed young people felt these requirements were stringent and therefore discouraged them from seeking institutional funding:

*...I have not even tried CEDA because it requires that one should develop a business plan and a project memorandum. In order to do this, you need to have money so you can also seek advice from the experts. I mean if you are not knowledgeable about developing a business plan or project memorandum like me, you need those who know to assist you in order for your application to be successful...I am very certain that if I place my application with the Department of Youth, I will not get the funding.*

She is not the only one who felt discouraged by these requirements but this has also been other unemployed young people's outcry. Godi in Mogoditshane noted that, ‘

*My elder sister tried to apply for the Out-of-School Youth grant and was unsuccessful and then I thought it is difficult. My hopes for securing funding through the Out-of-School Youth grant therefore diminished...’*

Government legislation also limits what some young people could do. At times these contradict government policies and programmes that are meant to support youth entrepreneurship. Prior to 2006, the Out-of-school Youth Programme funding catered for young persons from the age of 16 to 29 years. The age group was later changed to 18 to 29 years, most likely in order to make it compatible with the minimum age required for one to be issued a license to operate a business. According to Section 12 of the Trade Act of 2003, ‘a licensing committee shall not issue a license where it is satisfied that the applicant is below 18 years of age’. Similarly, the Industrial Development Act (Chapter 43:01) of 1988 prohibits issuing a manufacturing license to anyone who is a minor. The Interpretation Act (Chapter 01:04) defines a minor as ‘a person who has not attained the age of 21 years’. Furthermore, those who qualify for youth funding cannot be allocated land by the Land Boards unless they are aged twenty-one years. These problems were also echoed by the officials of the Botswana National Youth Council and the Department of Youth and Culture (Ministry of Sports, Youth and Culture):

*...At the same time it is problematic because you can be allocated funds at the age of 18 years and yet the Registrar of Companies can register a business or company only when the owner is 21 years, which is the*

*law of maturity. So I can say that the age part of it is a limitation...entrepreneurial development is a big challenge among young people... (Official, Botswana National Youth Council, Gaborone)*

*We have limitations in the area of multi-sectoral approach...Although we want to fund young people to go into businesses so they could survive, our collaborators in the Department of Lands cannot allocate them the land.... (Official, Department of Youth and Culture, Gaborone).*

Another important hindrance to self-employment or the labour market in general is that of lack of training among the unemployed people in Botswana of which the youth constitute the majority. This is attributed to factors both external and internal to young people themselves. One of external hindrances is the limited opportunities and capacities by the vocational schools and other tertiary institutions to absorb secondary school graduates as noted in discussing vocational education above. While 76 per cent of the unemployed youth interviewed in Mogoditshane and Gaborone had secondary schooling, only 8.6 percent had proceeded to tertiary education for training. Another important training related aspect that the study found is limited knowledge of training and educational possibilities. Whilst there exists some formal and informal arrangements or institutions that aim to impart skills such as carpentry, leatherwork, textiles and other trades as in the case of Rural Industries Innovation Centre in Kanye, it appears that many young people are still not knowledgeable and well informed about these arrangements:

*Some of us don't have information on how we can get admission to the Brigades and other schools, and where to get the forms... (Participant, Gaborone female focus group).*

This therefore suggests that limited opportunities for training compounded by lack of information packaging on educational possibilities lower the chances of young people to enter the formal labour market and self-employment. It is expected that once unemployed young people have acquired vocational skills they would be enabled to find jobs and set up their own self-employment projects.

### **10.0 The Self-employed: Trajectories and Dispositions**

In addition to the constraints to self-employment raised by unemployed youth, the research sought to further look into the employment histories of the self-employed youth as a way of understanding the actual trajectory to self-employment. It sought to investigate whether the self-employed started their projects directly from unemployment as well as outline the dispositions that they had. The study found that the majority (76 per cent), or 34 out of 45 self-employed youth, are those who quit their jobs or family business to engage in self-employment. This runs contrary to the general perception or expectation that the majority would come from the pool of the unemployed. Their paths to self-employment entailed: i) movement from school to jobs and to self-employment, ii) movement from jobs, that provided training and resources, to self-employment, iii) movement from family business to self-employment and iv) movement from family business to training and then self-employment. As some self-employed young people revealed, exposure to jobs, family business and training served as an enabling environment for self-employment:

*Yes, when I came back [after completion of a fashion design course] from Zimbabwe I found a job in a textile company in Lobatse where we engaged in sewing clothes. This was just for four months so I could gain some experience.*

*...I learnt how to keep books and to tell whether I am making profit or losses. Those are the things that I had wanted to learn by working (Gertrude, Dressmaking and fashion designer in Gaborone).*

*Yes, I learnt a lot of things about business while working at Ghantsi Beef. I got interested in the cooking business as I observed how the vendors did their business as I delivered their orders. Every time I would talk to them and ask them questions on how to start a business and they shared useful information with me. I then decided to start this business... (Lady, a food vendor in Mogoditshane).*

*I wanted to be a doctor but wasn't capable of doing the course. I then realized that I am capable of sewing because I got inspiration from my mother. I used to help her while she did her dressmaking business and then learnt how to use the machine. When my mother realized that I could sew, she advised me to focus on my education and then choose to do this when I have passed well (Boitumelo, a dressmaking and fashion designer in Gaborone).*

As compared to the unemployed youth, the self-employed youth had better dispositions that have enabled them to enter self-employment. These consisted of self-employment career aspirations at formative years, formal and informal training and prior work in projects that are in line with those they were undertaking and could be translated into self-employment. Out of the forty-five young self-employed people, sixteen (36 per cent) had proceeded to tertiary institutions for formal training. This contrasts with only three (8.6 per cent) of the unemployed who did so. Formal training identified among the self-employed young people consisted of graphic design, dress making, hairdressing, computing, information technology, fashion design, secretarial studies, office procedures, bricklaying, auto mechanics and mechanical Engineering. These skills were almost absent among the unemployed young people. Furthermore, nine of the self-employed young people had some informal training whereas only one of the unemployed did so. The informal skills identified are bicycle repairs, photo design, screen printing, upholstery, hair cutting, dress making and carpentry. Both the formal and informal skills enabled these young people to find paid jobs in the formal and informal sectors in the past and later enabled them to enter self-employment.

It is therefore clear that the most feasible way to enter self-employment is to move from training, which provides skills, to jobs for experience and resources, and then self-employment. This validates an earlier perception by some unemployed people that getting a job would serve as a clear route to self-employment and that it is not possible for those who are completely unemployed to venture into self-employment. The data also suggests that the national internship programme initiated by the government recently to create an opportunity for skilled young people to gain experience may be a good thing. The self-employed young people's work histories reveal that they have undergone some kind of internship on their own, albeit in an uncoordinated fashion and were enabled to enter self-employment. It seems therefore that an employment strategy that emphasizes training, job creation, self-employment and internship and their inter-linkages would assist exclusively in addressing unemployment among the youth.

## **11.0 Conclusions**

The following conclusions can be drawn from this study are that a large number of unemployed youth are disadvantaged in the labour market due to their low levels of skilled human capital and work experience which make it difficult for them to enter the wage and self-employment sectors. Unemployment in Botswana is also attributed to the availability of insecure and indecent employment opportunities and not only the absence of formal jobs. Moreover, it is not feasible for unemployed young people to enter self-

employment directly from unemployment. The main route to self-employment is through quitting a job that provides training, experience, contacts and financial resources. Although the government of Botswana has formulated funding schemes to facilitate the unemployed and underemployed youth to enter self-employment, they still face structural constraints and many are unable to access self-employment funding schemes.

## 12.0 Recommendations

The apparent lack of skills among unemployed young people calls for increased investment and access to specialised training and skills formation activities in tandem with the broader education expansion efforts to improve their employment prospects. It is important for labour market policies to give equal attention to training, wage employment (jobs), self-employment and internship (work experience) and their linkages. In Botswana there appears to be a shift of emphasis from wage employment (job creation) to self-employment. The government of Botswana should retain the national internship programme or come up with a well-rounded apprenticeship programme in order to bridge the gap between training and labour market experience. Labour market policies, programmes and statutes need to be reviewed periodically to ensure their harmonisation as well as removal of undue restrictions that lower unemployed young people's chances of entering the labour market for wage employment and self-employment. The lowering of the majority age from 21 years to 18 years would help to lesson age and legal constraints to self-employment entry. There is need to come up with affirmative action strategies to ensure that young people are given special dispensation in employment as well as allocation of resources and access to facilities that support self-employment such as land, government owned market stalls, premises and finance. These should pay attention to the different categories of youth who may need to be assisted differently, such as urban youth, rural youth, female youth and the disabled. Policy makers in Botswana should earnestly ponder the strategies towards creating decent employment for young people in line with ILO standards. There is also a need to further investigate the various forms of exploitation that young people are subjected to in the labour market at the hands of their employers.

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