UNITED NATIONS DEVELOPMENT PROGRAMME

YOUTH EMPLOYMENT IN BOTSWANA

4th National Human Development Report

CONTENTS

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While this report reflects the collective efforts of many, the responsibility for any errors or omissions rests solely with the authors. We hope this NHDR will catalyse meaningful dialogue, policy action, and transformative change in Botswana's journey toward sustainable human development.

Together, let us seize the opportunity to unlock the potential of Botswana's youth and build a future where every young person can thrive.

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Acronyms and abbreviations

4IR	Fourth Industrial Revolution
AI	Artificial Intelligence
ALMP	Active Labour Market Programmes
B-READY	Business Ready
BAIS	Botswana AIDS Impact Survey
BDIH	Botswana Digital Innovation Hub
BGCSE	Botswana General Certificate of Secondary Education
BITRI	Botswana Institute for Technology Research and Innovation
BIUST	Botswana International University of Science and Technology
BNIP	Botswana National Internship Programme
BNSP	Botswana National Service Programme
BQA	Botswana Qualifications Authority
CEDA	Citizen Entrepreneurial Development Agency
CITF	Construction Industry Trust Fund
CPSD	Country Private Sector Diagnostic
DD	Demographic Dividend
ECI	Economic Complexity Index
ETSSP	Education and Training Sector Strategic Plan
GDI	Gender Development Index
GECAF	General Education Curriculum and Assessment Framework
GER	Gross Enrolment Ratio
GII	Gender Inequality Index
HDI	Human Development Index
HDR	Human Development Report
HRD	Human Resource Development
HRDC	Human Resource Development Council
HRDF	Human Resource Development Fund
ICT	Information and Communication Technology
IHDI	Inequality-adjusted Human Development Index
ILO	International Labour Organisation
ISCED	International Standard Classification of Education
LEA	Local Enterprise Authority
LMS	Learning Management Systems
M&E	Monitoring and Evaluation
MTFF	Medium-Term Fiscal Framework
NCQF	National Credit and Qualifications Framework
NEET	Not in Education, Employment, or Training
NEP	National Employment Policy
NER	Net Enrolment Rate
NHDR	National Human Development Report
NHRDS	National Human Resource Development Strategy
NTS	National Transformation Strategy

OSET	Out-of-School Education and Training
PHDI	Planetary Pressures-adjusted Human Development Index
PPP	Public-Private Partnership
PVC	Polyvinyl Chloride
R&D	Research and Development
SADC	Southern African Development Community
SDG	Sustainable Development Goals
SHDI-A	Sustainable Human Development Index within Affordable Limits
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
SME	Small and Medium-sized Enterprises
SOE	State-Owned Enterprise
STEAM	Science, Technology, Engineering, the Arts, and Mathematics
STEM	Science, Technology, Engineering, and Mathematics
TIMSS	Trends in International Mathematics and Science Study
TVET	Technical and Vocational Education and Training
TVETA	Technical and Vocational Education and Training Authority
UCCSA	United Congregational Church of Southern Africa
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations International Children's Emergency Fund
WBL	Work-Based Learning
YDF	Youth Development Fund
YDI	Youth Development Index
YEDTC	Youth Entrepreneurship Development Training Course
YES	Youth Empowerment Scheme

Foreword

I am delighted to introduce this fourth NHDR for Botswana on youth employment. I particularly welcome this report as it is a timely and critical contribution to understanding the multifaceted nature of a pivotal challenge for the country and charting the pathways to meaningful solutions.

Youth unemployment is one of the most pressing challenges facing Botswana today. With nearly 38 percent of young people aged 15–35 unemployed and an even higher share Not in Education, Employment, or Training (NEET), the stakes could not be higher. The future of Botswana's economy, social cohesion, and human development hinges on our ability to address this crisis promptly and effectively.

Botswana has long been celebrated for its prudent economic management, stability, and high human development indicators relative to its peers. Yet, beneath these achievements lies a troubling paradox: a youthful population brimming with potential but facing systemic barriers to meaningful employment. The consequences of this mismatch are far-reaching, affecting not only individual livelihoods but also the nation's economic diversification, inequality levels, and long-term sustainability.

The report, after exploring the human development profile of the country, delves into the structural, economic, and educational factors driving youth unemployment in Botswana. It examines the disconnect between the skills young people acquire and those demanded by the labour market, the geographic disparities in employment opportunities, and the gendered dimensions of joblessness. It also highlights the aspirations and perspectives of Botswana's youth, who are the majority of the country's population and whose voices are essential in shaping policies that affect their futures.

Human development is about expanding people's freedoms and opportunities to lead lives they value. At its core, it is about enabling individuals to realise their full potential, whether through education, health, or decent work. Employment is a cornerstone of this vision, providing not just income but also dignity, social inclusion, and a sense of purpose. For young people, the transition from education to employment is a critical juncture that shapes their lifelong trajectories. When this transition fails, the repercussions extend beyond the individual to families, communities, and the broader economy.

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Botswana's high level of human development, as measured by the Human Development Index (HDI), masks significant inequalities. The Inequality-adjusted HDI (IHDI) reveals a 31.1 percent loss in the measured human development level due to disparities in income, education, and health. Youth unemployment exacerbates these inequalities, particularly for young women, rural populations, and those with lower levels of education. Addressing this issue is not just an economic necessity but a moral imperative to ensure no one is left behind.

Botswana's economy stands at a crossroads. Historically reliant on diamond mining, the country has struggled to diversify into labour-intensive sectors that could absorb its growing youth population. The diamond sector, while a major contributor to GDP and exports, generates limited employment due to its capital-intensive nature. Meanwhile, other sectors—such as agriculture, manufacturing, and services—have not grown at the pace needed to match labour force expansion. This, combined with the large presence of the public sector in the economy, which often has a crowding-out effect on private sector growth, has resulted in an economy that creates too few jobs, especially for the young. The private sector remains concentrated in urban centres such as Gaborone and Francistown, leaving rural areas with few opportunities.

The Government has recognised these challenges and outlined ambitious plans for economic transformation. The National Transformation Strategy (NTS) and

Vision 2036 emphasise diversification, private sector-led growth, and improved education-to-employment pathways. However, translating these plans into action will require bold reforms.

A recurring theme in this report is the mismatch between young people's skills and those demanded by employers. Botswana's education system has made strides in expanding access, but quality and relevance remain persistent concerns. Secondary education dropout rates are high, and vocational training suffers from fragmented governance, slow curriculum updates, and low societal esteem. The result is a workforce where many young people lack technical as well as 'soft' skills, such as communication, problem-solving, and teamwork, that employers value. Even university graduates often find themselves ill-prepared for the labour market, as their fields of study or soft skill set may not align with economic needs. This disconnect is particularly acute for young women, who face additional barriers such as childcare responsibilities and societal expectations.

This report is unique in its incorporation of youth voices. A dedicated survey conducted in early 2025 reveals the challenges and aspirations of Botswana's young people. Key findings include:

i) Skill and Employment Gaps: 58 percent of respondents reported having no marketable skills, with a significant gender disparity (63 percent of women and 50 percent of men);
ii) Lack of Labour Market Exposure: only 19 percent of youth had any work experience during their teenage years, often in informal jobs;
iii) Biased Employment Preferences: a strong preference for public sector jobs, reflecting perceptions of stability and benefits, despite the need for private sector growth;
iv) High Income Expectations: a stark gap between current earnings and aspirations, particularly among younger youth (aged 15–24), who expect incomes 3.7 times higher than what they currently earn;
v) Lack of Familiarity with AI: only 19 percent with clear opinion believe they are very or somewhat familiar with AI, and many of the youth are concerned about the effects of AI on job security.

These insights underscore the need for policies that not only create jobs but also help align youth aspirations and realities.

To address these challenges, the report presents a set of comprehensive recommendations, spanning economic policy, education reform, and youth engagement. Key proposals include:

On the economic policy side: i) Accelerate business environment reforms: simplify regulations, reduce bureaucratic hurdles, fostering competition to stimulate private sector job creation, and improve access to finance for small and medium-sized enterprises (SMEs); ii) State-Owned Enterprise (SOE) Reform: enhancing the efficiency and accountability of SOEs to reduce fiscal burdens and level the playing field for private enterprises; iii) Promote export-oriented growth: recalibrate industrial policy to create a conducive environment for all sectors to thrive, with a focus on export-oriented industries, and leverage the African Continental Free Trade Area (AfCFTA) to expand markets for Botswana's goods and services; and iv) Revitalise agriculture: shift from subsistence farming and input subsidies to productivity incentives and commercial agriculture, with targeted support for agribusiness value chains and rural economies.

The Government has recognised these challenges and outlined ambitious plans for economic transformation. The National Transformation Strategy (NTS) and Vision 2036 emphasise diversification, private sector-led growth, and improved education-to-employment pathways. However, translating these plans into action will require bold reforms.

On the education and skills development side: i) Establish a National Skills Strategy and engage in comprehensive education reform: harmonise education and training policies with labour market needs, and align curricula with labour market demands; ii) Strengthen technical and vocational education and training (TVET): modernise infrastructure, update curricula, and foster private sector collaboration; iii) Embrace digital transformation: prepare youth for the Fourth Industrial Revolution (4IR) through digital literacy and technology

integration in education; and iv) Promote lifelong learning approach: ensure that young people, especially those in the NEET category, can continuously upgrade their skills.

On youth-specific interventions: i) Expand active labour market programmes: scale up internships, apprenticeships, and entrepreneurship support; ii) Enhance career guidance: provide youth with better information about labour market trends and opportunities; and iii) Address gender disparities: implement targeted programmes to support young women's access to education and employment.

I strongly believe that solving youth unemployment requires a whole-of-society approach. The Government, private sector, civil society, and development partners must collaborate to create an ecosystem where young people can thrive. This includes fostering a culture of innovation, supporting youth-led enterprises, and ensuring that policies are informed by the lived experiences of young Batswana. The demographic dividend (DD)—the economic growth potential that arises from a youthful population—is a fleeting opportunity. Botswana must act now to harness this dividend or risk squandering it. The alternative—persistent unemployment, inequality, and social unrest—is too dire to contemplate.

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This report is not just a diagnosis of the problem but a roadmap for action. Its recommendations are pragmatic, evidence-based, and grounded in the realities of Botswana's economy and society. Implementing them will require political will, sustained investment, and a commitment to inclusive growth.

As we look to the future, let us remember that the true measure of Botswana's success will no longer be its diamond revenues, but the opportunities it provides for its young people to build fulfilling and prosperous lives.

Balázs Horváth

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Executive summary

Context

Human development is about expanding people's opportunities and choices, enabling them to lead long, healthy, and fulfilling lives. Employment plays a critical role in advancing human development, being at the centre of several feedback loops. It is a necessary precondition for people to utilise their skills, earn livelihoods, and contribute to society. Balanced employment opportunities ensure that capabilities are matched with chances for growth, reducing frustration and maximising human potential.

Employment significantly contributes to human development outcomes by providing individuals with economic security, fostering social inclusion, and enabling access to essential resources such as education, healthcare, and housing. Decent work enhances dignity and self-worth, empowering people to invest in their families and communities while reducing poverty and vulnerability.

This is particularly important in the case of young people—especially those transitioning from education to employment. The availability of employment opportunities and their quality largely determines young people's future pathways, aspirations, professional and personal development. It also strengthens their amenability to abide by the social contract. These are the reasons why the topic of this human development report is employment of Botswana's youth.

Botswana has high levels of human development. Productivity and employment patterns nonetheless differ from peers which transformed from agrarian to industrial economies. In contrast, Botswana's industrial employment has not reached significant levels. Botswana's Inequality-adjusted Human Development Index (IHDI) is lower than the overall index reflecting inequality in income, education and life expectancy. Botswana's Gender Development Index (GDI) shows differences in human development outcomes between women and men. Human development also varies across regions of the country.

In order to improve the country's level of human development and decrease the disparities in that regard, concerted efforts to improve the performance in each of the human development dimensions (economic development, education and health) are needed. But they are not sufficient: it is crucial to recognise that effectively employing youth is a common theme across these dimensions. Addressing the challenge of youth unemployment will unlock a virtuous circle of sustainable progress in human development with balanced improvement in all three of its dimensions.

Findings

Botswana's economy is not generating enough jobs; the rate of job creation is below labour force growth. The rate of youth unemployment, at nearly 38 percent, outstrips the national unemployment rate. The share of youth NEET is even higher and increasing, with the rate higher amongst women. Unemployment varies across the country, contributing to labour mobility, with the lowest rates in districts where mining is an important part of the local economy.

Youth unemployment in Botswana is attributed to several factors. Too few formal sector jobs are created to match the number of graduates of secondary and tertiary education. For many formal jobs, graduates lack the practical experience, skills and training required. Unemployment due to skills gaps is prevalent among youth with lower levels of education as well as among the higher educated. The skills deficit among Botswana's youth extends to 'soft' and entrepreneurial skills.

Young people mainly work in jobs that require limited skills in low-skilled jobs in elementary occupations, and in service and sales work. Youth unemployment is lowest in urban areas and a significant proportion of unemployed youth are those who only have secondary education. Unemployment rates are lowest amongst those with only primary education but the quality of these jobs in terms of income generated or professional career development is questionable.

A combination of factors shaping the supply of, and demand for, labour contributes to this outcome. Lack of marketable skills is one factor and the education system in its current shape is not adequately addressing this challenge. Respondents in recent surveys said that a flexible selection of courses at school and vocational training would have improved their employability. Most did not have access to the labour market in their teenage

years, and the formal systems that are supposed to help in finding jobs were not effective. Most young people rely on family and friends in finding a job.

The situation is far from optimal in terms of demand for labour, with the structure of the economy not leading to the scale of employment creation needed. The economy comprises the diamond sector (historically a major driver of rising incomes but currently experiencing weakness) and a non-diamond corporate sector that had a stronger contribution to growth in recent years. Diamond mining—a capital-intensive activity—has been the largest single contributor to government revenues, and the source of over 80 percent of exports, but its contribution to employment has been modest. Services dominate the economy, with tourism significant. Despite agriculture's low contribution to GDP (9.6 percent as of first quarter of 2024), it provides 18 percent of employment, with labour productivity very low. Dutch Disease has affected Botswana's competitiveness with diminishing international competitiveness of non-diamond sectors holding back the emergence of a thriving private sector.

The private sector is concentrated in Gaborone and surrounding districts, Francistown, Serowe and the northwest, with 70 percent of active firms in these areas. The Gaborone city region is a locus of Botswana's growth. Gaborone itself has a population of about 250,000 but there are several towns within a 60–90 minutes' drive from which many people commute while benefitting from lower housing costs in the periphery. Half of Botswana's enterprises are in Gaborone and Francistown, the two largest cities.

Botswana is still quite rural. The 'headline' urbanisation rate is 73 percent but the country is less urban than this suggests, since it includes the population of the so-called urban villages. These have been administratively classed as urban but fall short of the 100,000 population, roughly the minimum needed to obtain considerable urban economic benefits. Recent surveys find young people living in rural areas are less likely to find a job than those who live in urban districts.

Half of Botswana's firms work in Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles, and Construction, with some 10 percent of firms working in manufacturing, of which nearly half are in Gaborone and Kweneng. State-owned enterprises are prominent, while privatisation has progressed slowly.
Botswana's growth strategy centres on industrial policy through 'picking winners' by supporting priority sectors. It also emphasises business environment reforms. There

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is consensus that Botswana's medium-term economic future relies on more diverse, job-intensive, equitable, private sector-led, and export-oriented growth.

Botswana faces challenges in ensuring that its education system provides quality education relevant to the labour market, with secondary education performing below expectations. Drop-out is widespread, while poor results affect transition to tertiary education. Vocational training is affected by fragmented governance, slow accreditation of curricula, low enrolment rates, weak teaching capacity, and poor perception of vocational training.

The Government has put in place policy to address education and training deficiencies. Botswana's Vision 2036 and the complementary NTS seek to increase the share of trained workers in the workforce to 42 percent and lower the unemployment rate to 5 percent. The Government has also provided a range of active labour market programmes to youth to equip them to enter the labour force and entrepreneurship.

This report also builds on a dedicated survey conducted in January–February 2025. The results suggest a significant human capital potential of young people that is still to be utilised in full and support the findings regarding the mismatch between the demand and supply of labour.

Most young people (75 percent) report to have completed secondary education or vocational training following upper secondary education. This creates the impression that Botswana youth is adequately educated and have the necessary skills to successfully complete their transition from education to employment. The reality however might be less optimistic. Today the 'lower' secondary education is increasingly seen as an extension of the primary because neither level provides practical knowledge and skills yet. When both groups are combined, the share of respondents with lower secondary or lower education (primary or none) exceeds 40 percent. This is the share of young people with

education that is insufficient for well-paid and sustainable employment.

This finding is supported by the respondents' self-assessment of their skills (qualification potentially beneficial for potential employers) that could be the basis for making money: 58 percent do not have any with a considerable gap between women and men. While half of the male respondent reported to have no skills, this share is 63 percent among women.

Most of the employed young people were working in a private company (36 percent), while 22 percent were self-employed, 17 percent were employed in a private household and 15 percent were employed in state administration.

Lack of practical experience with the labour market may be one of the reasons for that. Only 19 percent of young people have had any exposure to the labour market during their teenage years (last years at school). Of those who had some exposure, two thirds took informal jobs.

Most of the employed young people were working in a private company (36 percent), while 22 percent were self-employed, 17 percent were employed in a private household and 15 percent were employed in state administration. The results however reveal a stark difference between the current and desired occupation—the share of respondents who would prefer to be employed by the state (in administration or in a state-owned company) is three times higher than those preferring some form of non-state employment. This preference may be an additional barrier to the development of private businesses as the main provider of jobs.

Similar discrepancy was observed regarding the current and desired incomes. The data reveals almost universal consensus among young people that the income they currently get is way below their expectations. The gap between reality and expectations is highest among 'younger youth' (aged 15–24), who expect an income 3.7 times higher than what they currently get. The gap of such magnitude might hold back the successful transitioning from education to employment, locking a considerable share of young people in insecure, unstable, occasional or informal jobs in anticipation of some bright future.

On a positive note, the young people appear to be flexible and willing to move to get a job. 86 percent consider looking for a job elsewhere in Botswana—still higher than the 53 percent of those looking for a job abroad. It seems a window of opportunity to prevent human capital flight is still open for Botswana.

Recommendations

Economic policy

Private businesses (corporate or individuals) play a key role in creating jobs. At the same time, Botswana is a country with historically strong presence of state-owned enterprises. This legacy can infuse nostalgic sentiments among policymakers and citizens alike regarding the role of the state as employment provider at the expense of the private sector. Bearing that risk in mind, the report provides the following recommendations regarding economic policy:

Make it much easier for the private sector to operate through business environment reforms. The new Government emphasises the importance of comprehensive business environment reforms. Such high-level political commitment is crucial to success and has been seen as a prerequisite for an effective business reform environment in most other countries.

Botswana's industrial policy should focus on creating a conducive business environment, reducing diamond dependency, and providing relevant public goods to boost activity. Business environment reforms should aim to level the playing field for all commercial actors, foster competition and regional integration, making strategic use of the AfCFTA. Reforms should encourage economic diversification without seeking to pick winners, and facilitate export-oriented, employment-creating investments. In shaping financial flows, policy should aim for overall risk mitigation, preserving the primacy of business considerations in allocating bank finance. Industrial policy should also provide public goods essential for a thriving private sector: schools, public health, an easily navigable, clear tax and regulatory framework, well-functioning infrastructure, including affordable, reliable energy supply and effective transport corridors, as well as a stable legal framework with enforceable contracts and protected property rights.

Further industrial policy support can be helpful, but only if designed well. Support can be considered for select high-productivity activities in agro-processing, manufacturing, and technology-driven industries with significant potential for attaining scale (only possible in a small open economy through exports). As in other African countries, the Government could offer a 'put option' (buy-out of the investment at a nominally fixed price reflecting actual new money put at risk) to encourage private foreign capital inflows to desired areas seen as high-risk—e.g., green energy projects, beef and textile processing for export, tech hubs linking to established large international value chains.

Reform state-owned enterprises. The aim would be to create a level playing field for competition among all enterprises, reduce the use of budgetary funding, and increase operational efficiency and effectiveness.

Reform state-owned enterprises. The aim would be to create a level playing field for competition among all enterprises, reduce the use of budgetary funding, and increase operational efficiency and effectiveness. Rebalancing the roles of the private sector and the state-owned enterprises will also be key. The Government should therefore make a comprehensive analysis of the state-owned enterprises; assign only commercial objectives to them, stripping them of regulatory and social functions; strengthen monitoring and oversight; and enhance transparency and accountability through published annual reports and hard budget constraints.

Address the risks associated with Dutch Disease and its effects on private sector development. To do this, the Government should begin a steady rebuilding of the Government Investment Account, coupled with full transparency with quarterly unaudited account balances and annual audited balances published. The next IMF Article IV consultations could usefully review the continued adequacy of the fiscal, monetary and structural policy mix given the Government's growth, employment and development objectives.

Clarify the objectives of support to agriculture and promote the rural economy. Agriculture provides a very small part of GDP in Botswana and, while its share in employment remains high, this will fall with labour release from agriculture. Labour release is overdue since its delay has contributed to keeping agricultural productivity—and earnings—low. While the commercial farming sector has the potential to grow, the likelihood of employment loss in the sector does not make agriculture an obvious national champion for employment. Subsidies to smallholder agriculture are costly and are a tax on the growth sectors to fund the lagging sector. Promoting the rural economy through an improved business environment holds greater promise.

Improve public investment management. For large and mega-projects, clarify roles and responsibilities of all public entities involved and improve costing, project preparation, and accountability. For Public-Private Partnerships (PPPs), strengthen the Ministry of Finance's oversight role and clarify the legal and regulatory framework for PPPs (either by amending the Public Procurement and Asset Disposal Act or by enacting a dedicated PPP legal framework).

Necessary reforms of the education system

This report also recommends supply-side interventions that facilitate the transition of youth from education to employment and reduce the skills mismatch. Skills development, inclusion, quality, and access are critical elements for the various proposed interventions. Furthermore, any skills development strategy must centre around the goals of youth employability, employment creation, equal opportunities, entrepreneurship development, and harnessing Botswana's large demographic dividend. The following measures could significantly contribute to achieving these objectives.

Establish a comprehensive, consistent and inclusive policy framework for the educational system. This entails the development of a new National Human Resource Development Strategy, a Skills Development and Employment Promotion Strategy, a new National Policy on Education, and an Education and Training Sector Strategic Plan. For these strategic documents to become strong drivers of change, it is important that national stakeholders' efforts and initiatives are harmonised. It is also recommended to form a high-level commission to examine the declining quality in education, identify, and then carry out the necessary reforms.

Strengthen active labour market programmes and make them more effective in building young people's skills—particularly those transitioning from education to employment. Effective vocational training will remain important in Botswana. It adds skills not found in secondary education and provides an on-ramp to market-based employment. Support for young entrepreneurs who want to develop a business is also justified given that employment in established firms will not grow at a level sufficient to absorb available labour. This will entail strengthening entrepreneurial skills and facilitating access to new technologies. Even if many will not succeed, the success of the few (and the high-productivity jobs they would create) justifies broad-based government support for entrepreneurship.

Reform the TVET system. It should entail a mix of policy measures and administrative changes. At the policy level, the Government should develop a TVET Policy that is aligned with the African Union's Plan of Action for the African Decade (2019–2028) for Technical, Professional, Entrepreneurial Training and Youth Employment, and a conducive Apprenticeship and Internship Policy. For governing the reform process, it is recommended to establish a TVET Authority and a TVET Board. At the administrative level, TVET should encompass both secondary and tertiary-level education.

Strengthen TVET students' entrepreneurial development. Specifically, incorporate the development of entrepreneurship skills and mindsets directly into the curricula of TVET programmes and adopt an entrepreneurial approach to their institutional governance and management and collaborate with external partners to develop an ecosystem conducive to entrepreneurship among faculty members and students. TVET teachers could usefully be trained to deliver entrepreneurship education using the UNDP Botswana-developed Youth Entrepreneurship Development Training Course.

Make use of all available options to develop human resources in the educational system. To that end, extend the access of TVET teachers and instructors to the Human Resource Development Fund or training levy fund to cover a wider range of skills development and capacitation activities such as pre-employment training, upskilling and reskilling. Training of TVET teachers should be implemented on a periodic basis to ensure their knowledge of, and compliance with best practice.

Invest in educational infrastructure and networks. This entails addressing imbalances in resource distribution and facilities across school districts. The Government should increase TVET funding levels and invest in modern infrastructure, equipment, and facilities that will enable the technical colleges and brigades to provide students with access to cutting-edge training, technologies, and resources. Converting some technical colleges and brigades to Centres of Excellence and establishing TVET Centres of Excellence in key districts across the country can be instrumental for the exchange of experience and good practices among educational institutions.

Monitor for results of initiatives at all levels of the educational sector. Performance monitoring and management systems in the education sector should be introduced to ensure that decision-making is routinely informed by robust data and evidence, and corrective actions are promptly initiated. To base policy decisions on robust evidence as well, distinguish two sub-groups of young people. The current definition of 'youth' as people aged 15–35 is too broad and includes people in different stages of their life trajectory. Monitoring—and policy measures—need to address the 'younger youth' and the 'older youth' separately.

Effective vocational training will remain important in Botswana. It adds skills not found in secondary education and provides an on-ramp to market-based employment.

Prepare for the 4IR. To that end, develop and implement a National 4IR Strategy based on actions for AI-augmented human development (building complementarity economy, driving innovation with intent and investing in capabilities that count), and integrate 4IR technologies into TVET. It is recommended that the Government ensures a strong link between TVET and the private sector in a PPP model and for practical training opportunities; ensures the availability of Information and Communication Technology (ICT) and other infrastructure, intellectual property rights protection, and technology for the delivery of digital skills; integrates digital skills across the TVET curricula and delivery modes; and promotes basic digital access and literacy for the community so that no one is left behind. In parallel, use the 4IR technology for increasing access to education. Finally, link the TVET system with the UniPods launched with UNDP support at

the University of Botswana and Botswana International University of Science and Technology (BIUST).

Support the completion of upper secondary education and the transition to higher levels with a focus on practical skills. Out-of-school education and training needs to be revamped to improve on the implementation of its mandate. An information system should be put in place to track and assist students who drop out of secondary education. Hybrid, distance, and community-based learning programmes should be enhanced to increase access to education and training, particularly for school dropouts. A vertical pathway needs to be established between TVET and higher education academic programmes to provide TVET graduates with seamless access to higher education. A non-credit-bearing developmental Winter Bridge Programme for all incoming students into the public universities also has the potential of addressing their readiness gap for core university-level courses and mathematics-underpinned courses.

The Government should ensure equity and inclusivity by attracting more students (especially girls) and teachers to science, technology, engineering, and mathematics (STEM) trajectories, including through mentorship programmes to enhance innovation and the development of the manufacturing sector.

Actively engage businesses to expand the 'on-ramps' to employment for youth and enable them to gain practical skills. The private sector should be incentivised to participate in internships and apprenticeships as part of work-based learning, for example through a youth wage subsidy to subsidise the recruitment cost of first-time work seekers and for offering spaces for internships and apprenticeships. The Government, in consultation with the industry, should develop stackable Human Resource Development Council-recognised short courses (and their associated training manuals) that target the skills underpinning the priority areas of the NTS. Access to lifelong training and skills development opportunities should be expanded, particularly to youth in the NEET category. The Government may consider restructuring work-based learning as an 'on-ramp' mechanism, re-introducing the National Apprenticeship Programme.

Ensure equity and inclusivity in TVET and higher education as a tangible commitment to achieving SDG targets 4.5 and 8.5. The Government should ensure equity and inclusivity by attracting more students (especially girls) and teachers to science, technology, engineering, and mathematics (STEM) trajectories, including through mentorship programmes to enhance innovation and the development of the manufacturing sector. The Government may also consider adopting a subsidy scheme designed to promote employment for people with disabilities following the example of South Africa's Department of Employment and Labour Plan.

Expand cooperation with development partners. Such cooperation can boost national capacity to address the challenges related to youth employment and improve the efficiency of measures taken. It can take the form of support to developing comprehensive policies and strategies mentioned above (such as the proposed Skills Development and Employment Promotion Policy Strategy and the wider National Human Resource Development Strategy). Technical assistance will also be necessary to acquire and apply best developmental practices, develop job creation strategies, regulatory frameworks, curricula, and training materials. Finally, partnerships with industries in the countries of development partners can be instrumental for developing the competence and capacity of TVET staff and students.

INTRODUCTION

The complex, growing problem of youth unemployment presents fundamental challenges to Africa's development. The African Development Bank forecasts that there will be 830 million youth in Africa by 2050, and by 2063, young people will constitute half of the 2 billion working-age population. Two-thirds of Africa's young people are unemployed and discouraged or hold only precarious jobs. Only three million jobs in the formal sector are created annually, while between 10 and 12 million young people enter the job market each year.[1] At 21.9 percent in 2023, the youth NEET rate in Sub-Saharan Africa was roughly comparable to the global rate (at 20.4 percent).[2] The high share of young people not in education or training is a particularly acute problem for the future of Africa, the only continent that will have a growing young population in the coming decades.

Even when jobs are available, young people often lack the skills required by employers, despite increased access to education in recent decades. This situation has a particularly adverse impact on women, who face significant additional barriers when trying to enter the labour market. Three in five young NEETs in Sub-Saharan Africa were women in 2023, and the gender gap in youth NEET rates was 10 percentage points (at 27 percent for females and 16.9 percent for males).[3]

Youth unemployment is driven by interlinked and mutually reinforcing demand-side challenges that impede job creation, combined with supply-side challenges that limit the development of an appropriately skilled youth workforce, and challenges in linking potential employers and relevant employees together effectively. A slow rate of economic diversification to incorporate more job-rich sectors, an overreliance on the primary sector, and low economic productivity are the main demand-side challenges for job creation in Africa. Quality deficits in the education sector are the main supply-side drivers, further reinforced by shortcomings in the matching mechanism between potential employees and jobs.

Like on the wider African continent, young people in Botswana are the most affected by unemployment. Youth unemployment for quarter one of 2024 was estimated at 38.2 percent. The profile of the 'standard' unemployed is young men, youth in urban villages and those qualified up to secondary education level. This is challenging particularly taking into consideration the poverty-unemployment nexus. High unemployment is a key contributing factor to low household incomes resulting in a high level of monetary and human poverty, which impacts educational opportunities and daily survival strategies, ultimately deteriorating employment opportunities further.

Botswana's poverty rate estimated using the national poverty datum line was relatively low in 2022 at 14 percent, while the proportion of the population that was multidimensionally poor reached 17.2 percent in 2023. But when the poverty line applicable to upper middle-income countries (UMICs, the group that Botswana falls into according to its average real income per capita) is used, the estimated poverty rate rises to 61.2 percent of the population. Extreme inequality (Botswana's Gini co-efficient stood at 53 according to the latest official statistical data) largely explains how a high average income (UMIC level) can still be compatible with a high poverty level. Given the fact that inequality is largely driven by the level of joblessness, progress in employment in general and of youth in particular can trigger a virtuous circle of reducing poverty and inequality alike.[4]

Even when jobs are available, young people often lack the skills required by employers, despite increased access to education in recent decades.

Improving labour market outcomes for young people will be a significant challenge for Botswana. The 2023 Global Youth Development Index (YDI) assigns Botswana a low ranking for youth development (142nd out of 183 countries), particularly in terms of promoting youth employment

1 African Development Bank (n.d.). Jobs for Youth.
2 International Labour Organisation (2024). Global Employment Trends for Youth 2024: Sub-Saharan Africa. ILO.
3 Ibid.
4 Jefferis, K. (2024). Economic Review, Second quarter April–June 2024. Econsult.

and opportunities, education, health and well-being, equality and inclusion, peace and security, and political and civic participation. This ranking is substantially lower than Botswana's 108th position in 2020. The country's YDI score lags behind those of Namibia (126th) and South Africa (141th).[5]

Addressing youth unemployment will trigger a virtuous circle with explicit human development benefits. These will be both direct (gained through the income gains as a result of higher employment rates) and indirect (through the improved educational outcomes, which are one of the preconditions for better employability). Higher employment rates of youth will also affect positively the health dimension of Botswana's human development performance through decreased psychological burden associated with unemployment and unclear career perspectives of young people.

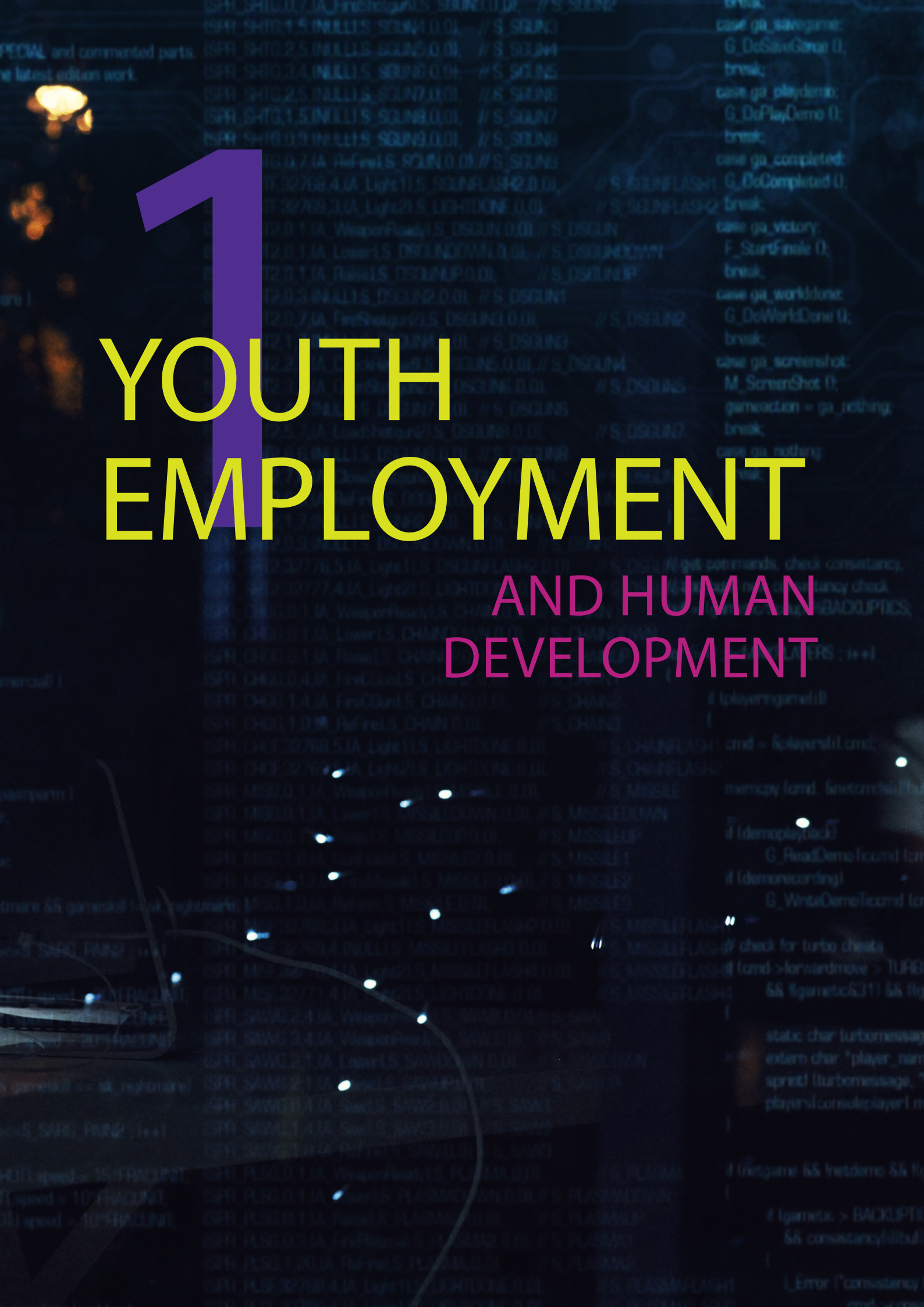
For these human development benefits to materialise, bold actions are needed to increase the demand for labour and to improve the skills quality of those entering the labour market. It will require an integrated approach blending different types of interventions at various levels: macro-level (economic policy, the priorities of regional and national development policies), meso-level (increasing institutions' efficiency in implementing policies) but also changes at micro level (of mindsets and attitudes—e.g., regarding internal and external migration, the priorities of regional development policies or consumption patterns and models). Multi-stakeholder dialogue and meaningful engagement of young people in this complex process is a precondition for its success.

Helping Botswana's Government and society address the challenge of youth unemployment is the purpose of this report. It is based on the assumption that the human development paradigm can be sustainably applied only within sound economic logic. In the case of employment, it means that the supply of and demand for jobs need to converge. Actions are needed on both sides of this economic equation. This logic is reflected in the structure of the report. After an introduction of the human development concept, it analyses the key characteristics of Botswana's economy from employment perspectives (the demand side). An analysis of the education system from the perspective of its 'fitness' in preparing the young people for their transitioning to employment follows. Both aspects are also analysed through the lens of young people's perspectives captured in a representative survey.

Helping Botswana's Government and society address the challenge of youth unemployment is the purpose of this report.

As any policy document, the report formulates clear conclusions and a long set of recommendations. Given the nature of the policy of the document, it cannot go down to a project-level analysis and suggest explicit interventions. This is up to the stakeholders in the respective economic and educational sectors to decide. But in an attempt to facilitate the discussion that the authors hope will follow, a number of examples of different countries' experiences is annexed to the report.

5 The Commonwealth (2024). Global Youth Development Index: Update Report 2023. Commonwealth Secretariat.



1 YOUTH EMPLOYMENT AND HUMAN DEVELOPMENT

After a brief introduction of the human development concept, this chapter outlines the linkages between economic growth, employment, inequality and human development and presents Botswana's performance on key human development indices. In the second part this chapter roots them in the context of Botswana, taking into consideration the territorial diversity of the country. It also presents an attempt to go beyond the national averages in measuring human development towards more nuanced estimates that take into consideration the specific conditions in which people live.

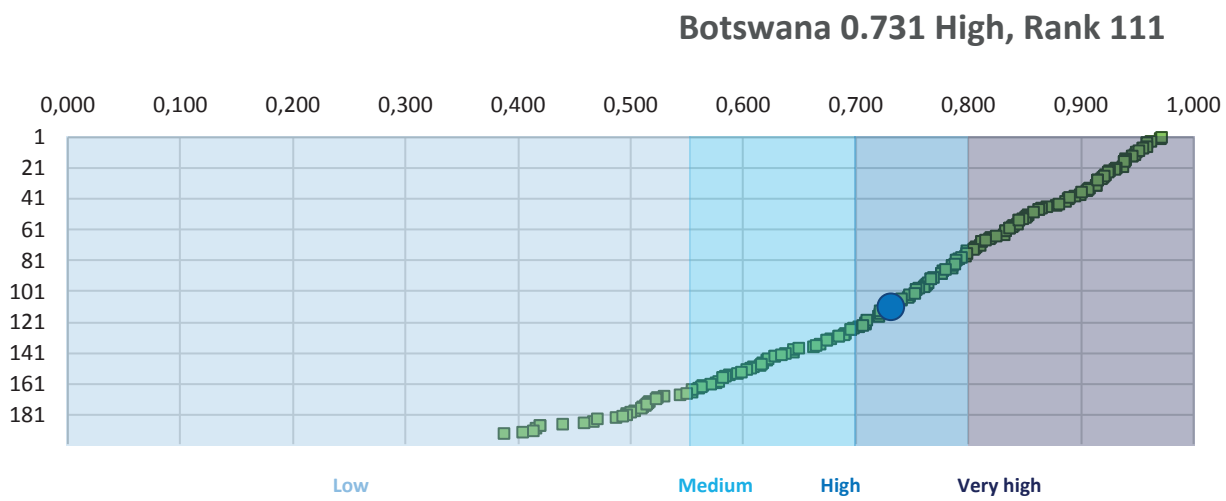
Human development profile of Botswana

Botswana's HDI[6] value for 2023 is 0.731. It puts the country in the high human development category with a 111th place in the ranking (Figure 1). Between 1990 and 2023, Botswana's HDI value changed from 0.587 to 0.731, a change of 23.9 percent, slightly slower than the change of the global index by 24.3 percent from 0.601 to 0.756.

Looking beyond averages, we need to have a closer look at the human development pathways, which could differ significantly. According to a long-term analysis done in 2010,[7] over the 1970–2010 period, the progress in the HDI of developing countries has been highly varied. While a quarter of countries saw an increase of less than 20 percent, another quarter saw their HDI grow by more than 65 percent. These differences are partly attributed to initial conditions—countries at a lower level of development generally make faster gains in health and education compared to their more developed counterparts. However, half of the variation in HDI performance cannot be explained by starting points alone. Countries with similar initial HDI levels have also followed very different trajectories, highlighting the crucial role of factors such as policies, institutions, and geography in shaping human development outcomes.

Figure 2 shows Human Development Trends in 1990–2023 for Botswana and selected countries with a similar level of HDI in 1990—Mongolia, Namibia, Türkiye—which show a remarkable difference in trajectories,[8] both in overall index and its components. The 1990s was a lost decade for Botswana, with stagnant HDI and decline of life expectancy by some 10 years due to the HIV epidemic. Since 2002, the HDI rose owing to increasing life expectancy and continuous growth of GNI per capita. Mean years of education were gradually improving, but life expectancy has stagnated since 2016. The Covid-19 pandemic had a significant, although short-term, impact. GNI per capita grew steadily, the share of mining (primarily diamonds) in government revenue fluctuated, reaching its peak in 2000–2010 and gradually declining ever since—but without transformative changes in the economy.

FIGURE 1: Botswana and global HDI classification

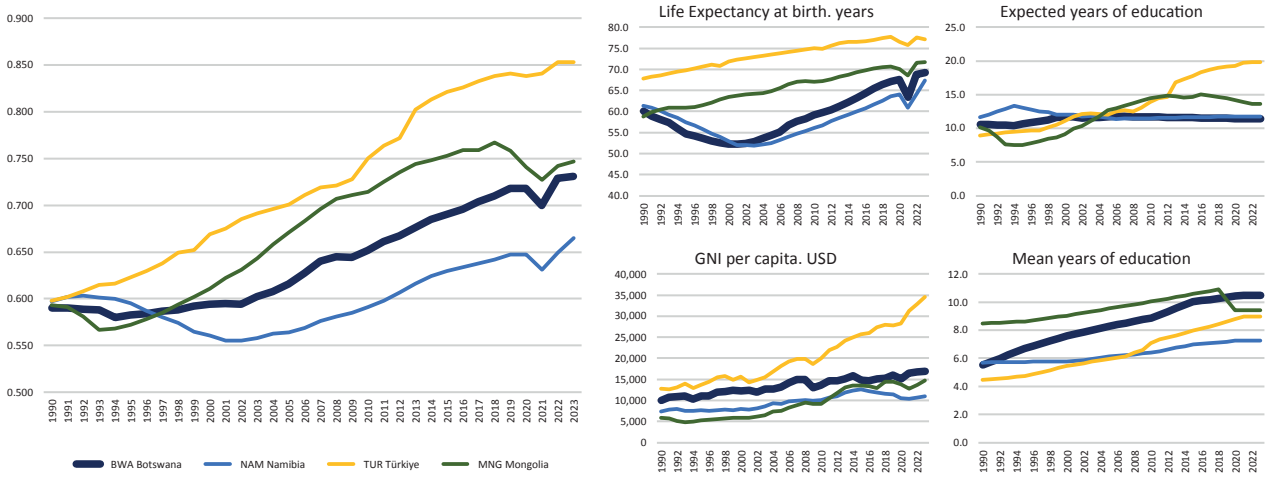


6 For international comparisons this section uses the Global Human Development Indexes by HDRO, data for Human Development Report 2025 (most recent year 2023), unless stated otherwise. All data are from HDRO data centre. https://hdr.undp.org/data-center/documentation-and-downloads.

7 UNDP, 2010. Human Development Report 2010. The Real Wealth of Nations: Pathways to Human Development.

8 In 1990–2022 the gain in the HDI index was 23.0 percent for the world overall, 20.6 percent for Botswana, 28.0 percent for Mongolia, 2.5 percent for Namibia, and 43.0 percent for Türkiye.

FIGURE 2: Trends of HDI and its components for Botswana and selected countries 1990–2023



Source: HDRO online data centre, link: https://hdr.undp.org/data-center/documentation-and-downloads, downloaded 7 May 2025, data for Human Development Report 2025, most recent year 2023

Human development trends in Namibia were similar but worse. In health, the recovery from the HIV epidemic took longer, the impact of Covid-19 was harsher and longer, GNI growth was weak, and mean years of schooling increased only slightly. Mongolia showed trends characteristic for many transitional post-soviet economies—starting from relatively high social standards, declining in the 1990s (mostly driven by deterioration of social standards after the collapse of the socialist system), recovery after the mid-1990s, including resource-driven economic growth in the 2010s. Türkiye shows a different dynamic—steady increase of expected years of education thanks to investments in education, constant growth of life expectancy and accelerated growth of economy after 2008.

In short, HDI improved in Botswana but at a slightly slower rate than the average for the rest of the world. This is partly because countries found markedly different ways to improve HDI, with some more successful than others. While Botswana benefitted from diamonds, this held back economic diversification. In addition, HIV and Covid-19 had serious effects, though Botswana fared better than neighbouring Namibia.

Human development, economic growth and employment

Different development pathways illustrate the strong and positive relationship between human development and economic growth, with each influencing the other in a continuous cycle. Economic growth provides the resources for investments in health, education, and infrastructure, which in turn improve human development outcomes. Meanwhile, progress in human development, such as a better educated and healthier workforce, can boost productivity and foster sustained economic growth. A clear focus on employment and employability of young people has profound human development implications, both direct (through improved income generation opportunities) and indirect (improved education and qualifications, broadening professional growth opportunities, improved psychological wellbeing trough reduced stress and anxiety).

Human development and complexity

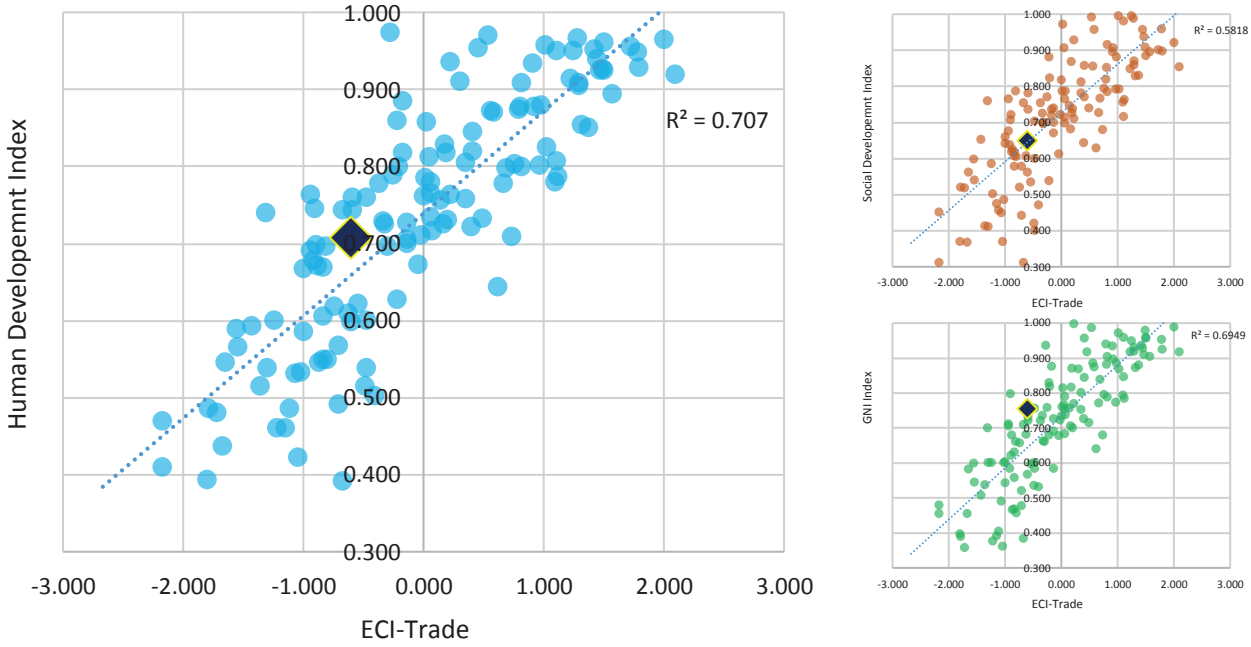
Human development is closely correlated with economic complexity (see Box 1). Countries with greater economic complexity tend to exhibit higher levels of human development—and vice versa (Figure 3). A well-educated, healthy, and skilled population is better equipped to engage in complex economic activities, to innovate, and drive the diversification of industries. This, in turn, leads to an increase in the complexity of the economy, as more advanced and specialised products and services are developed and traded—and create opportunities for expanding human development opportunities.

BOX 1: The Economic Complexity Index (ECI)

The ECI provides a ranking of countries based on the diversity and complexity of their export basket, taking into account the technological complexity of products. Economic complexity methods are leveraging data on the geographic distribution of economic activities to estimate the implicit presence of multiple factors. They capture information about productive structures that escapes simple aggregate metrics, such as GDP or market concentration indexes. Economic complexity metrics incorporate information about the sophistication of each activity that is implicit in spatial patterns of specialisation. Recently the method was expanded from trade to technology and research complexity. In this report we use ECI Trade estimated by the Observatory of Economic Complexity, which provides longer time series.

Source: C.A. Hidalgo, R. Hausmann (2009), The building blocks of economic complexity, Proceedings of the National Academy of Sciences, U.S.A. 106 (26) 10570-10575.

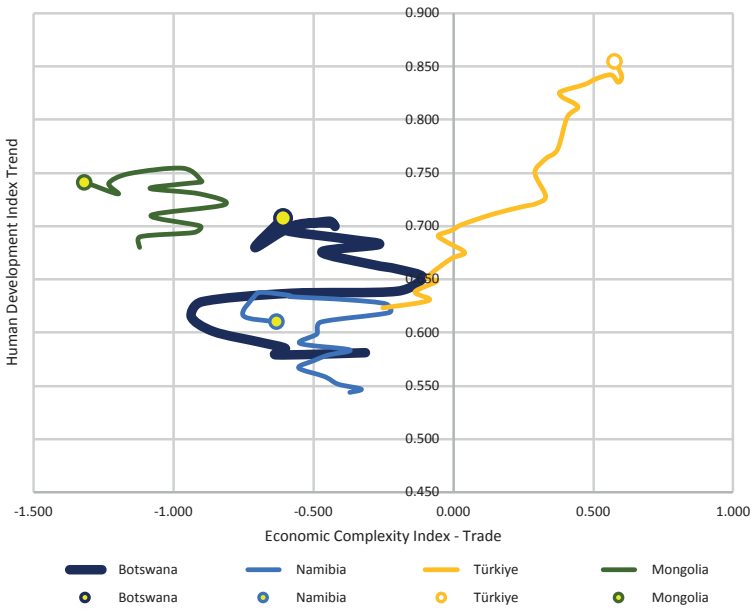
FIGURE 3: HDI, Social Development Index, Income Index and Economic Complexity, 2022



Note: Own calculations based on HDRO data and OEC data. Blue diamond mark is Botswana.

Investments in human development, such as education, healthcare, and social equity, can enhance a country's capacity to build a more diversified and complex economy, fostering sustainable growth and resilience, and providing decent jobs (see Box 2 for details). Figure 4 shows trajectories of human development pathways and economic complexity in the 1990s–2020s period for Botswana and selected countries. These paths show significant variance, despite similar starting conditions. Other factors—like geography and history—could play an essential role and should be addressed by context-specific policies. Botswana and Mongolia are landlocked countries, while Namibia and Türkiye have access to seas. Only Mongolia was a part of the Soviet Block. Botswana and Namibia, relying on export of simple goods to a limited number of trade partners (which is reflected in the Economic Complexity Index), stay in a narrow band. Mongolia showed a significant deterioration of product complexity due to sharply increased export of raw materials—coal, copper ore and gold—mostly to one major trading partner, China. In contrast, Türkiye shows a steady increase of trade complexity, increasing the trade

FIGURE 4: Human development pathways and economic complexity (Trade) for Botswana and selected countries, 1990s–2020s



Notes: Human development data from Human Development Report 2025, most recent year 2023. Economic Complexity Index from OEC. The dot markers show the position of the respective country in 2022. Trend data availability vary—Botswana 2001–2022, Namibia 2002–2022, Türkiye 1995–2022, Mongolia 2007–2022.

in sophisticated, higher value-added goods—which creates demand for a skilled and educated workforce and creates fiscal revenues for the Government to finance social investment, thus promoting a virtuous human development-economic growth cycle. Many countries in Asia, like Viet Nam and Indonesia, show a similar dynamic (for more details, see export profiles for the selected countries in Annex 1: Selected countries' structure of export by destinations and products, 2022).

Human development and employment

BOX 2: Economic growth and human development

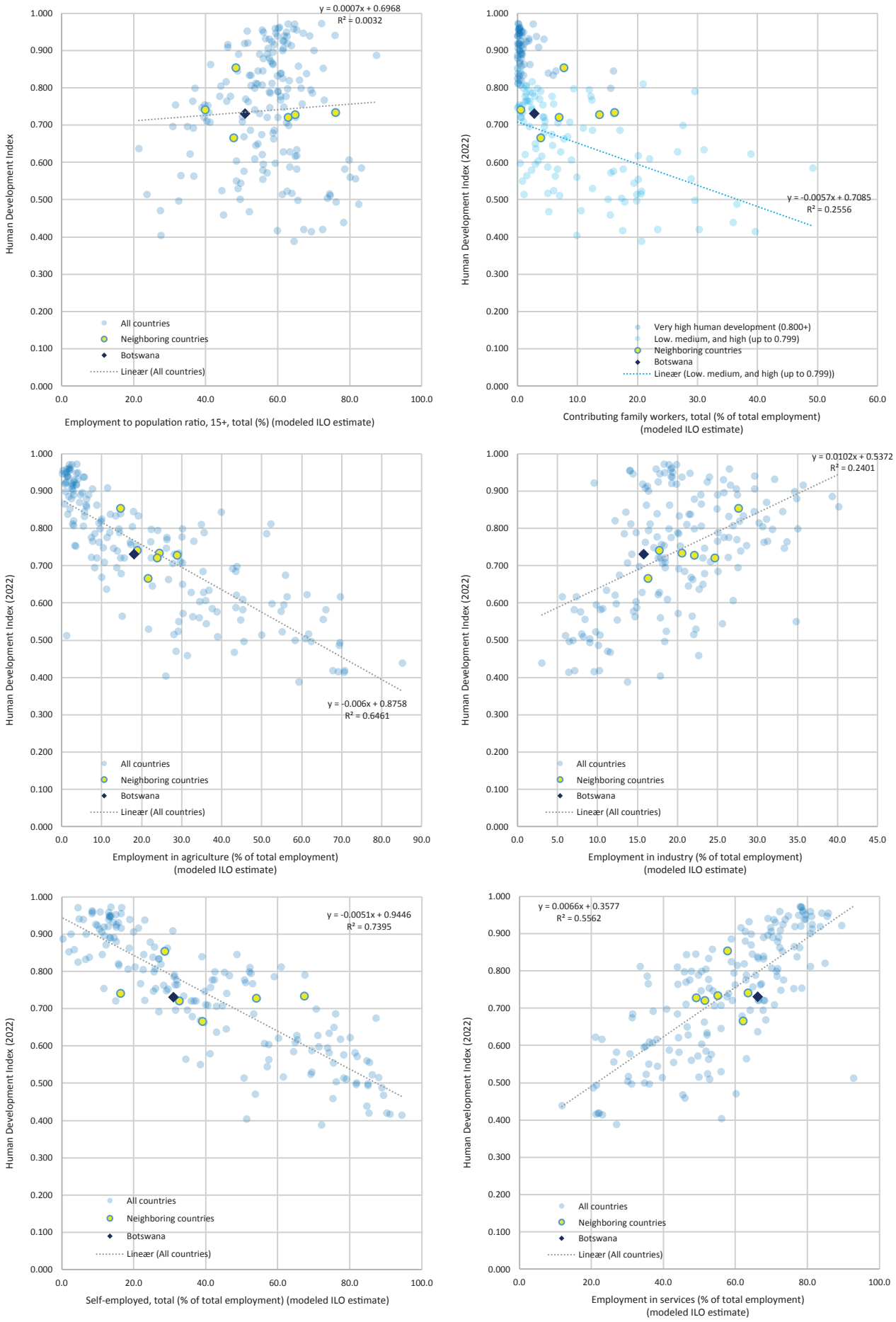
Economic growth and human development are deeply interconnected, forming two reinforcing pathways. Economic growth can fuel improvements in human development by generating public resources for better health, education, and basic services—especially when these investments target women and disadvantaged groups. In turn, stronger human development—through healthier, better-educated, and more empowered populations—boosts economic productivity, innovation, and long-term growth. When both sides of this relationship are nurtured, countries enter a virtuous cycle where progress accelerates across sectors.

However, imbalances in this relationship can trap countries in less favourable development paths. Countries that focus narrowly on economic growth without investing in human development often struggle to sustain progress, falling into a dead-end 'EG-lopsided' pattern. Others may face a vicious cycle, with poor performance in both areas—often triggered by conflict, epidemics, or weak institutions. Encouragingly, many developing countries show a 'HD-lopsided' pattern—strong in human development but lagging in growth—offering a strategic opportunity to transition into a virtuous cycle through well-sequenced reforms.

The policy implications are clear: prioritising human development lays the foundation for inclusive and resilient economic growth. Countries can strengthen this link by increasing investment in health and education, promoting equitable income distribution, and expanding employment opportunities. For those already strong in human development, the next step is to unlock growth by improving the investment climate and ensuring that progress is broadly shared. Long-term development depends not just on how fast a country grows, but on how well it nurtures and leverages its human potential. Countries caught in the vicious cycle or in EG-lopsidedness can create the foundation for long-term growth and eventual inclusion in the virtuous cycle by focusing on improving human development through targeted policies.

Source: Ranis, G., Stewart, F., and Ramirez, A. (2000). Economic Growth and Human Development. World Development, 2000, vol. 28, issue 2, 197-219 and UNDP (2010). Human Development Report 2010. The Real Wealth of Nations: Pathways to Human Development.

FIGURE 5: Human development and employment, a global overview



Source: Human development data from Human Development Report 2025, most recent year 2023. Employment data from World Development Indicators, the World Bank, data for 2023.

Note: Given the negligible share of contributing family member in countries with very high human development (0.800 and above), the chart shows two groups of countries separately—very high human development and low, medium, and high (up to 0.799)—and a trend line is calculated only for the latter group.

Globally, countries show diverse patterns in the relationship between human development and employment structures, shaped by historical, institutional, and economic factors. High-HDI countries tend to have service-dominated labour markets, low agricultural employment, and more formal jobs, while lower-HDI countries often exhibit higher shares of self-employment and agricultural labour.

Botswana, with a HDI of 0.731 and a GNI per capita of $16,984, illustrates a transitional economy leaning toward modern structures. Over two-thirds of its workforce is employed in services (66.7 percent), with relatively low shares in agriculture (17.6 percent) and industry (15.7 percent).[9] The employment-to-population ratio stands at 49.4 percent, and self-employment at 31.1 percent, reflecting a semi-formal labour market. Compared to South Africa, which has a slightly higher HDI (0.741) but a lower employment-to-population ratio (38 percent) and significantly lower self-employment (16.9 percent), Botswana demonstrates stronger labour market inclusion but with less formality. Namibia, with a lower HDI (0.665), has a higher rate of self-employment (39 percent) and a similar sectoral split, indicating more vulnerability in the workforce. Indonesia and Mongolia, with similar or slightly higher HDIs (0.728 and 0.747 respectively), show larger agricultural and industrial shares and much higher self-employment, pointing to more informal labour dynamics. Türkiye, with a significantly higher HDI of 0.853 and a GNI per capita more than twice that of Botswana, maintains a more balanced employment structure, with strong industrial employment (27.7 percent) and only 29.3 percent self-employment. Botswana thus occupies a middle ground—more formal and service-oriented than many developing peers but still lagging behind advanced emerging economies in job quality, productivity, and inclusion.

Global value chains (GVCs) can drive employment and human development, but their benefits depend on a country's ability to upgrade skills, diversify exports, and reduce trade barriers.[10] For Botswana, which relies heavily on diamond exports (a capital-intensive, low-employment sector), it is vital to target labour-intensive GVCs—such as beef processing, textiles, or tourism services—to create more inclusive job growth (see Macroeconomic section in 'The economic context' chapter for details). Botswana's existing value chains (mining, agriculture, and limited manufacturing) have weak backward and forward linkages, and high territorial concentration, meaning they generate fewer jobs than more integrated sectors like Türkiye's automotive or Indonesia's electronics industries.

Botswana has experienced steady human development progress. However, the country exhibits worrying productivity and employment patterns when compared to its peers in human development ranking—Viet Nam, Türkiye, and South Africa (Figure 6). Botswana remains in the middle of transformation, with low productivity agriculture and services employing the bulk of the population, while high productive services and industry employ only a few.

In Botswana, the share of agricultural employment remained virtually the same over decades, staying close to 20 percent. Industrial employment actually declined from 26 percent to 15.8 percent of total employment over the same period, while employment in services went up from 58.0 percent in 1991 to 66.2 percent in 2023. A declining industrial employment trend in itself need not be worrisome, if it is a sign of an emerging knowledge economy, with highly productive industry and a growing share of services. However, this is not the case. Industrial productivity remains high, but concentrated in a very limited set of products, mostly related to mining.[11] Value added per worker in industry between 1990 and 2023 increased only by some 40 percent, compared to 80 percent for Viet Nam and 120 percent for Türkiye. Productivity in agriculture per worker declined by 40 percent between 1990 and 2023. Productivity in services increased by 140 percent (by 90 percent in Viet Nam and 60 percent in Türkiye); however, significant differences by types of services remain. High value-added services, like Information and Communication, Finance and Insurance Activities, and Real Estate Activities employed just 2.4 percent in 2023 while generating 12.8 percent of GDP. Low value-added services like Wholesale and Retail Trade, Transport and Storage, and Administrative and Support Service employed 25.3 percent and generated just 15.3 percent of GDP.

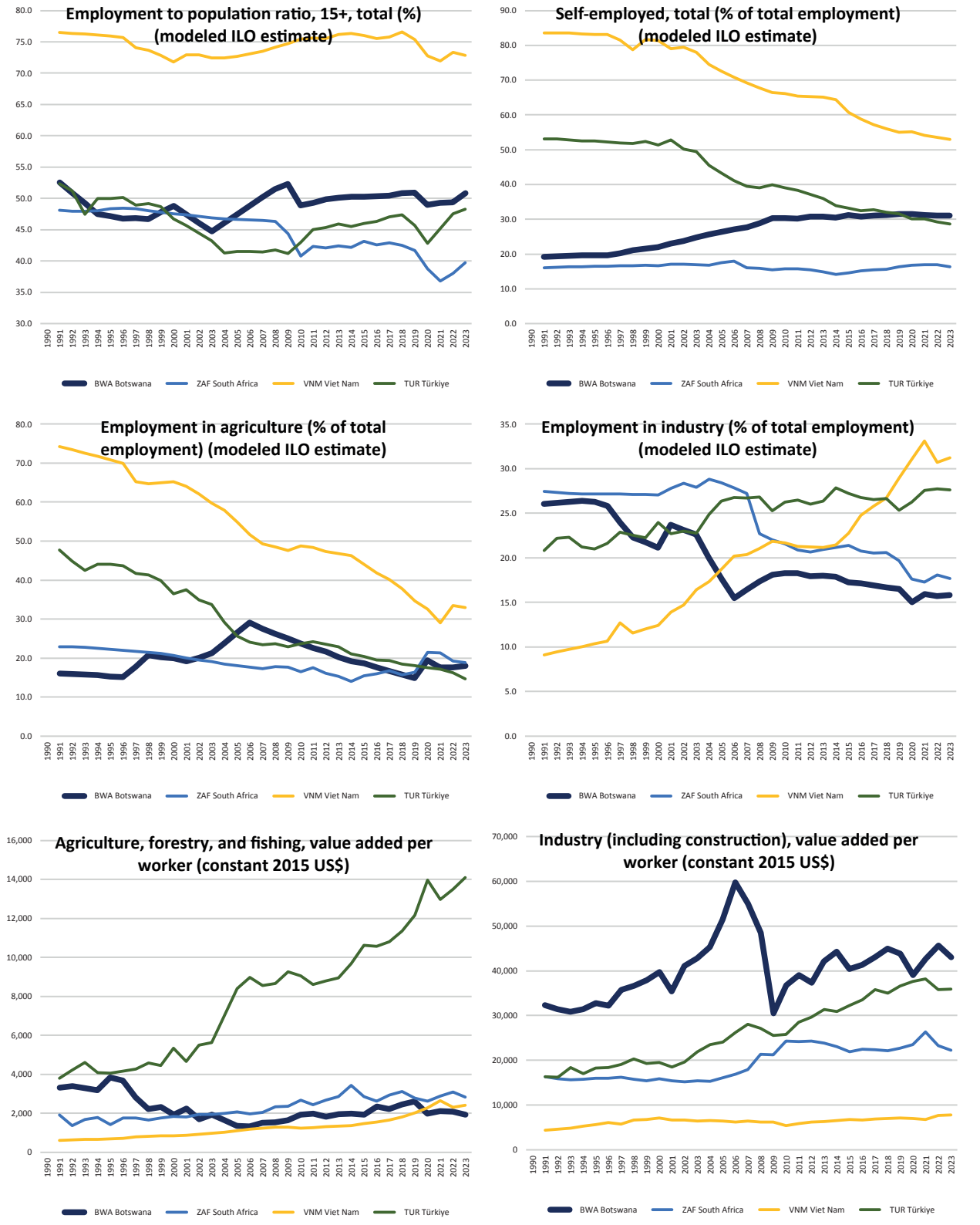
In contrast, Viet Nam dramatically transformed from an agrarian economy (74 percent agricultural employment in 1990) to an industrial one (31.2 percent by 2023) with manufacturing productivity rising from $4,320 to $7,801 per worker. Türkiye presents another stark contrast—its agricultural productivity skyrocketed from $3,796 to

9 This section uses modelled ILO estimates for comparability reasons.

10 World Development Report: Trading for Development in the Age of Global Value Chains.

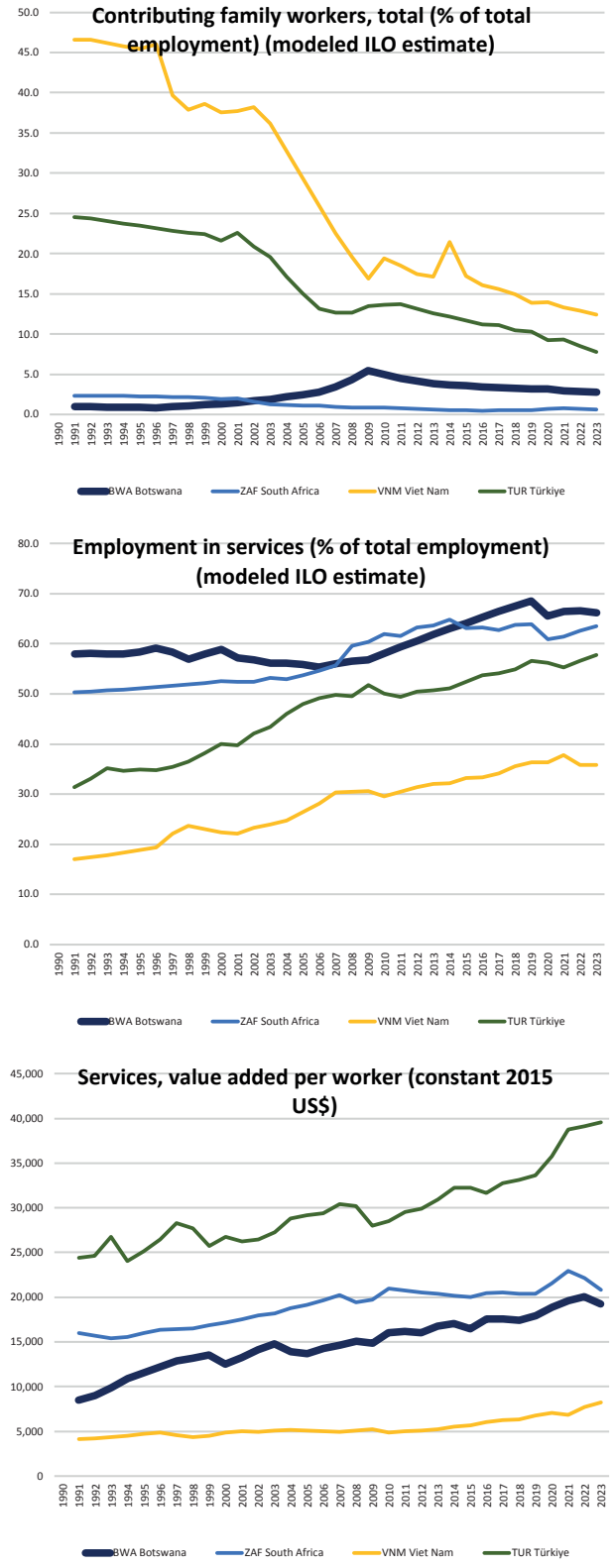
11 Mining and quarrying, which generate 16.2 percent of GDP, employed only 1.4 percent of total employed in 2023.

FIGURE 6-1: Productivity and employment patterns in Botswana and its peers in human development ranking, 1990–2023



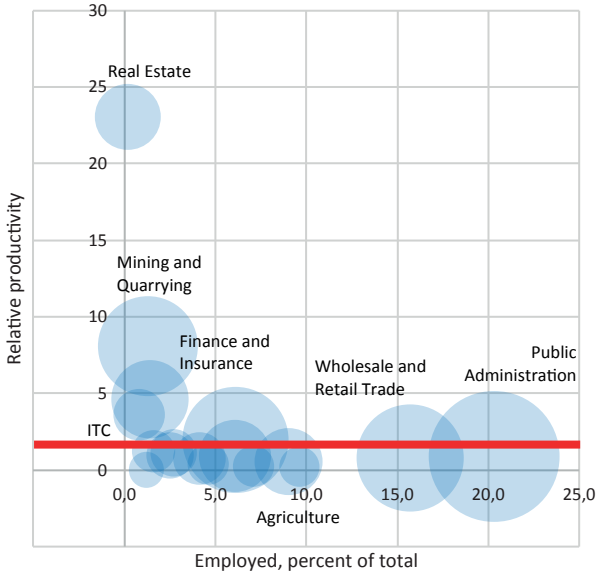
Source: World Development Indicators (WDI), the World Bank

FIGURE 6-2: Productivity and employment patterns in Botswana and its peers in human development ranking, 1990–2023



Source: World Development Indicators (WDI), the World Bank

FIGURE 7: Employment and productivity in Botswana economy sectors, 2024



Source: Statistics Botswana Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024, and Gross Domestic Product: Fourth Quarter of 2024.
Note: Bubble size corresponds to value added of sector as percent of GDP. Relative productivity is estimated as ratio of value added as percent of GDP divided with employed as a percentage of total. Average productivity for economy is 1, shown as a red line on the chart. Note that 5.3 percent of employed are employed by households as of Q1 2024, not shown on the chart.

$14,102 per worker while industrial productivity doubled to $35,937, close to Botswana, enabling a clean structural transformation—Türkiye industry shows much more diversification by products and destinations. Botswana's service sector, while large (66.2 percent of employment), remains relatively unproductive at $19,278 value-added per worker compared to Türkiye's $39,582. Even South Africa, with similar structural challenges, achieves high industrial productivity and more productive services ($20,784).

These comparisons reveal Botswana's unique predicament: despite diamond wealth driving HDI gains, the economy suffers from stagnant employment ratios (around 50 percent), declining industrial participation, and chronically low agricultural productivity ($2,832 per worker)—suggesting that its development model has failed to create the productive jobs that powered progress in comparative nations.

Investing in workforce skills helps to move into higher-value tasks (e.g., diamond polishing instead of just extraction). Investing in improvement of trade logistics

could also attract light manufacturing. Supporting SMEs to participate in regional supply chains, as seen in South Africa's agro-processing sector, could be another area that might boost employment. Without such reforms, Botswana risks jobless growth, where GVC participation benefits only a small, skilled elite while leaving others in informal or subsistence work—a challenge already evident in Namibia's mining-dominated economy. To maximise employment, Botswana should prioritise labour-intensive, tradable sectors while leveraging its stable institutions and middle-income status to avoid the 'commodity trap.'

Inequalities in human development

Aggregated measures like the HDI can often conceal significant disparities in human development, both in terms of achievements and opportunities, by providing a broad, averaged view that overlooks inequalities within a population. For example, while HDI captures overall progress in health, education, and income, it does not reflect disparities in these areas among different social, economic, or regional groups. To address such gaps, various adjusted indicators have been developed.

The IHDI accounts for inequality in each of the three dimensions—health, education, and income—providing a more accurate picture of human development by highlighting the unequal distribution of these benefits. The GDI and Gender Inequality Index (GII) specifically focus on disparities between women and men, with the GDI adjusting HDI for gender-based inequalities in achievements, while the GII measures inequalities in reproductive health, empowerment, and labour market participation between men and women. The Planetary Pressures-adjusted HDI (PHDI) further expands the concept by incorporating environmental sustainability, adjusting HDI to account for the pressure a country places on the planet, thus acknowledging the long-term implications of development on the environment. Together, these indicators provide a more comprehensive understanding of human development, emphasising not just average achievements, but also the distribution of these achievements and the broader environmental context.

Individually-weighted human development indexes

Inequality-adjusted Human Development Index

Botswana's IHDI stands at 0.488, which is significantly lower than the country's HDI of 0.708 (see Table 1). This 31.1 percent loss in HDI due to inequalities highlights the disparities in the distribution of key human development factors. Inequality in income is the most significant contributor, with a loss of 45.5 percent, followed by education (23.3 percent) and life expectancy (21.6 percent).

Gender Development Index

Botswana's GDI highlights notable disparities in human development outcomes between women and men.

TABLE 1: IHDI components, 2023

	Botswana	Angola	Mozambique	Namibia	South Africa	Zambia	Zimbabwe	Sub-Saharan Africa	World
HDI	0.731	0.616	0.493	0.665	0.741	0.595	0.598	0.568	0.756
IHDI	0.509	0.360	0.297	0.438	0.476	0.361	0.406	0.377	0.590
HDI losses due to inequalities (%)	30.4	41.6	39.8	34.1	35.8	39.3	32.1	33.6	22.0
Inequality in life expectancy*	19.2	27.4	27.3	19.2	19.8	23.4	22.3	28.0	12.9
Inequality in education*	23.3	34.2	34.3	25.0	17.3	20.4	14.6	33.4	21.5
Inequality in incomes*	45.5	58.1	54.4	53.0	59.9	63.4	52.9	39.4	30.4

Source: UNDP (2025). Human Development Report 2025: A matter of choice: People and possibilities in the age of AI.

* The loss of the respective dimensional index (healthy life, decent education and decent incomes) due to inequalities in the respective dimensions.

While the overall HDI for both males and females is very close (0.732 for males and 0.728 for females), differences emerge in specific components. Life expectancy at birth shows a significant gap, with females living 71.7 years compared to 66.7 years for males, a five-year difference. Additionally, females have slightly higher expected years of education (11.8 years) than males (11.1 years), though the mean years of education are almost equal between genders (10.4 years for females and 10.5 years for males). However, estimated GNI per capita reveals a stark income disparity, with males earning significantly more ($18,444) compared to females ($15,531). These estimations highlight very significant disparities in employment opportunities for women and men, including for young men and women.

One should bear in mind that the HDI includes two key education indicators: Expected Years of Schooling (the number of years a child entering school is expected to attend, based on current enrolment rates), and Mean Years of Schooling (the average number of years of education received by people aged 25 and older).[12] The Expected Years of Schooling reflects the education policy and practice—obligatory years of schooling, design of the education systems, as well as ability to enrol in school. The Mean Years of Schooling reflect the outcomes of the education system, including the momentum of the past. The gap between the two reflects both progress and inequality: expected years are forward-looking and can rise quickly with policy reforms,

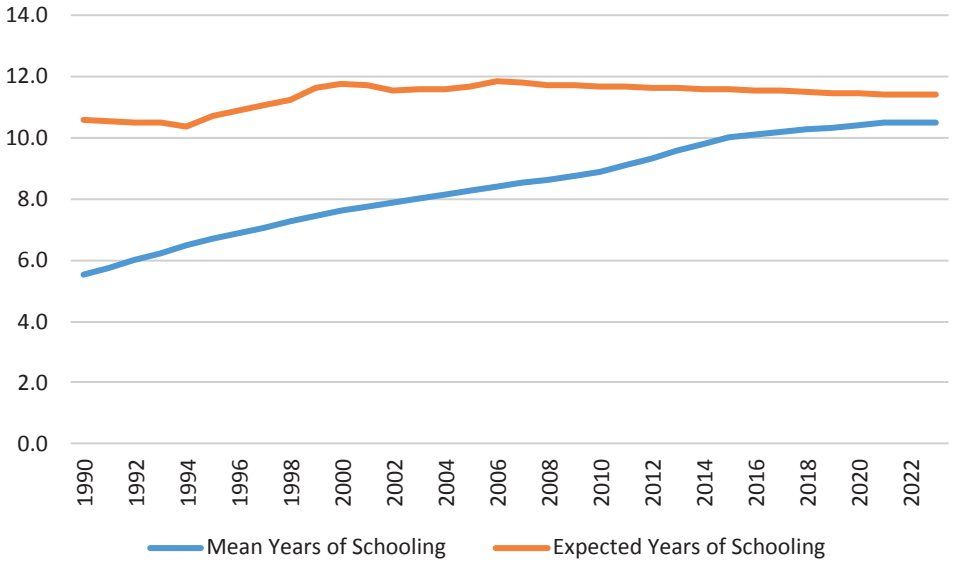
TABLE 2: GDI and its components

	Botswana	Angola	Mozambique	Namibia	South Africa	Zambia	Zimbabwe	Sub-Saharan Africa	World
	BWA	AGO	MOZ	NAM	ZAF	ZMB	ZWE	ZZI SSA	ZZK WORLD
Human Development Index	0.731	0.616	0.493	0.665	0.741	0.595	0.598	0.568	0.756
Female	0.730	0.584	0.473	0.668	0.738	0.580	0.581	0.544	0.737
Male	0.732	0.645	0.514	0.661	0.741	0.611	0.616	0.594	0.772
Life Expectancy at birth, years	69.2	64.6	63.6	67.4	66.1	66.3	62.8	62.5	73.4
Female	71.7	67.1	66.5	71.3	69.6	68.7	65.0	64.6	75.9
Male	66.7	62.1	60.3	63.3	62.6	63.9	60.2	60.4	71.0
Expected years of education	11.4	12.2	10.8	11.8	13.8	11.0	11.1	10.3	13.0
Female	11.8	11.5	10.5	11.8	14.4	11.2	10.7	10.1	13.1
Male	11.1	12.9	11.2	11.8	13.2	10.9	11.4	10.7	13.0
Mean years of education	10.5	6.0	4.6	7.3	11.6	7.4	8.9	6.2	8.8
Female	10.4	4.5	3.7	7.5	11.5	6.6	8.3	5.4	8.4
Male	10.5	7.3	5.7	7.0	11.7	8.4	9.7	7.1	9.2
GNI per capita, USD	16,984	6,631	1,356	10,917	13,694	3,447	3,511	4,352	20,327
Female	15,531	5,854	1,198	9,353	10,794	3,132	3,145	3,623	14,943
Male	18,444	7,425	1,523	12,555	16,755	3,768	3,915	5,173	25,751

Source: UNDP (2025). Human Development Report 2025: A matter of choice: People and possibilities in the age of AI.

12 Older version of the index used enrolment rate and literacy rate respectively.

FIGURE 8: Evolution of the two education components of the HDI in Botswana



Source: Own calculations based on HDRO data.

while mean years lag behind due to historical access and completion challenges. Over time, mean years may converge toward expected years if progress is sustained. This is the case of Botswana, where the difference in 1990 was 5.1 years (10.6 vs. 5.5), but reduced to 2.8 in 2010 (11.7 vs. 8.9) and further to 1.0 in 2023 (11.4 vs. 10.4). In Botswana, this gap underscores the importance of continued investment in education quality and retention to ensure younger cohorts fulfil their expected potential and close intergenerational disparities.

Gender Inequality Index

Botswana's GII of 0.490 highlights significant gender disparities that continue to hinder development. The maternal mortality ratio of 185.9 is a major risk to women's health and well-being—and a contributor to the 5.1 percentage difference between mortality rates of women and men (see Table 2). The rate is significantly lower than the regional average in Sub-Saharan Africa, which stands at 508.5, and global average of 216.1. Among its neighbours, Botswana's rate is lower than Zimbabwe (356.8), Angola (221.9), and Namibia (214.6), but higher than Mozambique (127.1) and South Africa (126.8). However, other developing countries like Mongolia (39.5) and Türkiye (17.3), have managed to reach much lower maternal mortality rates.

The adolescent birth rate in Botswana is 53.8 per 1,000 girls—a figure raising concerns not only because it reflects the challenges young girls face in accessing education but also curtails their employment opportunities. Botswana's adolescent birth rate is low compared to the rate for Sub-Saharan Africa (94.2 per 1,000 girls). For example, Namibia has a rate of 66.0, South Africa 51.6, and Zambia 115.9, all significantly higher than the global average of 39.1. However, Botswana's rate is relatively high when compared to many countries globally. Countries included in the human development pathways section have much lower rates—Mongolia at 19.7 and Türkiye at 12.1. This data highlights that Botswana's adolescent birth rate still represents a substantial barrier to young girls' opportunities for education and economic participation.

Women's representation in politics remains low. The new legislature comprises 69 members, including 61 directly elected at the 2024 elections, 6 members indirectly elected by the National Assembly, and 2 ex officio members (the President of the Republic and the Speaker, who may be appointed from outside the National Assembly). Out of six women in the new Parliament three were elected directly and three indirectly, or only 8.7 percent of parliamentary seats (6 out of 69) , in stark contrast to men's 91.3 percent (63 out of 69).[13]

13 IPU Parline, Global data on national Parliaments. Overview of Botswana 2024 elections.

TABLE 3: GII and its components

	Botswana	Angola	Mozambique	Namibia	South Africa	Zambia	Zimbabwe	Sub-Saharan Africa	World
GII	0.490	0.515	0.479	0.448	0.388	0.524	0.519	0.558	0.455
Maternal mortality ratio	185.9	221.9	127.1	214.6	126.8	134.7	356.8	508.5	216.1
Adolescent birth rate	53.8	140.8	153.5	66.0	51.6	115.9	98.1	94.2	39.1
Female population with at least secondary education	71.4	29.0	13.2	73.3	77.0	35.5	88.8	32.1	62.0
Male population with at least secondary education	72.6	52.3	23.7	70.7	78.7	52.9	92.9	43.8	70.2
Female shares of parliamentary seats	11.1	39.1	43.2	35.6	45.7	15.0	34.0	27.3	26.5
Male shares of parliamentary seats	88.9	60.9	56.8	64.4	54.3	85.0	66.0	72.7	73.5
Female labour force participation rates	63.1	75.6	76.6	55.3	49.0	56.4	62.1	64.3	48.5
Male labour force participation rates	73.1	78.7	82.4	60.7	61.4	67.8	74.4	75.6	74.1

Source: UNDP (2025). Human Development Report 2025: A matter of choice: People and possibilities in the age of AI.

The disparity in labour force participation is another area of concern. The female labour force participation rate is 63.1 percent, almost ten percentage points lower compared to 73.1 percent for males. Moreover, these averages mask significant regional disparities. In rural areas, the gender gap in employment can be much wider, reflecting deeper structural and cultural barriers to women's full participation in the economy. Strikingly, the data on secondary education in Botswana shows a nearly equal distribution between males and females, with 71.4 percent of females and 72.6 percent of males having at least secondary education—with little gender disparity in educational attainment at this level. However, when compared to the labour force participation rates, a significant gap emerges in availability of jobs despite similar educational backgrounds. This contrast suggests that while women and men may have equal access to education, barriers to employment remain more binding for women, especially in certain regions or sectors. These discrepancies can lead to a waste of social capital, as educated women are not fully able to contribute to the economy, undermining the realisation of the potential benefits of their education.

Territorial disparities in human development

The Global High-Resolution Estimates of the United Nations Human Development Index[14] are based on innovative data technologies, such as night light satellite data, to provide detailed, local-level HDI estimates, enhancing the ability to identify and address regional disparities in human development. The HDI estimates for Botswana's administrative level 2 (ADM2) regions in 2021 reveal considerable regional disparities, reflecting variations in human development across the country (see Figure 9).

HDI at the level of regions

Territorial disaggregation of the human development indicators is a common and valuable tool for capturing subnational disparities. Administrative boundaries often

14 MOSAIKS, 2023. Global high-resolution estimates of the United Nations Human Development Index.

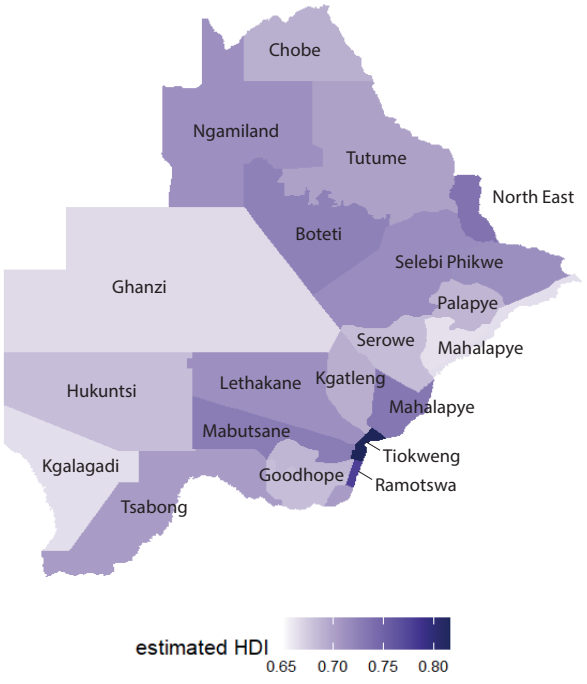
fail to align with real economic and social geographies, which are shaped by factors like labour markets and infrastructure networks rather than political borders. Relying solely on administrative units[15] may obscure important dynamics, especially in areas experiencing rapid urbanisation, cross-border migration, or the emergence of peri-urban zones. Ideally, collecting and integrating local-level characteristics—such as settlement type, proximity to urban centres, infrastructure quality, and livelihood patterns—is essential for capturing the true geography of human development and informing more targeted and effective interventions.

Gaborone, the capital city and economic hub of Botswana, leads with the highest HDI of 0.789, indicating a high standard of living, strong access to education, healthcare, and employment opportunities. The Southeast region also stands out with a high HDI of 0.751, benefiting from its proximity to Gaborone and its more developed infrastructure. Other regions such as Masungu (0.711), Kgatleng (0.708), and Kweneng South (0.690) also show relatively high human development, likely due to their better access to services and economic activities. These regions are part of Botswana's most developed zones, with a strong agricultural sector and elaborate trade links, further enhancing human development indicators.

However, significant disparities emerge in more remote or sparsely populated regions. For example, Ngamiland West, located in the northwestern part of the country, has the lowest HDI of 0.626, likely reflecting deficiencies in infrastructure, healthcare, and education access. Similarly, regions such as Ngwaketse South (0.660), Mahalapye (0.660), and Ghanzi (0.644) experience lower development levels, with some areas remote and with limited access to essential services. Botswana is divided into districts and sub-districts, which play a role in shaping regional development. Areas like Gaborone and the South-East are part of more urbanised and economically active regions, benefiting from greater public investment in infrastructure and services. In contrast, remote districts such as Ngamiland and Ghanzi often face challenges in terms of service delivery and economic opportunities, contributing to the lower HDI values in these areas.

Local characteristics—such as infrastructure, quality of governance, social capital, and environmental conditions—play a decisive role in shaping individual and community outcomes. These local factors interact with personal and household-level attributes (e.g. gender, ethnicity, education level, migration status) and broader national drivers—for instance institutions, macroeconomic policies, and public service delivery systems. This dynamic interplay ultimately influences the trajectory of human development at the individual and community levels. To conduct a comprehensive and meaningful human development analysis, it is necessary to go beyond the composite indexes and consider a broader set of indicators. These indicators should serve two complementary purposes: first, to assess the current status of human development across its multiple dimensions; and second, to identify inequalities in human development opportunities—whether based on geography, gender, age, income or other dimensions.

FIGURE 9: Estimated HDI at ADM2 level of Botswana, 2021



Note: Own calculations based on Global High Resolution Estimates of the United Nations Human Development Index.

15 Botswana is divided into ten administrative districts, two cities, and five towns. These are administered by 17 local authorities (district councils, city councils or town councils). There are some 300 cities in Botswana with a population of over 1,000 citizens according to the Population Census 2022, and a total of 519 units at ADM3 level.

Development and population density are intrinsically linked through the mechanisms of agglomeration economies and scaling effects.[16] Cities—when they reach a certain population threshold—become engines of innovation, productivity, and opportunity due to superlinear scaling, disproportionate increases in productivity, innovation, and infrastructure efficiency. However, Botswana's rapid urbanisation—characterised by the growth of 'urban villages' (peri-urban settlements blending rural and urban traits)—presents a unique case, where density does not fully translate into developmental gains due to fragmented infrastructure, informal land tenure systems, and weak policy integration. While these urban villages provide affordable housing and cultural continuity, their low-density sprawl limits the superlinear benefits of agglomeration, resulting in suboptimal service delivery and economic scaling.

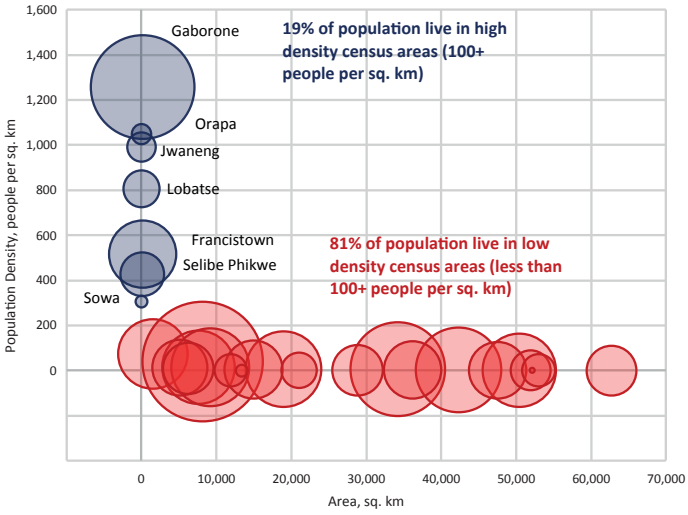
Botswana's population witnessed rapid change in the past 50 years, going from 90 percent rurality in 1971 to close to 70 percent urbanity in 2022 (for more details, see 'Demographics' section in 'The economic context' chapter). However, a significant part of this shift is due to the growth of urban villages.[17] In 1981, 90 percent of the urban population lived in cities or towns, while in 2022 the majority (71 percent) of the urban population lived in urban villages. This reflects significant shifts in Botswana's economy, namely a decrease of the share of agriculture in GDP from 12.4 percent in 1981 to 1.6 percent in 2022, with significant growth in the service sector from 33.3 percent in 1981 to 56.4 percent in 2022.[18]

Population census 2022 data shows that 19 percent of population live in high-density census areas (with more than 100 people per sq. km), while 81 percent of the population lives in low-density census areas—usually 10 people per sq. km (see Figure 10). Two areas—South-East and Kweneng East—show medium population density (73.4 and 40.6 respectively) but are closely tied to Gaborone.

Development and population density are intrinsically linked through the mechanisms of agglomeration economies and scaling effects.

Given the disparities in HDI across Botswana's regions, the Government has two options. One is to attempt 'creating' economic development in rural regions with high population density (i.e. the urban villages), hoping to trigger a virtuous human development cycle there. The alternative is to encourage growth centred on urban areas, lifting implicit or explicit barriers to internal migration, including access to housing in the destination areas, improving commuting infrastructure, etc. The former is emotionally appealing and has been tested on numerous occasions, but evidence suggests it rarely works and is associated with an increased risk of corruption. The latter is risky because it entails cultural shifts in addition to economic restructuring—but is

FIGURE 10: Botswana: Population distribution



Source: Own calculations based on Table 4, 'Botswana Population Density by Census District, 2022' in Statistics Botswana Population and Housing Census 2022. Population Distribution, Structure and Density in Botswana. Bubble size corresponds to population size.

16 West, G. (2017). Scale: The universal laws of growth, innovation, sustainability, and the pace of life in organisms, cities, economies, and companies. Penguin Press; L.M.A. Bettencourt,J. Lobo,D. Helbing, C. Kühnert, & G.B. West, (2007) Growth, innovation, scaling, and the pace of life in cities. Proc. Natl. Acad. Sci. U.S.A. 104 (17) 7301–7306.

17 The census defines an urban settlement as any human settlement with at least a population of 5000, and 75 percent of those engaged in non-agricultural economic activities. During the 2011 Population and Housing Census, in addition to cities and towns, there were 45 urban villages in Botswana.

18 Share of Industry (including construction and mining) and Manufacturing remain relatively stable.

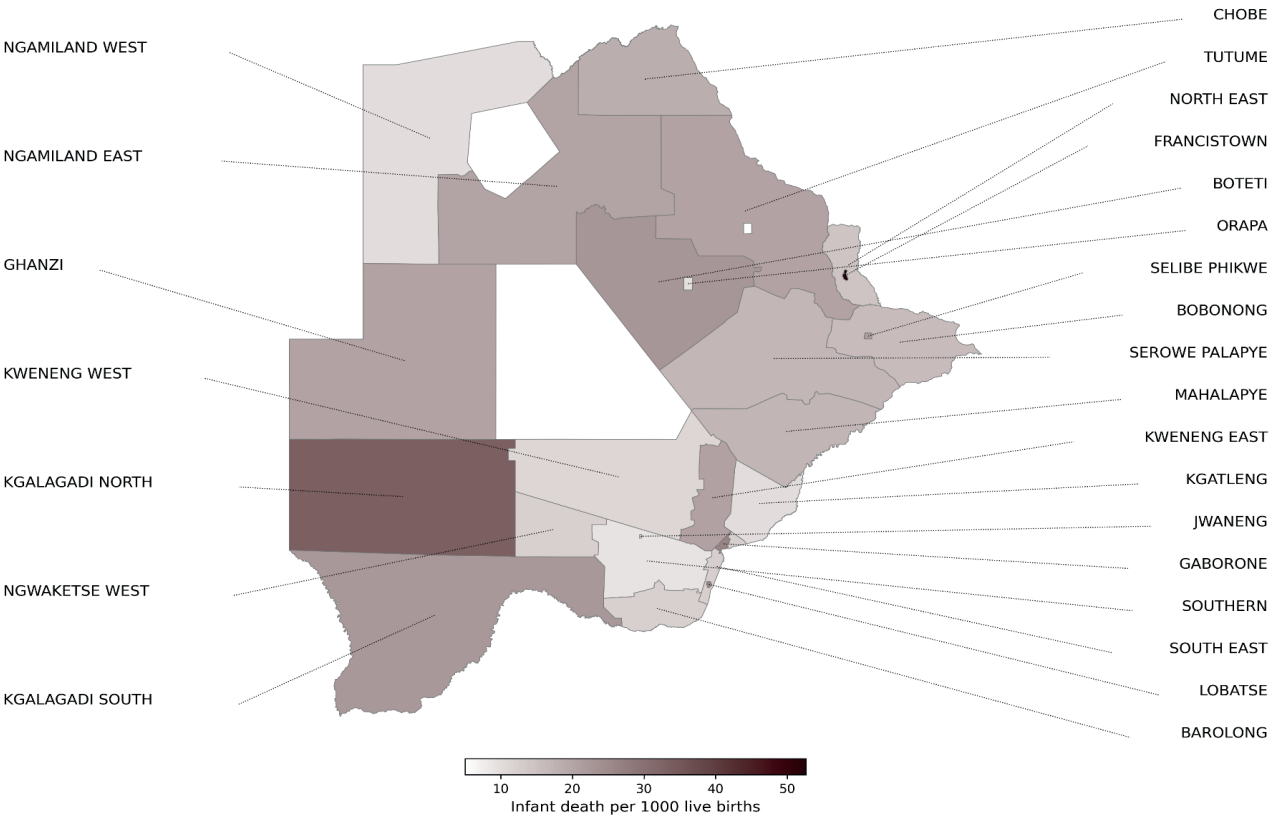
sound from an economic perspective and, as evidence suggests, tends to create more jobs and opportunities in the medium term. The compromise approach entails doing a bit of both and eventually reaching option two in a way that is likely to ultimately be longer and more expensive (in monetary and human terms).

Accounting for individual characteristics

The human development concept is way broader than the index meant to capture it. Therefore, for a genuine in-depth human development analysis, one needs to look at a broader set of sectoral indicators. This is necessary, on the one hand, to go beyond the national averages and capture more adequately the current status and, on the other, to allow charting the probable trends in individual dimensions of human development. The following sections provide an analysis of a selection of sectoral indicators with a potentially high impact on future changes in human development levels in the respective districts. Crucially, human development takes place in specific local contexts.

Infant mortality rates in Botswana reveal stark spatial inequalities, with urban centres like Gaborone (26.3 deaths per 1,000 live births) and Francistown (52.6) experiencing significantly higher rates than resource-rich mining towns such as Jwaneng (5.0) and Orapa (9.8). Some rural districts—particularly Kgalagadi North (33.6) and Ghanzi (20.5)—face elevated risks, reflecting disparities in healthcare access, sanitation, and socioeconomic conditions. The data suggests a fragmented healthcare landscape, where proximity to economic hubs and infrastructure investment disproportionately shapes child survival outcomes. Mining towns benefit from corporate-linked healthcare (Jwaneng/Orapa), while peripheral districts (e.g., Kgalagadi) may lack consistent healthcare service coverage.

FIGURE 11: Infant death rates by districts



Source: Own calculations based on Statistics Botswana, Vital Statistics Tables, 2021 using infant deaths by district of usual residence and births by districts of usual residence, place and outcome of birth.

In a similar vein, HIV prevalence in Botswana reveals stark inequalities across regions, education, and wealth, as well as between women and men. Women face disproportionately higher infection rates than men—most starkly in Central Mahalapye (40.2 percent vs. 17.5 percent), Serowe/Palapye (32.9 percent vs. 13.9 percent), and Ngwaketse West (28.5 percent vs. 10.4 percent)—reflecting gendered vulnerabilities like socioeconomic dependence and limited healthcare access. Geographically, central districts (e.g., Central Mahalapye, Tutume) and Ngwaketse West show alarmingly high prevalence, while urban centres like Gaborone (10.4 percent) and South-East (10.2 percent) report lower rates (Table 4), which is likely due to better healthcare infrastructure. Education and wealth are critical determinants: those with no education (36.5 percent) or in the lowest wealth quintile (24.4 percent) face infection rates about four times higher than the most educated (8.3 percent) and wealthiest (9.1 percent).

Botswana's employment landscape shows a sharp divide between formal and informal sectors, with pronounced regional and gender disparities (Table 5). The capital Gaborone maintains a relatively low informal

TABLE 4: HIV prevalence by districts, age, education, poverty status and sex (adults aged 15–49 years)

	Males (%)	Females (%)	Total	Female-to-Male ratio
District				
Gaborone	6.4	14.4	10.4	2.3
Francistown	16.7	24.0	20.2	1.4
Lobatse	5.4	16.3	11.0	3.0
Selibe Phikwe	20.3	25.0	23.0	1.2
Orapa	10.8	21.1	16.1	2.0
Jwaneng	8.6	15.1	11.6	1.8
Sowa	6.6	16.5	11.2	2.5
Ngwaketse South	12.5	26.3	19.2	2.1
Borolong	12.6	24.5	18.5	1.9
Ngwaketse West	10.4	28.5	19.8	2.7
South-East	5.9	15.5	10.2	2.6
Kweneng East	12.1	20.0	16.4	1.7
Kweneng West	12.6	18.8	15.8	1.5
Kgatleng	8.5	23.4	16.5	2.8
Serowe Palapye	13.9	32.9	22.6	2.4
Central Mahalapye	17.5	40.2	30.2	2.3
Central Bobonong	16.9	30.9	24.7	1.8
Central Boteti	10.3	23.0	16.5	2.2
Central Tutume	22.2	32.6	27.0	1.5
North-East	14.2	34.1	25.3	2.4
Ngamiland East	9.7	22.0	15.8	2.3
Ngamiland West	13.3	29.7	22.4	2.2
Chobe	10.9	27.6	18.1	2.5
Ghanzi	8.3	20.9	14.2	2.5
Kgalagadi South	10.6	20.9	15.8	2.0
Kgalagadi North	12.3	21.6	16.9	1.8
Education				
No education	31.5	45.2	36.5	1.4
Primary	26.4	51.0	37.4	1.9
Secondary	11.5	26.1	19.0	2.3
More than secondary	5.6	10.8	8.3	1.9
Wealth quintile				
Lowest	16.8	32.4	24.4	1.9
Second	15.6	31.6	23.5	2.0
Middle	12.3	25.3	18.6	2.1
Fourth	11.1	20.8	16.1	1.9
Highest	4.8	13.0	9.1	2.7
Total aged 15–49	11.8	23.8	17.9	2.0

Source: The Fifth Botswana AIDS Impact Survey 2021 (BAIS V) Report, August 2023.

to formal employment ratio[19] (22 percent overall, 20 percent male and 25 percent female), reflecting its relatively diversified economy with strong public sector employment and corporate presence. Francistown—the second largest city—also shows moderate informality (43 percent overall) but reveals a significantly larger gap between women and men (34 percent male vs. 57 percent female), suggesting that women face greater barriers to formal employment even in urban centres.

The most extreme cases emerge in rural districts: Tutume (131 percent), Ngwaketse West (136 percent), and Kgalagadi North (135 percent) exhibit extremely high informality, with more informal jobs than formal ones, driven by limited economic opportunities beyond subsistence agriculture. Particularly alarming are female-dominated informal economies in declining industrial towns like Selibe Phikwe (149 percent female informality following mine closures in 2016) and resource-scarce regions like Ghanzi (202 percent) and Kgalagadi North (203 percent), where women resort to precarious informal work for survival. In contrast, mining hubs Orapa (14 percent) and Jwaneng (16 percent) demonstrate how extractive industries can generate significant formal employment, though with limited female participation (Orapa's 36 percent female informality reveals persistent gender gaps). These disparities highlight how Botswana's economic geography shapes employment—and human development—outcomes, with urban centres offering more formal opportunities while rural areas—especially for women—remain trapped in informal survival economies.

TABLE 5: Informal to formal employment rates by district and sex

	Males (%)	Females (%)	Total
Gaborone	20%	25%	22%
Francistown	34%	57%	43%
Lobatse	80%	98%	88%
Selibe Phikwe	46%	149%	87%
Orapa	0%	36%	14%
Jwaneng	16%	15%	16%
Sowa Town	0%	4%	2%
Southern	101%	68%	86%
Barolong	73%	52%	61%
Ngwaketse West	129%	145%	136%
South-East	49%	45%	46%
Kweneng East	110%	58%	78%
Kweneng West	145%	114%	128%
Kgatleng	137%	67%	101%

	Males (%)	Females (%)	Total
Serowe Palapye	92%	82%	87%
Mahalapye	85%	84%	84%
Bobonong	118%	119%	119%
Boteti	169%	69%	113%
Tutume	173%	91%	131%
North-East	78%	48%	61%
Ngamiland East	56%	66%	61%
Ngamiland West	77%	65%	69%
Chobe	37%	51%	44%
Ghanzi	122%	202%	159%
Kgalagadi South	92%	85%	89%
Kgalagadi North	85%	203%	135%
Total	73%	61%	67%

Source: Own calculations based on Statistics Botswana, Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

19 Informal-to-formal employment rate is the ratio between the number of informally and formally employed people, used in this report to show the relative scale of informal employment, which signal limited access to formal job opportunities. This rate can exceed 100 percent when informal employment surpasses formal employment. While the informality rate—the share of informal employment in total employment—is a more widely used alternative, it may underrepresent the extent of informality in contexts where informal work predominates.

TABLE 6: PHDI and its components

Human Development Index	**0.731**	0.616	0.493	0.665	0.741	0.595	0.598	0.568	0.756
Planetary pressures–adjusted Human Development Index	**0.698**	0.604	0.486	0.611	0.685	0.585	0.585	0.553	0.680
Rank difference by HDI and PHDI	**21**	11	3	5	11	9	8		
Carbon dioxide emissions per capita (production), tonnes	**2.5**	0.6	0.2	1.6	6.7	0.4	0.7	0.7	4.5
Material footprint per capita, tonnes	**5.3**	2.9	2.3	12.8	5.8	2.7	3.1	3.8	12.7

Source: UNDP (2025). Human Development Report 2025: A matter of choice: People and possibilities in the age of AI.

Bringing sustainability in

Planetary Pressures-adjusted Human Development Index

Botswana's PHDI of 0.698 means a loss of 0.033 points or 4.5 percent of HDI by incorporating environmental factors, reflecting the trade-off between development and environmental sustainability (see Table 6). The rank difference between Botswana's HDI and PHDI is 21, indicating that while the country's overall human development score is relatively high, the environmental pressures it exerts erode a considerable part of its human development achievements. Botswana's carbon dioxide emissions per capita (2.51 tonnes) are notably higher than the Sub-Saharan Africa average (0.68 tonnes), though still lower than the global average (4.54 tonnes). Additionally, Botswana's material footprint per capita (5.28 tonnes) is higher than Sub-Saharan Africa's (3.83 tonnes) but lower than the global average (12.71 tonnes).

Sustainable Human Development Index within affordable limits

The SHDI-A belongs to the family of HDIs with a fourth dimension for environmental sustainability. But it goes further and makes the link between two aspects of human development—the outcomes achieved today (reflected in the value of the index) and the way they were achieved (in a sustainable or non-sustainable way). From a sustainable human development perspective, both aspects are important, particularly bearing in mind cross-generational equity (irresponsible choices today at the expense of future generations' opportunities). Therefore, the achieved value of the human development index is penalised for unsustainability (following the pattern used in the IHDI).

In an ideal situation the difference between the two values—the unweighted HDI and the one weighted for unsustainability—should be zero. In reality, it is never the case, and the objective of development policies is to minimise the difference. Figure 12 visualises the dashboard of SHDI-A for Botswana based on the latest available data (2017). The country loses 12 percent of its HDI value due to non-sustainability. Moreover, the knowledge dimension is the biggest contributor to that loss followed by losses in long and healthy life and clean and balanced environment.

The brief overview of the two environmentally-weighted human development indexes suggests the need for focused attention to environmental protection. Bearing in mind the negative implications of environmental pressures, material footprint, natural resources depletion, deforestation, biodiversity loss or waste mismanagement on human development outcomes, prioritisation of environmental protection is a direct investment in the country's human development—both for the current and future generations. This is particularly valid for Botswana given the importance of high-end tourism and its potential for diversification of the country's economy.

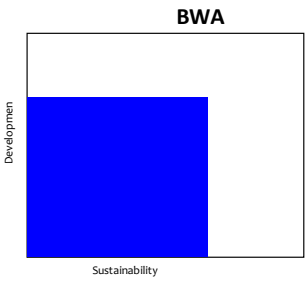
In an ideal situation the difference between the two values—the unweighted HDI and the one weighted for unsustainability—should be zero. In reality, it is never the case, and the objective of development policies is to minimise the difference.

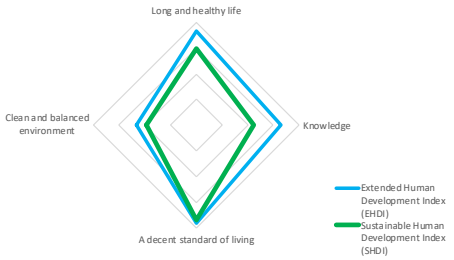
FIGURE 12: SHDI-A for Botswana, 2017

Botswana

2017

Human Development Index	0,717
Extended Human Development Index (EHDI)	0,643
Sustainable Human Development Index (SHDI)	0,526
% losses due to non-sustainability	-12%





	Long and healthy life		Knowledge		A decent standard of living		Clean and balanced environment	
Status	Life expectancy index	0,733	Education index	0,659	GNI index	0,762	Environment Index	0,465
	Life expectancy at birth	67,6	Mean Years of Schooling	9,3	GNI per capita (USD PPP)	15.534	Access to improved water source	79,2
			Expected Years of Schooling	12,6			Air pollution (PM2.5)	23,1
							Natural resources depletion (% of GNI)	0,4
							Forest area (relative to 1990)	78,9
							Waste management, Sanitation	60,0
Sustainability	Health Sustainability	0,814	Education Sustainability	0,679	GNI Sustainability	0,968	Environment Sustainability	0,833
	Health Inequality	18,6	Education Indequality	32,1	Total Debt	14,0	Water withdrawal	8,1
					Energy efficiency	78,7	Biodiversity protection	29,1
							Renewable Energy	28,9

Notes: Own calculations based on Ivanov and Peleah, 2013.


2
THE
ECONOMIC
CONTEXT

This chapter examines the economic background to youth unemployment in Botswana and reviews policies that hold the promise of sustainably increasing demand for labour, including youth labour.

Botswana's economy is under pressure. The economic downturn in 2024 intensified in the last quarter, resulting in year-on-year GDP growth declining to minus 2.0 percent, with decreasing diamond mining and trading income the main contributors. Growth is forecast to rebound—to 5.2 percent in 2025 and 4.8 percent 2026—due to higher prices and quantities of diamonds. But the economic outlook is uncertain with the emergence of cheaper lab-grown diamonds and high levels of diamond stocks.

The economy consists of two parts: a poorly performing diamond sector (-21.6 percent annual growth in 2024) and a growing non-diamond private sector (3.7 percent growth)—see Table 7. There is variation in the non-diamond parts of the economy, with the public sector, retail and wholesale trade, non-diamond manufacturing, tourism and professional services doing well, while agriculture and construction perform poorly.[20] Exports are undiversified, with diamonds accounting for nearly 90 percent of exports.

Apart from slowing down, Botswana's economy is not generating enough jobs. The 2021 National Employment Policy states that "the weak demand for labour has been the central problem, whereby the economy, especially

TABLE 7: Key economic data

		2017	2018	2019	2020	2021	2022	2023	2024
Annual economic growth									
GDP	%	4.1	4.2	3.0	-8.7	11.9	5.5	3.2	-3.0
Mining	%	6.3	8.4	-3.7	-26.5	29.8	7.6	2.9	-24.1
GDP current prices	P bn	166.65	173.73	179.90	171.39	207.74	251.36	263.92	263.14
GDP per capita, current prices	th pula	73.9	75.9	77.4	72.2	86.3	102.8	106.4	104.6
Trade, exports									
Total goods	P bn	61.67	67.17	56.33	48.12	82.28	102.52	77.89	61.68
Total services	P bn	9.7	9.6	10.4	5.4	5.7	7.2	8.7	10.2
Diamonds	P bn	54.38	60.41	51.01	43.30	74.13	89.30	62.00	40.37
Mineral production									
Diamonds	mln cts	22.96	24.38	23.67	16.87	22.70	24.48	25.10	18.32
Copper in concentrates	'000 t	1.24	1.46	0.0	..	11.74	44.27	54.81	48.76
Formal employment									
Government	'000	129.0	156.8	156.8	153.0	152.2	143.0	129.3	154.1
Parastatals	'000	19.4	23.5	23.5	18.9	21.1	18.7	19.0	20.0
Private sector	'000	193.7	250.8	305.2	305.8	321.2	324.7	279.2	277.8
Total employees	'000	342.2	431.1	485.5	477.7	494.5	486.4	427.6	451.9
Government budget (Fiscal years)									
Revenues	P bn	56.4	53.5	50.2	46.2	63.4	74.1	75.4	79.2
Spending	P bn	58.4	62.4	65.4	65.8	68.7	74.1	88.0	96.0
Balance	P bn	-2.6	-8.7	-15.0	-19.3	-4.6	1.2	-11.1	-14.8

Source: Own compilations from Statistics Botswana, Gross Domestic Product—Fourth Quarter 2024, Index of the Physical Volume of Mining Production Fourth Quarter 2024 Stats Brief, International Merchandise Trade Statistics Digests, various years, IMF Article IV reports dated 2024, 2022, 2021. Data on non-mining private sector: Econsult (2024). Economic Review, fourth quarter October–December 2024, p. 16.

20 Econsult (2024). Economic Review, fourth quarter October–December 2024.

the private sector, has not been generating enough jobs to accommodate all new entrants to the labour market."[21] The jobless growth characteristic of Botswana's economy is arising from the country's narrow economic base. The rate of job creation is well below the rate of labour force growth given the country's reliance on a mineral- and tourism-dependent and public sector-led development model to fuel its economic growth, export earnings and government revenues.[22]

The high unemployment rate (as of the first quarter of 2024, 27.6 percent total and 38 percent for youth aged 15–35) is associated with inequality that is high by global standards. Botswana's Gini co-efficient (53) is lower than for the neighbouring South Africa (Gini 63) and Namibia (58) but still high for a country aspiring to be in the upper middle-income countries group.

Economic policy

The Government elected in October 2024 set out priorities for Transforming Botswana for inclusive growth in the November 2024 State of the Nation address to parliament. This flags the importance of business environment reform (addressing "unnecessary bureaucracy in doing business in Botswana"). Actions in this area will focus on simplifying regulations, modernising legal frameworks (including commercial, tax, and labour laws) and guaranteeing enforceable rights to property, including intellectual property, while offering dispute resolution mechanisms.

The State of the Nation address further specifies the following priorities:

- Economic diversification with incentives to attract investment in sectors seen as having high potential (renewable energy, agriculture, tourism, healthcare, and information technology). Strengthening agriculture, food security, and manufacturing will fall under sectoral strategies.

- Food security will be improved through increased agricultural productivity with higher value added, supported by training, and, in selected cases, by subsidies. Agriculture will be modernised through improved water management and soil health practices. The focus will be on smallholder farmers.

- Youth programmes will create opportunities through training, entrepreneurship support, and internships. Small business grants will encourage youth entrepreneurship and innovation. Education systems will be realigned with the needs of the job market.

- The performance of state-owned enterprises will be improved, reducing funding from the budget and improving efficiency. Implementation of key infrastructure projects will be accelerated, with an updated National Infrastructure Plan focusing on energy, logistics, and internet connectivity. Trade with key trading partners will be increased. Rural areas are to be revitalised through housing programmes.

The February 2025 budget speech reinforced several of the same points, noting fiscal constraints, declining government revenues, as well as slow and jobless growth. There is a focus on investment promotion.[23] State-owned enterprises are seen as central to the Government's economic policy, although their drawbacks are noted.[24] The Botswana Agricultural Marketing Board is to be repurposed "to drive an effective, enabling model and facilitate equitable and fair market access for all farmers." The Botswana Meat Commission is to be revitalised "to become a global player, along other players in the meat value chain."

Diversification will be through "expanding key sectors such as tourism, agriculture, manufacturing, information technology, and healthcare. A central pillar of this strategy is the diversification of the mining sector and an aggressive drive for mineral beneficiation."

Infrastructure is seen as a priority, with mega projects planned in rail, road networks, power and water and Information and Communication Technology infrastructure. A rail corridor is planned to link Namibia and Botswana's copper-belt region. Other infrastructure development projects include water supply, network and sanitation projects (Molepolole, Kanye, and Sowa Town); primary hospitals (Tsabong, Tonota and Shoshong);

21 Government of Botswana (2021). National Employment Policy for Botswana. Government Printers.

22 United Nations (2020). Botswana: Common Country Analysis (CCA) 2020. UN Botswana.

23 Government of Botswana, Ministry of Finance (2025). 2025 Budget Speech. "A more effective and strategic framework for investment promotion, moving away from the current fragmented approach which leads to potential high-impact investors being subject to high levels of red tape."

24 Ibid. "We intend to pay delicate and special attention to our SOEs with a view to bring out the best in them, and to use them as a lever to significantly reduce costs of doing business in the new Botswana. We are also determined to transform our SOEs into engines of wealth creation for the larger population by reconfiguring and up-scaling some of them into becoming truly global players. Our posture also leans towards curtailing gross wastage and duplication that takes place at some of these enterprises."

internal roads (Tlokweng, Molepolole, Mabutsane, Maun, Serowe and Palapye); and bus terminals (Molepolole, Maun and Francistown).

Agriculture's linkages with manufacturing will create added value. Other actions in agriculture will comprise "revamping the agricultural subsidy system, moving away from supporting inputs to incentivising higher output and productivity." A top priority will be to develop a comprehensive Agriculture Financing Strategy to improve access to capital for farmers and agribusinesses. Furthermore, we will focus on developing a robust seed production industry to reduce reliance on imports. We will also focus on establishing an organic fertiliser industry, reducing dependency on costly imports. To support small-scale farmers, we will improve their access to supply contracts with large retail chains. Agricultural cooperatives will be boosted.

The National Transformation Strategy places emphasis on mining and tourism, with agricultural growth to be based on larger commercial farms in a "move away from highly subsidised, fragmented and subsistence agriculture."

The State of the Nation address and the budget speech reflect themes in the NTS 2023–2030[25] including a more conducive business environment[26] and a reformed education system. It also "involves identifying key sectors that have the potential for high growth, competitive advantage, job creation, export and positive spillover effects on the overall economy." Under the NTS, the prioritised sectors are agriculture, mining, tourism, manufacturing, transport and logistics, financial, real estate and business services, trade, and sports and creative industries.

The National Transformation Strategy places emphasis on mining and tourism, with agricultural growth to be based on larger commercial farms in a "move away from highly subsidised, fragmented and subsistence agriculture." Manufacturing is to be export-driven with this "central growth sector" backed by improved transport and logistics. Economic development priorities and strategy will be reflected in the forthcoming 12th National Development Plan.

The Business Botswana Strategic Plan 2018–2023,[27] which is in effect also a strategy for private sector development, addresses export orientation and business environment reform. The 2020 private sector pandemic recovery plan has five goals covering similar ground.[28] In addition to saving firms and minimising the impacts of Covid-19 on the economy to lay the foundation for recovery, these are:

- globally competitive high-performance private sector to build a competitive, high-growth, inclusive, sustainable and resilient economy;
- using infrastructure and construction to achieve transformation and citizen economic empowerment;
- efficiency-enhancing public sector reforms to help fast-track recovery; and
- globally competitive human capital for a competitive economy.

Demographics

The outcomes affecting youth in Botswana demand urgent attention. The country is at an advanced stage of demographic transition. Its population is projected to increase to 3.4 million and 3.6 million in 2050 and 2070 respectively. When coupled with further expected declines in the fertility rate (2.9 in 2022) and dependency ratio (0.595 in 2022) to below the 2.0 and 0.5 levels, respectively, over the same two decades, the outcome will be significantly more people in the economically productive ages.[29] Even in the immediate term, over 230,000 children in the 10–14 age range will enter the working-age population—and preferably avoid NEET status—in the next five years.[30]

25 National Planning Commission Botswana, National Transformation Strategy. Innovating for Economic Growth 2023–2030.

26 Botswana's Vision 2036 published in 2016 sees business environment reform as a route to increased business formalisation. Vision 2036 also stresses the importance of raising services' contribution to exports.

27 Business Botswana: Business Botswana Strategic Plan 2018–2023

28 UNDP Botswana (2020). COVID-19 Pandemic Recovery Plan for the Private Sector.

29 Government of Botswana (2018). Opportunities and policy actions to maximise the demographic dividend in Botswana: Demographic Dividend Study Report.

30 Statistics Botswana (2024). Population and Housing Census 2022: Population Distribution, Structure and Density in Botswana. Statistics Botswana.

TABLE 8: Botswana: demographic estimates and projections

	1960	2011	2015	2024	2050	2070
Total Fertility Rate (TFR), number of children per woman	6.6	3.1	3.0	2.7	2.1	1.9
Population growth rate	2.2	1.8	1.4	1.6	0.8	0.2
Population by broad age groups (in thousands)						
Age 0–14	232.5	705.5	756.8	810.0	808.8	760.2
Age 15–34	160.4	818.0	839.8	972.3	1,096.9	1,045.3
Age 35–64	101.1	479.6	528.2	637.1	1,266.9	1,455.0
Age 65+	22.2	70.5	78.5	101.8	264.8	563.0
Total population	516.2	2,073.5	2,203.3	2,521.1	3,437.4	3,823.5
Proportion of children and young people in the population (%)						
Children, 0–14 years	45.1	34.0	34.4	32.1	23.5	19.9
Adolescents and youth, 15–24 years	28.6	30.9	31.0	29.3	24.0	20.7
Total dependency ratio	97.5	59.8	61.1	56.7	45.4	52.9

Source: UN World Population Prospects, 2024 Revision, https://population.un.org/wpp/. Data for 2050 and 2070 are projections, median variant. Total dependency ratio is a number of dependents 0–14 years and 65+ years relative to the working-age population (15–64).

Botswana prioritises the socio-economic condition of its young men and women on the country's development agenda. Youth is a prime concern for several reasons. As Figure 13 indicates, Botswana's population (estimated at near 2.4 million in 2022) is youthful. As much as 50 percent (estimated at 829,998 in Q1 2024) of the population aged above 15 fall within the official category of 'youth' defined as those aged 15–35 years.[31] Not only is the country's population youthful, but so too is its labour force and the group of unemployed.

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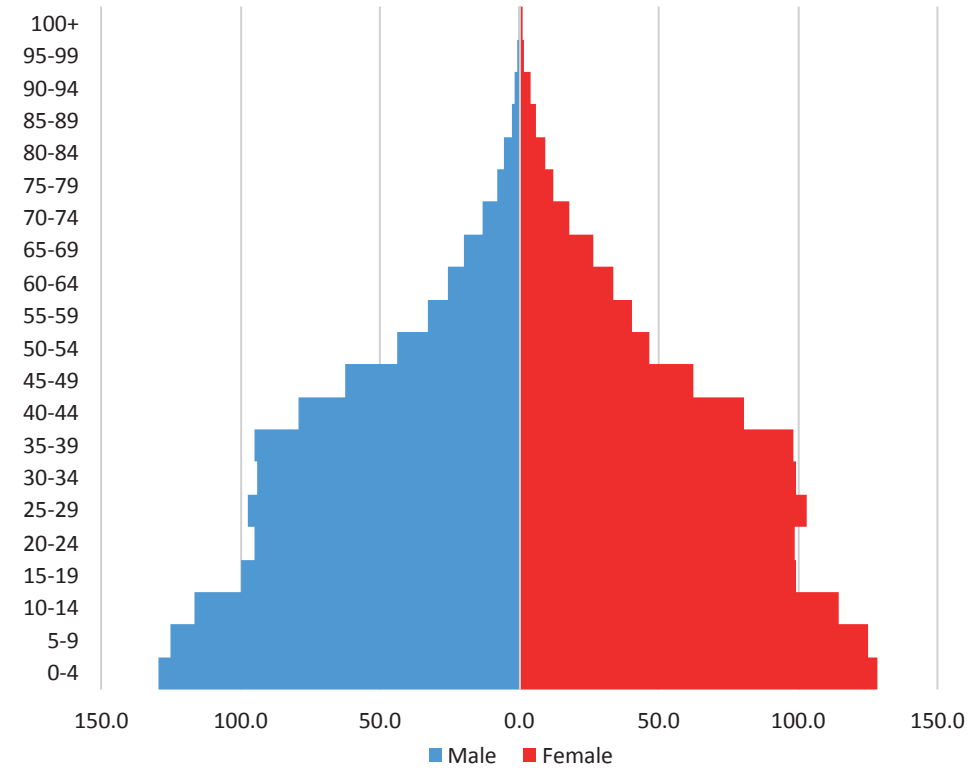
TABLE 9: Youth at a glance (Q1 2024)

Overall Population (2022 Census)	2,346,179	Youth Labour Force	509,683
Q1 2024		Employed Youth	315,010
Population (15 years and above)	1,651,820	Unemployed Youth	194,295
Youth Population (15–35 years)	829,998	Youth NEET	342,809
		Youth in the Informal Sector	64,992

Source: Statistics Botswana.

31 Ibid.

FIGURE 13: Botswana's youth bulge, 2022



Notes: Botswana 2022 Census.

The benefits derived from a large and growing working-age population relative to young dependents, provides Botswana with an opportunity to accelerate socio-economic development and to harness these economic benefits, referred to as the demographic dividend (see Box 3). However, the rapid labour supply growth is not matched by equally rapid creation of productive and decent jobs for young people so far. Almost two in every five youth are unemployed.[32] Addressing youth unemployment is therefore urgent and important.

The benefits derived from a large and growing working-age population relative to young dependents, provides Botswana with an opportunity to accelerate socio-economic development and to harness these economic benefits, referred to as the demographic dividend.

32 Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

BOX 3: Botswana Demographic Dividend Roadmap

The Botswana Demographic Dividend Roadmap provides an overarching framework to guide the country's long-term development aspirations, as articulated in its Vision 2036, of transitioning to a high-income status. It identifies priority interventions that will enable the Government to harness the demographic dividend, hence achieving the transformation enshrined in Botswana's long-term development aspirations.

DD Priority Intervention 1: Ensuring a healthy population through investments in preventive health and family planning. i) Through public health initiatives, invest in improving child and maternal health; ii) address pre-disposing factors for noncommunicable diseases; iii) strengthen health systems for management of non-communicable diseases and emerging health challenges.

DD Priority Intervention 2: Human capital development through preparing Botswana's education system for a globally competitive skilled workforce. i) Address inequities in access to education across gender and place of residence; ii) invest in early childhood education and development; iii) transform the education system from a knowledge-based to competency-based curriculum; iv) appropriate and regionally competitive skilling and re-tooling programmes.

DD Priority Intervention 3: Acceleration of job creation for the youth by prioritising economic reforms and investments. i) Diversification from mining to agricultural industrialisation through special economic zones; ii) investing in re-skilling out-of-school youth; iii) encourage expansion of the private sector for employment creation; iv) expand digital transformation by harnessing information and communication technology to increase employment opportunities for young people.

DD Priority Intervention 4: Performance monitoring, governance and accountability as enablers for harnessing the Demographic Dividend Priority actions required to enhance performance monitoring. i) Strengthen data and evidence for performance monitoring and learning; ii) monitoring integration of population issues into development planning and budgeting frameworks at both the national and sub-national levels; iii) capacity strengthening in population and development for human resources at all levels.

Source: Harnessing the demographic dividend for Botswana's transformation by the National Planning Commission and African Institute for Development Policy, December 2022.

Nearly 73 percent of the population in Botswana is classified as urban,[33] which is higher than in Namibia (55 percent) and South Africa (69 percent). Botswana's urbanisation rate is lower than in Gabon (91 percent) and comparable to Equatorial Guinea (74 percent), both of which are also upper middle-income countries with major natural resource endowments.

The level of urbanisation in Botswana is affected by the designation of urban villages. These are settlements with a population of 5,000 or above in which 75 percent of the workforce "is engaged in non-agricultural activities." They accordingly became urban by designation rather than through population growth. There were 60 urban villages with a total population of 1.25 million in the 2021 census, representing half the national population. Populations in 2021 ranged from 88,000 in Mogoditshane to 13 villages of 6,000 people or fewer (see Box 4).

33 World Bank, DataBank World Development Indicators.

BOX 4: Creation of urban villages

Apart from rural-to-urban migration, the increase in urban population is accounted for by in situ urbanisation of rural settlements. As defined in Botswana, an urban settlement has a population of 5,000 or above, of which 75 percent of the workforce are engaged in non-agricultural activities. Included under urban centres are urbanised rural settlements, most of which date back to the pre-colonial and colonial periods. It is important to note that the majority of the remaining 40 percent of Botswana's population resides in nucleated settlements of various population sizes, ranging from 250 to 5,000.

As late as 1995, planning efforts in urban villages were still preoccupied with the need to restructure these settlements. In the case of Molepolole, for example, the Terms of Reference for the preparation of the Molepolole Planning Area Development Plan called for the transformation of the village from "an overgrown traditional village into an efficient and attractive town."

Source: Molebatsi, C., Kalabamu, F, (2017). Planning Legislation in Botswana and the Quest for Inclusive Human Settlements. University of Botswana Law Journal vol. 22 (2016), pp. 54–81.

In 2021, only Gaborone (246,000) and Francistown (103,000) had populations greater than 100,000, although the populations of Mogoditshane (88,000 in 2021), Maun (85,000) and Molepolole (75,000) may have surpassed this by now.

In 2021, only Gaborone (246,000) and Francistown (103,000) had populations greater than 100,000, although the populations of Mogoditshane (88,000 in 2021), Maun (85,000) and Molepolole (75,000) may have surpassed this by now. Gaborone can be regarded as being part of a larger 'city region' with over 600,000 inhabitants linked through adjoining population centres close to Gaborone.[34]

Urbanisation is also caused by rural-urban migration, with percentage changes in population in areas above the national rate of increase between the 2001 and 2022 censuses (39 percent) indicative of inward movement from other areas (Table 10). Gaborone and Francistown have not grown at the national rate in this period although some areas close to Gaborone saw high rates of population growth. This suggests that people have moved to areas near Gaborone (rather than to Gaborone itself) and travel to work in the city. People are moving away from mining areas due to mine closures.

34 City regions are defined as an urban core or cores, linked to semi-urban and rural hinterland by functional ties. They are increasingly regarded as providing adequate scale for the implementation of development policies because of the likelihood of enterprise concentration and thicker labour and consumer markets. See Rodríguez-Pose, A. (2008). The Rise of the "City-region" Concept and its Development Policy Implications.

TABLE 10: Population changes, 2001–2022

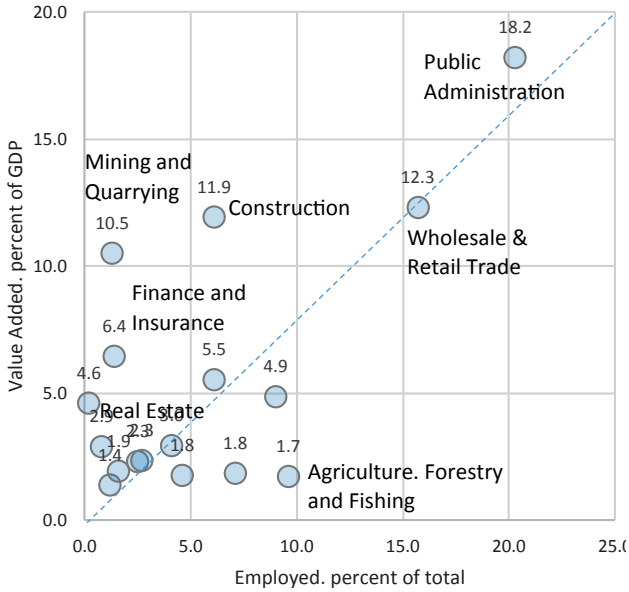
Population by region	2001	2011	2022	% change 2001–2022
Central Bobonong	66,964	71,936	77,504	16%
Central Boteti	48,057	57,376	74,553	55%
Central Mahalapye	109,811	118,875	131,977	20%
Central Tutume	123,514	147,377	165,311	34%
Orapa	9,151	9,531	8,648	-5%
Selebi-Phikwe	49,849	49,411	42,488	-15%
Sowa	2,879	3,598	2,914	1%
Ghanzi	32,481	43,095	56,077	73%
Kgalagadi North	16,111	20,476	23,510	46%
Kgalagadi South	25,938	30,016	35,347	36%
Central Kalahari Game Reserve	689	260	478	-31%
Kweneng East	189,773	256,752	330,220	74%
Kweneng West	40,562	47,797	57,763	42%
Francistown	83,023	98,961	103,417	25%
Ngamiland East	72,382	90,334	121,398	68%
Ngamiland West	49,642	59,421	74,149	49%
Okavango Delta	2,688	2,529	2,889	7%
Lobatse	29,689	29,007	29,772	0%
Gaborone	186,007	231,592	246,325	32%
Ngwaketse West	10,471	13,689	23,660	126%
Jwaneng	15,179	18,008	18,784	24%
Barolong	47,477	54,831	58,885	24%
Total	1,212,337	1,454,872	1,686,069	39%

Source: Statistics Botswana, Population and housing census 2022 population of cities, towns and villages; Statistics Botswana, 2001 Population Census Atlas: Botswana.

Note: Data is from Statistics Botswana. This analysis is shown for 22 regions. There are four census districts which are not included in the regional analysis (Chobe, Kgatleng, Ngwaketse and North-East) and one region (Okavango Delta) which is not a census district. Totalling the population of these regions does not give the total population.

Key sectors of the economy

FIGURE 14: Contributions to GDP by economic activities and employment (2024 Q4)



Source: Statistics Botswana, Gross domestic product: fourth quarter of 2024. The figures denote the share of the respective sector in the Gross Value Added of the economy.

Mining

Mining—mainly diamond mining—has been the largest single contributor (about 30 percent) to government revenues in most years, and the source of over 80 percent of export earnings.[35] However, diamond exports have been declining due to competition from (synthetic) lab-grown diamonds and weak demand in China.[36] DeBeers' market power, which somewhat insulates prices against market shocks, has not been able to fully protect the Botswana economy from these forces.[37]

Low job multiplier effects are prevalent because the mining sector is highly capital-intensive with limited and highly specialised employment needs. Diamond mining, although the main contributor to GDP, accounts for only 3 percent of total employment in the formal sector.[38] Job-creating growth has also been limited in non-diamond minerals (e.g., copper, coal, gold, and salt) and mineral-related commodities (e.g., soda ash), as well as in the non-mining industrial sector, dominated by diamond processing, live cattle, food processing (mostly beef), textiles, plastic and plastic products, and iron and iron products.

While the Government has shifted its focus towards the non-mining sector, job creation has been limited because the diversification has been more towards non-tradable and import-substituting sectors with limited growth potential, and less towards higher value-added sectors such as manufacturing, ICT, transport, and accommodation and food services activities. Furthermore, the transition to export diversification has been slow due to persisting bottlenecks in economic infrastructure, shortfalls in skilled manpower, policy measures inconsistent with boosting trade and foreign investment, and the relatively low purchasing power of the country's small population.[39] The country's industrial base has remained narrow, limiting the availability of employment opportunities for youth.

Manufacturing

The economy has diversified little towards manufacturing that is considerably more export-oriented with significant employment opportunities.[40] Manufacturing growth has been affected by contraction in the sub-industries of diamond cutting and polishing (by 15.8 percent), furniture manufacture (9.7 percent), production of recorded media (5.3 percent), chemicals manufacture (4.3 percent) and production and processing of meat (by 3.6 percent). Manufacturing employs 6 percent of the labour force in the formal sector, creating 45,864 jobs in Q1 2024 (Table 11).

35 World Bank, DataBank World Development Indicators.

36 Jefferis, K. (2024). Economic Review, second quarter April–June 2024. Econsult.

37 World Bank (2022). Creating Markets in Botswana: Country Private Sector Diagnostic (CPSD). Additional factors contributing to the limited cushioning of the impact were internal reorganisation following a hostile take-over attempt of DeBeers's parent company, and the long period of incomplete negotiations between the Government of Botswana and DeBeers before 2025.

38 Government of Botswana (2015). Education and Training Sector Strategic Plan (ETSSP 2015–2020). Government of Botswana.

39 Ibid.

40 Ministry of Finance (2023). Quarterly Economic Bulletin 4th Quarter 2023. Ministry of Finance.

TABLE 11: Employment by industry/economic activity and sex, 2021–2024

Industry/ Economic Activity	Q4 2021		Q4 2022		Q3 2023		Q1 2024	
	Count	%	Count	%	Count	%	Count	%
Agriculture, Forestry and Fishing	53,830	7.5	67,839	9.5	77,497	9.8	72,492	9.6
Mining and Quarrying	12,037	1.7	12,723	1.8	11,412	1.4	9,918	1.3
Manufacturing	56,802	7.9	50,853	7.1	56,947	7.2	45,864	6.1
Electricity, Gas, & Air Supply	2,427	0.3	3,563	0.5	3,641	0.5	2,368	0.3
Water Supply & Waste Management	7,736	1.1	5,166	0.7	6,052	0.8	6,715	0.9
Construction	49,449	6.9	50,041	7.0	58,884	7.5	46,373	6.1
Wholesale & Retail Trade	134,436	18.7	125,506	17.5	124,369	15.8	118,508	15.7
Transport & Storage	28,325	3.9	20,023	2.8	21,595	2.7	19,032	2.5
Accommodation and Food Service	26,086	3.6	30,955	4.3	38,661	4.9	34,997	4.6
Information and Communication	5,506	0.8	7,508	1.0	7,014	0.9	6,043	0.8
Finance and Insurance Activities	11,392	1.6	10,378	1.4	8,883	1.1	10,265	1.4
Real Estate Activities	4,993	0.7	3,121	0.4	3,382	0.4	1,568	0.2
Professional, Scientific and Technical	10,850	1.5	16,679	2.3	14,628	1.9	12,022	1.6
Administrative and Support Service	51,003	7.1	44,212	6.2	53,420	6.8	53,538	7.1
Public Administration	113,518	15.8	131,650	18.3	144,200	18.3	153,044	20.3
Education	76,125	10.6	57,902	8.1	65,530	8.3	68,218	9.0
Human Health and Social Work	31,139	4.3	30,703	4.3	29,431	3.7	30,681	4.1
Arts, Entertainment, Recreation	3,599	0.5	4,555	0.6	2,945	0.4	4,421	0.6
Other Service Activities	10,465	1.5	11,823	1.6	18,554	2.4	16,164	2.1
Households as Employers	26,753	3.7	31,156	4.3	40,674	5.2	40,330	5.3
Activities of Extraterritorial Organisations	946	0.1	1,371	0.2	897	0.1	1,585	0.2
Total	717,418	100.0	717,725	100.0	788,616	100.0	754,146	100.0

Source: Statistics Botswana, Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024; Quarter 3, 2023; Quarter 4, 2022; Quarter 4, 2021.

The export base remains undiversified, with diamonds accounting for over 80 percent of exports. The overall economy is similarly undiversified, with about half of GDP accounted for by mining, public administration and defence, with domestic trade, manufacturing and finance each accounting for around 5 percent (Figure 14). Services are nonetheless the main sector and are diversified.

Services

Services dominate the economy (59 percent of GDP[41]). The services sector comprises tourism (less than 10 percent of GDP), with banking and insurance, private health providers, transportation and logistics, and telecommunications also significant. Diversification has occurred towards the services sector.[42] However, while wholesale and retail trade contribute 16 percent of employment and over 100,000 jobs, construction contributes 46,000 jobs and accommodation and

41 International Trade Administration (2024). Botswana Country Commercial Guide.

42 United Nations (2020). Botswana: Common Country Analysis (CCA) 2020. UN Botswana.

food services 35,000 jobs (Table 11), the number of jobs have declined in retail trade, the hotels and restaurants sub-sector, transport and communication, and the construction sub-sector. Thus, they have not contributed to absorbing the country's growing youth labour force.[43] Progress toward connecting Botswana-based businesses into international value chains and developing export market access has been limited.

Informal employment in Botswana is heavily concentrated in sectors like agriculture (64 percent), construction (58 percent), and wholesale and retail trade (46 percent), indicating that a significant portion of the labour force operates outside formal employment structures (Table 12). Sectors such as public administration, electricity, and water supply report no informality, highlighting stark differences in employment formality across the

TABLE 12: Formal and informal employment by sectors, 2022–2024

	Formal Employment			Informal Employment			Share of Informal Employment		
	Q4 2022	Q3 2023	Q1 2024	Q4 2022	Q3 2023	Q1 2024	Q4 2022	Q3 2023	Q1 2024
Agriculture, Forestry and Fishing	14,114	12,446	13,400	15,336	25,648	23,686	52%	67%	64%
Mining and Quarrying	11,607	10,357	8,693	634	1,055	1,224	5%	9%	12%
Manufacturing	32,593	31,954	28,068	16,822	24,532	17,796	34%	43%	39%
Electricity, Gas, & Air Supply	3,563	3,641	2,368				0%	0%	0%
Water Supply and Waste Management	4,403	6,052	6,476	473	0	239	10%	0%	4%
Construction	20,080	20,122	19,524	26,124	38,761	26,762	57%	66%	58%
Wholesale, Retail & Repair of Motor Vehicles	68,987	61,488	63,712	54,791	60,182	54,796	44%	49%	46%
Transport & Storage	9,885	9,372	8,867	9,168	12,223	10,165	48%	57%	53%
Accommodation and Food Service	23,162	19,893	20,538	7,567	18,555	14,459	25%	48%	41%
Information and Communication	6,956	6,152	5,807	551	863	235	7%	12%	4%
Finance and Insurance Activities	9,392	8,288	9,632	986	595	632	10%	7%	6%
Real Estate Activities	1,537	1,164	601	1,583	2,217	966	51%	66%	62%
Professional, Scientific and Technical	15,184	11,297	9,383	1,707	3,331	2,640	10%	23%	22%
Administrative and Support Service	40,877	46,913	48,507	3,261	7,061	5,031	7%	13%	9%
Public Administration	130,924	143,647	153,044				0%	0%	0%
Education	56,351	62,151	66,834	1,551	3,378	1,384	3%	5%	2%
Human Health and Social Work	28,939	28,218	28,794	1,764	1,213	1,887	6%	4%	6%
Arts, Entertainment and Recreation	2,856	2,005	3,208	1,699	940	1,213	37%	32%	27%
Other Service Activities	3,650	4,804	5,696	8,173	13,950	10,467	69%	74%	65%
Activities of Extraterritorial organisations	1,371	897	1,585						
Total	486,432	490,861	504,738	161,825	227,890	173,583	25%	32%	26%

Source: Statistics Botswana, Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024; Quarter 3, 2023; Quarter 4, 2022.

43 Ministry of Finance.

economy. Mining and Quarrying show a quite low degree of informality (12 percent, although more than doubling since 2022). Real Estate Activities show a very high degree of informality (62 percent).

Agriculture

Despite agriculture's low contribution to GDP, it provides 18 percent of employment (2022).[44] This means that the share of employment in agriculture is 11 times higher than its share in GDP, although this ratio has fallen from a high of 16 in 2006.

The agriculture sector is an important mainstay and source of employment and income for Batswana, especially for those in rural areas. According to International Labour Organisation (ILO) estimates, it employs 9.6 percent of the working population, which is a greater contribution to employment than that of the industrial sector. However, less than 1 percent of youth work as skilled agricultural workers—largely because the agricultural sector remains predominantly subsistence farming—and its contribution to GDP has declined significantly over the years to 1.8 percent in 2024.

Agriculture comprises larger commercial farms and the traditional sector where production is for home consumption and for sale. Livestock comprises cattle, goats and a more limited number of sheep. Few young people work in agriculture with farmers mainly aged 65 and above, reflecting the tendency of many to retire to a small farm.

The agriculture sector is an important mainstay and source of employment and income for Batswana, especially for those in rural areas.

Crop production is dominated by cereals (maize, millet, and sorghum), with pulses also grown and vegetable production mainly in the vicinity of Gaborone. Food security is through grain storage, with a capacity of 90,000 tonnes (national cereals production was about 73,000 tonnes in 2023[45]). Annual demand for grain is about 300,000 tonnes, and Botswana imports a substantial amount of grain every year.

Larger farms are fenced and have defined property rights through freehold or leasehold. Use of improved breeds, off-take rates and sales to the Botswana Meat Commission (which controls the exporting abattoir in Botswana) were found to improve technical efficiency in large scale commercial farming.[46]

Agricultural development is influenced by land tenure arrangements with, as elsewhere in Southern Africa, tribal land the dominant form of tenure. This provides de facto security of tenure, but land cannot be sold or used as collateral (see Box 5).

BOX 5: Agricultural land tenure in Botswana

All land in Botswana was originally communal. In 1885, when Botswana was declared a Protectorate, three tenure systems emerged: native land (now tribal land), crown land (now state land) and freehold land. Tribal land has progressively increased over time from 49 percent in 1966 to approximately 71 percent in 2013 through conversion of state land and freehold land. Freehold land is approximately 3 percent of the total, having progressively diminished from 5 percent since 1966 due to conversion of freehold to state and tribal land. Meanwhile, over the same period, state land has reduced from 46 percent to 26 percent. The decrease of state land is mainly due to conversion of rural state land into tribal land. Thus, the general trend over the years has been to increase the proportion of tribal land at the expense of state and freehold land.

Source: Republic of Botswana (2015). Botswana land policy as approved by National Assembly on 16th July 2015. Government paper no. 4 of 2015

Current account and budget deficit

Dutch Disease has affected Botswana's competitiveness. Two stages can be identified. In the first stage following discovery of diamonds in 1967, there were no significant Dutch Disease pressures until the mid-1970s. Measures

44 Statistics Botswana (2019). Annual agricultural survey report 2019. Traditional sector.

45 FAO (2023). Global Information and Early Warning System. Country brief Botswana.

46 Temoso, O., Villano, R., Hadley, D. (2016). Evaluating the productivity gap between commercial and traditional beef production systems in Botswana. Agricultural Systems, Volume 149, pp. 30–39.

BOX 6: The Pula Fund

Established in 1994, Botswana's Pula Fund, owned and managed by the Bank of Botswana, aims to save mineral revenues for future generations. FX reserves—above those needed for international transactions—are transferred to the Pula Fund and invested in stocks and bonds. At end-2023, total Pula Fund assets stood at 20 percent of GDP. The Pula Fund is sometimes described as a sovereign wealth fund, but there are critical differences: unlike typical sovereign wealth funds, the Government does not have direct access to these resources and there are no high-level operational rules for deposits and withdrawals. The Government has an indirect claim on the sovereign wealth fund through its Government Investment Account (GIA), a savings account in pula at the Bank of Botswana. The value of the Pula Fund is driven by the overall balance of payments and returns on investment (including valuation gains). The GIA is primarily driven by the fiscal balance.

Source: IMF (2023). Botswana: Selected Issues. IMF eLibrary

were subsequently introduced to minimise the impact of reliance on a single natural resource and were effective. They comprised:

- an effective exchange rate anchor,[47]
- a sovereign wealth fund (the Pula Fund, see Box 6), and
- marginal adjustments through low-key capital controls to limit fluctuations in foreign exchange inflows. This was combined with quantitative constraints on imports to manage the inevitable pressures on the current account.

Taken together these measures were sufficient in a relatively simple economy dominated by the state to keep real exchange rate pressures at bay. Meanwhile, there was a steady upward creep in domestic real wages, with wages in the highly profitable diamond industry pulling up wages in other sectors of the economy. Over time, this led to real wages often exceeding productivity levels in non-diamond sectors. This stage has also seen prudent investments in education and infrastructure as well as some less prudent investments and consumption growth at significant scale, which resulted in sizable current account deficits.

Over time this, together with a state-centred policy and regulatory approach as well as diminishing international competitiveness of non-diamond sectors, has served to atrophy the emergence of a dominant private sector. At the same time, controls over trade and foreign direct investment constrained (i) capital inflows (though this was not an immediate problem because diamond revenues compensated for it); (ii) inflows of technology, management know-how, and the generation of competitive pressures in the overall economy, and (iii) learning on-the-job for citizens that would have come from competitive foreign direct investment. These were genuine problems but had a much-delayed impact as large diamond revenues ameliorated their effects for many years. Taken together, they locked in a relatively unsophisticated, non-diversified, state-dominated economic structure.

Stage two occurred from 2010 onwards. As the economy grew substantially, capital and trade controls were no longer sufficient even with continuing (though highly volatile) diamond revenues to hold back current account pressures. An increasing share of the labour force remained idle, overall productivity failed to grow at the rate that would have been needed to restore equilibrium, and the Sovereign Wealth Fund entered a path of steady decline.

At its peak in 1998, the Government's net asset position in the Sovereign Wealth Fund was 98 percent of GDP. This declined to about 45 percent of a much bigger GDP by 2014, with the HIV and AIDS crisis contributing to this. It is now at -22 percent of GDP, given that the GIA balance is essentially zero, coupled with senior, non-reschedulable debt from the International Financing Institutions.

This decline was caused by continuing imprudent fiscal policy resulting in a stream of significant fiscal deficits, which led to the Government drawing down from the Pula Fund. The budget surplus of more than 12 percent of GDP in the fiscal year 2006/07 was replaced by deficits that grew and averaged 5 percent of GDP over the past five years. These are due to falling revenues, which declined from more than 40 percent of GDP in 2007

47 At independence in 1966, Botswana maintained its membership in the Rand Monetary Area using the Rand (pegged to the US$); the pula was introduced and pegged to the US$ in August 1976; the peg was changed in June 1980 to a currency basket of the Rand and the SDR. Intermittent devaluations were made to address declining export competitiveness in 1982, 1984, 1985, 1990 and 1991. From 2005, the Bank of Botswana introduced a crawling devaluation against the basket.

to 28 percent of GDP in 2023, with half of this decline reflecting falling mineral revenues. At the same time, government spending kept pace with GDP, averaging 34 percent of GDP over the past 10 years. The public sector wage bill is high by international standards, at 13 percent of GDP, partly because of wage premiums paid by state-owned enterprises.[48]

The Government has financed these deficits by drawing down assets including those in the Pula Fund. But this source of financing will not be available in the future. By

The Government has financed these deficits by drawing down assets including those in the Pula Fund.

end-2024, the Pula Fund was largely exhausted and, considering new government debt, the Government's net asset position stood at -20 percent of GDP.

The drawdown of the Sovereign Wealth Fund (the opposite of what would have been needed to minimise Dutch Disease pressures) had the effect of cumulatively exacerbating Dutch Disease. When all this was already in full motion, a significant further drawdown was made in response to the Covid-19 pandemic to sustain economic activity and to purchase vaccines at full price. Losses in the Sovereign Wealth Fund were exacerbated by rising corruption in the top echelon of politicians, which steadily eroded institutions and checks and balances.

Private and public sectors

The private sector is concentrated in Gaborone and surrounding districts, Francistown, the northwest (Ngamiland) where tourism is prominent, and in Serowe, with 70 percent of active firms in these areas. Nationwide around 90 percent of enterprises are classified as micro (under national definition, this is 1–4 employees) or small (5–29 employees).[49] Half of Botswana's enterprises are in Gaborone and Francistown, the two largest cities (see Table 13).

Nationwide, half of the firms work in Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (40 percent) and Construction (10 percent). In addition, some 10 percent of firms work in manufacturing, of which nearly half are in Gaborone and Kweneng. These are diverse[50] and cover construction materials, food processing and beverages, and textiles. There is some specialised

TABLE 13: Distribution of enterprises by districts, 2022

	Total firms	Percent of the national total
Gaborone	9,468	39
Francistown	2,494	10
Lobatse	503	2
Selibe-Phikwe	779	3
Orapa	126	1
Jwaneng	313	1
Sowa Town	33	0
Southern	756	3
Barolong	126	1
Ngwaketse West	17	0
South-East	891	4
Kweneng East	2,059	8
Kweneng West	60	0
Kgatleng	493	2
Central Serowe/Palapye	1,474	6
Central Mahalapye	607	2
Central Bobonong	333	1
Central Boteti	504	2
Central Tutume	544	2
North-East	254	1
Ngamiland East	1,564	6
Ngamiland West	195	1
Chobe	453	2
Ghanzi	270	1
Kgalagadi South	98	0
Kgalagadi North	101	0
Total	24,515	100

Source: Statistics Botswana (2022). Statistical business register. Stats brief, November 2022.

48 After accounting for a range of factors (including years of schooling and work experience), there is a 56 percent parastatal wage premium compared to central and local governments, the private sector, and other sectors (e.g., non-governmental organisations, self-employed).

49 Statistics Botswana (2022). Statistical Business Register. Stats Brief, November 2022.

50 Dun&Bradstreet, Manufacturing Companies in Gaborone, Botswana.

BOX 7: Botswana's business environment

Under the final Doing Business assessment in 2020, Botswana scored well (i.e., above its global ranking of 67th) in dealing with construction permits, paying taxes, and trading across borders. It scored poorly on starting a business (159th) which needed 48 days; getting electricity (139th) with 77 days required; and enforcing contracts (137th) which needed 660 days at a cost of 40 percent of the amount claimed.

The B-READY assessment from the World Bank provides a comprehensive picture of what is working and what is not in Botswana's private sector. Botswana does reasonably well on Regulatory Framework. Botswana does poorly on Public Services, while the implementation of these rules and services is reasonably efficient. Botswana scores highest on Business Entry. This is largely because the country has an effective Companies and Intellectual Property Authority platform to register businesses that is straightforward, digitally enabled, and transparent for both domestic and foreign firms. Business insolvency is Botswana's lowest score. No specialised insolvency procedures exist for small businesses, electronic filing and case management is not available, and the time required for either liquidation or reorganisation is lengthy.

Source: World Bank Blog (2025). What is Business Ready and What Does it Mean for Botswana?

manufacturing, including automotive wiring harnesses (Delta Automotive Technologies), PVC, CPVC & HDPE plastic pipes and fittings and rotomolded products (FLO-TEK), and recycling of scrap metal into steel products (Reliance Foundries).

There are eight special economic zones in Botswana.[51] They offer incentives,[52] but are not generating noticeable employment, owing to a weak overall business and investment environment, and uncertainty created around the ability to export by ad hoc trade restrictions.

The business environment rating in 2020 under the last Doing Business report noted problems in starting a business, getting electricity and enforcing contracts, ranking Botswana at 87th in the world in terms of the overall ease of doing business. This was comparable to South Africa (84th), but better than Namibia (104th).[53] Business environment analysis by the World Bank is now through Business Ready (B-READY) assessments with the 2024 report the first such analysis.[54] Under this, Botswana scores well on business entry[55] but poorly on business insolvency (see Box 7). Anecdotally, firms face problems in bringing specialists from outside to work in Botswana, with applications for work visas protracted and difficult.

State-owned enterprises are prominent in the economy, including transport, energy, and communications, as well as in financial services. Privatisation under the Government's 2000 policy has progressed slowly, with transformation of the Botswana Telecommunications Company into a limited liability company the only major change. Over the same period, several new state-owned enterprises have been created, including the Mineral Development Company of Botswana (see Box 8). The planned privatisation of Air Botswana did not proceed.[56] Several state-owned enterprises are effectively monopolies (the Botswana Meat Corporation has 100 percent control over beef exports).

51 Business Botswana (2024). Economic Policy Review: Special Economic Zone Policy.

52 UNCTAD (2021). Investment policy monitor, Botswana.

53 World Bank (2020), Doing Business 2020. Comparing Business Regulation in 190.

54 World Bank (2024), Business Ready (B-READY) 2024.

55 Business Entry measures three areas corresponding to B-READY's three pillars: (i) the quality of regulations for business entry; (ii) the quality of digital public services and the transparency of information for business entry; and (iii) the operational efficiency of business entry.

56 Botlhale, E. (2012). Privatisation in Botswana: A Case of Firsts Not Happening First? Research in Applied Economics 4(1).

BOX 8: The parastatals in Botswana

Botswana has 62 parastatals, accounting for about 5 percent of total formal employment (as of 2021). Parastatals are companies or agencies that are created by the state (by Act of Parliament) to achieve a specific social or economic goal determined by the Government. Of this total, 42 parastatals are fully financed by the state, whereas 20 are revenue-generating (also referred to as SOEs in the rest of the paper) and operating commercially, but typically with some fiscal support. The 20 SOEs comprise 16 non-financial and 4 financial corporations. The Government is usually the only shareholder, except for Botswana Stock Exchange at 76 percent government shareholdings, Botswana Telecommunications Corporation at 51 percent, and Banyana Ltd. as a joint venture.

Source: IMF (2023). Botswana: Selected Issues. IMF eLibrary

The total assets of state-owned enterprises amounted to 32 percent of GDP in 2021. Financial state-owned enterprises (Botswana Development Corporation, National Development Bank, Botswana Stock Exchange, and Botswana Savings Bank) account for 14 percent of total assets. The largest non-financial state-owned enterprises are the Botswana Power Corporation and Water Utilities Corporation.

Transfers to state-owned enterprises have been moderated but remain substantial at 0.4 percent of GDP (compared to an average of 1 percent of GDP annually from 2016 to 2020). This is mostly to the Botswana Power Corporation, which requires ongoing support since it charges below cost-recovery prices on electricity. This suggests a mix of commercial and social objectives with the Botswana Power Corporation keeping costs to consumers low, but as a result, having to rely on budgetary transfers. Botswana Air, Botswana Railways, and Botswana Post also receive substantial transfers. In contrast, from 2016–2020, the four financial state-owned enterprises earned a small profit (see Box 9).

Public investment is high for an upper middle-income country at over 8 percent of GDP in 2024 and, while this is expected to decrease to 7 percent in 2025 and 6 percent in 2026, this is still high.

Public investment is high for an upper middle-income country at over 8 percent of GDP in 2024 and, while this is expected to decrease to 7 percent in 2025 and 6 percent in 2026, this is still high. Botswana's public investment has been consistently high for the past 30 years leading to public capital stocks which exceed those of other upper middle-income countries. The bulk of investment is concentrated in central government, with state-owned enterprises accounting for a quarter of investment spending and local government less than 10 percent.

BOX 9: Market influence of state-owned enterprises in Botswana

State-owned enterprises tend to dominate the sectors in which they operate, and these are typically heavily regulated. Many were initially created in response to inadequate private sector presence in some sectors. Some are state-mandated monopolies, including the Botswana Meat Commission, the Water Utilities Corporation, Botswana Railways, and the Botswana Power Corporation. As a result, key network industries (e.g., electricity provision, transport of raw materials) are dominated by state-owned enterprises, and prices are regulated. Botswana has administered prices for fuel, electricity, water, and some forms of housing, while the Botswana Meat Commission has a monopoly on exports of cattle and beef, buying from farmers at regulated prices.

Source: IMF (2023). Botswana: Selected Issues. International Monetary Fund. African Dept. IMF eLibrary, 31 August 2023

Conclusions

There is consensus that Botswana's medium-term economic future relies on more diverse, job-intensive, private sector-led, and export-oriented growth, coupled with reforms of state-owned enterprises, improved provision of public goods, notably infrastructure for doing business (internet, energy, logistics, access to land), affordable finance for private enterprises, and effective trade facilitation measures. Growth is essential for tackling unemployment (including youth unemployment) given the relationship between changes in employment and changes in gross domestic product. The scale of change in employment varies and, in some countries, when growth picks up, employment goes up and unemployment falls significantly; in other countries the response is more muted, but still generally positive. In addition to employment directly created by growth, there is a significant further (and often delayed) employment impact resulting from increased aggregate demand stemming from GDP growth.

The obvious question is how to go about the transition to the new economic model in Botswana. The need for major changes in the economy is not questioned but there are different views on the measures required to achieve this.

Growth does not always immediately lead to more employment, but increased employment without growth is unknown. Given that youth employment rises with overall employment levels, growth is also a route to addressing youth unemployment. There is now a body of evidence to suggest that tackling youth unemployment is therefore part of the wider process of addressing unemployment as a whole and not a separate exercise.[57]

It is accepted in Botswana that this will most likely happen within a diversified economy which relies less on diamond revenues and diamond exports. In fact, economic diversification is already increasing with the parts of the economy that are not diamond mining and not public sector growing in absolute and proportionate terms. In contrast, export revenues remain undiversified and remain dominated by diamond exports. Diversification has accordingly been in the non-tradable sectors, with growth in tradables held back by Dutch Disease.

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Botswana's growth strategy centres on 'picking winners' by supporting priority sectors. Both the NTS and the recent budget speech identify sectors to be given priority. This assumes that the Government can promote economic development by identifying which sectors will grow and using public funding in their support.

Industrial policy is gaining momentum after having fallen out of favour, with pointers to China's model as a success.[58] Industrial policy steers reallocation of resources toward domestic firms and industries. Support is through a range of tools including subsidies, tax incentives, directed finance, infrastructure development, protection, and research and development (Box 10). In Europe, grants and interest rate subsidies are the most-used instruments for non-crisis state aid, representing 58 percent of expenditure in 2022. Tax incentives account for 31 percent of support.[59]

Does it work? Amidst the enthusiasm, here is some scepticism.[60] The former socialist world showed that governments were bad at microeconomics and that planned development dominated by the state was ineffective. Analysis in Africa suggests that it is not about identifying the best firms but about attracting those with high potential. If such firms decide to invest, government

57 See Fox, L., Mader, P., Sumberg, J., Flynn, J., Oosterom, M. (2020). Africa's 'youth employment' crisis is actually a 'missing jobs' crisis. Brooke Shearer Series Number 9, September 2020. Brookings; Irwin, S., Mader, P., and Flynn, J. (2018). How youth-specific is Africa's youth employment challenge? K4D Emerging Issues Report. Brighton, UK: Institute of Development Studies; Fox, L., and Kaul, U. (2018). The Evidence Is In: How Should Youth Employment Programs in Low-Income Countries Be Designed? Policy Research Working Paper WPS 8500. Washington DC: World Bank Group.

58 García-Herrero, A. and Schindowski, R. (2024) Unpacking China's industrial policy and its implications for Europe. Working Paper 11/2024, Bruegel.

59 Hodge, A., Piazza, R., Hasanov, F., Li, X., Vaziri, M., Weller, A., Wong, Y.C., (2025). Coordinating Industrial Policy in Europe to Get it Right. SUERF Policy Brief | No. 1115 | 13 Mar, 2025.

60 Nicholls, M. (2022). You Don't Get Growth By Picking Winners: Against A 'Competitiveness' Objective for Financial Regulators. Z/Yen Group blog, 22 August 2022.

BOX 10: Support under industrial policies

According to firm-level data for the largest global manufacturing companies, government support (including grants, below-market borrowing, and tax expenditure) differed across sectors. The average support at the global level in 2005–2019 ranged from around 2.25–3 percent of total sales in solar panels and aluminium to around 0.5 percent of total sales in automobile, aerospace and defence, and chemicals sectors. In many sectors, including in aluminium, steel, glass and ceramics, and wind turbines, government support was mainly in the form of below-market borrowing, though tax expenditures were also very important, especially in telecommunication network equipment, semiconductors, and rolling stock.

Source: Millot, V., Rawdanowicz, L. (2024). The return of industrial policies. Centre for Economic Policy Research, VoxEU Columns, 1 July 2024.

support results in higher levels of firm survival, profits and innovation, as well as higher employment.[61] But governments lack technical and administrative capacity to implement successful broad industrial development programmes, with political capture common in the choice of sectors and in subsequent support.

Some instruments used in industrial policy work better than others.[62] Some studies find that research and development tax credits and subsidies have been shown to be effective in stimulating research and development (R&D) and innovation,[63] while others find no effect or falling R&D.[64] Evidence on the effectiveness of other grants and subsidies is scant. Analysis of effects on firm level investment shows mixed results. Analysis from China shows that industrial policy suggests negative effects on corporate investment efficiency by boosting over-investment while having little influence on under-investment.[65]

Perhaps the strongest lesson from the varied experience of industrial policy is that the favoured industries, when mature, should be able to compete in global markets.

Questions of additionality and displacement also arise. Financing selected firms to do more of what they were already doing can result in them taking business from unsupported firms. Budgetary costs can also be high and there are concerns about providing public financing to well-off firm owners. Such programmes, however, can become financially sustainable if there is ensuing higher tax revenue, and provide lasting benefits if firms permanently hire additional workers. Governments can also consider giving innovation funding using royalties, in which successful firms pay a royalty to the Government.

Perhaps the strongest lesson from the varied experience of industrial policy is that the favoured industries, when mature, should be able to compete in global markets. This is clearly important in Botswana given the small domestic market (although the effective market for some tradables could be considered to be the Southern African Development Community countries). This weeds out the poor performers since if targeted industries face market competition, the goals of industrial policy are more likely to be achieved.

Greater openness to global trade and investment helps generate the productivity gains associated with competition while also expanding access to markets. The need for competitive markets is the reason why industrial

61 World Bank blogs (2024). McKenzie, D. Micro-industrial policy: The empirical evidence on whether governments can successfully directly support firms.

62 Criscuolo, C., Gonne, N., Kohei, K., Lalanne, G. (2022). Are industrial policy instruments effective? A review of the evidence in OECD countries. OECD Science, Technology and Industry Policy Papers, 3 May 2022.

63 Yang W, Wang X, Zhou D. Research on the Impact of Industrial Policy on the Innovation Behaviour of Strategic Emerging Industries. Behavioural Sciences (Basel). 2024 Apr 22;14(4).

64 Connel, D. (2021). Is the UK's flagship industrial policy a costly failure? An Independent Reappraisal of the Objectives, Theory, Practice and Impact of the UK's £7.3 Billion a Year R&D Tax Credits and £1.1 Billion a Year Patent Box Scheme.

65 Zhou, B., Zhao, S. (2022). Industrial policy and corporate investment efficiency, Journal of Asian Economics, Volume 78, 2022, 101406.

BOX 11: Trade openness in the Republic of Korea

The Republic of Korea embarked on ambitious reforms of its regime regulating foreign direct investments (FDI) in the 1990s. These reforms started in the early 1990s and were further reinforced through negotiations as part of the Republic of Korea's accession to the OECD in 1996. The years leading up to the Asian financial crisis were marked by a two-track strategy of liberalising FDI restrictions. Foreign investors were allowed into a rapidly increasing number of sectors but the overall mechanism for filtering foreign investment remained in place in the form of horizontal impediments such as screening. These broader impediments were gradually dismantled beginning in 1993, a process which accelerated during the negotiations for OECD membership. As part of OECD accession, the Korean Government made a number of upfront commitments to liberalise further in 1997 and 1998. The crisis was not so much a window of opportunity for reforms as a door that was already partly open.

Source: OECD (2021), Championing trade openness and investment. Case study.

policy should avoid measures that restrict trade. Botswana's preparation of a National Implementation Strategy for the African Continental Free Trade Area (which aims to create a single market for goods and services across Africa) is accordingly a positive step.

The success of industrial policy in the Republic of Korea relied on intense competition in both domestic and international markets (see Box 11), with the Republic of Korea regarded as a champion of trade openness from the 1990s.[66]

An easier business environment benefits firms in all sectors including informal enterprises.

In the context of Africa, it is generally accepted that investors' perceived risk plays an important role in the flow of FDI to the continent. In attempt to reduce this risk—and to promote industrialisation—some African countries' governments complement traditional policies for facilitation of the business environment (strengthening political and macroeconomic stability, improving the regulatory and business environment, improving infrastructure and logistics, proactively developing a skilled workforce and promoting investment and local content, etc.) with additional tools closer to direct intervention, such as 'put options'. This tool was applied in Ethiopia, Morocco, Nigeria and Rwanda (for more details see Example 2 in Annex 2).

Growth and investment rely on a better business environment. Botswana's business environment is neither very good nor very bad. Further progress is needed, however, since an overall good business environment strongly correlates with growth[67] and encourages investment, with the new Government stressing the need for reform. Studies show that, in Anglophone African countries, implementation of reforms in at least one of the Doing Business indicators was correlated with a 0.79–1.02 percent increase in private investment,[68] which in turn contributes to higher growth.

An easier business environment benefits firms in all sectors including informal enterprises. This is through reducing transaction costs in terms of money, time, and knowledge. Estimates suggest that the informal economy in Botswana contributes about a quarter of GDP so higher formalisation could bring significant benefits.[69] Informal firms are however mainly microenterprises where the benefits of formalisation are often limited and/or the cost of formalisation is high relative to turnover (see Box 12).

There is extensive analytical work in Botswana dating back to 2013 showing where actions are needed in business environment reform, supplemented through Doing Business and Business Ready analyses. Actions

66 OECD (2021). Championing trade openness and investment.

67 Ncube, M., Soonawalla, K., & Hausken, K. (2019). The Links between Business Environment, Economic Growth and Social Equity: A Study of African Countries. Journal of African Business, 22(1), 61–84.

68 DCED, The Donor Committee for Enterprise Development blog (2011). Business Environment Reform changes firms' behaviour.

69 DCED (2009). Business Environment Reforms and the Informal Economy.

BOX 12: The informal sector in Botswana

Findings indicate that informal firms in Botswana are likely to be situated in rural areas, and they operate in their own households, as sole proprietors. Results further show that firms that did not need a loan when starting up (because business needed little capital or business was inherited) are more likely to be informal than businesses that used household savings or sold assets to start the business. Furthermore, it was also revealed that informal firms are less likely to have small businesses and institutions as the main buyer of their goods and services, and more likely to have individual buyers.

Source: Gaetsewe, T. (2020). Characteristics of Firms in Botswana's Informal Economy, Working Papers 74, Botswana Institute for Development Policy Analysis.

to date have been under the Doing Business Action Plan for Botswana,[70] with monitoring reports by the Ministry of Trade and Industry.

Importantly for implementation, there are no major losers from business environment reform, and everybody benefits, except those who enjoy sheltered monopoly positions, or use overly complex business regulation to extract bribes. In other words, governments do not have to spend major political capital to make life easier for businesses, since almost everybody gains. Net employment gains can also be significant,[71] which is important given the heightened expectations of youth for rising employment in the coming years.

Given the dominance of services in GDP, it is probably there that business environment reform will show the strongest effects.

Business environment reform offers gains in several areas. Research from China shows that a quality business environment promotes technological innovation, as well as saving costs that firms would have spent on paying bribes.[72] Beneficial links with firm R&D, innovation, labour productivity, and export performance are also found. Costs, days and procedures required to start a business are important predictors of the number of new firm registrations.[73]

Other research suggests that the business environment promotes investment by increasing business confidence and decreasing institutional costs.[74] The relationship between business environment reform and investment seems strong and acts through several transmitters, including increased competition, better contract enforcement, faster dispute resolution, and better port handling and customs clearance.[75]

Given the dominance of services in GDP, it is probably there that business environment reform will show the strongest effects. All high-income economies boast large services sectors as the most significant source of employment and the generation of economic growth. The large share of services is therefore consistent with Botswana's goal to be a high-income country by 2036. Much of the decline of employment in agriculture is offset by employment in services so a strong services sector is important in the rural-urban transition.

An obvious question therefore is whether there are business environment reforms which particularly

70 This action plan is based on Botswana Doing Business Reform Roadmap (January 2019 update) and the original analysis on which it is based (Reforming Botswana's Business Environment: doing business reforms roadmap and implementation plan), World Bank, undated).

71 UKAID, Department for International Development (2015). Business environment reform and poverty: rapid evidence assessment.

72 Wang, N., Cui, D., Dong, Y. (2023). Study on the impact of business environment on private enterprises' technological innovation from the perspective of transaction cost. Innovation and Green Development, Volume 2, Issue 1, 2023, 100034.

73 Klapper, L.F., Inessa, L. (2010). The Impact of Business Environment Reforms on New Firm Registration. World Bank Policy Research Working Paper No. 5493, December 1, 2010.

74 Yin J-h, Song H-y, Zeng K-x (2022). Does a smart business environment promote corporate investment? a case study of Hangzhou. PLoS ONE 17(7).

75 DCED. The Donor Committee for Enterprise Development blog (2011). Business Environment Reform changes firms' behaviour.

BOX 13: Benefits of firms locating close together

Localisation economies arise from a larger number of firms in the same industry (agglomeration) and the same place (concentration). Spatial proximity helps because immediate access to competitors in the same sector allow firms to stay abreast of market information in negotiating with customers and suppliers. Clustered firms can also share a larger and more dependable pool of specialised labour as well as components of value chains. Urbanisation economies arise from a larger number of different industries in the same place. A management consulting company can benefit from locating near business schools, financial service providers, and manufacturers. Agglomeration economies—including the ability to gain scale in production—are equally visible. The knowledge spillovers and lower logistics costs from locating close to input providers and export traders have produced globally important industry clusters.

Source: World Bank (2009), Reshaping Economic Geography. World Development Report.

benefit services. Experience internationally suggests that eliminating restrictions on foreign investment or operations in backbone services sectors (including telecommunications, logistics, aviation, legal services, banking, and insurance) is likely to be beneficial. An easier business environment in these areas will have knock-on effects on other firms that use services in these areas. It is not apparent that there are business environment reforms which particularly benefit youth.[76]

The economy is concentrated geographically. Using the number of enterprises as an indicator, Botswana's economy centres in and around Gaborone, Francistown, Ngamiland and Serowe (70 percent of all enterprises are in these areas). The mining towns are also important in terms of their contribution to GDP. Agglomeration is most evident in Ngamiland with tourism-related firms concentrating there. Estimates of gross value added by district would provide further evidence on the concentration of the economy.

Enterprise concentration is normal, and all countries have uneven economic mass, especially if a country's land area is large. Small parts of a country produce disproportionate amounts of GDP, with a country's capital city usually at the top of the list.[77] This arises from enterprise concentration (lots of firms located close together) and agglomeration (lots of firms in the same sub-sector located close together), as well as thicker labour and consumer markets[78] (see Box 13). Thickness in these areas increases the number of people and types of skills available in local labour markets and means that consumer demand in the area is stronger.

Concentration and agglomeration happen naturally as firms decide where to locate. Governments sometimes try to spread growth more evenly over a wider geographical area by giving incentives for firms to locate in poor and disadvantaged areas (the 2024 State of the Nation address refers to "fostering balanced national development"). While this is attractive politically, policymakers should avoid making this a dominant feature of overall policies because economic density is an important contributor to growth and overall productivity.[79] This is because it dilutes the benefits of concentration and agglomeration. While firms may relocate to take advantage of incentives in the target regions and this may increase growth in such regions, it can reduce growth in the areas they leave. The net effect is not always positive.

The Gaborone city region is a locus of Botswana's growth and is functioning well. Gaborone itself has a population of about 250,000 (2021 Census) but there are several towns within a 60–90 minutes' drive, which is often regarded as an acceptable commuting time. These include Mogoditshane, Tlokweng, Mochudi, Ramotswa, Lobatse, Mmopane, Thamaga, Molepolole, Gabane, and Kopong (Figure 15). They can be seen as part of the Gaborone city region in that they are economically connected with Gaborone as part of a wider economic

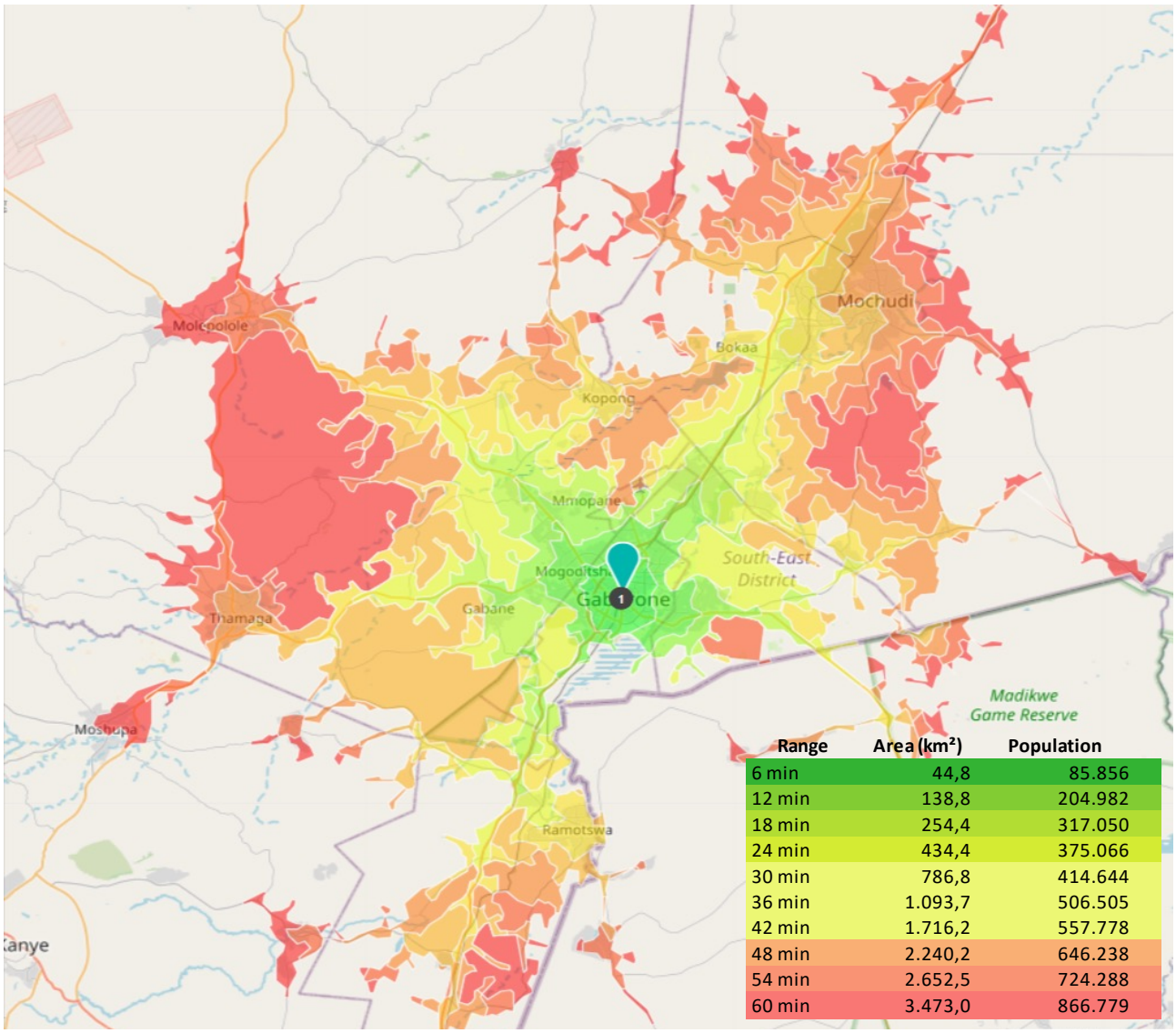
76 Business environment reforms for youth employment in ACP countries: lowering barriers to employment and recruitment | ICR Facility.

77 London, for example, provides about 25 percent of the UK's GDP, while Nairobi generates nearly 28 percent of Kenya's GDP.

78 IBRD/The World Bank (2009). World Development Report 2009.

79 LSE (2016). London Plan Density – Research Project 5. Why Else is Density Important?

FIGURE 15: Isochrones for reaching central Gaborone



Range	Area (km²)	Population
6 min	44,8	85.856
12 min	138,8	204.982
18 min	254,4	317.050
24 min	434,4	375.066
30 min	786,8	414.644
36 min	1.093,7	506.505
42 min	1.716,2	557.778
48 min	2.240,2	646.238
54 min	2.652,5	724.288
60 min	3.473,0	866.779

Source: Estimated using Openrouteservice, https://classic-maps.openrouteservice.org/reach?n1=-24.624859&n2=25.845088&n3=10&a=-24.658076,25.907489&b=0&i=0&j1=60&j2=6&k1=en-US&k2=km. Point of interest -24.626074, 25.907326 (lat, lon).

mass. The population of these towns means that the population of the city region is probably over 600,000, representing about a quarter of Botswana's total population.

Developing city regions is an important element of economic policy, particularly in Europe. A city region is an area where there are significant functional connections between a core city and its surrounding areas. A city region is made up of a core city and hinterland which can include urban, semi-urban and rural areas. Functional connections between the core city and the hinterland include economic links, labour supply, housing, marketing, and wholesaling and retailing (see Box 14).

People living in the towns of Gaborone city region can commute to Gaborone while benefitting from lower housing costs in the periphery. Commuting is reportedly common: road quality is good and daily commuting by car is feasible.

BOX 14: The Metropolitan Region Amsterdam

The Metropolitan Region Amsterdam (MRA) consists of 30 municipalities, two provinces and the Transport Authority Amsterdam. Around 2.5 million people—more than 14 percent of the Dutch population—live within the MRA. It is the country's most robust economic region. Its greatest strengths are that it is home to many talented and entrepreneurial individuals, a wide diversity of business activity, good infrastructure by land, air and water, and excellent digital connectivity. The MRA strives to be an internationally competitive region, with compact cities, a landscape that is attractive to day-trippers and holidaymakers, as well as a functioning infrastructural network that interconnects the residential cores and connects them with the countryside and the rest of the world.

Source: the Metropolitan Region Amsterdam (MRA) website.

One positive feature of the Gaborone city region is that planning legislation means that shantytown development has been largely avoided and hence the negative externalities of city regions typical to many low- and middle-income countries have been avoided. Internationally there has been pushback against urban growth because of marginalisation and an ensuing wish to decongest the towns by seeking to keep people in rural areas.

This is understandable but rarely works in that people continue to move to the city in search of a better standard of living and better services. A lot of money has been wasted internationally trying to deliver services and create employment outside the main cities whereas enhancing market-driven movement to the larger and economically strongest urban areas is much more efficient and effective, in part because of the economies of scale in service provision in larger urban areas. Anecdotally, part of Botswana's high expenditure on public investment as a proportion of GDP results from (expensive) attempts to deliver services in more remote areas rather than benefitting from the economies of scale in urban areas.

3 YOUTH IN THE LABOUR MARKET:

KEY INDICATORS

This chapter examines the current situation regarding employment and unemployment of youth, the magnitude and trends of these phenomena. The analysis provides insights into employment, unemployment and NEET from various angles (disaggregated by sex, territorial units as well as the internal diversity of the broad group of 'youth' defined as people aged 15–35).

The global shift in the world of work is driven by globalisation and the digital revolution, which have transformed industries and employment patterns.

Employment

The global shift in the world of work is driven by globalisation and the digital revolution, which have transformed industries and employment patterns. Companies are restructuring production systems globally, seeking locations with lower wages and better infrastructure. This shift has led to a rise in digital and service industries, creating new opportunities for innovation while challenging traditional labour models and job stability. Fostering skills in digital literacy and creativity will be essential for Botswana's youth to thrive in this dynamic and uncertain future.

Employment rates

Young people mainly work in jobs which require limited skills. The employment distribution for youth aged 15–35 shows notable disparities between women and men across various occupations (see Table 14). Youth—of both sexes—are heavily engaged in low-skilled jobs in elementary occupations and in service and sales work. Overall, most of the employed youth are in elementary occupations (34 percent), with a slightly higher proportion for males (37 percent) than females (32 percent). Service and sales work is the preferred sector for young women, where 36 percent of females are employed, compared to 22 percent of young men. On the other hand, men dominate in crafts and related trades, which employ 14 percent of young men vs. 3 percent of young women, as well as plant and machine operations (8 percent for males vs. 1 percent for females). Skilled occupations like Managers, Professionals, Technicians and Associate Professionals, and Clerical Support Services are very limited for both young women and men, but show relative gender parity even with some dominance of women, especially at the top two levels. Various factors contribute to this outcome. One might be the fact that more women continue their tertiary education in areas highly demanded in such occupations. Another might be lower barriers for women in progressing in their professional careers (e.g. the Government and finance sectors). Or it might be that due to higher thresholds for entering the labour market for women, those that do enter tend to have higher human capital and then drift to the top. In any case a closer investigation of these factors (beyond the scope of the current report) is desirable.

TABLE 14: Employed youth (15–35) by occupation and sex, Q1 2024

Occupation	Q1 2024						
	Employed youth			Share of total			Share of women in occuptaion
	Male	Female	Total	Male	Female	Total	
Managers	3,629	5,697	9,325	2.2%	3.8%	3.0%	61%
Professionals	7,459	13,643	21,102	4.5%	9.1%	6.7%	65%
Technicians and Associate Profes	12,944	14,785	27,730	7.9%	9.8%	8.8%	53%
Clerical Support Services	6,609	7,307	13,916	4.0%	4.9%	4.4%	53%
Service/Sales Workers	35,756	54,836	90,592	21.7%	36.5%	28.8%	61%
Skilled Agric Forestry and Fishery '	1,252	512	1,764	0.8%	0.3%	0.6%	29%
Craft and Related Trades Worker:	23,107	3,775	26,882	14.0%	2.5%	8.5%	14%
Plant & Machine Operators	12,591	2,102	14,693	7.6%	1.4%	4.7%	14%
Elementary Occupations	61,042	47,633	108,675	37.1%	31.7%	34.5%	44%
Other specialized professionals	220	112	332	0.1%	0.1%	0.1%	34%
Total	**164,607**	**150,403**	**315,010**	**100.0%**	**100.0%**	**100.0%**	**48%**

Source: Statistics Botswana, Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

TABLE 15: Employment rate by educational level and sex

Educational level	Male	Female	Total for the respective group
Non-formal	0	100	100
Apprenticeship	100	100	100
Never Attended	90	53.3	83.2
Institute of Health Sciences	100	65.2	81.3
Educational College	79	68.5	72.5
University	68.8	68.3	68.5
Primary	62.7	59.4	61.7
Secondary	60.3	58.6	59.5
Brigade	59	57.9	58.7
Technical/Vocational	60.3	44	52.3
Total	62.8	60.7	61.8

Source: Statistics Botswana, Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.
Note: The total for each group (women and men) is calculated using the number of employed and the labour force for the respective group and education level.

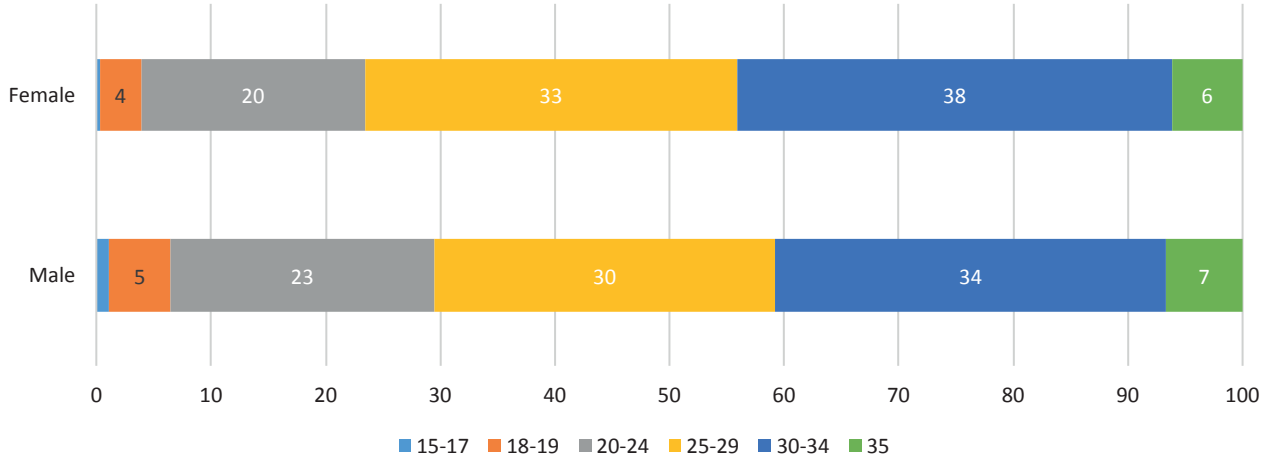
Employment is highest amongst those with secondary education and lowest amongst youth with little or no education. Looking at the relationship between the level of education attained and employment reveals important insights. Ranked by employment rate, the category with the highest employment is those people with non-formal education, apprenticeships or those who never attended education (Table 15). This is not surprising since people in these groups usually live in poverty and have limited options but work (even at the minimum wage and in the informal sector, i.e., with no health or social insurance, often facing the risk of exploitation and discrimination). The graduates of the Institute of Health Sciences, Educational College and Universities also have higher than average employment rates, which is also understandable giving the demographic structure of the population. But the low employment rates of people with secondary education, brigade and particularly with technical/vocational training is puzzling, suggesting the existence of a serious mismatch between the supply and demand of skills on the labour market. Another possible explanation could be the difference in marketable skills between jobseekers with lower secondary vs. those with upper secondary education.

Employment in the formal sector

Young people make up just under half (at 509,683) of the country's labour force. Employed youth account for 61.8 percent (at 315,010) with young men (52.3 percent) more likely to have a job than young women, particularly those in the 30–34 age range (see Figure 16).

Ranked by employment rate, the category with the highest employment is those people with non-formal education, apprenticeships or those who never attended education.

FIGURE 16: Share of youth in employment by age groups and sex



Source: Statistics Botswana.

Youth employment in occupations requiring higher qualifications—managerial, technical or other professional jobs (positions 1–5 in Table 16) account for 51.6 percent of the total number of employed. Interestingly, women hold 59.2 percent of these jobs. Average earnings and educational requirements tend to be lower for elementary occupations and service/sales workers. Youth employed in elementary occupations are engaged as cleaners and helpers, labourers in agriculture, mining, construction, manufacturing and transport, food preparation assistants, street and related sales and services, and refuse workers.[80] It is expected that in the formal sector (and informal sector) some youth in these elementary occupations are engaged as paid apprentices undergoing practical training by a master craftsperson.

The bulk of the employed are secondary school completers (62.3 percent) followed by university graduates (18.5 percent). Just under half (45.6 percent) of employed youth can be found in urban villages. In Statistics Botswana's reports, youth employment is lowest in rural areas (24.6 percent) and negligible among those pursuing non-formal education reflecting the impact of both rural-urban migration and limited access to facilities for further education in rural areas. The bigger possibilities for informal employment in rural areas may explain the relatively low formal employment there. Furthermore, a lot of people reporting to be unemployed might be taking occasional informal jobs not even considering this as 'employment'.

Employment in the informal sector

Little is known about youth employment in the informal sector. The extent of youth involvement in the informal sector is difficult to estimate. Statistics Botswana does not disaggregate its informal sector by age. The National Informal Sector Recovery Plan was developed for an informal sector that is urbanising due to rural-urban migration and undergoing significant growth. Nationally, the informal sector accounted for 5.3 percent of annual GDP in 2015 according to Statistics Botswana after going through a period of rapid growth (by 233 percent) during 2007–2015. The current size of the overall informal sector is unknown. Statistics Botswana's (2018) Botswana Multi-Topic Household Survey Report 2015/16 estimated that there were 6,132 informal businesses in Francistown in 2015, employing 12,494 people.[81]

Most youth employment in the informal sector is in petty services. These include tuck shops, car wash businesses, hair salons/barber shops, food vending, clothes vending, fruits and vegetables vending, beauty products vending, hawking, tyre patching services, welding, confectionery and airtime vending, baking, pipefitting, glass fixing, and auto mechanic, cleaning and transport services. None of the informal businesses have

> Just under half (45.6 percent) of employed youth can be found in urban villages.

80 Statistics Botswana (2016). Botswana standard classification of occupations. Statistics Botswana.

81 Statistics Botswana (2018). Botswana Multi-Topic Household Survey Report 2015/16. Statistics Botswana.

TABLE 16: Employed youth (15–35) by occupation and sex

Q1 2024								
Occupation	Employed youth			Share of the total employed			Share of the respective occupation	
	Male	Female	Total	Male	Female	Total	Male	Female
1. Managers	3,629	5,697	9,325	2.2%	3.8%	3.0%	38.9%	61.1%
2. Professionals	7,459	13,643	21,102	4.5%	9.1%	6.7%	35.3%	64.7%
3. Technicians and Associate Professionals	12,944	14,785	27,730	7.9%	9.8%	8.8%	46.7%	53.3%
4. Clerical Support Services	6,609	7,307	13,916	4.0%	4.9%	4.4%	47.5%	52.5%
5. Service/Sales Workers	35,756	54,836	90,592	21.7%	36.5%	28.8%	39.5%	60.5%
6. Skilled Agric Forestry and Fishery Workers	1,252	512	1,764	0.8%	0.3%	0.6%	71.0%	29.0%
7. Craft and Related Trades Workers	23,107	3,775	26,882	14.0%	2.5%	8.5%	86.0%	14.0%
8. Plant & Machine Operators	12,591	2,102	14,693	7.6%	1.4%	4.7%	85.7%	14.3%
9. Elementary Occupations	61,042	47,633	108,675	37.1%	31.7%	34.5%	56.2%	43.8%
10. Other specialised professionals	220	112	332	0.1%	0.1%	0.1%	66.3%	33.7%
Total	164,607	150,403	315,010	100%	100%	100%	52.3%	47.7%

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024. Statistics Botswana.

a business bank account and none are registered for taxes with the Botswana Unified Revenue Service.

According to Statistics Botswana, youth comprised 64,992 people or 37.4 percent of total informal sector employment in Q1 2024. Youth informal sector employment accounted for 8.6 percent of total employment. More young men (62.4 percent) than young women are employed in the informal sector (see Table 17).

TABLE 17: Employed youth in the informal sector by age and sex

Age group	Number			Share of the respective group	
	Male	Female	Total	Male	Female
15–17	911		911	100%	0%
18–19	1,946	1,749	3,695	53%	47%
20–24	8,521	4,521	13,042	65%	35%
25–29	12,295	6,013	18,308	67%	33%
30–34	14,050	11,025	25,075	56%	44%
35	2,830	1,131	3,961	71%	29%
Total age groups	40,553	24,439	64,992	62%	38%

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

TABLE 18: Share of employed youth in informal sector by industry and sex (%)

Industry	Male	Female	Total
Agriculture, Forestry and Fishing	15	5	11
Mining and Quarrying	1	-	0
Manufacturing	7	4	6
Water Supply & Waste Management	-	1	0
Construction of Buildings	28	0	18
Wholesale & Retail Trade	19	55	32
Transport & Storage	9	1	6
Accommodation and Food Service	7	17	11
Finance and Insurance Activities	0	1	1
Real Estate Activities	1	-	0
Professional, Scientific and Technical Activities	3	3	3
Administrative and Support Services	3	0	2
Education	1	1	1
Human Health and Social Work Activities	1	-	0
Arts, Entertainment and Recreation	2	-	2
Other Service Activities	3	12	6

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

With regards to sectoral distribution, the wholesale and retail industry provides the largest share of informal sector employment (for 20,066 youth or 32 percent in Q1 2024). The construction industry employs the next highest share at 18 percent (11,548 youth). The wholesale and retail trade industry is dominated by young women (55 percent) while most young men are involved in the construction industry (28 percent)—see Table 18.

The construction industry employs the next highest share at 18 percent (11,548 youth).

Occupation-wise, most informal sector youth participate in service/sales occupations (20,066 or 30.9 percent of the total), elementary occupations (23.4 percent), and crafts and related trades (20.1 percent). Young men account for 62 percent of the total employment in the informal sector. As shown in Table 19, women constitute the majority of informally employed in managerial positions (72 percent), as service/sales workers (73 percent) and as professionals (63 percent).

TABLE 19: Employed youth in informal sector by occupation and sex

Occupation	Number			Share of the respective occupation group	
	Male	Female	Total	Male	Female
Managers	1,249	3,266	4,515	28%	72%
Professionals	415	703	1,118	37%	63%
Technicians and Associate Professionals	2,681	567	3,248	83%	17%
Clerical Support Services	1,472	525	1,997	74%	26%
Service/Sales Workers	5,319	14,747	20,066	27%	73%
Skilled Agric Forestry and Fishery Workers	1,014	512	1,526	66%	34%
Craft and Related Trades Workers	11,736	1,356	13,092	90%	10%
Plant & Machine Op. & Assemblers	3,902	300	4,201	93%	7%
Elementary Occupations	12,765	2,464	15,229	84%	16%
Total	40,553	24,439	64,992	62%	38%

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

Youth employment is highest in urban areas. Youth informal sector employment, just like overall youth unemployment, follow the same district-level distribution as national unemployment (see Table 20). Unemployment is highest in Kweneng East and lowest in the mining towns of Orapa, Jwaneng and Sowa. This is expected given that Kweneng East, Gaborone and Central Serowe/Palapye had the highest shares of the country's population in the 2001, 2011 and 2022 censuses. Kweneng East includes Molepolole, the third largest urban village in Botswana with a population of 74,674 in 2022. Central Serowe was the fourth largest (population 55,676) and Central Palapye was the sixth largest (population 52,636) urban village.

Central Serowe was the fourth largest (population 55,676) and Central Palapye was the sixth largest (population 52,636) urban village.

TABLE 20: Comparison of overall unemployment, youth unemployment and youth informal sector employment, by district (%)

Industry	Unemployment rate	Youth (15–35) unemployment rate	Share of informally employed
Gaborone	17.2	24.5	15.8
Francistown	25.4	35.4	24.0
Lobatse	31.3	51.3	44.7
Selibe Phikwe	29.9	29.5	41.6
Orapa	5.1	15.8	11.8
Jwaneng	5.0	9.1	12.6
Sowa	9.9	12.8	1.8
Ngwaketse South	34.8	47.2	41.4
Ngwaketse West	19.2	33.1	54.8
Borolong	35.9	47.8	30.2
South-East	22.5	30.4	27.7
Kweneng East	28.0	37.7	36.2
Kweneng West	36.1	60.9	48.4
Kgatleng	24.7	34.1	43.9
Serowe Palapye	34.9	46.2	38.3
Central Mahalapye	38.0	52.7	40.1
Central Bobonong	20.5	38.5	44.7
Central Boteti	35.7	46.9	42.8
Central Tutume	30.3	36.5	44.9
North-East	23.5	31.7	33.2
Ngamiland East	32.8	53.5	31.5
Ngamiland West	39.3	48.3	34.8
Chobe	10.4	18.6	28.8
Ghanzi	20.9	24.4	51.0
Kgalagadi North	27.1	32.1	50.9
Kgalagadi South	20.4	37.3	44.5
Total	27.6	38.2	34.1

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

Unemployment

Botswana's unemployment rate (27.6 percent overall and 38 percent for youth aged 15–35) is higher than Namibia's (20 percent forecast for 2024) but lower than South Africa's (32 percent). Gabon's unemployment in 2024 is expected to be 21 percent while that in Equatorial Guinea about 8 percent.

> Gabon's unemployment in 2024 is expected to be 21 percent while that in Equatorial Guinea about 8 percent.

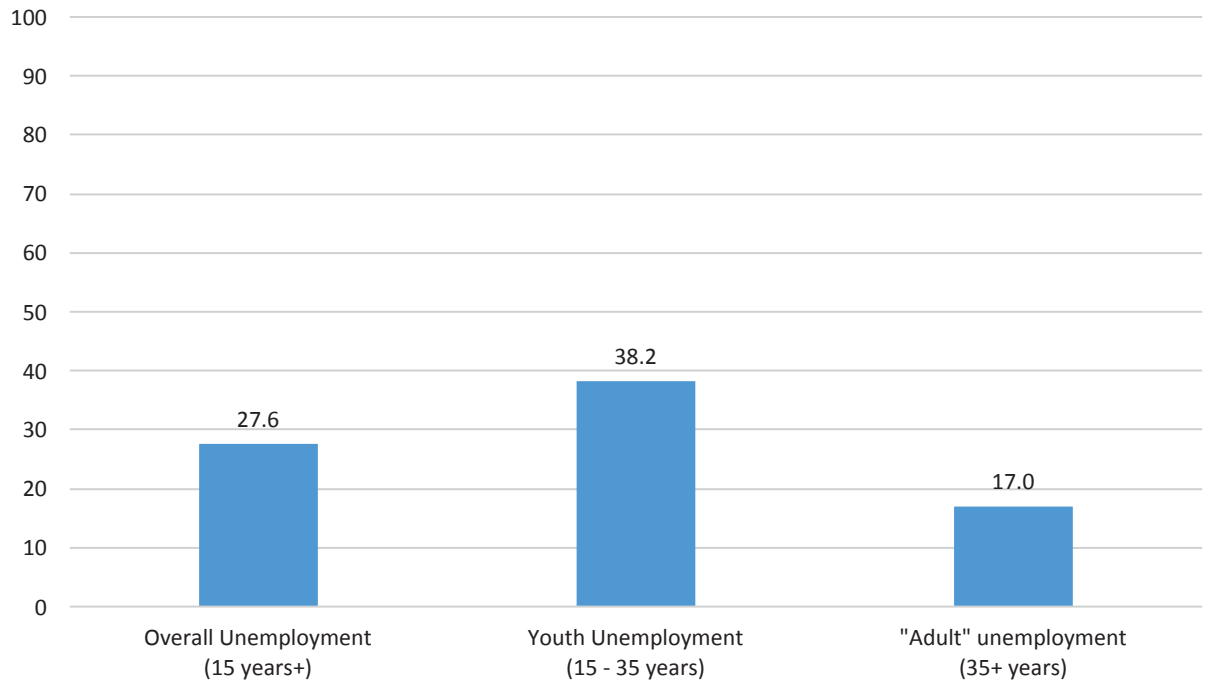
The rate of youth unemployment outstrips the national unemployment rate. Just under two in every five youth are unemployed.[82] Youth unemployment (ages 15–35) is on an upward trajectory, increasing from 33.5 percent in Q4 2022 and 34.4 percent in Q3 2023 to reach 38.2 percent of the youth labour force in Q1 2024. Moreover, the youth unemployment rate exceeds that of those older than 35 years by 21.2 percentage points (Figure 17).

'Young' youth and 'old' youth unemployment

The currently used broad definition of 'youth' applied in Botswana (people aged 15–35) includes people at quite diverse stages of their lives. Those belonging to the low end of the spectrum are not just transitioning from education to employment but are still to separate from their parents, establish their own families, have their children and start thinking of educating them. The distinct priorities the two groups are facing suggest that an analysis of their specifics might shed light on the opportunities they have and the risks they might face.

Data visualised in Figure 18 suggests that a persistent gap between unemployment of 'young' youth and 'old' youth exists over the years. The gap was lowest in 2019 (9.5 percentage points) and spiked to its peak of 14.2 percentage points in 2020. Since then, it has been gradually declining to reach 10.9 percentage points (close to the level of 2019). A more detailed analysis of the differences and the factors behind them is necessary for a comprehensive and adequate response to the youth unemployment challenge.

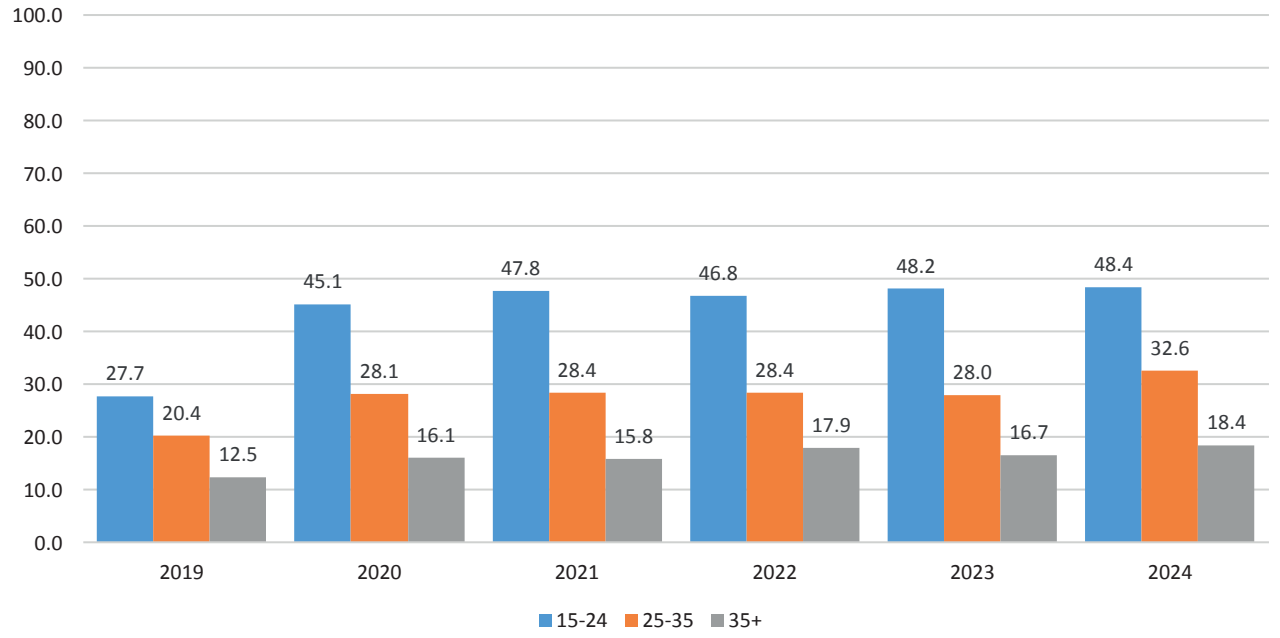
FIGURE 17: Youth unemployment rate vs. overall and 'adult' unemployment rate



Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

82 Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

FIGURE 18: 'Young' youth vs. 'old' youth—unemployment levels in percent



Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

The highest rates of youth unemployment occur within youth aged 20–24 years (28 percent), 25–29 years (27 percent) and 30–34 years (27 percent), pointing to difficulties encountered in accessing gainful employment at the beginning of their working careers (see Table 21).

TABLE 21: Share of unemployed youth (15–35) by age range and sex

Age range	Male	Female	Total
15–17	6%	2%	4%
18–19	12%	7%	9%
20–24	29%	28%	28%
25–29	26%	28%	27%
30–34	23%	30%	27%
35	4%	5%	4%

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

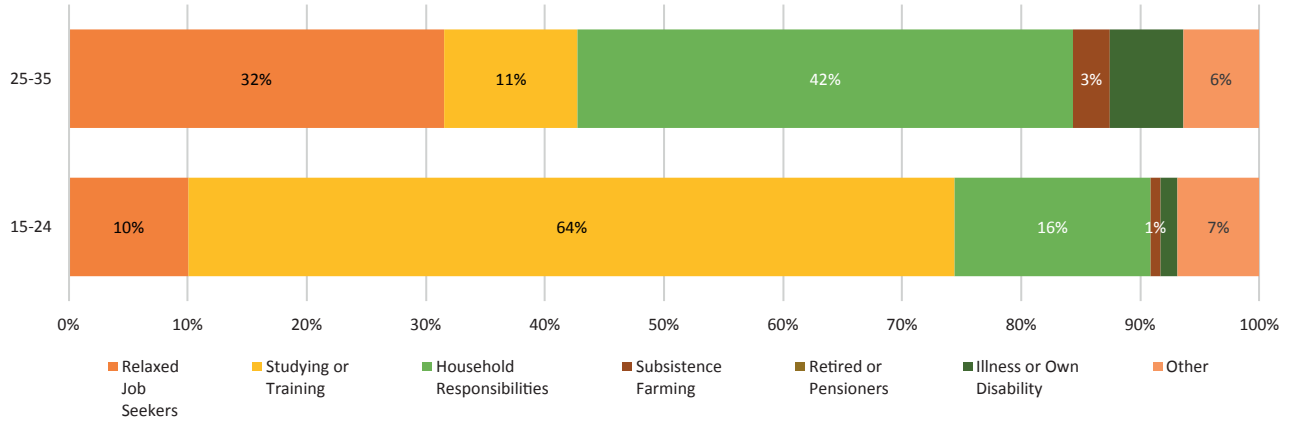
Comparatively, Botswana's youth unemployment rate for the age group 15–24 is lower than South Africa's rate for youth aged 15–34 (46.6 percent in Q2 2024). However, for the 15–24 age group in 2023, youth unemployment in Botswana (48.2 percent) exceeded the rates in Namibia (38.0 percent), Zimbabwe (34.4 percent) and Mauritius (20.9 percent).

The differences between 'younger youth' and 'older youth' are particularly pronounced when looking at the reasons for which they remain outside the labour force (Figure 19). Three types of reasons stand out: 'relaxed job-seeking' (for the group aged 15–24 the appropriate term would be NEET), enrolment in education, and household responsibilities.

Unemployment by education attained

Unemployment among TVET graduates and secondary school completers exceed unemployment for youth with the highest education levels. Table 22 indicates that the rate of youth unemployment is high for most graduates of the education system. TVET graduates experience the highest rates of unemployment suggesting either that a gap exists between the skills TVET provides and labour market demand—or that TVET is not effective.

FIGURE 19: Reasons for being outside of labour force for different age groups, Q1 2024



Source: Own calculations based on Statistics Botswana, Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

The high rate of unemployment among secondary school completers is likely fuelled by the significant number of students who leave the education system during and at the end of their junior secondary education but fail to be absorbed into the labour market. In 2022, as much as 48 percent of boys and 34 percent of girls (a total of 18,791 students or 41 percent of Form 3 students) did not transition to senior secondary education. On average, 40 percent of Form 3 students did not transition to the higher classes during 2018–2022. Dropout in 2022 occurred across all junior secondary years with 23 percent of Form 1 students, 28 percent of Form 2 and 32 percent of Form 3 students registered as dropout students. The relatively large number of unemployed secondary school completers, university graduates and primary school completers highlights the low absorptive capacity of the labour market.

TABLE 22: Unemployed youth, by level of highest education attained in Q1 2024

Highest Educational Level	Total Unemployed			Youth Unemployment Rate (%)
	Male	Female	Total	
Never Attended	260	273	533	16.8
Primary	7,107	3,484	10,590	38.3
Secondary	68,868	64,873	133,741	40.5
Brigade	4,141	1,433	5,573	41.3
Technical/Vocational	4,105	5,630	9,735	47.7
Educational College	2,057	5,086	7,142	27.5
Institute of Health Sciences	-	562	562	18.7
University	10,841	15,955	26,796	31.5
Total	97,378	97,295	194,673	38.2

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024. Statistics Botswana.
Note: Data for 'non-formal' and 'apprentice' educational levels not available.

Territorial disparities in youth unemployment

Youth unemployment is higher in urban villages, cities and towns than in rural villages. Unemployed youth are disproportionately located in urban villages (Figure 20 and Table 20). Urban areas hold more persons within the working-age population while rural areas tend to have more persons in the elderly population and children under the age of 15. The districts with the highest number of unemployed youth are Kweneng East and Serowe/Palapye accounting for 13.5 percent and 12.1 percent, respectively, of total unemployed youth.[83] The lowest unemployment rates are in areas (e.g., Jwaneng, Orapa and Sowa) where mining is an important part of the local economy.

The high district-level youth unemployment rates reflect that Kweneng East and Central Serowe/Palapye had high shares of the country's population in the 2001, 2011 and 2022 censuses, and are the districts with high student dropout in secondary education and the greatest junior-to-secondary student drop off. In 2022, 64 percent of Form 3 students in the Kweneng region did not transition to senior secondary education, compared with 42 percent in the Central region and 41 percent in the Southern region.

Unemployment varies sharply by area of the country, with the rate varying from 54 percent to 5 percent (see Table 23). The lowest unemployment rates are in areas where mining is an important part of the local economy. Youth unemployment is also lowest in these areas. The highest youth unemployment is observed in Kweneng West (60.9 percent), followed by Ngamiland East (53.5 percent) and Central Mahalapye (52.7 percent). In contrast, districts such as Jwaneng (9.1 percent) and Orapa (15.8 percent) show much lower youth unemployment rates, indicating relatively better access to employment in these regions. Other areas like Lobatse (51.3 percent), Serowe/Palapye (46.2 percent), and Borolong (47.8 percent) also have high unemployment rates, suggesting internal heterogeneity in big urban areas.

TABLE 23: Youth (15–35) unemployment rates by district and sex in percent, Q1 2024

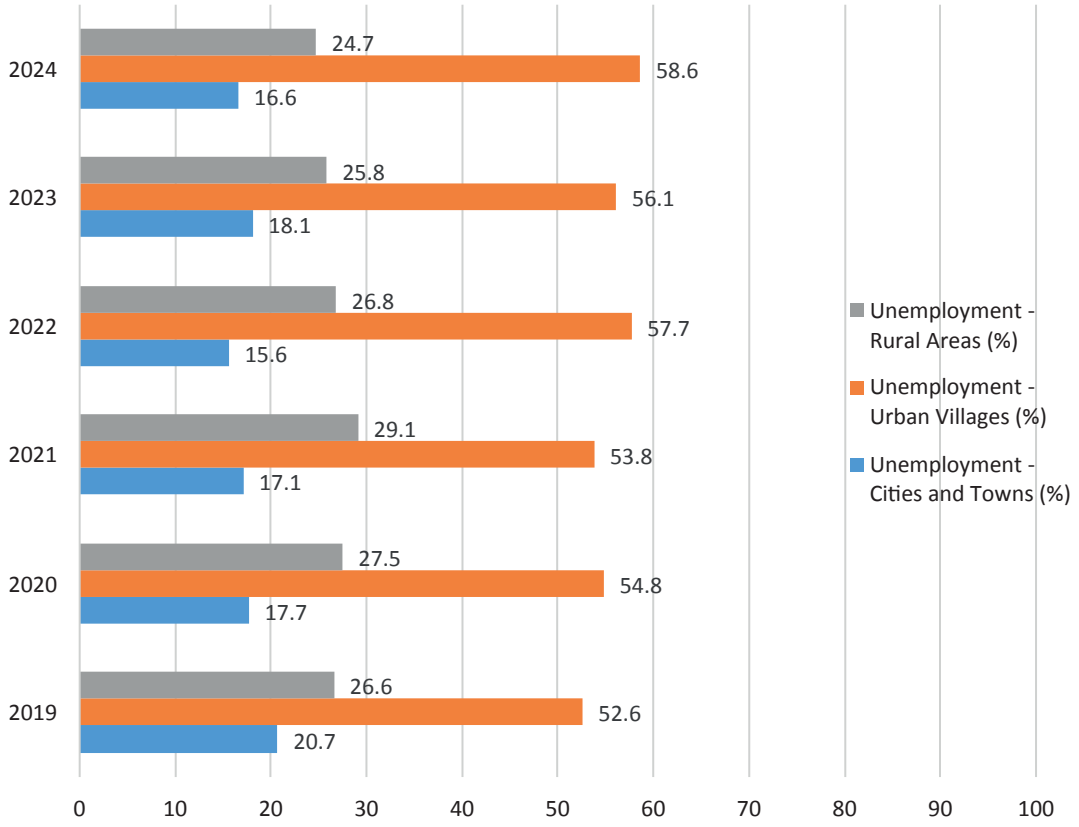
	Male	Female	Total
Borolong	36.7	57.9	47.8
Central Bobonong	47.5	30.0	38.5
Central Boteti	46.6	47.3	46.9
Central Mahalapye	48.3	58.2	52.7
Central Tutume	32.7	41.2	36.5
Chobe	28.7	10.5	18.6
Francistown	33.3	37.2	35.4
Gaborone	19.5	29.2	24.5
Ghanzi	26.5	22.7	24.4
Jwaneng	7.9	10.5	9.1
Kgalagadi North	36.1	26.8	32.1
Kgalagadi South	40.5	31.7	37.3
Kgatleng	32.0	38.0	34.1
Kweneng East	38.5	37.0	37.7
Kweneng West	57.5	63.9	60.9
Lobatse	33.6	72.3	51.3
Ngamiland East	49.6	58.2	53.5
Ngamiland West	55.0	43.4	48.3
Ngwaketse West	26.3	46.3	33.1
North East	25.1	37.6	31.7
Orapa	15.3	16.0	15.8
Selibe Phikwe	39.8	17.0	29.5
Southren	51.7	41.6	47.2
Serowe/Palapye	50.2	41.8	46.2
South East	27.0	33.6	30.4
Sowa	14.9	11.9	12.8
Total	37.2	39.3	38.2

Source: Calculated using data from Statistics Botswana (2014) Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

In 2022, 64 percent of Form 3 students in the Kweneng region did not transition to senior secondary education, compared with 42 percent in the Central region and 41 percent in the Southern region.

83 Ibid.

FIGURE 20: Geographic distribution of unemployed youth (2019–2024)



Source: Own calculations based on Statistics Botswana, Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

NEET

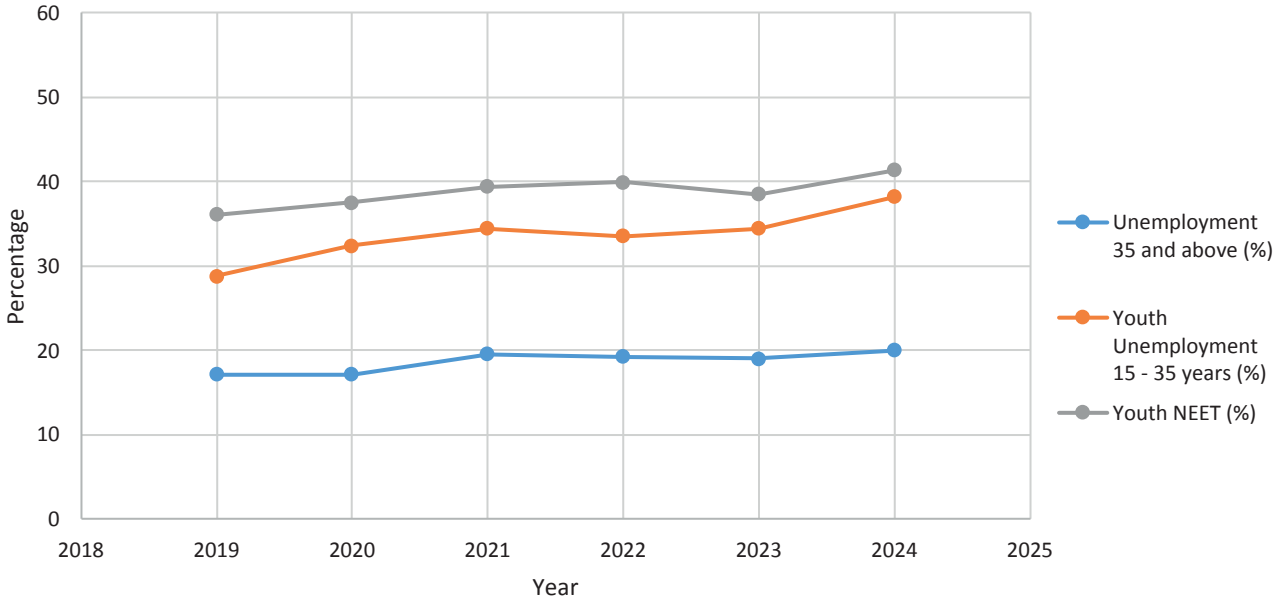
Current situation and trends

The share of youth NEET is high and increasing. This poses a major challenge for Botswana. The ILO notes that youth NEET rates tend to fall as a country's income level rises, and this should be the case over time for UMICs.[84] This has not been Botswana's experience. Youth NEET reached 41.3 percent of the total youth population in Q1 2024, increasing from 39.9 percent and 38.5 percent in Q4 2022 and Q3 2023, respectively (see Figure 21). In Q1 2024, 342,809 young persons were in this category.

Youth NEET reached 41.3 percent of the total youth population in Q1 2024, increasing from 39.9 percent and 38.5 percent in Q4 2022 and Q3 2023, respectively.

84 International Labour Organisation (2024). Global employment trends for youth 2024: Decent work, brighter futures. ILO.

FIGURE 21: Youth unemployment trend (15 years and above)



Source: Own calculations based on Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1.

Young people face challenges in their transition from education to employment in all geographic regions. In 2024, over 20 percent of youth aged 20–34 years in each location—cities and towns, urban villages, and rural areas—fell within the NEET category, emphasising the critical problem of limited labour market absorption for new graduates of the tertiary education system and other youth (see Table 24).

TABLE 24: Youth NEET, by age range and district in Q1 2024

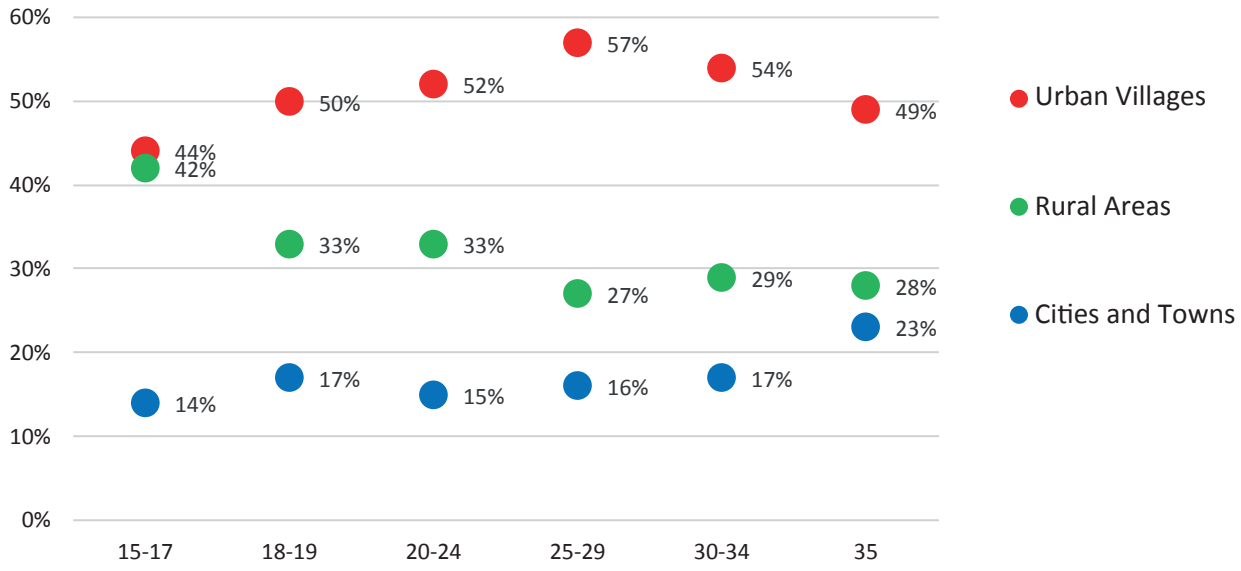
Age Group	Cities and Towns	Urban Villages	Rural Areas
15–17	7.1%	7.0%	11.1%
18–19	13.1%	11.8%	13.4%
20–24	26.3%	27.0%	28.7%
25–29	23.5%	26.1%	20.6%
30–34	24.8%	24.8%	22.9%
35	5.1%	3.3%	3.2%
Total	100%	100%	100%

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

Young people face challenges in their transition from education to employment in all geographic regions.

Figure 22 visualises the NEET story from a different angle: the rate for each age group by strata. The NEET rate is consistently highest among young people in urban villages. A critical spike occurs in the 18–19 age group, where NEET rates jump sharply (50 percent nationally, peaking at 57 percent for the age group 25–29). The difference in the trend in the case of urban villages and rural areas reflects structural barriers to opportunity, as the former often lack developed job markets, career guidance, or training infrastructure that could facilitate the transitioning from education to employment ultimately leading to economic marginalisation.

FIGURE 22: NEET rate by age groups and strata, Q1 2024



Source: Own calculations based on Statistics Botswana, Vital Statistics Tables, 2021.

Youth remain dependent in Botswana up to age 32, which is late compared to other UMICs, underscoring the heightened vulnerabilities for this group.

The youth NEET rate exceeds both the overall country and youth unemployment rates. Data from the ILO's Global Employment Trends for Youth 2024: Sub-Saharan Africa indicate that Botswana's recent youth NEET rate exceeds both the 2023 Sub-Saharan Africa youth NEET rate (at 21.9 percent) and the global rate (at 20.4 percent). Youth remain dependent in Botswana up to age 32, which is late compared to other UMICs, underscoring the heightened vulnerabilities for this group.

NEET among women and men

Youth NEET is higher among young women. Young women in the 20–35 age group face a disproportionate burden of unemployment generally, as well as a higher share in the NEET classification, relative to their male counterparts (Table 25, Table 22, and Figure 23). Young women comprised 51.3 percent (at 175,756) of the 342,809 young persons in the NEET category compared to 48.7 percent (at 167,052) young men.

FIGURE 23: Youth unemployment and NEET, by sex (2019–2024)

Source: Statistics Botswana, Multi-Topic Reports for the years 2019–2024.

Young women continue to face greater challenges in accessing education, employment, or training opportunities. The highest NEET rates occur among women aged 18–19 years (52.3 percent) and 20–24 years (50.4 percent). One possible reason might be that these women are in prime child-bearing ages, and pregnancy and childbirth tend to take them out of education and employment. NEET rates tend to be significantly higher for young women than for young men, and NEET status is a much more permanent situation for young women than for young men. These considerations along with findings from the ILO suggest that enrolling young people in out-of-school or tertiary programmes (e.g., TVET programmes) may be warranted to facilitate their labour market participation. However, young women tend to find ways to improve on the incidence of NEET as they move to the 'older' youth group, whereas the situation actually worsens for young men over the same

TABLE 25: Youth (15–35) not in employment, education or training by age group and sex, Q1 2024

	NEET			Total Youth Population			NEET Rate (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15–17	15,827	13,364	29,191	66,746	64,600	131,346	24.5	18.6	21.6
18–19	18,208	18,036	36,244	43,105	37,818	80,923	56.3	49.0	52.9
20–24	46,940	53,951	100,891	101,173	98,273	199,446	46.3	48.1	47.2
25–29	26,169	47,100	73,269	90,616	96,258	186,875	41.7	46.2	44.0
30–34	30,762	37,902	68,663	93,019	105,338	198,358	39.1	44.2	41.8
35	5,380	8,455	13,835	16,644	16,407	33,051	32.6	42.1	37.3
Total	143,286	178,808	322,094	411,304	418,694	829,998	40.6	42.0	41.3

Source: Statistics Botswana (2024). Quarterly Multi-Topic Survey: Labour Force Module Quarter 1, 2024.

TABLE 26: Proportion of youth (aged 15–24) not in education, employment or training (SDG indicator 8.6.1)

Sex	2006	2009	2019	2020	2021	2022	2023
Total	42.3	35.7	32.0	37.1	35.2	37.0	37.6
Female	48.0	42.3	34.8	39.3	40.2	40.4	40.4
Male	36.1	28.8	29.2	35.1	30.1	33.7	34.8

Note: Source for 2006 is Labour Force Survey, for 2009 is HS—Core Welfare Indicators Survey, Poverty, since 2019 HS—Multi-Topic Household Survey. Break in series in 2019, methodology revised.

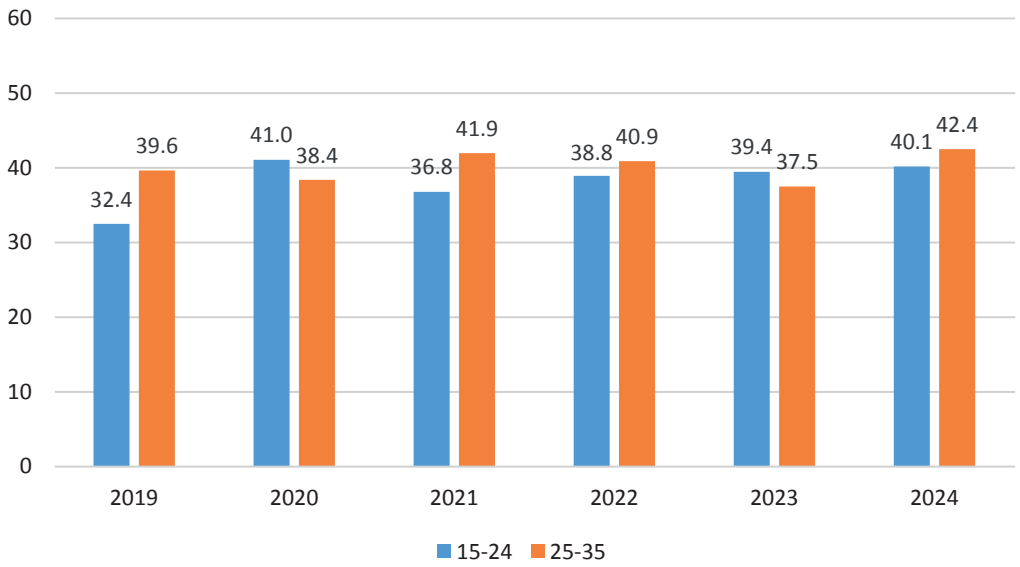
time period. This might be explained by the overlap of NEET and 'discouraged jobseekers' categories when both are applied to 'older' youth.

The data on the proportion of youth (aged 15–24) NEET in Botswana shows the persistent challenges over the years. Overall, the total NEET rate has gradually decreased from 42.3 percent in 2006 to 37.6 percent in 2023, indicating a slight improvement in youth engagement in education or work. However, gender disparities remain prominent. Female youth consistently show higher NEET rates than their male counterparts, with the female rate dropping from 48.0 percent in 2006 to 40.4 percent in 2023, whereas the male rate decreased from 36.1 percent in 2006 to 34.8 percent in 2023. This suggests that while both genders have seen improvements, young women continue to face greater challenges in accessing education, employment, or training opportunities. The increase in NEET rates in 2020 could likely be attributed to the disruptions caused by the Covid-19 pandemic, affecting both male and female youth engagement in these areas.

'Young' youth and 'old' youth NEET

It is worth looking closer at the NEET rate for the two groups of youth, younger and older. Unlike unemployment, the gap between the two is not big and oscillates over the years in favour of one or the other group (Figure 24). Most probably, this is due to the different meaning of NEET in the case of the 'younger' youth as opposed to the 'older'. For the former, it most probably denotes a yet incomplete transition from education to employment, while in the case of the latter it has a considerable component of discouraged workers.

FIGURE 24: 'Young' youth vs. 'old' youth NEET, 2019–2024



Source: Statistics Botswana, Multi-Topic Reports for the years 2019–2024.

Drivers of youth unemployment

Skills mismatch

High youth unemployment is attributed to three main challenges on the labour supply-side: the quality and relevance of the education system in providing youth with the necessary skills for productive employment, the resulting mismatches created between the demand for and supply of skills in the labour market, and implementation weaknesses inherent in the Government's labour supply-side public programmes targeting youth employment. Indeed, major constraints to youth employment have been a perceived skills mismatch, low levels of transferable, employable, or soft skills, and the lack of work experience among the country's youth.[85] This has been a long-standing, pervasive issue for Botswana. Drawing on interviews of CEOs, managing directors and other senior executives of industry sectors, Grant Thornton's 2013 International Business Report noted that the greatest challenges that Botswana faces concerning unemployment, in rank order, were shortage of specific or technical skills, lack of work experience, lack of required qualifications, shortage of employability skills and poor motivation or attitude among applicants.[86]

Youth unemployment in Botswana arises from a combination of a shortage of jobs, skills gaps, and skills shortages. On the one hand, there are not enough formal sector jobs created each year to match the number of completers/graduates of the secondary and tertiary education sub-systems. On the other hand, for many of the formal jobs that are available, graduates lack

BOX 15: Skills mismatch

Individual-level skills mismatch can arise for a number of reasons:

A vertical mismatch—this occurs when workers are:

- Overeducated—workers have a level of education above that required for a job.
- Over-skilled—workers possess more skills than their current job requires.
- Undereducated—workers have a level of education below that required for a job.
- Under-skilled—workers' current skills do not meet the demands of the job.

A field of study (horizontal) mismatch—workers are employed in jobs that are not relevant to the skills and knowledge they have accumulated in formal education.

- Skill obsolescence—workers' skills become obsolete due to ageing which depreciates certain manual skills (physical obsolescence); technological or economic change, which renders certain skills unnecessary (economic obsolescence); or the underutilisation of skills (skills atrophy—a critical side effect of being unemployed for a prolonged time).

Firm-level skills mismatch occurs in the form of:

- Skill gaps—workers lack the skills necessary to perform their current job roles. Skill gaps may negatively impact the firm-level productivity and profitability due to lower output per worker and cost incurred on additional training and recruitment investments.

- Skill shortages—employers are unable to fill key vacant posts due to a lack of suitably qualified candidates. They have unfilled and hard-to-fill vacancies. Skill shortages may lead to skills gaps when organisations are forced to allocate inadequately skilled (existing or new) workers into the unfilled positions.

Source: McGuinness, S., Pouliakas, K., & Redmond, P. (2018). Skills mismatch: Concepts, measurement and policy approaches. Journal of Economic Surveys, 32(4), 985–1015. doi: 10.1111/joes.12254

85 Government of Botswana (2018). Diraditsile, L., Nthomang, K. (2016). Improving youth employment in Botswana: The need for evidence-based policy and programme development; Nthomang, K. Improving Youth Employment in Botswana: The Need for Evidence-Based Policy and Programme Development, Mosenodi: Journal of the Botswana Educational Research Association, 19(1 &2), 45–55.

86 Baatweng, V. (2015, March 29). Botswana graduates: Unemployed or unemployable? Sunday Standard. Gaborone.

TABLE 27: Student placement in the grant/loan scheme 1995–2007

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Botswana	1,320	3,283	3,698	3,784	4,374	5,556	6,054	6,232	6,495	5,953	5,490	5,511	15,451	73,201
South Africa	2	20	36	196	177	399	4,782	3,304	1,765	1,605	1,664	1,563	1,373	16,886
Other Countries	173	294	381	818	402	415	662	448	404	403	345	648	1,333	6,726
Total	1,495	3,597	4,115	4,798	4,953	6,370	11,498	9,984	8,664	7,961	7,499	7,722	18,157	96,813

Source: Evaluation Services Team—Botswana [BEST] (2009). Review of the Grant/Loan Sponsorship Scheme of the Department of Student Placement and Welfare, Ministry of Education, Republic of Botswana.

the necessary experience, skills and training. There are therefore considerable mismatches between the demand for and supply of skills in Botswana's labour market. Unemployment due to skills gaps is prevalent among youth with lower levels of education as well as among the higher educated. Skills gaps have become prominent due to quality and relevance challenges occurring within the secondary education, tertiary education, and technical and vocational education and training sub-sectors, and to information and planning asymmetries that lead educational institutions in these sub-sectors to provide education and training in fields of specialisation that are not in demand on the labour market.

Skills gaps became particularly evident after the Government awarded thousands of scholarships for internal and external studies for an extended period in the late 1990s and 2000s, that were more reflective of individual students' choice of programme area than national priority areas. The Government introduced the Grant/Loan Scheme (GLS) in 1993 as a sponsorship and loan scheme to encourage tertiary students to enter areas where there were scarce skills, e.g., medicine, engineering, and science fields (Category 1 in the GLS). The awarding categories ranged from 1–5 where Category 1 covered the sciences, medicine, and engineering and other scarce skill disciplines; Category 2 included disciplines such as economics, town planning and agricultural science; Category 3 included law, journalism, social work, and psychology; Category 4 covered disciplines of lower priority like sociology, philosophy, and physical education; and Category 5 covered cosmetology, photography and performing arts.[87]

As Table 27 indicates, Botswana sponsored just under 100,000 persons for internal and external studies within the first 15 years of the scheme's existence. However, by 2008, only 8.7 percent of scholarships were awarded in Category 1; 55.1 percent were awarded in Category 2; 27.5 percent awarded in Category 3; 8.3 percent awarded in Category 4; and 0.4 percent awarded in Category 5. Not surprisingly, transition into the labour market was difficult for a large number of graduates.

Skills shortages

Youth unemployment is also caused by skills shortages. The Education and Training Sector Strategic Plan (2015–2020) noted that the shortage of appropriately skilled labour at all levels and across all sectors has been a major impediment to achieving national development goals, and a significant increase in productivity has not been achieved.[88]

Lack of work experience has also been a distinguishing feature among the country's youth labour force. Young people find themselves in a catch-22 situation as they seek to transition to the labour market. On the one hand, new secondary school completers and tertiary education graduates are unable to acquire work experience because they cannot find a first job; on the other hand, they cannot find a job because they cannot meet the work experience requirements posted for vacant positions.[89] Furthermore, when many remain unemployed for an extended period of time, they drift even further from accumulating the necessary work experience while their skills atrophy.

87 Evaluation Services Team—Botswana [BEST] (2009). Review of the Grant/Loan Sponsorship Scheme of the Department of Student Placement and Welfare, Ministry of Education, Republic of Botswana.

88 Government of Botswana (2015). Education and Training Sector Strategic Plan (2015–2020). Government of Botswana.

89 Nthomang, K., Diraditsile, K. (2015). Youth unemployment in Botswana: Understanding the journey travelled so far. OSSREA POLICY DIALOGUE PAPER. 23 June 2015, University of Botswana.

Botswana's public sector-led development model is a contributor to youth unemployment on the supply side. The public sector is the main employer of formal workers in Botswana, employing a significant portion of the formal labour force, and offering attractive wages, job security, a pension plan, and other benefits. Education policies at the secondary and higher education levels have been biased towards preparing students in areas that serve the already too large public sector rather than those in demand in the private sector.[90]

The skills deficit among Botswana's youth extends to 'soft skills' and entrepreneurial skills. The perception exists that Botswana's youth lack employable, transferable cognitive and noncognitive skills (e.g., literacy, numeracy, problem-solving, communication and negotiation, business mindset and personal agency) at the level required for productive work. Students exiting the education system at secondary education and higher levels also leave without exposure to the knowledge and skills of starting and running a business, as an alternative to working in a formal sector job. Entrepreneurship is not taught across the Basic Education curricula and only one public Tertiary (higher) Education institution has embedded entrepreneurship across its programmes.

The skills gaps and shortages among Botswana's youth pose a challenge for the country's future development.

The skills gaps and shortages among Botswana's youth pose a challenge for the country's future development. Addressing this challenge is therefore an urgent imperative, particularly to meet the skills requirements that form the basis of the country's NTS 2023–2030. The NTS adopts a sector-based approach towards the country's sustainable economic development. Eight impactful sectors have been prioritised to assist the country achieve increased global competitiveness. The sectors are Mining, Tourism, Agriculture, Manufacturing, Transport and Logistics, Trade, Sports and Creative Industries, and Financial, Real Estate and Business Services.

Given current youth skills shortages and gaps, local and external training will have to be undertaken to generate the skills needed for the prioritised sectors and occupations.

Conclusions

Unemployment is higher among youth and varies across the country, leading to labour mobility. Unemployment and youth unemployment in Gaborone and Francistown are below national levels, but rates in Ngamiland are high suggesting that, despite enterprise concentration there, it is not yet yielding enough employment to match labour supply. Ngamiland has gained population above the national rate of population growth suggesting that people move there in expectation of jobs. People also move to Kweneng potentially to work in the Gaborone conurbation. Such movement is especially likely for youth who feel the greatest unemployment pressure and naturally find it easier to be mobile.

Botswana is still quite rural. The 'headline' urbanisation rate of 73 percent does not tell the full story and is not comparable to urbanisation rates in other countries since it includes the population of the so-called urban villages. These are classed as urban areas but, in the 2021 census, all fell short of the 100,000 population which, as a rough indicator, is the minimum population needed to obtain urban economic benefits. At this population and above, there are likely to be sufficiently thick consumer markets (i.e., many buyers and sellers) and thick labour markets (many job openings and job seekers) to make firms wish to locate.

In 2021, only Gaborone and Francistown had populations above 100,000. This contrasts with South Africa which has 54 towns and cities of 100,000 or more and Türkiye which has 76 (of course with much higher total populations), while Gabon and Namibia also each have two cities each with this population size.

This means that Botswana is less urban than it first appears. This is important since staying rural comes at a cost. This is partly in terms of low agricultural labour productivity which in turn keeps rural wages low. Labour movement out of agriculture forces farms to mechanise, with mechanisation raising labour productivity and rural wages (which also rise with seasonal labour shortages). Mechanisation is also critical for achieving SDG target 2.3 to double agricultural productivity. The SDGs do not define for which factor of production productivity will be doubled. The associated indicator is average income which could be raised by labour productivity increases through mechanisation since labour productivity increases transmit into wages. It is unlikely to be achieved by higher land productivity alone.

90 World Bank (2012). Raising Botswana's human resource profile to facilitate economic diversification and growth. Policy Note 1. World Bank.

BOX 16: National Settlement Policy in Botswana

"In 1998, Botswana adopted the National Settlement Policy which provides a set of guidelines for national physical planning. It also provides a framework to guide the distribution of investment in a way that reflects the settlements' population size, economic potential, level of infrastructure and settlements' role as service centres. The policy aims to reduce the rate of migration to towns by planning for the provision of similar levels of infrastructure and services to villages on the same hierarchical level as towns, with provision of incentives for local job-creating activities in rural areas and villages and improving access to loans and financial resources to rural areas and villages."

Source: Permanent Mission of the Republic of Botswana to the United Nations (2016), Statement of the Ambassador and Permanent Representative of the Republic of Botswana to the United Nations 41st Session of the UN Commission on population and development.

Reducing implicit barriers to migration from rural areas

Countries everywhere experience rural-urban migration as people move from rural areas to take up jobs in towns and cities. They do this because they cannot find a job in rural areas and/or the wages are much lower in rural areas and/or they have better services in urban areas. The economy also benefits when people leave agriculture for a job in other sectors (which could also be in the non-farm rural economy), since labour productivity increases. Except where there is extensive mechanisation, agriculture always has lower labour productivity than other sectors and the lowest wages. A high rate of mechanisation implies a much lower demand for labour. There is evidence that Botswana has very low agricultural productivity in the traditional (i.e. non-commercial) sector.

Governments nonetheless often feel uncomfortable about rural-urban migration. They fear that it will lead to urban marginalisation[91] (which, as noted, is not the case in Botswana) and that agriculture will be short of labour. The latter is often true, particularly in the peak seasons (planting and harvesting). Labour shortages drive up wages and encourage mechanisation.

In response, governments (including Botswana's—see Box 16) use measures to keep people in rural areas. These usually do not work since people still want the better life and higher wages available in urban areas for themselves and for their children. They implicitly calculate a present value of the gains of moving with a long-term perspective, thereby considering their children's earnings and access to services.

Migration is not always to the capital or other big cities but can be to secondary and tertiary towns and larger villages if these offer better employment opportunities and better services than the countryside. There are pronounced economies of scale in providing services in urban areas, while services in rural areas often lack the necessary skills since people with skills move to take up jobs in the towns. In short, the supposed benefits of keeping the population disbursed are likely to be smaller than expected and the policy is costly.

Countries everywhere experience rural-urban migration as people move from rural areas to take up jobs in towns and cities.

Boosting productivity in the agricultural sector

Mechanisation on small farms in Botswana is held back by the limited affordability of farm machinery and the infeasibility of using large machines on small and fragmented plots. In other countries (India is an example), machinery manufacturers have responded by manufacturing smaller machines suitable for small farms

91 More than half the developing world's governments surveyed in 2005 by the UN Population Division expressed a desire to make major changes to the spatial distribution of their populations. Almost three-quarters of developing country officials expressed a strong desire to implement policies to reduce migration into urban areas or to take actions to reverse rural-urban migration trends. See World Bank (2009). Reshaping economic geography.

and small plots. There are also machinery contracting services emerging in Africa.[92]

Mechanisation is easier and more financially feasible on larger farms but few low- or middle-income countries

Food security, they say, will be provided by commercial grain production and grain buffer stocks and long-term supply contracts.

have a policy of preferring large farms over small. This seems to be a political choice because small farms act as a social safety net. Governments are also nervous about labour release from agriculture. This would happen if small scale agriculture was generally replaced by large farms although any such transition is likely to be gradual.

Policy on farm size depends on a resolution of the long-lasting debate between smallholder optimists and smallholder pessimists.[93] The smallholder optimists say that smallholders will remain the focus of farming in low- and middle-income countries and that their income can be boosted by linking them into supply chains and, in some cases, to value chains. The optimists also argue that smallholders are essential to food security. There is also sometimes an element of nostalgia in that smallholder agriculture is seen as an important heritage that cannot be lost without damaging perceived notions of the nation ("we are a farming people").

In contrast, smallholder pessimists say that smallholder farming will gradually fade away because it offers very low incomes due to low labour productivity. They argue that maintaining smallholder agriculture is expensive because of the high cost of subsidies and that their linkage in supply and value chains is infeasible since they individually produce little, at inconsistent quality, and so do not have the bulk to interest aggregators or processors. Cooperatives of small farmer have largely not corrected this and are unlikely to do so unless they consolidate into larger units (to raise economies of scale) and install professional management. Larger farms could emerge through consolidation since while tribal land cannot be sold, it can be transferred or leased with the Land Board's consent.[94]

Food security, they say, will be provided by commercial grain production and grain buffer stocks and long-term supply contracts. Traditional agriculture also remains an almost entirely untaxed sector, and the Government can expect little or no tax revenue from expenditure on traditional agriculture and hence will eventually move to limit public expenditure in this area.

Botswana has recently shifted from smallholder pessimism in the NTS to smallholder optimism in the November 2024 State of the Nation address to Parliament. The NTS states "Agriculture is a potential growth sector, and the strategy seeks to move the country towards commercial agriculture and scaled production." The NTS will promote commercial agriculture, move away from highly subsidised, fragmented and subsistence agriculture, and re-organise the agriculture sector to realise the potential for high economic impact in job creation. In contrast, the State of the Nation address speaks of modernising agriculture and improved food security while expressing support for smallholders ("We will ensure that smallholder farmers have access to the resources, training, and financing they need to succeed. Supporting rural farmers will be key to improving livelihoods, increasing food production, and reducing poverty in our rural communities"). No definition is given of what smallholders 'succeeding' will look like.

Given that agriculture is seen as a priority sector for industrial policy in Botswana, resolving this ambiguity is important. Botswana has larger commercial farms which, with the right policies, could grow and create wealth, but will not create significant additional employment and indeed may well lose jobs as mechanisation progresses. It is notable that there have been major investments in large scale citrus production, like the Selibe Phikwe Citrus Plantation.

The exception to the cost of staying rural are people in city regions. These are combinations of an urban centre linked to peri urban areas and a rural hinterland, with the city exerting economic influence on surrounding areas roughly up to about one hour's travel time away (one hour is generally the most that people are willing to commute to work). People travel into work in the city from surrounding areas and buy things made or retailed

92 HelloTractor blog. Tractors for Africa project.

93 Wiggind, S. (2009). Can the smallholder model deliver poverty reduction and food security for a rapidly growing population in Africa? FAC Working Paper No. 08 July 2009.

94 Land Boards derive their mandate from the 2018 Tribal Land Act and are responsible for management of tribal land.

BOX 17: City region transport funding, UK

The new City Region Sustainable Transport Settlement in the United Kingdom, which is an unprecedented investment in local transport networks, is a major driver for significant change. New money is at the core of this fund and should allow city regions to commence transformational change. This money will allow city regions much more flexibility to decide and develop long-term strategies that integrate all their local transport priorities. These settlements could be used to develop mass transit networks and sustainable transport options, open up new areas of the region for employment, leisure and housing, and create real innovation in transport to solve problems.

Source: https://www.gov.uk/government/publications/city-region-sustainable-transport-settlements-developing-proposals/city-region-sustainable-transport-settlements-guidance-for-mayoral-combined-authorities.

locally, thereby increasing demand in urban areas. This leads to firm growth which then increases demand for labour and raw materials from the surrounding areas, while the urban population uses the adjacent areas for recreation. Making it easier and quicker to travel into and out of the core urban area through better roads or public transport increases the size of the city region, with this an explicit policy in some countries.

People living in the rural hinterland of city regions can be regarded as less rural than those living much further away. They can commute and access urban services, as well as use shops and services. In this way they participate in and benefit from the urban economy to a much greater extent than people can in more remote rural areas.

Gaborone probably exerts economic influence on the surrounding districts including the neighbouring towns and cities within one hour's travel.

Gaborone probably exerts economic influence on the surrounding districts including the neighbouring towns and cities within one hour's travel. These include Tlokweng, Ramotswa, Lobatse, Molepole, Mochudi and Mogoditshane (the largest of the urban villages). These surrounding districts and towns together can be regarded as the Gaborone city region.

Reform of state-owned enterprises

Botswana has made little progress in privatisation. In many countries, privatisation of companies in the competitive sectors has occurred and, despite the capture of considerable resources by the well-connected, has led to an inflow of domestic and foreign capital. One measure of success is that the process (with a few exceptions) has not been reversed in any country. Only a few privatised firms have been renationalised after privatisation in former socialist countries, and where this happened (for example in the Czech Republic in the case of a former state-owned bank), renewed state ownership was temporary. On a related note, there are now moves to reverse some privatisation in OECD countries, particularly for natural monopolies.

State-owned enterprises are not doing well in Africa and hence it is unsurprising that their future is in doubt. Some 40 percent of those surveyed recently were found to be unprofitable, and larger ones tend to be illiquid and overleveraged.[95] Some have found ways to operate efficiently even under difficult economic conditions, generating profits and cash flows that pre-empt the need to borrow, whereas others perform poorly despite operating in a favourable environment. Poor performance by state-owned enterprises coupled with their privileged access to bank lending has knock-on effects, exposing banks to credit and liquidity risks, which lead to cash flow problems threatening bank soundness. Soft budget constraints are common and allow state-owned enterprises to out-compete private competitors and to dampen incentives for new competing firms to emerge.

95 Wezel, T., Carvalho, N. (2022). The Financial Performance and Macrofinancial Implications of Large State-Owned Enterprises in Sub-Saharan Africa. IMF working papers.

BOX 18: Statement in the 2025 budget speech on state-owned enterprises

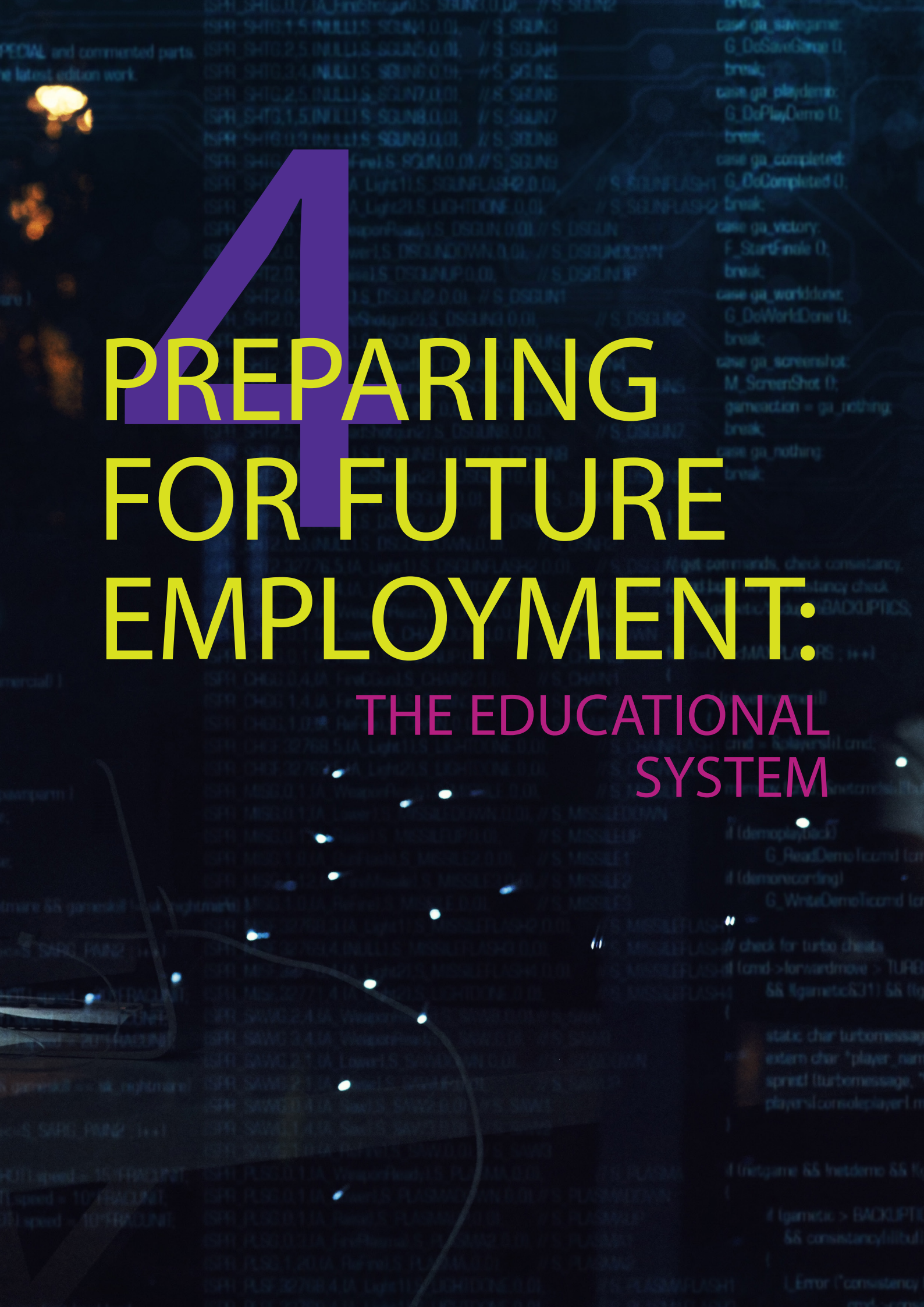
"It is high priority in our agenda to ensure value for every pula allocated to SOEs by transforming them into high performance organisations that fully deliver on their mandates. We intend to pay delicate and special attention to our SOEs with a view to bring out the best in them, and to use them as a lever to significantly reduce costs of doing business in the new Botswana. We are also determined to transform our SOEs into engines of wealth creation for the larger population by reconfiguring and up-scaling some of them into becoming truly global players. Our posture also leans towards curtailing gross wastage and duplication that takes place at some of these enterprises."

This makes statements about state-owned enterprises in the budget speech appear highly ambitious (see Box 18) since state-owned enterprises elsewhere have consistently underperformed. The waves of privatisation in the OECD countries from the early 1980s onwards and

Slow progress in the reform of Botswana's state-owned enterprises and the effective cessation of privatisation suggests that the Government has not had the political will to push forward the reform and privatisation programme.

in the former socialist world from 1990 onwards were because state-owned enterprises provided a markedly poor service to consumers, absorbed substantial budgetary resources, were a source of patronage, and crowded out the private sector. It is yet to be seen whether Botswana's state-owned enterprises will behave differently.

Slow progress in the reform of Botswana's state-owned enterprises and the effective cessation of privatisation suggests that the Government has not had the political will to push forward the reform and privatisation programme. This may be because there was no imminent financial pressure given the availability of funds from the Government Investment Account or there were vested interests that moved against privatisation. It may also be because of notions of a prominent state role in national development remain strong in Botswana, as well as an instinct to directly regulate. Whatever the reason, there are no references to privatisation in either the recent State of the Nation address or the February 2025 budget speech, suggesting that it is not a priority.



4 PREPARING FOR FUTURE EMPLOYMENT:

THE EDUCATIONAL SYSTEM

This chapter examines the performance of the educational system—to what extent it prepares the young people for their future employment. It provides an overview of the education system and assesses the quality and relevance of the education system in aligning with market demand and preparing youth with the necessary skills for the education-to-work transition and productive employment. The chapter also provides an indication of where gaps in educational and skills development offerings exist that need to be addressed to improve youth employability.

The tertiary education sub-sector includes 4 public universities, 8 private universities, 4 technical colleges, 4 vocational training colleges and 36 brigades.

The education sector comprises several sub-sectors: Basic Education (Primary and Secondary) and Tertiary Education (Higher Education and TVET). The administration and provision of Basic Education and Tertiary Education are the remit of the Ministry of Child Welfare and Basic Education, and the Ministry of Higher Education, respectively. Botswana provides ten years of free and compulsory Basic Education from primary to junior secondary school in public schools, with cost-sharing fees introduced for secondary education.

Secondary education consists of five years in Botswana: three years of junior secondary school (ages 13–15) and two years of senior secondary school (ages 16–17). Secondary schools operate as government-owned schools managed by the Ministry of Child Welfare and Basic Education, government-aided or mission schools run by religious institutions (the Roman Catholic Church and United Congregational Church of Southern Africa in partnership with the Ministry, or private schools owned by individuals or companies. On average, about 92 percent of school-age children attend public secondary schools, 2 percent attend government-aided schools and 6 percent attend private schools. 207 junior secondary and 34 senior secondary schools are under the purview of the Ministry of Child Welfare and Basic Education. English is the language of instruction in secondary education.

In Botswana, tertiary education comprises both higher education and TVET. The Botswana Qualifications Authority (BQA) Act, 2013 (p. A.361) defines tertiary education as "a programme which is offered beyond senior secondary education, including technical and vocational education and training (TVET), through to advanced research qualifications, which has been accredited by the Authority or by a competent authority in the country from which the programme is offered." The tertiary education sub-sector includes 4 public universities, 8 private universities, 4 technical colleges, 4 vocational training colleges and 36 brigades.

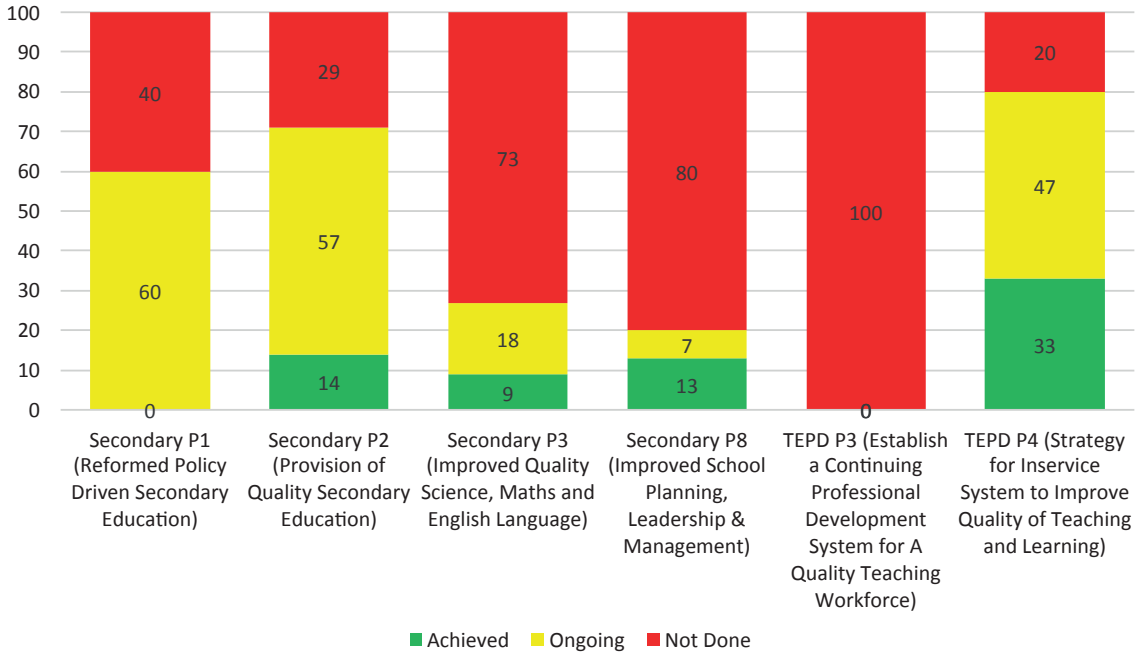
The education sector is regulated by the BQA and the HRDC. The BQA provides for and maintains the National Credit and Qualifications Framework (NCQF) and coordinates the education, training, and skills development quality assurance system, from early childhood to tertiary level (lifelong learning). The mandate of the HRDC is to provide policy advice, coordinate the implementation of the National Human Resource Development Strategy (NHRDS), develop National Human Resource Development Plans, and advise on tertiary education financing and workplace learning.

Botswana's Vision 2036 and its complementary NTS seek to increase the share of trained workers in the workforce to 42 percent and lower the unemployment rate to 5 percent, by 2036. Strong political will exists to transition the country from a natural resource-based to a knowledge-based economy by investing in the education system. As a result, the education sector receives large shares of the country's annual recurrent budgets. In 2024, the sector received P15.54 billion or 24.4 percent of the recurrent budget. In 2025, the Ministry of Child Welfare and Basic Education received P11.68 billion or 17.7 percent, the Ministry of Higher Education received P4.66 billion or 7.1 percent, for a combined allocation of P16.31 billion or 24.8 percent of the recurrent budget. However, despite the significant financial support, evidence suggests that the education system is not aligned with the labour market, and education investments were not as efficient as originally envisaged.

Origin of youth unemployment: The challenges the education system currently faces

Botswana faces challenges in ensuring its education system provides quality education that is also relevant to the needs of the labour market. These challenges are, in part, responsible for the skills mismatch and the high unemployment situation experienced by the country's young men and women. The Government's

FIGURE 25: Implementation of ETSSP Quality and Relevance Programmes 2022



Source: Ministry of Child Welfare and Basic Education (2022). Joint Annual Education Sector Review 2022.

response has been to implement a series of policies, plans, and strategies to address those challenges. For example, the 2009–2022 NHRDS sought to address the quality of education and training and the skills mismatch challenges, and included the registration of graduates trained on programmes deemed as not relevant to the labour market, accompanied by a re-tooling and re-skilling programme to develop market-relevant skills. The NHRDS has since expired, and a replacement is yet to be developed.

The Education and Training Sector Strategic Plan (ETSSP 2015–2020) is the guiding strategy being pursued for the education sector. The Government continues to implement the Strategic Plan despite its planned end-date having been reached. The ETSSP seeks to achieve key policy goals related to improving access, quality, inclusion, equity, accountability, and governance in the education system. However, five years after its expiry year, it is evident that meaningful results in terms of education quality and relevance will not be forthcoming from the plan. Figure 25 indicates the low level of achievement in 2022 of milestones set for education quality and relevance.

The Government continues to implement the Strategic Plan despite its planned end-date having been reached.

Secondary education

The secondary education sub-sector performs below expectation in its efforts to prepare young people for their future employment, with youth unemployment being highest among those who complete only secondary school. Unemployment data, however, is not disaggregated for lower vs. upper secondary education or those with a Junior Certificate (JC) vs. a Botswana General Certificate of Secondary Education (BGCSE) qualification, which blurs the picture. At the same time, ample evidence exists that lower secondary education does not equip young people with the skills necessary for decent jobs.

BOX 19: Skills for decent employment—lower secondary vs. upper secondary education

Evidence from international organisations highlights significant disparities in employment outcomes between lower and upper secondary education levels. The ILO notes that youth with lower secondary education or less face higher rates of underqualification in semi-skilled occupations, particularly in technical/vocational roles requiring upper secondary qualifications. Informal employment is more prevalent among this group, with negative wage premiums and lower job satisfaction compared to formally employed peers. The World Bank emphasises that upper secondary education better equips learners for evolving labour markets through advanced skills and adaptability. UNICEF identifies systemic issues: lower-educated youth face prolonged job searches (average 17 months for first employment) and limited access to formal opportunities in economies dominated by informal sectors. Upper secondary education mitigates these challenges by more closely aligning skills with formal sector demands.

Source: ILO (2023), Youth skills: tackling challenges and seizing opportunities for a brighter future of work; Yidan Wang (2012), Education in a Changing World: Flexibility, Skills, and Employability; UNICEF (2019), Unpacking School-to-Work Transition Data and evidence synthesis

Secondary education (and upper secondary in particular) is not aligned with labour market needs, despite serving as an exit point to the labour market. The misalignment arises from persisting challenges faced by the sub-sector in terms of declining standards in the quality and relevance of teaching and learning, limited resources, and shortfalls in the provision of foundational core skills that employers require, all of which hinder the transition of youth from secondary education to employment.[96] Critical indicators of the effect these challenges have in shaping youth post-secondary outcomes are the pass rates and points distribution of secondary education's exit-level examination, and the enrolment, transition, and dropout rates at the senior secondary education level.

Educational results

Botswana's performance in the international Trends in International Mathematics and Science Study (TIMSS) provided the Government with an early indication of the quality issues characterising the secondary education sub-sector. Botswana participated in TIMSS in 2003, 2007, 2011, and 2015. These assessments help estimate how many Grade 8 students are able to attain various performance standards in Mathematics and Science. The results were poor for a country with Botswana's level of GDP per capita. According to TIMSS, achievements by Botswana's eighth grade students in the first two TIMSS cycles were not satisfactory, with a mean performance (out of 1000) of approximately 364 in mathematics and 354 in science, and with approximately 68 percent of eighth grade students failing to reach the 'Low' International Benchmark. The situation did not improve in 2011 and 2015, as Table 28 shows. Analyses conducted by TIMSS identified the following background factors as negative indicators of Botswana's achievement in mathematics and science:

- Pedagogical issues, such as the availability of resources, teacher effectiveness, and student motivation and aspirations.
- Curriculum issues, such as proficiency in English, an imbalance in cognitive areas in the curriculum, and urban-rural disparities.
- Social and environmental context, such as the lack of parental involvement in children's learning, teacher absenteeism, lack of access to preschool, and imbalances in performance by gender (i.e., girls performing significantly higher than boys).
- Teaching and learning resources, such as urban-rural disparities in the provision of resources and lack of well-resourced libraries.
- Students were not able to apply Higher Order Thinking Skills (HOTS), such as critical thinking and problem-solving in mathematics or science.

TIMSS noted that the recommendations from their reports were never consolidated into interventions by the relevant Ministry.

96 Government of Botswana (2015). Education and Training Sector Strategic Plan (2015–2020). Government of Botswana.

TABLE 28: Botswana's performance in TIMSS. Percentage of Grade 8 students reaching TIMSS international benchmarks

International benchmarks	Mathematics		Science	
	2011	2015	2011	2015
Advanced	0	0	1	0
High	2	2	6	5
Intermediate	15	16	26	23
Low	50	47	55	51

Source: TIMSS (n.d.). Botswana: Use and impact of TIMSS. Retrieved from https://timssandpirls.bc.edu/timss2015/encyclopedia/countries/botswana/use-and-impact-of-timss/

Students' annual performance at the national exit-level BGCSE Examinations provides the most direct evidence of the weakness of the senior secondary education system in preparing youth for employability and employment. Only 31.35 percent of the 2024 BGCSE candidates attained Grade C or better; a decline from 32.3 percent achieved in 2023. Over the last decade, the overwhelming majority of BGCSE completers on average have attained Grades D or below in the core subjects of Mathematics (over 70 percent of candidates), English Language (over 80 percent), Science Single Award (90 percent) and Science Double Award (80 percent). While performance for government-owned or -aided schools have been higher than that for private schools and centres, nationally the proportion of candidates awarded Grade C or better in the best six syllabuses has declined from 14.5 percent in 2016 to 12.9 percent in 2021 and 10.5 percent in 2023.

While performance for government-owned or -aided schools have been higher than that for private schools and centres, nationally the proportion of candidates awarded Grade C or better in the best six syllabuses has declined from 14.5 percent in 2016 to 12.9 percent in 2021 and 10.5 percent in 2023.

Table 29 indicates the distribution of the 2024 BGCSE results based on a point system. The Department of Tertiary Education Financing will sponsor undergraduate studies for students attaining the top tier of BGCSE points (that is, 38–48 points). Through a grant/loan scheme, the Government sponsors around 70 percent of tertiary education students annually, studying at local public and private institutions and accredited external institutions. In August 2024, sponsorship was provided to 37,345 students studying locally (up from 28,235 students in 2022) and 591 students studying abroad.

At risk for poor labour market outcomes and unemployment are the 24,370 students (66 percent of the cohort) who attained below 30 points at the 2024 BGCSE examinations.

TABLE 29: 2024 Results, Botswana General Certificate of Secondary Education

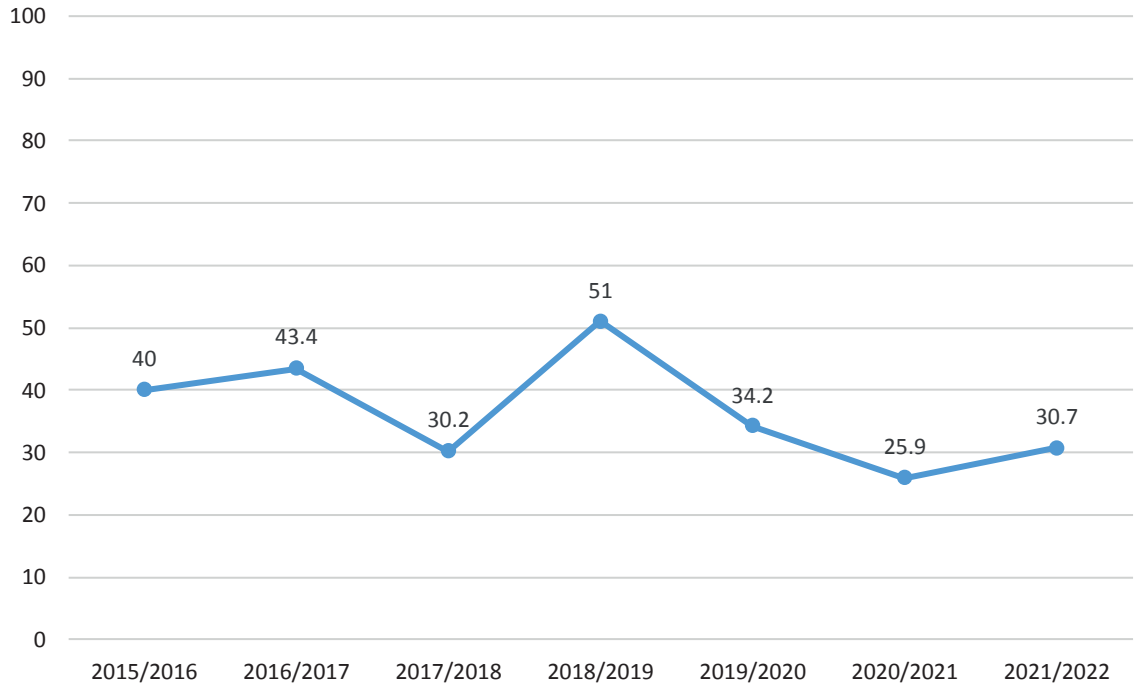
Points	Number of Students	Percentage Share (%)
48	152	0.4
36–47	6,369	17.3
30–35	6,026	16.3
24–29	4,516	12.2
0–23	19,854	53.8
Total	36,917	100

Source: Botswana Examinations Council (2025). Botswana General Certificate of Secondary Education: 2024 Summary of Provisional Results. BEC.

Low transition rate to tertiary education

Poor BGCSE performance necessarily has a domino effect on the number of students transitioning from secondary to tertiary education. The transition rate has been below 35 percent for the last five years (see Table 33). In the academic year 2021/2022, 11,204 students were registered as first-time entrants into higher education, representing 30.7 percent of the 2020 BGCSE's cohort of 36,667 students (Figure 26). More recently in 2025, only 6,521 students (or 17.6 percent of the 2024 cohort) qualified for entry into tertiary education based on the points system.

FIGURE 26: Transition rates from secondary to tertiary education



Source: Human Resource Development Council (2022). Tertiary Education Statistics 2022. HRDC.

Low enrolment and transition rates between junior and senior secondary education

The Net Enrolment Rate (NER) for secondary education and the transition rate between junior and senior secondary education signal that youth participation in secondary education and the effectiveness of policies and strategies to retain them in school are less than desired. The NER in secondary education is 71 percent, up from 62 percent in 2022. However, the rate has remained well below the 97 percent enrolment rate for primary education, an indicator that not all students complete the 10 years of basic education (see Table 30).[97] On average, about half of primary school entrants' complete secondary education.

The NER in secondary education is 71 percent, up from 62 percent in 2022.

TABLE 30: Secondary education statistics, 2022

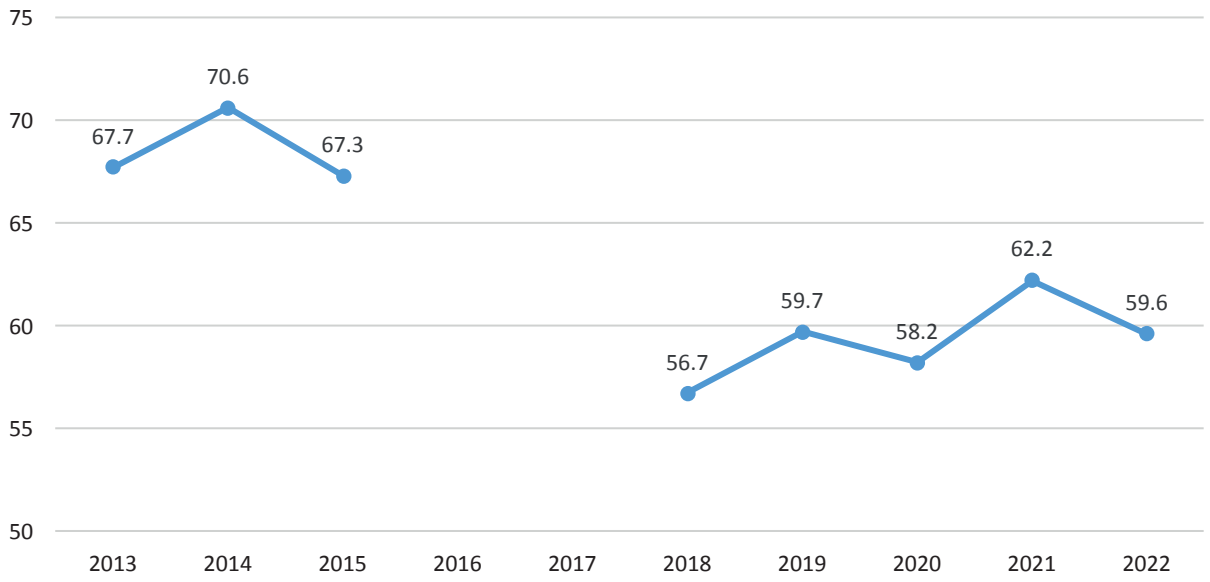
Total Enrolment	192,151
Male Enrolment	48%
Female Enrolment	52%
Gross Enrolment Rate (13–17 years)	72%
Net Enrolment Rate (13–17 years)	62%
Transition Rate	59.6%
Literacy Rate (15–65)	90.0%

Source: Statistics Botswana. https://www.statsbots.org.bw/education

The transition rate from junior secondary to senior secondary school is 67 percent (up from 59.6 percent in 2022). While the transition rate from junior to senior secondary school (Figure 27) has increased due to the increase in the number of senior secondary schools and the introduction of double shifts in some secondary schools, the rate is below optimum, with considerable deterioration in the last seven years.

97 Statistics Botswana (2024). Secondary Schools Stats Brief 2022. Statistics Botswana.

FIGURE 27: Transition rates from junior secondary to senior secondary education 2018–2022



Source: Statistics Botswana (2024). Secondary Schools Stats Brief 2022. Statistics Botswana. Data for 2016 and 2017 are not available.

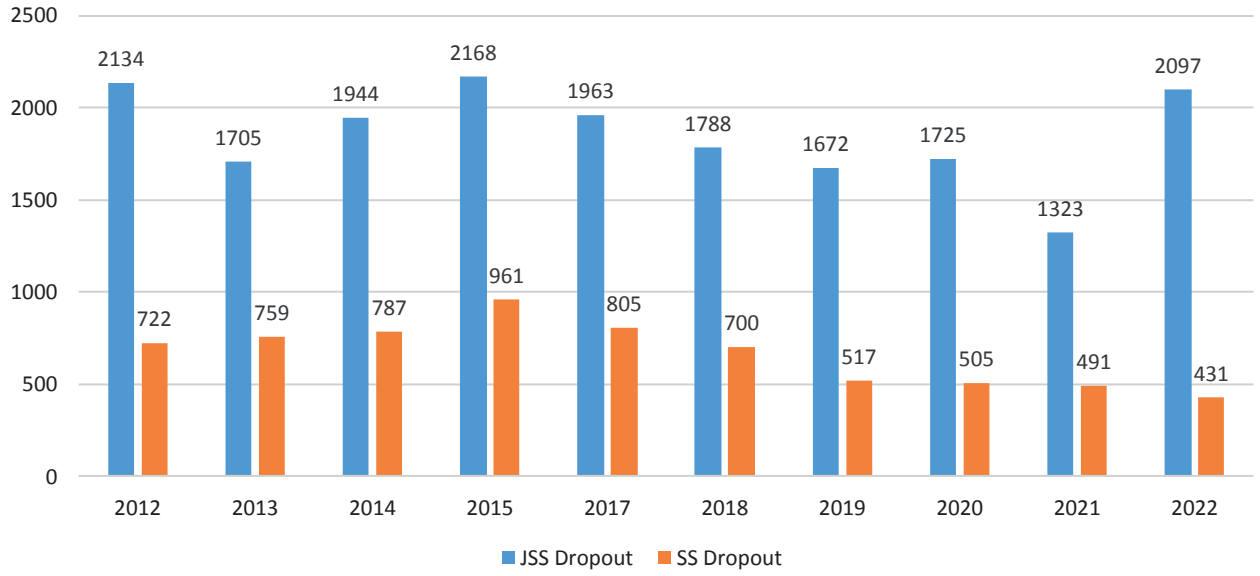
Table 31 indicates that while total enrolment in Form 3, at the end of junior secondary, was 45,819 students in 2022, only 27,028 students were enrolled in Form 4 at the beginning of their senior secondary. The significant difference (18,791 students) in the number of students exiting the education system for the labour market and other opportunities after Form 3 helps explain why the youth unemployment rate among those who only finish secondary school is high (40.5 percent in 2024). The data in Table 31 also indicate that the greatest junior-to-secondary student drop off occurs in the Kweneng, Central and Southern regions, in line with where the highest rates of youth unemployment exist. In 2022, 64 percent of Form 3 students in the Kweneng region did

TABLE 31: Secondary school enrolment by region and form, 2022 counts

REGION	FORM 1	FORM 2	FORM 3	FORM 4	FORM 5	FORM 6	TOTAL
South-East	6,802	6,355	6,202	5,797	5,576	560	31,292
North-East	3,826	3,782	3,798	2,864	2,555	67	16,892
Southern	5,621	5,511	5,553	3,271	3,162	-	23,118
Kweneng	6,399	6,115	6,248	2,205	2,157	-	23,124
Kgatleng	2,015	1,918	1,962	785	794	-	7,474
North-West	3,968	3,861	3,851	1,807	1,662	5	15,154
Chobe	495	507	500	-	-	-	1,502
Ghanzi	1,090	941	914	539	572	-	4,056
Kgalagadi	1,245	1,237	1,223	775	752	-	5,232
Central	15,852	15,370	15,568	8,985	8,532	-	64,307
TOTAL	47,313	45,597	45,819	27,028	25,762	632	192,151

Source: Statistics Botswana (2024). Secondary Schools Stats Brief 2022. Statistics Botswana.

FIGURE 28: Number of secondary school dropouts by level per year, 2012–2022



Source: Statistics Botswana (2024). Secondary Schools Stats Brief 2022. Statistics Botswana.

not transition to senior secondary education, compared with 42 percent in the Central region and 41 percent in the Southern region. No senior education enrolment is registered for the Chobe region. A senior secondary school has not been constructed in the Chobe region due to the relatively low number of students qualifying for that level of education.

Student dropout

Student dropout is a persisting issue at the secondary education level. Dropout is a negative indicator and reflects the rate at which individuals are unable or unwilling to continue their participation in schooling. Student dropout is high and accompanied by low student re-entry to secondary education. The rates at secondary level are significantly higher in the remote western regions, as well as for children from poor households, girls in general, and pregnant adolescent girls. Between 2018 and 2021, more female students dropped out of secondary school, with pregnancy, desertion and truancy being the main reasons. However, dropouts because of pregnancy declined by 29.3 percent in 2021–2022. Of the 2,528 students who dropped out of school in the 2022 academic year, the majority (53 percent) were males. The key reasons for drop-out among young males are desertion followed by truancy.[98] Desertion occurs when a student drops out of school and no reason for the dropout is given, while for truancy a reason for leaving school is given. Figure 28 captures the number of secondary school dropouts in 2012–2022.

The incidence of dropout leaves many young men and women ill-equipped with the necessary skills to optimise their potential in the labour market. The Ministry of Child Welfare and Basic Education operates the Back-to-School Initiative to give students who dropped out of school a second chance to be re-admitted into the school system. However, while the number of re-entrants increased over the 2018–2021 period with young male students comprising 56 percent of the students who re-entered secondary education in 2022, only 33.8 percent of the 8,721 dropouts re-entered over the 4-year period.

Dropouts may access non-formal education and training provided by the Department of Out-of-School Education and Training (OSET) under the Ministry of Child Welfare and Basic Education. However, out-of-school enrolment, like the number of re-entrants to secondary education, remains low relative to the number of students who drop out or fail to transition from junior to secondary education. There were 356 people enrolled in the Out-of-School Education for Children programme in 2021.

OSET is mandated to provide education and training that is accessible to out-of-school learners and create

98 Ibid.

opportunities for lifelong learning. Some learners may have started school but did not complete their educational programme because of pregnancy, having to take care of siblings, working with parents at the farm, etc. OSET learners include illiterate adults, youth, out-of-school children who may be farm and domestic workers, herdsmen, remote area dwellers, street children, and children from certain religious and disadvantaged groups.

Factors contributing to the poor performance of secondary education

Secondary education is beset by issues at multiple levels that require a thorough analysis before a holistic solution can be devised regarding the sub-sector's quality and relevance shortfalls. Teachers and the teachers' union attribute the poor annual performance on the exit-level BGCSE examinations to the incidence of automatic progression of students between primary and secondary education, high student/teacher ratios, low literacy levels among learners, students' indiscipline, ineffective pedagogy, small stream schools becoming larger, extended hours of work for the teaching profession that reduces contact time with learners, among other factors.[99] During the presentation of the 2024 BGCSE results, the Minister of Child Welfare and Basic Education indicated that contributory factors were the condition of school infrastructure and resources; the quality of teaching and learning transactions in the classroom; the quality of teachers and their competencies in delivery; teachers' responsibility and accountability in the classroom; and the welfare of both students and teachers. Other explanatory factors include:

Imbalances in resource distribution and facilities across school districts. Effective delivery of secondary education is impeded by shortages of critical resources (e.g., of classrooms, exercise books, textbooks, desks, and chairs) and under-resourced subject area laboratories and other facilities, with some districts more affected than others.

Outdated pedagogy and almost total exclusion of 'learning for life' and skills development. A study on declining standards at senior secondary schools commissioned by the Ministry of Child Welfare and Basic Education found that an overloaded BGCSE curriculum limited opportunities for the development of quality learning, and that learning was impaired by the use of outdated pedagogy and underdeveloped school-based assessments by teachers, as well as by a heavy focus on examinations to the almost total exclusion of 'learning for life' and skills development.[100]

Delayed transition to the outcomes-based General Education Curriculum and Assessment Framework (GECAF). The anticipated transition was considered timely given a school curriculum that is primarily knowledge-oriented, utilising theoretical (chalk and talk) teaching and an examinations-centred focus rather than simultaneously developing students' intellectual and applied skills. The GECAF was to be fully implemented by December 2028. However, the transition was suspended to early 2025 due to resource constraints. As part of the GECAF, an outcomes-based, modularised Multiple Pathways Model was to provide students with the option of selecting an academic (science or social sciences) or pre-vocational learning pathway when entering senior secondary education. The Multiple Pathways Model was to be implemented in the 34 senior secondary schools in three phases during 2019–2026. However, Phase I roll-out only commenced in 2021 in two schools with four subjects in the pre-vocational pathway being offered.

The GECAF was to be fully implemented by December 2028. However, the transition was suspended to early 2025 due to resource constraints.

A labour-market irrelevant pre-vocational curriculum. Youth employability beyond secondary education will likely be impeded by the pre-vocational pathway designed around school subjects, rather than on labour market needs. Early performance in the four outcomes-based pre-vocational subjects already signal educational deficits among enrolled students. Teaching of the four pre-vocational subjects will continue despite the suspension of the outcomes-based education curriculum. The Multiple Pathways Model remains the sole provider of vertical and horizontal pathways within the secondary education sub-sector.

99 Mathala, S. (2023, February 27). "Education system renders students' future hopeless" – BOSETU. Mmegi Online. Motlhabane, D., & Adamson, K. (2018, February 19). BGCSE pass rate falls. The Patriot on Sunday. Tiro, B. (2025, March 12). Botswana's education system in ICU. The Patriot on Sunday.

100 Ministry of Child Welfare and Basic Education (2014). Study on declining results – Investigating Senior Secondary Education. Government of Botswana.

TABLE 32: Training status of secondary school teachers, 2012–2022 (2016 missing)

Training Status	2012	2013	2014	2015	2017	2018	2019	2020	2021	2022
Trained	14,051	15,414	15,748	15,542	15,068	15,271	15,479	16,484	17,375	17,273
Untrained	30	57	69	108	25	23	34	24	24	37
Total	14,081	15,471	15,817	15,650	15,093	15,294	15,513	16,508	17,399	17,310
% Untrained	0.2	0.37	0.44	0.69	0.16	0.15	0.22	0.15	0.14	0.21

Source: Statistics Botswana (2024). Secondary Schools Stats Brief 2022. Statistics Botswana.

Low penetration of soft skills in the curriculum. The development of important soft skills valued by employers is missing from the public-school curriculum. Youth completing secondary education therefore lack employable, transferable cognitive and noncognitive skills (e.g., in literacy, numeracy, problem-solving, communication and negotiation, critical thinking, teamwork, business mindset and personal agency) required for work.[101] This leaves them under-prepared for employment. Youth are also unprepared for self-employment since entrepreneurship is likewise not included in the secondary (or primary) education curricula.

BGCSE results inconsistent with the level of teachers' certification. BGCSE examinations performance has consistently remained poor over the past decade despite qualified teachers being in place within the school system. This pattern suggests an underlying teacher effect as a contributing factor to students' performance levels. This teacher effect might take the form of limited subject content.

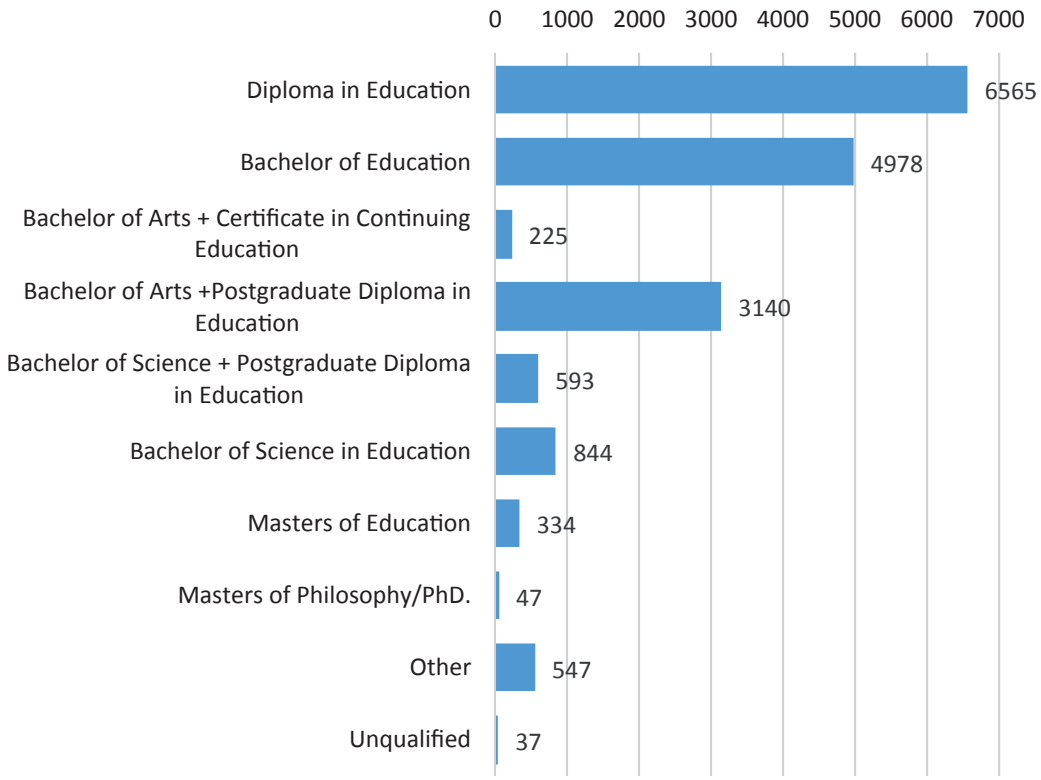
Most teachers are qualified to national standards. Secondary school teachers in Botswana are primarily citizens; accounting for 96 percent of total teachers compared to 4 percent of non-citizen teachers. Students' poor BGCSE performance is worrisome given that most senior secondary education teachers meet the minimum qualification requirement of a Bachelor's degree in their area of specialisation. The minimum qualification for teaching at junior secondary level is a Diploma in their given subject. The percentage of secondary education teachers in public schools qualified according to national standards, is almost universal at 99.8 percent (public schools, 99.9 percent; private schools, 98.2 percent).

Youth completing secondary education therefore lack employable, transferable cognitive and noncognitive skills (e.g., in literacy, numeracy, problem-solving, communication and negotiation, critical thinking, teamwork, business mindset and personal agency) required for work.

Table 32 indicates the number of trained and untrained teachers in public and private schools over the 2012–2022 period. Figure 29 indicates the distribution of their qualifications. The figure reveals that most secondary teachers possess a B. Ed degree.

101 Fox, L., Mader, P., Sumberg, J., Flynn, J., & Oosterom, M. (2020). Africa's 'youth employment' crisis is actually a 'missing jobs' crisis. Brook Shearer Series No. 9. Brookings.

FIGURE 29: Secondary school teachers by qualification, 2022



Source: Statistics Botswana (2024). Secondary Schools Stats Brief 2022. Statistics Botswana.

Tertiary education

The tertiary (higher) education sub-sector faces fewer inherent quality challenges, relative to secondary education and TVET. The primary quality concerns of the sub-sector are around disparities in educational quality and resources between public and private education and training providers, the relevance of some course offerings relative to employers' needs, graduates' employability, and student retention and progression.

The primary quality concerns of the sub-sector are around disparities in educational quality and resources between public and private education and training providers, the relevance of some course offerings relative to employers' needs, graduates' employability, and student retention and progression.

TABLE 33: Tertiary education data 2015–2022

Indicator	2015	2016	2017	2018	2019	2020	2021	2022
Total Enrolment	60,583	56,447	59,091	59,243	53,930	56,666	61,157	59,483
Female Enrolment	34,851	32,670	33,919	33,649	32,255	34,505	35,317	35,168
Public Enrolment	34,758	34,740	33,819	39,482	34,764	37,061	43,590	43,418
Private Enrolment	25,825	21,707	25,272	19,761	19,166	19,605	17,567	16,065
Public Universities	19,375	15,980	15,727	21,966	22,742	22,830	24,673	25,543
Private Universities	N/A	11,504	13,615	11,299	11,009	9,443	8,395	7,854
Technical Colleges	2,759	4,516	4,344	2,810	1,546	1,988	1,999	1,787
Brigades & VTIs	-	-	6,610	5,793	-	-	6,816	5,882
Gross Enrolment (%)	21.3	19.3	20.2	18.2	18.5	19.5	21	20.4
Graduation Rate (%)	-	-	-	-	79.8	82.1	81.6	82.4
Transition Rate	-	40	43.4	30.2	51	34.2	25.9	30.7
Number of Government-sponsored Students (All TEIs)					36,806	39,446	36,307	28,235
Number of Government-sponsored Students (Public)						23,417	22,604	19,265
Number of Government-sponsored Students (Brigades & VTIs)							6,816	5,882

Source: Human Resource Development Council.

The low performance level at the BGCSE examinations at secondary education level impacts enrolment and readiness for higher-level coursework in higher education. Additional features of the tertiary (higher) education sub-sector affecting the efficacy of the sub-sector to prepare youth to transition to productive employment are:

Low Gross Enrolment Ratios

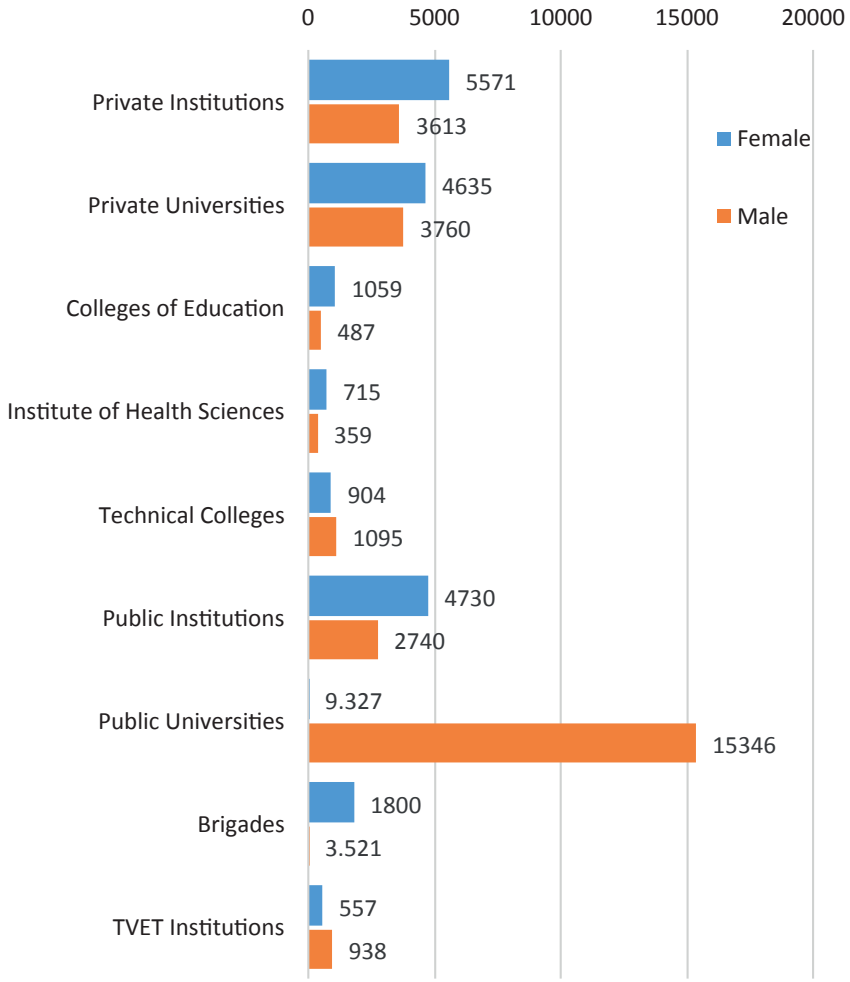
The Gross Enrolment Ratio (GER) determines the level of participation in the tertiary education system and indicates the ratio of enrolment in tertiary education to the total population of the eligible group which is 18–24 in Botswana. Enrolment in tertiary education has remained steady over the past seven years, fluctuating from 60,583 in 2015 to 59,483 students in 2022 (see Table 33). However, the GER has risen from about 7.7 percent in 2003/2004, to 21 percent in 2021 and 20.4 percent in 2022. The GER is on track to achieve the 25 percent identified for 2026 in the 2008 Tertiary Education Policy.

The tertiary GER is low from an international perspective. Comparatively, it trails the ratios of its neighbours South Africa (25.4 percent, 2021), Namibia (28.4 percent, 2020), and Mauritius (44.4 percent, 2021). Botswana's GER is also lower than that for lower middle-income countries (25.9 percent, 2021), upper middle-income countries (60.6 percent, 2021) and the world average (41 percent, 2021). The lower relative ratio likely reflects the high per capita cost of tertiary education in the country and the poor annual performance at the BGCSE examinations, which limits the number of eligible candidates entering tertiary institutions.

From a gender perspective, female enrolment in tertiary education tends to be high (see Table 27). Of the total 61,157 persons enrolled in tertiary education in 2021, 57.7 percent were women. Female enrolment increased to 59.1 percent across all tertiary institutions for the 2021/2022 academic year. Young women in the 18–24 age group demonstrate higher access to tertiary education than their male counterparts. Female GER in 2022 was 23.5 percent compared to 17.2 percent for males.

Figure 30 indicates the 2021 breakdown between women and men by type of institution. Except at technical colleges and brigades where they comprise less than 40 percent of total enrolment, the number of females exceeded males at tertiary institutions.

FIGURE 30: Enrolment by sex and type of institution, 2021



Source: Ministry of Child Welfare and Basic Education (2022). Joint Annual Education Sector Review 2022.

A readiness gap for core university-level courses among incoming students

Poor BGCSE performance has a domino effect on the readiness of secondary school completers for tertiary education coursework. Between enrolment and graduation, higher education institutions are challenged by poor student performance in first years' and senior years' undergraduate Introductory Mathematics and Mathematics-underpinned courses (especially in STEM-offering universities), as well as rising dropout among students in their first year of university. These challenges arise as secondary school completers in the higher BGCSE points tiers transition into their first year of university with several potential threats to their initial and subsequent academic and social integration with their new institutions. Threats include the nine-month learning loss experienced between the time of writing the BGCSE examinations and the start of the university academic year, and academic deficits accumulated over students' years of primary and secondary education. Teachers have long raised concerns about students with low grades facing a challenge of comprehending the learning material at higher levels of education.[102]

Increasing tertiary education graduation rates in non-priority areas

During the 2021/2022 academic year, a total of 16,305 students graduated from Botswana's tertiary education institutions. This was an increase of as much as 4,446 graduates (37.5 percent) from the previous academic year.

102 Ministry of Child Welfare and Basic Education (2014). Study on Declining Results – Investigating Senior Secondary Education.

TABLE 34: 2022 tertiary education graduates by International Standard Classification of Education (ISCED) Broad Group and Qualification

ISCED Group	Trade Test C	Trade Test B	Certificate	Diploma	Bachelor's Degree	Master's Degree	PhD	Professional Qualifications
	PhD		59,091	59,243	53,930	56,666	61,157	59,483
Agriculture, Forestry, Fisheries & Veterinary	58			52	107	7		
Arts & Humanities			10	42	597	3	2	
Business, Administration and Law			405	1392	2665	353	4	30
Education			183	2230	718	45	3	
Engineering, Manufacturing and Construction	1907	244	147	497	767	24	4	
Health & Welfare			105	611	623	35	2	
Information & Communications Technologies			15	42	870	38		
Natural Science, Mathematics and Statistics			44	7	156	63	11	
Services			108	59	350	14		
Social Sciences, Journalism, & Information				16	485	58	3	
Total	1965	244	1017	4948	7338	640	29	30

Source: Human Resource Development Council (2022). Tertiary Education Statistics 2022. HRDC.

Tertiary graduation rates illustrate a country's capacity to provide future workers with advanced and specialised knowledge and skills. As Table 33 indicates, the tertiary graduation rate has mostly been on an upward trajectory since 2019 signalling an increased supply of graduates on the labour market.

The sectors are Mining, Tourism, Agriculture, Manufacturing, Transport and Logistics, Trade, Sports and Creative Industries, and Financial, Real Estate and Business Services.

Graduation data reflects fewer graduates in NTS Priority Areas. The NTS prioritises eight impactful sectors to assist the country achieve increased global competitiveness. The sectors are Mining, Tourism, Agriculture, Manufacturing, Transport and Logistics, Trade, Sports and Creative Industries, and Financial, Real Estate and Business Services. However, the vast majority of higher education graduates entered the labour market in 2022 with undergraduate degrees in business, administration and law (see Table 34). The disparity between observed and prioritised programme areas suggests that either vacancies in priority areas are yet to be created on the labour market, or upskilling on current qualifications, rather than new qualifications, may be sufficient to fill prioritised occupations.

Career, entrepreneurship and soft skills education not mandatory in most higher education institutions

There is a gap in the provision of market-preparation skills to tertiary students. The development of important soft skills valued by employers is missing from tertiary education curricula. Like in secondary education, tertiary level students lack employable, transferable cognitive and noncognitive skills (e.g., literacy, numeracy, problem-solving, negotiation, critical thinking, teamwork, business mindset and personal agency) required for work.

Furthermore, career advising is not formalised across sub-sector institutions. Only one public university and the technical colleges infuse Business Management and Entrepreneurship education across all programmes to prepare students for job-creation as an alternative to job-seeking on the labour market.

Low collection rates on student loans for tertiary education

Recovery collections on government loans to tertiary students do not provide a meaningful contribution towards a revolving fund that can be used to educate and train additional young people. The high youth unemployment rate and challenges in tracking and tracing student loan beneficiaries have been advanced by the Ministry of Higher Education for the low recovery rate on student loans. While the target collection amount was reduced from P25 million in 2023/2024 to P20 million in 2024/2025, the actual amount collected was P9.3 million or 46.3 percent of the target. Collections therefore do not contribute meaningfully towards a revolving fund to educate and train additional young people.

Technical and Vocational Education and Training

Results of the 2024 BGCSE Examination reveal that as many as 24,370 students (66 percent of the cohort) attained below 30 of the maximum attainable 48 points and outside the threshold for sponsorship into a higher education undergraduate programme. While these students could access the labour market through TVET programmes, Botswana's TVET system is not in a state of readiness to absorb them. The TVET system is not currently contributing as expected to the country's socio-economic development priorities and is considered an underperforming sub-sector of the education system.

The tremendous challenges facing TVET today remain largely similar to those identified almost three decades ago in the 1997 National Policy on Vocational Education and Training. These persisting structural and administrative challenges, reflected in the quality and relevance of TVET programmes, result in TVET being primarily market supply-driven rather than demand-driven, and contribute to the mismatch between the skills and competences of TVET graduates and the requirements of the labour market.

> One pathway toward enabling secondary school dropouts to enter the labour market is to provide them market demand-driven TVET courses.

Of concern is the fact that TVET is considered part of tertiary education. This positioning may not be optimal. One pathway toward enabling secondary school dropouts to enter the labour market is to provide them market demand-driven TVET courses. If TVET is part of tertiary education, finishing secondary school would have to be a prerequisite. This blocks the way towards receiving market-relevant skills for all who do not finish secondary school.

Factors contributing to the underperformance of the TVET sub-sector

Fragmented TVET governance structure. Low prioritisation of TVET by the Government, fragmentation of TVET responsibility, and the absence of a TVET coordinating structure constrain coordination, decision-making, funding, and resourcing of institutions. The TVET sub-sector lacks a governance body that ensures TVET responds to the needs of the economy by generating graduates with appropriate skills and competencies for the labour market, as well as reflect the interests of government, demand institutions (e.g., employers and industry) and supply institutions. Such a governance body would provide oversight to a TVET Policy and its implementation. The sub-sector is poorly coordinated and fragmented, with several Ministries and Departments responsible for various aspects of TVET.

Missing guiding policy for the sub-sector. The draft TVET Policy, Towards a SMART TVET for Botswana, together with its Policy Monitoring and Evaluation Framework, was developed in 2021 but has yet to be approved. The TVET Policy was intended to cover the January 2022 to December 2026 period. In the absence of its own Policy, the TVET sub-sector is guided by the wider ETSSP 2015–2020 (which is expired), an expired National Human Resource Development Strategy and the outdated Revised National Policy on Education (1994), National Policy on Vocational Education and Training (1997), and Tertiary Education Policy (2008).

Slow accreditation of outcomes-based curricula. Efforts to increase the responsiveness of TVET programmes to the needs of the labour market are underway with the development of new outcomes-based curricula. This represents a positive movement towards TVET providing market demand-driven programmes. However, the planned roll-out of 12 new TVET learning programmes

TABLE 35: TVET enrolment 2015–2022

Institution	2015	2016	2017	2018	2019	2020	2021	2022	2023
Technical Colleges	2,759	4,516	4,344	2,810	1,546	1,988	1,999	1,787	
Brigades & VTIs	-	-	6,610	5,793	-	-	6,816	5,882	
Total TVET Institutions	2,759	4,516	10,954	8,603	1,546	1,988	8,815	7,669	8,313

Source: HRDC. Missing data: Brigades were excluded from the census despite annual enrolment at these institutions.

with the new curricula in August 2024 has been delayed due to a shortage of technical expertise to assess the programmes at the BQA. GIZ Botswana, co-financed by the European Union, supported capacity development for the new learning programmes at institutional level. The support included the development of a TVET Framework, TVET Assessment and Examination Framework and 16 curricula for 8 qualifications, and the training of TVET staff on outcomes-based education, teaching digitally, and gender sensitivity. Additional support and continuous teacher development will be needed for a smooth transition to the new curricula.

Low student enrolment and underutilised, under-resourced institutions. The participation rate in technical-vocational programmes is low at 1.8 percent (2022). Technical colleges and brigades are underutilised. Table 35 indicates enrolment in the technical colleges, brigades and vocational training institutions during 2015–2022 while Table 36 breaks down 2022 enrolment by qualification. In 2023, enrolment in public TVET institutions was 8,313 (or 56 percent of their combined institutional capacity of 14,750 students). TVET's share of total tertiary enrolment was 14.4 percent in 2021, 12.9 percent in 2022 and 13.8 percent in 2023.

TVET institutions receive high student demand for education and training spaces. However, potential students are declined admission due to the phasing out of some legacy programmes, limited availability of physical and material resources and the shortage of local teaching staff in critical fields of specialisation. It is expected that enrolment in technical colleges will increase in the future with the implementation of accredited NCQF learning programmes.

Persisting gender inequality in enrolment. The youth unemployment rate is higher among females than males. Young women are doubly disadvantaged in the labour market, first as youth and second because they are female. The TVET sector is also characterised by gender inequalities and stereotyping, reinforcing gender division of labour and occupational segregation in the labour market. The courses typically chosen by female students have low job opportunities and low income in comparison to male-dominated courses.[103] In 2023, females constituted 3,091 (37.2 percent) of the 8,313 total

TABLE 36: TVET enrolment by qualification, 2022

Institution	Certificate	Diploma	Bachelor's	Total
Technical Colleges	837	950		1,787

Institution	Trade Test C	Trade Test B	Certificate	Total
Brigades	2,159	1,263	686	4,108
Vocational Training Centres	859	417	498	1,774
TOTAL	3,018	1,680	1,184	5,882

Source: Human Resource Development Council (2022). Tertiary Education Statistics 2022. HRDC.

103 Ministry of Child Welfare and Basic Education (2022). Joint Annual Education Sector Review 2022.

TVET enrolment. For the past decade, enrolment has been predominantly male with young women pursuing certificate-level Accounting, Business, Hospitality and Tourism, and Clothing, Design and Textiles programmes.

Persisting problems of inclusion and access for people living with disabilities (PLWDs). While TVET institutions do target learners with special needs as well as orphans and vulnerable children in their enrolment, and their participation and benefit from programmes are monitored, teaching staff often lack pedagogical competencies to integrate persons with disabilities adequately into the learning process as well as prepare appropriate learning materials. Youth in the NEET category and informal sector often find it difficult to access programmes because of teaching time during the workday and location issues. For people living in rural areas, financial barriers (e.g., transport cost) limit their access to training opportunities.

Limitations to teaching capacity. Teaching capacity is a major TVET challenge. A severe shortage of qualified local staff exists in critical fields of specialisation. Few teachers have a sufficiently strong combination of subject specialist theoretical knowledge, technical and pedagogical skills, industrial experience, and current knowledge of new technologies in use in the workplace. Limited funds are available for training staff in new technical areas. An overall improvement in vocational skills for employability can only be realised if there is an improvement in the quality, effectiveness, and relevance of teaching.

The TVET sector is also characterised by gender inequalities and stereotyping, reinforcing gender division of labour and occupational segregation in the labour market.

Limited private sector engagement. Coordination and partnership with the industry is not as strong as it should be with limited prospective employers/private sector engagement and input into curriculum design, training delivery and students' assessment and certifications. Industry representatives currently work through TVET advisory committees, individual college arrangements with specific industries, and HRDC Sector Human Resource Development (HRD) Committees.

Unregulated work-based learning and lack of an apprenticeship scheme for the formal and informal sectors. The NCQF prescribes work-based learning (WBL) for all training programmes and encourages apprenticeships, internships, work experience, and attachment of trainees in industry. However, WBL has become a recommended but not compulsory part of current programmes. While technical colleges do find work attachments for its students to undertake WBL, attachments have a short two month's duration. There are insufficient private sector spaces and a lack supervision to support WBL as well as no financial support for learners to embark on WBL. Employers taking on students must meet the costs of students by supporting them with allowances for transport, meals as well as other work-related costs like uniforms, safety equipment, etc. The colleges are supposed to meet internship costs for students but are unable to because of underfunding of the sector. As a result, most employers are not willing to take on interns due to the high associated costs.

Botswana used to adopt the German dual apprenticeship model which committed both the employer and the training institution to provide practical and theoretical training respectively to enable development of necessary skills and knowledge required for a trade. Under this system, trainees received 13 weeks of theoretical training at a TVET institution and 9 months of practical on-the-job training through an apprenticeship in the workplace each year. Botswana passed the Apprenticeship and Industrial Training Act in 1983 which defined the TVET programme structure in the country and established employer-based training through apprenticeships. However, the Apprenticeship Scheme was abandoned with the repeal of the Apprenticeship Act.

Policy on apprenticeship and student internship policy not approved. A draft Policy on Apprenticeship and Student Internship Policy to support implementation of the TVET Policy has been developed and submitted for approval. The approval and implementation of these policies will be key to advancing apprenticeships, internships, and attachment of learners for work ready graduates that will enhance their employability. The draft Policy, however, does not include gender considerations or cover apprenticeship in the informal sector.

Lack of a vertical pathway to higher education and poor perception of TVET. TVET in Botswana is considered by many as a route for failures. The TVET system is also a system without effectively defined pathways to employment or higher education.[104] While the Multiple Pathways Model in secondary education includes a pre-vocational pathway, the pathway is based on school subjects and not on the needs of the labour market. Despite the introduction of the NCQF, seamless progression of learners from TVET to university has not materialised.[105] Another block occurs in the form of pushback from general academic tertiary education institutions due to some TVET graduates having less prior formal learning and less preparation in terms of mathematics and science for higher education programmes than students whose first choice is an academic institution.[106] The absence of vertical articulation contributes to the low prestige of the TVET system and its image as a 'dead-end' stream leading to unemployment if job opportunities within a specific field of specialisation are not available.[107] Students completing TVET programmes should have the preparedness and opportunities to enter the labour market, become self-employed, and access diploma- and degree-level programmes in the higher education academic stream, to improve their skills and employability.

Location of rapid skills centres not matched to areas of high unemployment. Outside of the tertiary education system, vocational training is also provided by the Construction Industry Trust Fund (CITF), a special fund set up to train semi-skilled and skilled artisans in the vocations of building, construction, manufacturing, engineering, agriculture, and other trades needed to diversify the economy. CITF produces, within a short period of time (four to eight months), skills required to meet the large demands arising from proposed and on-going projects within the country. CITF utilises a competency-based modular training approach. However, the location of its CITF's Satellite Centres is government-directed and not data-driven based on areas of high unemployment, including youth unemployment.

Conclusions

Botswana's education system has the capacity to serve as a transformative agent for the country's economic diversification and development. However, currently the education system is not effective in preparing young people for their future employment. Botswana's Vision 2036 and its complementary NTS seek to increase the share of trained workers in the workforce to 42 percent and lower the unemployment rate to 5 percent by 2036. Strong political will exists to transition the country from a natural resource-based to a knowledge-based economy through significant investment in the education system. As a result, the education sector receives a large share of the country's annual recurrent budgets. The challenge is how to invest these resources effectively to meaningfully boost young people's chances for fast transitioning from education to sustainable employment—and not just to absorb the funding. Despite the significant financial support, reports on the education sector indicate that the education system is far from attaining that goal. Local education and training institutions are not producing graduates with the necessary skills to meet the requirements of the labour market. In the coming years of rapid technological change, geoeconomic fragmentation and economic uncertainty, adequately responding to these challenges will largely determine the country's competitiveness—and its employment generation potential.[108]

The overview of the performance of the education sub-sectors identifies a number of quality and relevance challenges these sub-sectors face as they seek to prepare youth aged 15–35 for the education-to-work transition. Figure 31 summarises the challenges in that regard.

The educational foundation expected at the secondary education level is hindered by a host of issues, the effect of which follow students through to the tertiary level. The

104 Government of Botswana (2018). Opportunities and policy actions to maximise the demographic dividend in Botswana: Demographic Dividend Study Report. Government of Botswana.

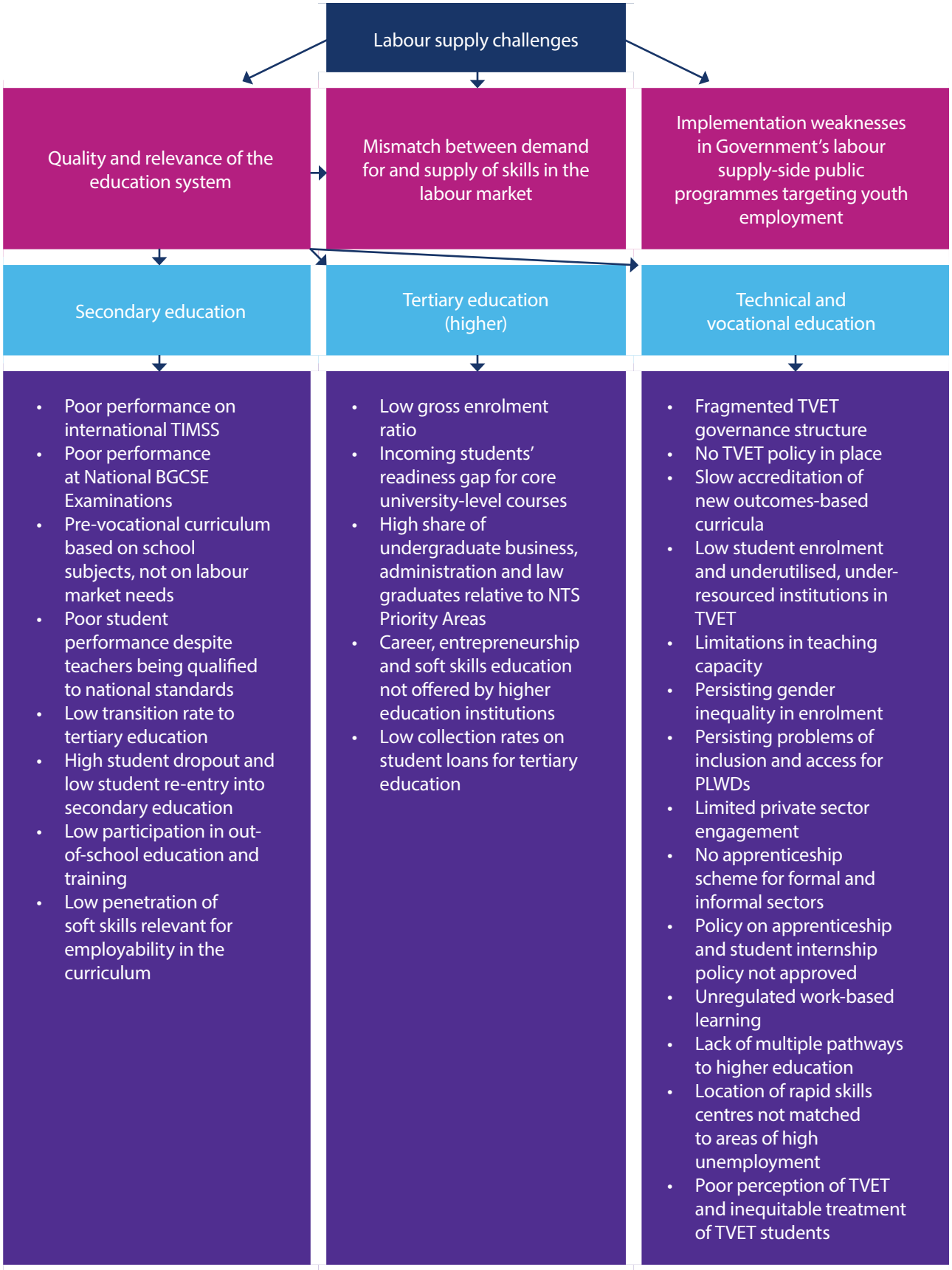
105 Government of Botswana (2015). Education and Training Sector Strategic Plan (ETSSP 2015–2020). Government of Botswana.

106 UNESCO (2013). Status of TVET in the SADC region: assessment and review of technical and vocational education and training (TVET) in the Southern African Development Community Region and of the development of a regional strategy for the revitalisation of TVET. UNESCO.

107 World Bank (2014). Raising Botswana's human resource profile to facilitate economic diversification and growth. Policy Note 1. World Bank.

108 World Economic Forum (2025). Future of Jobs Report 2025.

FIGURE 31: Youth unemployment in Botswana—summary of labour supply challenges



country's secondary education system requires an in-depth assessment of the multiple levels at which quality is compromised, with an introspection to unpack what needs to be done to improve on the level of preparation and outcomes of students exiting the system.

Students' annual performance at the national exit-level BGCSE Examinations provides the most direct evidence of the weakness of the senior secondary education system. The distribution of the examination results

TVET should be available as a destination for all students including those who left the school system before finishing senior secondary school, whether or not they attain the 36 points required for entry into a higher education institution.

underscores the urgent need for the Government to prioritise (and popularise) TVET as a career choice for students at risk of being left behind after secondary education (and for those who drop out of secondary school earlier). However, reforms are needed before the TVET sub-sector can take up the mantle of skills development.

Internationally, TVET systems play pivotal roles in the education pipeline. However, the TVET sub-sector in Botswana lacks direction and tends to be supply-driven rather than demand-driven, producing skills that are generally not a good fit for the labour market. It remains fragmented and under-resourced. As a result, it does not contribute to socio-economic development priorities as expected and is considered an underperforming sub-sector of the education system. Therefore, the TVET system lags behind in generating the skilled workforce Botswana needs to drive economic diversification.

A significant mismatch remains between the skills and competences of TVET graduates and the requirements of the labour market, leading to high unemployment rates for these graduates. Quality issues challenging TVET today have much in common with those identified almost three decades ago in the 1997 National Policy on Vocational Education and Training. TVET should be available as a destination for all students including those who left the school system before finishing senior secondary school, whether or not they attain the 36 points required for entry into a higher education institution. It is critical that the education system overcome the skills mismatch and successfully prepare the country's young people for positive post-secondary outcomes including entrepreneurship and the labour market.

The tertiary (higher) education sub-sector faces fewer inherent quality challenges, relative to secondary education and TVET. However, attention needs to be placed on quality concerns relating to the readiness gap of incoming students, disparities in educational quality and resources between public and private education and training providers, the relevance of some course offerings relative to employers' needs, and the lack of graduates with the soft skills, career knowledge and entrepreneurial skills required for the labour market and post-tertiary success.


5
INTER-
VENTIONS
IN THE LABOUR MARKET

This chapter examines the policies which target youth unemployment in Botswana, with the aim of increasing the demand for labour, including that of youth. It also examines measures aimed at making it easier for youth to get jobs (so-called active labour market programmes).

Active Labour Market Policies

Over the two decades of their implementation, the Government's youth-specific Active Labour Market Policies (ALMPs) have improved the livelihoods of youth through economic empowerment and resulted in some job creation and business development but had limited success in reducing the scale of youth unemployment.

Demand-side ALMPs

Demand-side ALMPs facilitate access to finance and provide technical training, training on business and management skills, and business advisory services and mentoring. Some programmes assist prospective entrepreneurs to enter markets or value chains. These entrepreneurship programmes increase employment through their direct effect on the soon-to-be entrepreneur. The assumption is that beneficiaries plan to set up a new business after receiving loans and/or training and that they would not have done so without the programme. It is assumed that with increased output and profits, there will be additional investment in the business and further job creation. Both are, however, affected by the economic environment and the labour market.

The Government has provided a range of demand-side ALMPs to youth over the years. These include the 2001 Out-of-School Youth Programme providing a 100 percent grant for youth businesses; the 2005 Young Farmers' Fund (YFF) providing subsidised loans to encourage youth to participate in agricultural projects; the 2009 Youth Development Fund (YDF) programme (described below) and the 2024 Chema Chema Fund that supported new and existing informal businesses by providing short-term loans.

Overall, the job multiplier effects of youth focused ALMPs have been muted. Between 2017 and 2022, the Citizen Entrepreneurial Development Agency (CEDA) funded 5,606 youth enterprises, yielding a cumulative job return of 7,700. However, the average job creation rate for these enterprises is below two jobs per enterprise. This low job growth rate is attributed to extensive funding of the services industry, which has proved to be a low job creation return industry. Of the 5,606 funded projects 3,789 were in the services industry.[109]

YDF programme. Introduced in 2009, this entrepreneurship promotion programme assists youth aged 18–35 years who are out-of-school, unemployed, under-employed, or owners of legally registered businesses or companies with low average turnovers. The programme addresses the lack of access to finance faced by young entrepreneurs by providing start-up funds comprising a 50 percent grant and a 50 percent interest-free loan.

The YDF programme has been popular among youth over the 15 years of its existence, with application rates far exceeding acceptance rates. However, under 20,000 youth have been funded, with the bulk of funding provided for livestock (i.e., goats and sheep production) projects, the traditional lifeline of Batswana. At most, these ventures create one additional job, usually for a herd boy. However, more usually the animals are maintained by parents or a herd boy already under the parents' employ. Insufficient funding further confines YDF projects to small projects such as livestock rearing and limits its job creation potential to increase from value chain development in agriculture.

The YDF programme has been popular among youth over the 15 years of its existence, with application rates far exceeding acceptance rates.

The YDF programme was designed as a revolving fund. However, most beneficiaries have not honoured loan repayment. Between 2019 and 2023, while the Government invested in 2,768 YDF projects, only 214 beneficiaries repaid their loans.[110] However, since the YDF programme was introduced as a social rather than business programme there has been little political support for action to be taken against loan defaulters.[111]
YDF implementation is fragmented to the extent that programme overlaps on YDF beneficiaries are common.

109 Timothy, L. (2024, March 22). CEDA, YDF investments underperform – BIDPA study. Mmegi Online.

110 Ibid.

111 UNDP (2020). Outcome evaluation of Youth Development Fund (YDF) in Botswana. UNDP.

Failure by implementers of the various government programmes to undertake cross referencing of applicants results in 'double dipping' by youth. Youth have simultaneously benefitted from the YDF and other government programmes e.g., the Livestock Management and Infrastructure Development, Women Economic Empowerment (WEE) and Remote Area Development (RADP) Programmes.[112]

Failure to effectively monitor the YDF programme jeopardises the achievement of its intended outcomes.

The YDF programme lacks an in-built Monitoring and Evaluation (M&E) framework for the periodic monitoring and evaluation of the extent to which the programme is meeting its intended objectives, is being appropriately implemented by both the line Ministry and beneficiary and whether change is required.

Poor supervision and monitoring due to limitations of transport, finance and programme officers' capacity to conduct monitoring have resulted in the misuse of funds by beneficiaries and business failure going undetected.[113] Projects failed, and assets were sold for the benefit of the beneficiary, without knowledge of the line Ministry because of poor project supervision.[114] The YDF programme lacks an in-built Monitoring and Evaluation (M&E) framework for the periodic monitoring and evaluation of the extent to which the programme is meeting its intended objectives, is being appropriately implemented by both the line Ministry and beneficiary and whether change is required.[115] It also lacks an effective mechanism to enforce repayment. A related problem is adverse selection of new recipients. Given that loan default carries no costs, the average willingness to repay of new applicants is likely to be declining.

There are many additional reasons why YDF projects have failed. Chief among them are lack of commitment and discipline by project owners, increased competition, high and unsustainable rental costs, lack of suitable business premises, and limited entrepreneurship, business management and technical skills.

Limited training on entrepreneurship and business management provided to programme beneficiaries undermines the success of the programme. Training provision by the Ministry of Youth and Gender Affairs nationally is ad hoc and training content not uniform. This is despite the technical support the UNDP provided to the Ministry for the development of a training course—the Youth Entrepreneurship Development Training Course (YEDTC)—that targets YDF applicants and beneficiaries. The YEDTC focuses on skills development in how to write a business proposal and how to establish and run a business successfully. The course was intended to be provided by Ministry officers trained for this purpose. However, the institutionalisation of training by the Ministry of Youth and Gender Affairs has not materialised. For those YDF beneficiaries who are trained, training occurs in the period after approval of their application but before receipt of funding.[116] The Local Enterprise Authority (LEA) conducts this training or outsources to private entities in some districts. The business schools at the BIUST and the University of Botswana also provide training for YDF beneficiaries in their catchment areas.

The role of the social protection system

Social protection plays an important role in reducing youth unemployment—and, in particular, in providing a safety net for jobseekers and those looking for new employment opportunities. This is particularly important in times of structural changes and migration from rural to urban areas.

Botswana is one of the few countries in Africa whose social protection programmes are fully funded by the Government. The country has made progress in reducing poverty and inequality through its public-funded social protection programmes, which include cash

112 Government of Botswana (2019). Draft Framework for consolidation of government empowerment programmes. GoB.

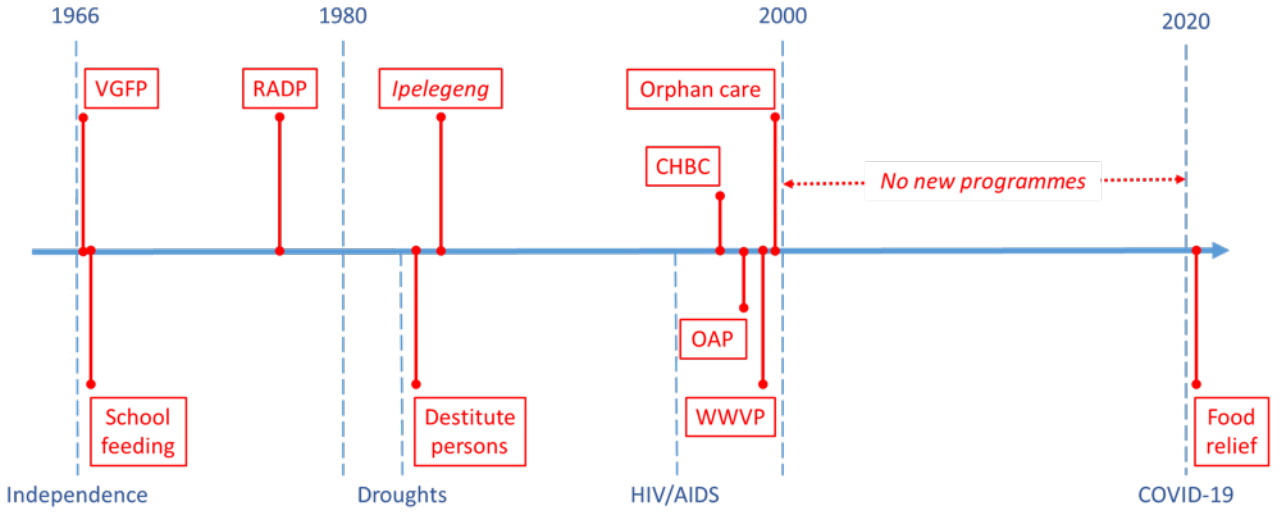
113 Diraditsile, K. (2021). Youth empowerment programmes in Botswana: Overestimated or under-researched? Global Social Welfare, 8, 159–169.

114 UNDP (2020). Outcome evaluation of Youth Development Fund (YDF) in Botswana. UNDP.

115 Keetile, M. (2014). Socio-economic situation of youth in Botswana. Population and Housing Census: Analytical Report 2011, pp. 334–343. Statistics Botswana. Gaborone.

116 Diraditsile (2017). Challenges to social policies: A critical analysis of youth intervention programmes in Botswana. Asian Journal of Social Science Studies, 2(1), 74–82.

FIGURE 32: Evolution of Botswana's social protection system



transfers, feeding schemes, and pensions. However, these programmes were originally designed to address challenges like extreme poverty, drought, and HIV and AIDS. Now they require modernisation to support Botswana's goal of becoming a high-income country by 2036. While maintaining its social safety functions, the social protection system would benefit from a more explicit focus on measures cushioning the transition of the youth to new jobs reflecting the emerging needs of the economy.

In August 2020, the Government approved the National Social Protection Framework, which introduces a life-course approach to consolidate 29 programmes into 5 streamlined initiatives tailored to different life stages—from maternal nutrition to elderly support—enhancing efficiency and responsiveness. The consolidation is expected to forge coherence and synergies between these programmes to assist the Government in building a stronger, more responsive, efficient and resilient social protection system. But no further changes have been introduced since 2020, which opens the window of opportunity for expanding the scope of services with elements facilitating employment transition or requalification. These might include conditional benefits whereby recipients are required to participate in active labour market programmes (including, for example, job search assistance or training) if they are to receive benefits. Benefits will also need to be set at a level which does not remove the incentive to work.

Improving the system's efficiency is also on the Government's agenda. To that end, Botswana is transitioning from manual, in-kind benefits to automated cash-based systems, reducing administrative costs and increasing dignity for beneficiaries. A Single Social Registry is being developed to centralise data and eliminate duplicate enrolments, while a Proxy Means Test will target households in need. Additionally, a National Social Protection Steering Committee will enhance coordination, and a monitoring system will ensure programme effectiveness.

Supply-side ALMPs

High youth unemployment is in part attributed to implementation weaknesses inherent in the Government's labour supply-side public programmes targeting youth employment.

Governments in low-, middle- and high-income countries tend to utilise social protection schemes (e.g., unemployment insurance and non-conditional transfers) and/or employ some form of ALMPs as their strategic response to youth unemployment. However, Botswana does not pursue a passive labour market programme that includes unemployment insurance and as a result, its response to youth unemployment and their livelihood outcomes has been through youth-specific policy and programme formulation. ALMPs and special dispensations are availed to young people.

Botswana's use of ALMPs for youth unemployment is informed by the 2010 Revised Youth Policy and the 2021 National Employment Policy (NEP). The Revised

BOX 20: ALMPs

ALMPs offer the most direct instrument for dealing with unemployment and poverty among workers. Governments use ALMPs to increase the probability that the unemployed will find jobs and the underemployed increase their productivity and earnings. ALMPs function by increasing the demand for labour (through entrepreneurship promotion and public works); altering the structure of demand for labour (through wage subsidies); strengthening the supply of skilled labour (through skills development); and improving intermediation in the labour market (through employment services to make job search more effective).

Skills training programmes are the most widely used supply-side ALMP for youth. These programmes are offered outside the formal education system to enhance youth employability and facilitate their transition into employment. The types of training offered may include trade- or job-specific technical skills demanded by employers, thus targeting the skills mismatch. Technical skills training programmes often include an on-the-job training component to increase practical work experience (i.e., by placing participants in internships, workplace training or apprenticeship schemes). Business skills training may be provided to encourage entrepreneurial activities among youth. Literacy and numeracy programmes may be offered to out-of-school youth, and transferable non-cognitive skills training offered to enhance the life skills or soft skills and general job readiness of youth.

Sources:

Betcherman, G., Olivas, K., & Dar, A. (2004). Impacts of active labor market programs: New evidence from evaluations with particular attention to developing and transition countries. World Bank Social Protection Discussion Paper Series #0402. World Bank.
Kluve, J., Puerto, S., Robalino, D., Romero, J. M., Rother, F., Stöterau, J., Weidenkaff, F., & Witte, M. (2017). Interventions to improve the labour market outcomes of youth: a systematic review of training, entrepreneurship promotion, employment services, and subsidized employment interventions. Campbell Systematic Reviews, 12. The Campbell Collaboration. DOI: 10.4073/csr.2017.12

Due to inherent implementation challenges, the ALMPs had limited success in reducing the scale of youth unemployment.

Youth Policy seeks to ensure that youth interests and potential are incorporated in all policies and programmes to assist them to obtain the knowledge, skills and experiences required to effectively participate in national development and society as a whole. The NEP seeks to promote productive, gainful, and decent employment for Batswana, and to address the employment challenges facing youth, women, and persons living with disabilities. The NEP targets the reduction of the national unemployment rate to under 10 percent by 2030.

Over the two decades of their implementation, the Government's youth specific ALMPs have improved the livelihoods of youth through economic empowerment and resulted in some job creation and business development. However, due to inherent implementation challenges, the ALMPs had limited success in reducing the scale of youth unemployment.

The Government has provided a range of supply-side ALMPs to youth over the years, including:

- The Botswana National Internship Programme (BNIP). Introduced in 2009, this programme provides unemployed graduates with an opportunity to develop work skills and experience that will support them in the transition from school-life/academia to the working environment. The programme seeks to mentor and mould graduates into a productive and disciplined workforce, and inculcate discipline, commitment, and good work ethics among the youth. Applicants are placed in government departments, non-governmental organisations (NGOs), public and parastatal institutions for a maximum period of two years.
- The Youth Empowerment Scheme (YES). Introduced in 2012, this programme was designed to promote behavioural change, youth empowerment, poverty eradication and skills development, and

used to reinforce positive social values such as botho (a core cultural concept that emphasises respect, empathy, shared responsibility, unity and interconnectedness within the community) and boitshoko (perseverance). Youth volunteers aged 18–35 years were placed in different government departments, NGOs, parastatals, and private sector institutions for a fixed period of time. Recruits underwent boot camp training focused on character building before enrolment in the programme. Youth under YES were transferred to the Botswana National Service Programme (BNSP) [Tirelo Sechaba] in 2014.

- The 2014 BNSP [Tirelo Sechaba]. This programme provides unemployed youth with the opportunity to gain life skills and experience across various industries and business sectors. The programme seeks to inculcate discipline, commitment, and good work ethics among the youth. Applicants are placed as volunteers in different government departments, NGOs, public and parastatal sector institutions for a maximum period of 10 years. The BNSP is open to youth between age 20 and 35 years qualified with a Junior Certificate up to a Diploma qualification. Participants are eligible for a monthly allowance.

Lack of work experience among young people remains a persisting problem as several challenges impede the effectiveness of the BNIP and BNSP as interventions to strengthen the supply of youth labour.

Internship placement opportunities are insufficient to meet the needs of unemployed youth, with a long waiting list and a mismatch between youth qualifications and the requirements of available internship vacancies, characterising these programmes.[117] Placement mismatches also occur between the work skills and experience provided to youth and the demands of the labour market. Interns under the BNIP and BNSP are placed solely in public and parastatal institutions, limiting the scope for learning and skills transfer.[118] A 2019 Perceptions Study of the BNSP and BNIP found that the Government's 2016 decision to discontinue

Youth volunteers aged 18–35 years were placed in different government departments, NGOs, parastatals, and private sector institutions for a fixed period of time.

placement in the private sector (over allegations that some of the private sector organisations were abusing interns) has disadvantaged graduates, especially those with specialisations in engineering, tourism, finance, business and retail sectors who could not be absorbed by government departments, parastatal organisations and NGOs.[119]

In terms of job creation, researchers have found that few interns from the BNIP have been absorbed into the mainstream labour market, with the majority reverting to unemployed status at the end of the two-year internship.[120] Furthermore, interns find themselves in a catch-22 situation in which they are unable to acquire work experience because they cannot find a first job and as a result, cannot find a job because they do not have sufficient work experience.[121]

Limited official coordination, monitoring and evaluation, and mentoring have been major weaknesses of the BNIP and BNSP. Mentoring involves on-going counselling and support for unemployed youth. It helps them succeed and overcome the day-to-day challenges they encounter. However, there are no legislative or policy guidelines that compel host organisations to devote time to systematic training/mentorship and job shadowing programmes. As a result, the interns emerge with very few skills, competencies, and cognitive abilities.[122]

Impact of youth employment programmes

Enterprise and household surveys suggest that, as wage employment increases, youth employment expands proportionately. This means that an effective way to improve youth's income-earning and employment prospects is to improve all employment and earnings opportunities

117 Diraditsile (2017). Challenges to social policies: A critical analysis of youth intervention programmes in Botswana. Asian Journal of Social Science Studies, 2(1), 74–82.

118 Ibid.

119 Government of Botswana (2019). Report on the Findings of Perceptions Study – Department of National Service and Internship programmes: Botswana National Service Programme; National Internship Programme and Graduate Volunteer Scheme. MYSC.

120 Baatweng, V. (2015, March 29). Botswana graduates: Unemployed or unemployable? Sunday Standard. Gaborone.

121 UNDP (2020). Report on the consultancy to revise and update the MYSC National Internship Programme (NIP) of the Government of Botswana. MYSC.

122 Diraditsile (2017). Challenges to social policies: A critical analysis of youth intervention programmes in Botswana. Asian Journal of Social Science Studies, 2(1), 74–82.

through economic transformation to private-sector led development as a source of growth. Economic growth without transformation (as in resource-rich economies) is much less effective. In other words, in looking for ways to improve youth employability and earnings, it is important to recognise that the youth employment problem is a subset of the overall employment and earnings challenge. It does not require fundamentally different solutions.

In the process of transformation there are nonetheless likely to be imbalances, including unemployment of youth educated to secondary level but no further. The reason is that demand for labour with intermediate skills (e.g., completed secondary education) does not grow as fast as the supply of such labour. Botswana is an example, with youth unemployment highest amongst those with education up to but not beyond secondary level. South Africa is also an example, as are middle-income countries in the Middle East, North Africa, and Latin America.

Studies have also found that African youth have unrealistic job and wage expectations. They search for formal wage employment, hoping for higher wages or better jobs than they are likely to get, and ultimately many fail. At this point they become discouraged and leave the labour market relying instead on informal and self-employment. Unrealistic wage expectations in Botswana are also fuelled by wage effects associated with Dutch Disease propelled by high wages in the mining industry and state-owned enterprises.

The diamond sector was a booming industry for Botswana in the past five decades, resulting in Balassa-Samuelson type wage pressures on the rest of the economy as wages in diamond mining rose rapidly. As the overall wage level rose, wages exceeded productivity levels in many sectors. This implied that profit-driven private sector employment no longer occurred in these sectors. Employment driven by government and state-owned enterprises eventually had to come to a halt as well (this took longer since diamond revenues could pay for further increases in these sectors). A separate issue is that an equilibrium based on rapid diamond income growth was treated as permanent—which it was not. The share of non-diamond sectors in the overall economy has risen, lab-grown diamonds threaten to outcompete mined diamonds, and pressures on the real exchange rate are growing. The result is that non-diamond exports are severely constrained.

As a result, youth entering labour markets over the next decade face limited choices, particularly if their studies end with secondary education. Current levels of economic development will not provide enough wage employment opportunities to match the rate of labour force growth, which is driven by high fertility. This means that informal employment will be commonplace for some time to come in the absence of effective measures to increase productivity and earnings in both the formal and informal economy. The need for productivity increases is not specific to Botswana and is characteristic of all countries, including in Sub-Saharan Africa (see Box 21).

It is axiomatic that better jobs are found in modern, formal productive enterprises, and one characteristic of low- and middle-income countries is a lack of these enterprises relative to the supply of labour. Employment policies therefore need to focus on making it easy for such firms to be formed and to grow as a way of expanding private sector wage employment.

Employment will rely mainly on small enterprises (defined internationally as 10–49 employees) which are the main job creators everywhere. In contrast,

BOX 21: Stagnant productivity in Africa

In the past decade, as America, Europe and Asia have been transformed by technology and politics, Africa has, largely unnoticed, slipped further behind. Income per person has fallen from a third of that in the rest of the world in 2000 to a quarter. Output per head may be no higher in 2026 than it was in 2015.

Behind those figures lies a depressing record of stagnant productivity. African countries are experiencing disruption without development. They are going through social upheavals as people move from farms to cities but without accompanying agricultural or industrial revolutions. Services, wherever more Africans find work, are less productive than in any other region—and barely more productive than in 2010.

Source: The capitalist revolution Africa needs. Special report on Africa. Economist, 11 January 2025.

BOX 22: Micro is unproductive

"The two most commonly cited obstacles to firms are capital and electricity. But the problem is bigger than that: there are simply not enough jobs for young people. There is a risk of a vicious cycle, where most people run subsistence enterprises because there are no salaried jobs and there are no salaried jobs because most enterprises operate at subsistence levels." As Paul Collier of Oxford University says, "Small isn't stunning. It's unproductive."

Source: Africa has too many businesses, too little business. Special report on Africa. Economist, 11 January 2025.

microenterprises (1–9 employees) rarely create substantial numbers of jobs. They start small, and unless they graduate to SME status, they tend to stay small and end small, rarely creating employment outside the family (Box 22). They are nevertheless an important source of self-employment, often in the informal economy.

Meta-analyses cast doubt on efficacy and value-for-money of training interventions on their own to help youth enter formal wage employment. This evidence is from low-income countries based on the form of training provided so far but may also apply to middle income countries.[123] It is argued that the benefits of training do not last long, while youth employment programmes have displacement effects and redistribute existing job opportunities. Average employment effects are quite low, training is expensive, and given the risk of displacement, it is reasonable to ask whether this is the best use of public funds. Public vocational training is more expensive per capita than general secondary education. Some studies find no impact from vocational training on employment, public-sector employment, or wages for those in wage employment.[124] Botswana may not be immune to these risks and whether they materialise or not depends on a number of locally specific factors that need to be taken into consideration in the course of individual measures' implementation. Ongoing monitoring of the training programmes is therefore particularly important as a way to identify the risks in advance and develop corrective measures on time.

Job search costs are also held to limit youth employment: youth may not know how or where to find jobs or what to expect. If true, better information would help people find work. But studies of job fairs find no employment effects, although they do find displacement. One reason may be that urban labour markets (where most wage jobs are found) are already good at connecting job seekers and firms looking to hire entry-level employees and so job matching is unnecessary. Transportation subsidies to finance job search showed no employment or earnings effect.

Apprenticeship programmes show better results.

It is argued that the benefits of training do not last long, while youth employment programmes have displacement effects and redistribute existing job opportunities.

Partial wage subsidies to firms offering apprenticeships lead to firm growth, with apprentices likely to be employed after the subsidy ends. Apprentices may finance a portion of their training, with this signalling motivation as a job seeker. Displacement effects also appear low.

Support for soft skills in employability may be more promising since they are the skills that employers find in short supply. Lack of these non-cognitive skills has a strong effect on youth since adults who are successful in the labour market have overcome this problem. They are transferable skills because, in contrast to technical and vocational training, they are not specific to an industry or firm. They are held to be deserving of public funding since firms usually will not pay for this type of training.

123 Fox, L., Kaul, U. (2018). The evidence is in: How should youth employment programs in low-income countries be designed? Policy Research Working Paper 8500, World Bank Group.

124 Kemper, J., Renold, U. (2024). Evaluating the impact of general versus vocational education on labor market outcomes in Egypt by means of a regression discontinuity design, Journal of Development Economics, Volume 166, 2024.

Evaluations are nonetheless equivocal and, by itself, training in this area does not appear to raise employment.

Evidence on the impact of youth entrepreneurship support is scant and inconclusive despite the large number of such programmes. Studies of a secondary school entrepreneurship curriculum in Rwanda showed increased student engagement in business activities but also declines in employment.[125] In the follow-up, gains in entrepreneurship faded and employment was lower for students taking entrepreneurship training while university enrolment increased. There were no robust differences in income or profits between students who took the course and those who did not.

Analysis from South Africa yields similar results suggesting that support did not have "any visible or practically significant impact on the entrepreneurial attitudes, entrepreneurial intentions, subjective personal well-being, adaptive cognition and innovation skills of learners".[126] Studies from Eswatini suggest that for young entrepreneurs facing high costs of search for business opportunities, training in business skills is more effective in stimulating productive start-ups than providing initial capital.[127]

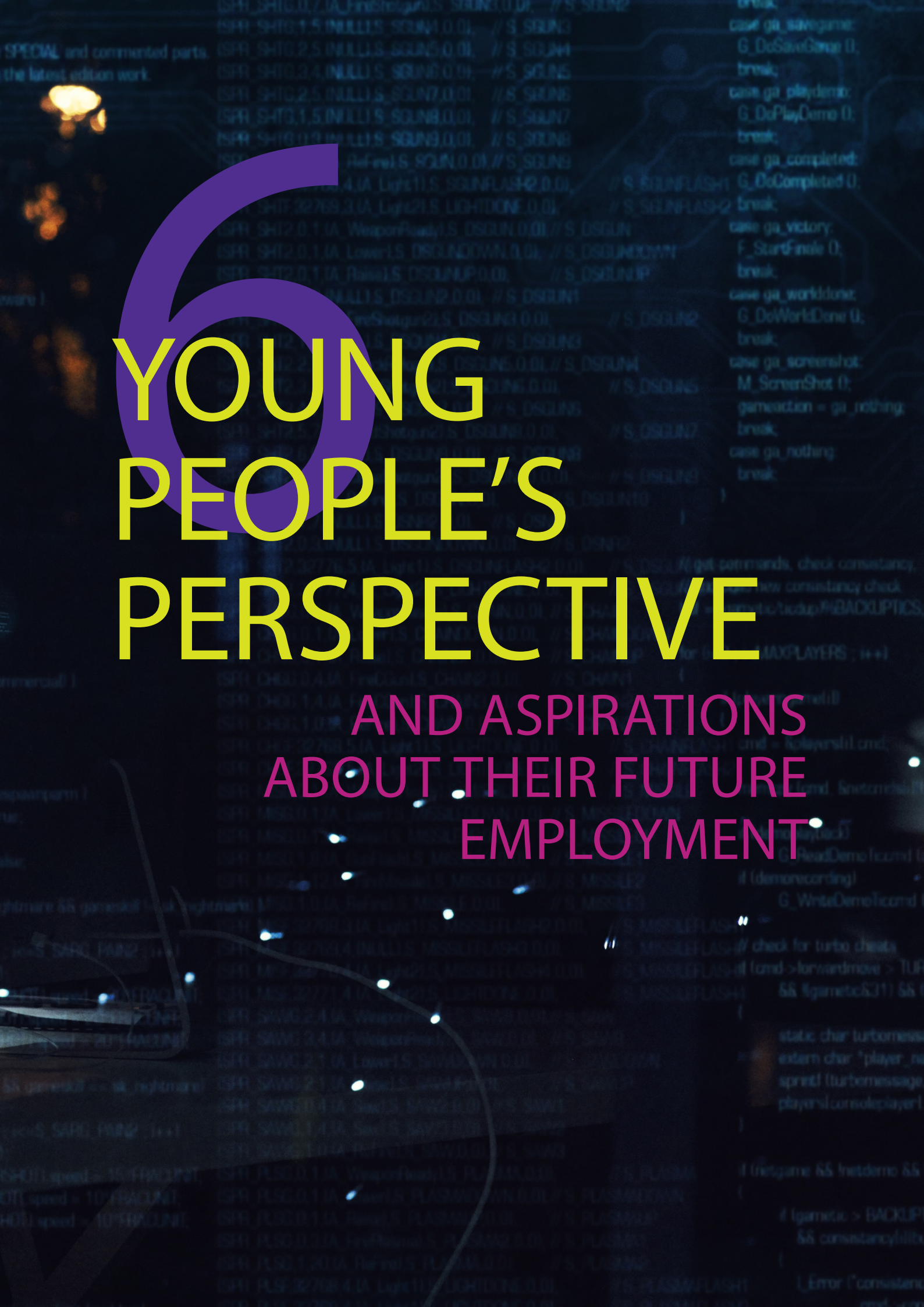
There were no robust differences in income or profits between students who took the course and those who did not.

One conclusion is that although young people are highly entrepreneurial, their businesses are unlikely to expand and, as with start-ups in general, many fail. It is argued that youth entrepreneurship programmes need to move away from an almost exclusive focus on providing start-up capital to cater to the short-term financial challenges of existing entrepreneurs. These have managed to survive and are worthy of further financial and business development support to help them grow.

125 Blimpo, M., Pugatch, T. Unintended Consequences of Youth Entrepreneurship Programs. Experimental Evidence from Rwanda. G2LM LIC Policy Brief No. 63, 2023

126 NWU Institutional Repository. An assessment of the impact of entrepreneurship training on the youth in South Africa.

127 Schwidrowski, Z.B., Ncube, M., Bicaba, Z. (2015). Skills and Youth Entrepreneurship in Africa: Analysis with Evidence from Swaziland. World Development 67, March 2015, DOI: 10.1016/j.worlddev.2014.09.027.


6
YOUNG PEOPLE'S PERSPECTIVE
AND ASPIRATIONS ABOUT THEIR FUTURE EMPLOYMENT

This chapter summarises the perceptions of young people interviewed through the Voice of the Youth representative survey conducted between 3 and 21 February 2025 by the International Research Hub. The purpose of the Voice of the Youth Survey was to identify patterns affecting youth empowerment and employability, skill readiness, education and its relevance for employability, health and wellbeing, inclusion and leadership, digital access and 4IR readiness and economic empowerment.

To gather the data, field research reached 1,185 sampled households and conducted 1,303 face-to-face interviews with young people aged 15–35. The questionnaire comprised of two parts: household roster (to capture the basic characteristics of all household members based on the account of the respondent) and individual respondent's characteristics (for in-depth information on their education, support in finding employment, experience in the labour market, familiarity with AI technologies, etc.). Calculation of key employment and unemployment indicators used roster data for sampled household (which could have more than one young person). For the in-depth analysis of the employment-related factors, the sample of 1,303 respondent was used. The technical details of the survey sampling and fieldwork are summarised in Annex 3: Voice of the Youth Survey technical note).

The chapter is in two parts. The first is a summary of the results of the survey in terms of employment situation, educational profiles, participation in the labour market as well as young people's values related to employment and the associated trade-offs they face. The second part presents a qualitative analysis of micronarratives (short accounts of respondents' experiences) collected during the survey to put the quantitative data into context.

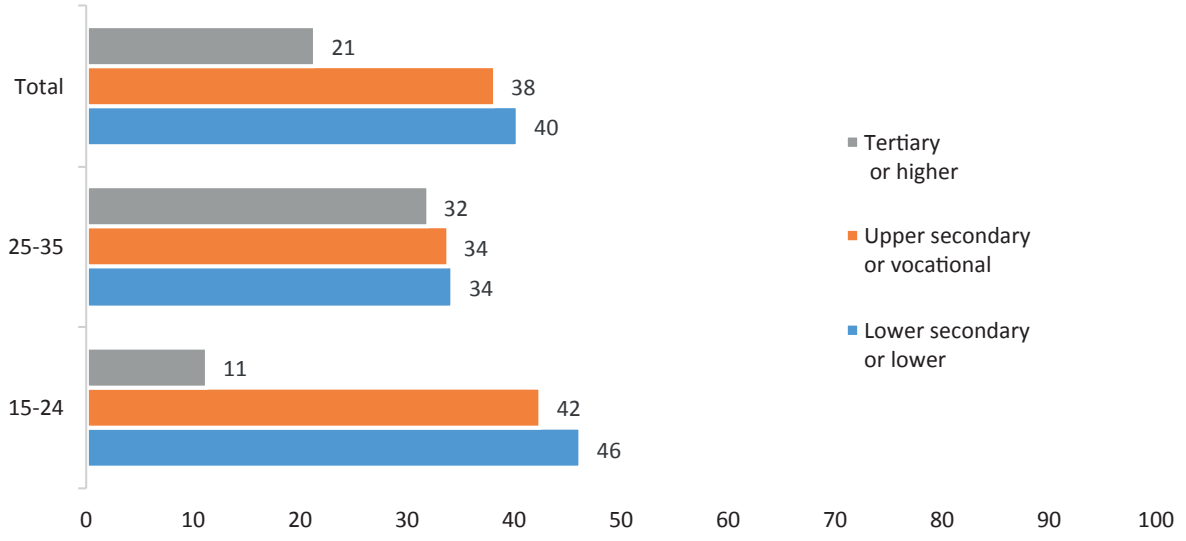
Summary of the quantitative data collection results

Education

Highest completed education

On average, the majority of young people (75 percent) have completed secondary education or vocational training following upper secondary education—the level that is expected to provide at least the minimum of knowledge and skills necessary for productive employment—while only 4 percent have completed only primary education or lower. The picture however is disturbing when the category 'secondary education' is divided into 'lower secondary' (which is increasingly seen as extension of the primary education level) and 'upper secondary' (the level that provides practical knowledge and skills). Only 38 percent of the respondents reported to have completed upper secondary education, while the share of those with lower secondary, primary or no education increases to 41 percent (Figure 33). This is the aggregate group of young people with insufficient education and skills that are at risk of facing various challenges at the labour market. The picture is even more disturbing when the data is disaggregated for the

FIGURE 33: Highest completed education, total and by age groups (%)



Source: Voice of the Youth Survey. Based on the question "What is your highest completed education?" N=1303.

Overall, flexible selection of subjects and vocational training are the most preferred options when it comes to increasing probability of employability, with both receiving 20 percent of responses for Rank 1.

two groups of young people. Of those in the age group 15–25, 46 percent have lower secondary education or below only (12 percentage points more than the young people aged 25–35). Even assuming that some of the 'younger youth' continue their education beyond the age of 24, the probability that the gap between the two age cohorts will be filled is slim—unless deliberate efforts are taken in that regard at policy level.

Satisfaction with the educational system

The respondents find the school curriculum in Botswana to be rigid with students having limited choice of courses. More than one fifth thought that a more flexible curriculum would improve their prospects of finding a job and that the option to take vocational training courses during their education would also improve their chances of getting a job, while 12 percent believed that if they had specialised in vocational training, their prospects for finding employment would be better.

When asked to rank the most important aspects that could increase their prospects for employability, flexible selection of courses, vocational training and possibility to specialise in vocational training were most common factors across all the ranks. Overall, flexible selection of subjects and vocational training are the most preferred options when it comes to increasing probability of employability, with both receiving 20 percent of responses for Rank 1. Following these, the possibility to choose vocational specialisation ranks higher in importance for some, while apprenticeship and traineeships also gained traction, particularly in the third rank category (Table 37).

Transition from education to employment

Skills

Most young people (58 percent, Figure 34) do not have any practical skills (qualification potentially beneficial for future employers) that could be the basis for making money. The share of people with no practical skills among the group aged 15–24 is 61 percent, suggesting that the educational system is still not oriented towards the labour market. In principle, this group should still have the chance of getting such skills during the transition from education to employment, which most of these people are experiencing. However, the high share of people with no skills in the group aged 25–35 (55 percent) suggests that most people did not use the opportunity (or didn't get one) to build their skills. Ultimately, the risk that a considerable cohort of people will remain unemployable because of lacking practical skills is high. Another point of concern is the considerable skills gap between women and men: while half of the male respondents reported to have no skills, this share is 63 percent among women.

Exposure to the labour market

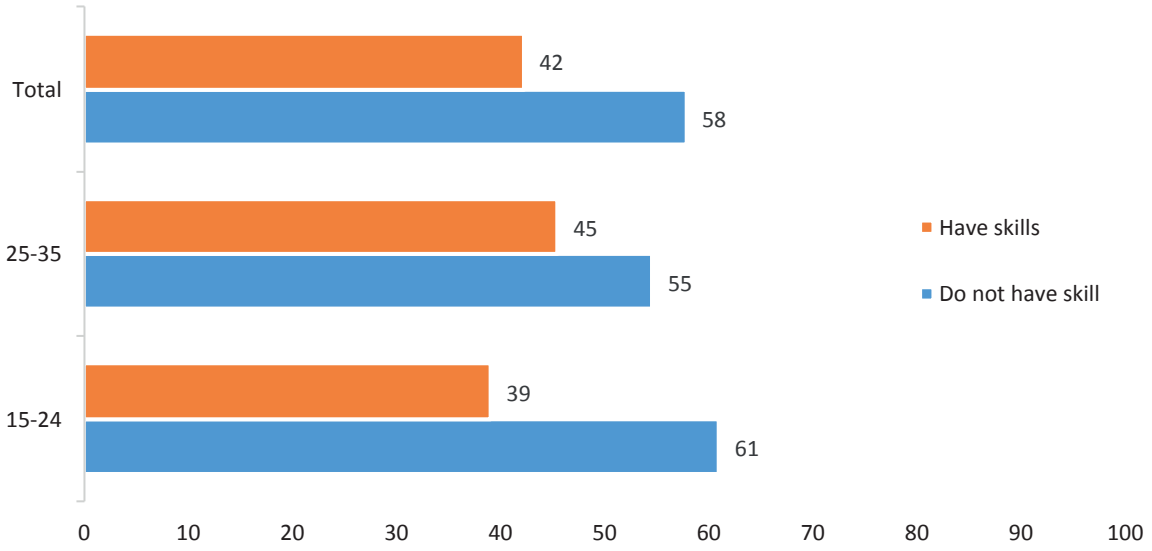
The survey revealed that most young people have not had any exposure to the labour market (applying for a job or working) in their teenage years with no difference

TABLE 37: Factors that increase probability of employability (%)

Factors	Rank 1	Rank 2	Rank 3
Flexible selection of subjects	20	18	15
Vocational training	20	21	15
Possibility to choose vocational specialisation	12	18	15
Apprenticeship/traineeships	7	11	18
Study abroad	1	3	5
Future jobs fairs, presentation of job opportunities by business	4	8	11

Source: Voice of the Youth Survey. Based on the question "Now, let's discuss your last years of education from the perspective of your employment situation today. What, in your view, would have improved your employability but was missing back then? Please select the three most important improvements ranking them by priority marking the most important with 1 and the least important with 3", N=1303.

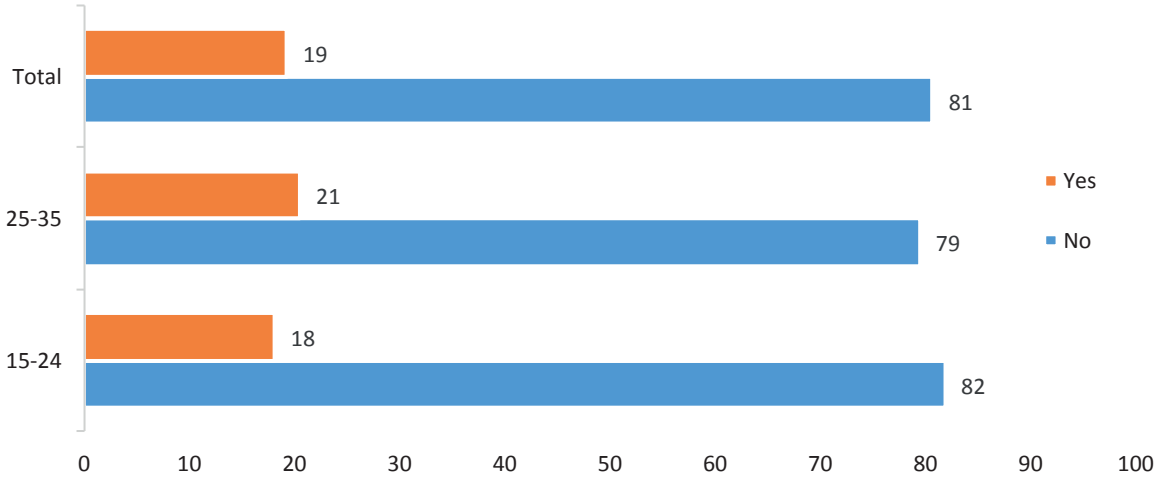
FIGURE 34: Possession of relevant skills by age group (%)



Source: Voice of the Youth Survey. Based on the question "Do you have any practical skills that could be the basis of income-generation?" Valid responses only, N=1299.

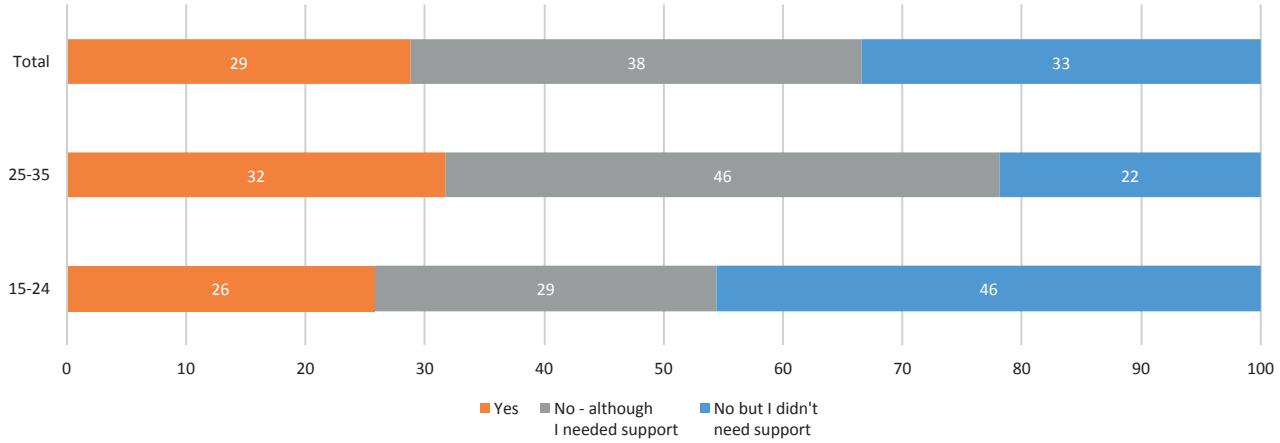
between age groups, women or men (Figure 35). Of the 19 percent who had some exposure, two thirds took an informal job, 13 percent helped a local company after school, while only 8 percent worked during summer holidays as apprentices. The fact that there is no difference between the two age groups suggests that the links between the educational system and potential employers has not evolved in the years the two groups were at school. When asked if they agree that teenagers should start working while still at school to be exposed to the labour market, 65 percent agree or agree strongly. These finding suggest a potential opportunity for the current teenagers if targeted measures for early exposure

FIGURE 35: Exposure to the labour market during the teenage years (last years at school), total and by age groups (%)



Source: Voice of the Youth Survey. Based on the question "During your teenage years (last years at school), did you have some exposure to the labour market?" Valid responses only, N=1300.

FIGURE 36: Support in finding a job after completing education by age groups (%)



Source: Voice of the Youth Survey. Based on the question "After completing your education, did you receive any support in finding a job?" Valid responses only, N=1207.

to the labour market are implemented—but for those out of education the situation is more challenging.

Support in finding employment

Career counselling and guidance are crucial aspects that help young people to navigate their educational and professional choices, aligning their interests and skills with potential career paths and labour demand. This process can enhance self-awareness, build confidence, and ultimately lead to more informed decision-making, resulting in higher job satisfaction and success in the workforce. In Botswana, universities often provide career counselling and guidance to students. There is otherwise little collaboration between the private sector and educational institutions. However, there are some few institutions that have initiatives such as career counselling, vocational training programmes, and apprenticeships aimed at equipping students with the necessary skills for the job market. Evidence from the data shows that little support is provided to graduates in the labour market. Only 29 percent of youth reported that they got support when entering the labour market while 38 percent never got support although they needed it. 33 percent did not require support (Figure 36).

Few school leavers got support from a labour office or other government institution with most (84 percent) getting support from friends and family. Family and friends also lead the ranking of the source of information:

Career counselling and guidance are crucial aspects that help young people to navigate their educational and professional choices, aligning their interests and skills with potential career paths and labour demand.

59 percent of the respondents received information from this source.

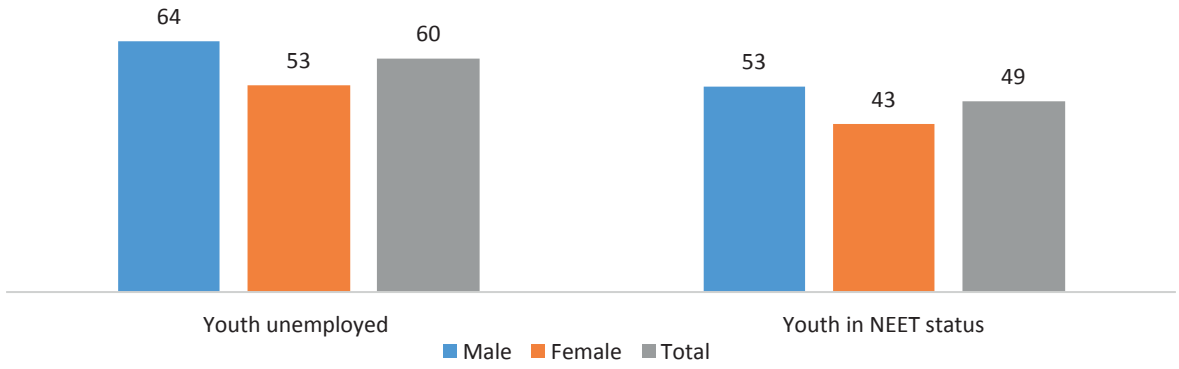
Employment and incomes

Employment status

The survey reveals a noticeable gender gap in favour of women. The unemployment rate of men was 11 percentage points higher than that of women, while the gap in NEET rate was 10 percentage points (Figure 37).

The results from the study are generally consistent with the picture emerging from the Statistics Botswana data from the Labour Force module collected in Q1 2024. The nominal values of the respective indicators calculated using the data from the survey are higher than those based on the Labour Force module but the different

FIGURE 37: Youth unemployment and NEET rates, total and by sex (%)

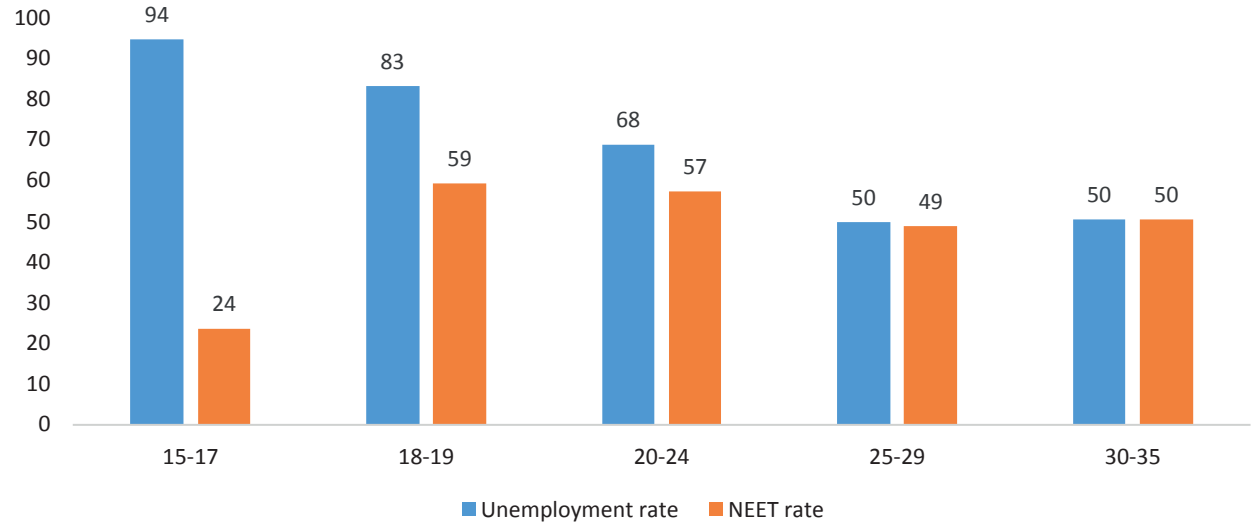


Source: Voice of the Youth Survey. Based on roster question c. "Activity status of {household member}". N=2359

methodologies used largely explain the differences.[128] The survey registered the highest unemployment rate of 94 percent amongst youth aged 15–17 followed by 83 percent in the group aged 18–19 and 68 percent of youth in the age group 20–24 (Figure 38). However, one should bear in mind that 75 percent of the respondents aged 15–17 and 19 percent of those aged 18–19 were in education (therefore not part of the labour force). In other words, 94 percent of those aged 15–17 who left education ended up unemployed (and likewise 83 percent of those aged 18–19). Keping these young people in school might increase their chances of finding a job provided that the additional time spent in school would have developed their skills.

For 40 percent of the respondents who reported to be employed, their current job was their first employment (Figure 39). Not surprisingly, more 'young youth' were in their first job. However, the fact that 36 percent of the people aged 25–35 was in their first job at the moment of the interview is a reason for concern. No difference between women and men was observed.

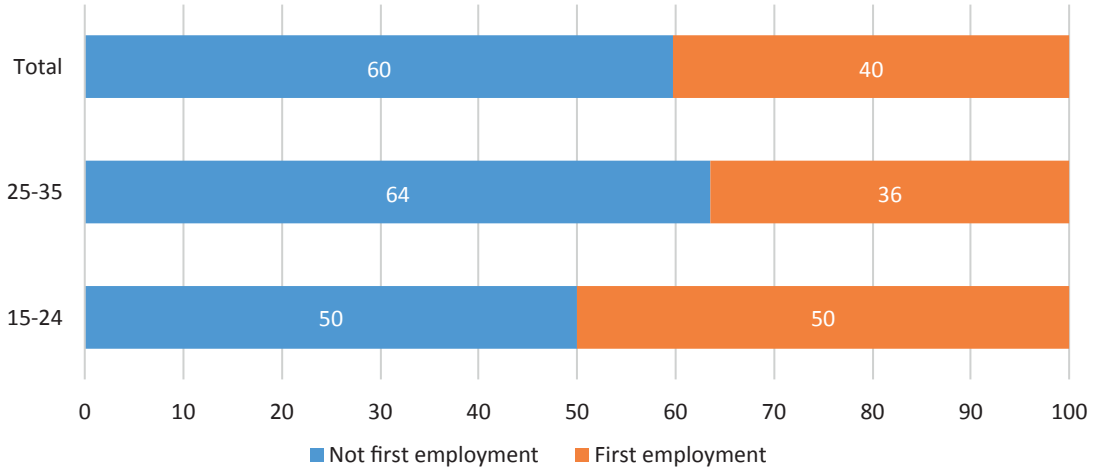
FIGURE 38: Youth unemployment rate by age (%)



Source: Voice of the Youth Survey. Based on roster question c. "Activity status of {household member}", N=2359.

128 The survey data is derived from self-assessment by the respondent, while the Labour Force module applies the more rigid ILO module. A considerable number of respondents of such surveys understand 'employment' as work on regular long-term contract and self-assess their status as 'unemployed' despite being engaged in occasional informal work.

FIGURE 39: First employment experience by age groups (%)



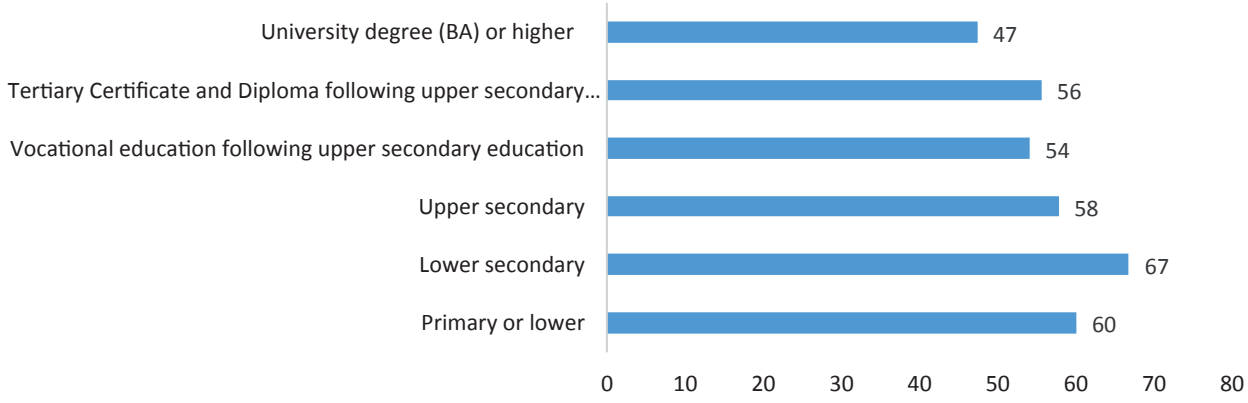
Source: Voice of the Youth Survey. Based on the question "Is it your first employment experience?" N=271.

The survey results suggest that the respondents' areas of work correspond only to a small extent with their qualifications. For only 26 percent of the group aged 15–25 who work do these two coincide. This is understandable for young people who have just completed their transition from education to employment. This share, however, is still only 36 percent for the 'older youth', confirming the persistent mismatch between supply and demand of skills analysed in this report.

Youth with lower secondary education only are the most prone to unemployment in Botswana with unemployment rates amongst this group reaching 67 percent (Figure 40). But the results suggest that the return on investment in higher education is small as regards employment opportunities. Even among the respondents with a first level university degree (BA) or higher the unemployment rate is 47 percent. The benefits of higher education seem to be limited to the higher level of income received by the 53 percent of the graduates who are lucky enough to have a job (as shown in 'Incomes' section below).

Unemployment rates are found to be lower amongst those with primary and no primary qualifications. These results are an indication that there is a serious skills mismatch

FIGURE 40: Youth unemployment by level of education (%)



Source: Voice of the Youth Survey. Based on roster question c. "Activity status of {household member}". N=2359. Vocational education and Tertiary Certificate and Diploma follow upper secondary education.

in the country, with universities producing graduates that are not labour market-ready, and employers would prefer to hire youths with primary qualifications who often have the core employability skills acquired non-formally through on-job-training. On the other hand, there seems to be enough evidence that since 2007, with the Government freezing posts, the country has not been able to generate enough job opportunities to absorb new labour market entrants, a significant share of which are graduates from universities. However, while there are challenges in the white-collar jobs, there seem to be a growing demand for plumbing, brick laying and other technical skills, which are currently held by foreigners, mostly from Zimbabwe.

Overall, the results indicate that Botswana has not progressed well on SDG target 8.6 to reduce youth NEET. Furthermore, the country still has a long way to go to reach its aspirations outlined in Vision 2036, to reduce the unemployment rate to 5 percent by 2036.

Employment providers

The majority of those employed were working in services (81 percent). The largest number of respondents reported to be working in a private company (36 percent), 22 percent were self-employed, 17 percent were employed in a private household and 15 percent were employed in state administration. The results however reveal a stark difference between the current and desired occupation (Figure 41). The share of respondents who would prefer to be employed by the state (in administration or in a state-owned company) is three times higher than those preferring some form of non-state employment.

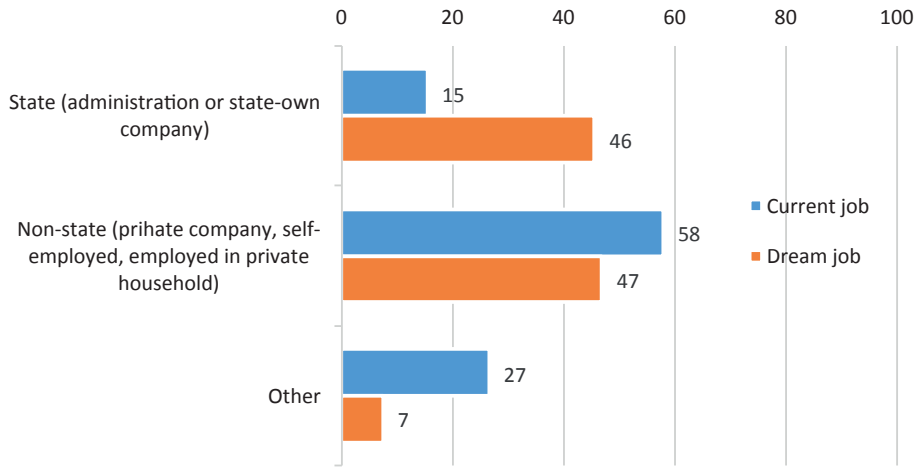
Women have a higher preference for state sector employment than men (respectively, 49 percent and 40 percent). But the preference for state employment is equal for both age groups, which suggests deeply engrained pro-state sector attitudes. Even accounting for the lower number of respondents currently in employment (and answering the question on their job) compared to the total, the strong expectations for the state to provide jobs may be used by populist-minded politicians as an argument in favour of big public spending or even for postponing the reform of state-owned enterprises. Understanding the drivers of these pro-state sector preferences is important for addressing the structural or cultural barriers that inhibit the growth of the private sector.

No particular preference was expressed regarding the size of the company (big or small). But 71 percent of those who had an opinion chose the option "employment in the service sector". Of the respondents with preference for the service sector, 21 percent declared "catering and hospitality" as their "dream job" followed by 13 percent preferring formal retail and trade, 11 percent in petty trade, 7 percent in public administration and 6 percent in healthcare. Only 2 percent of the young people dream of a career in IT services, which might be a challenge for responding to the needs of the 4IR technologies in Botswana's economy.

Incomes

Only 271 respondents explicitly declared that they are working and stated their income. Of these, only 169 of

FIGURE 41: Preference of employment provider (current and desired job, %)



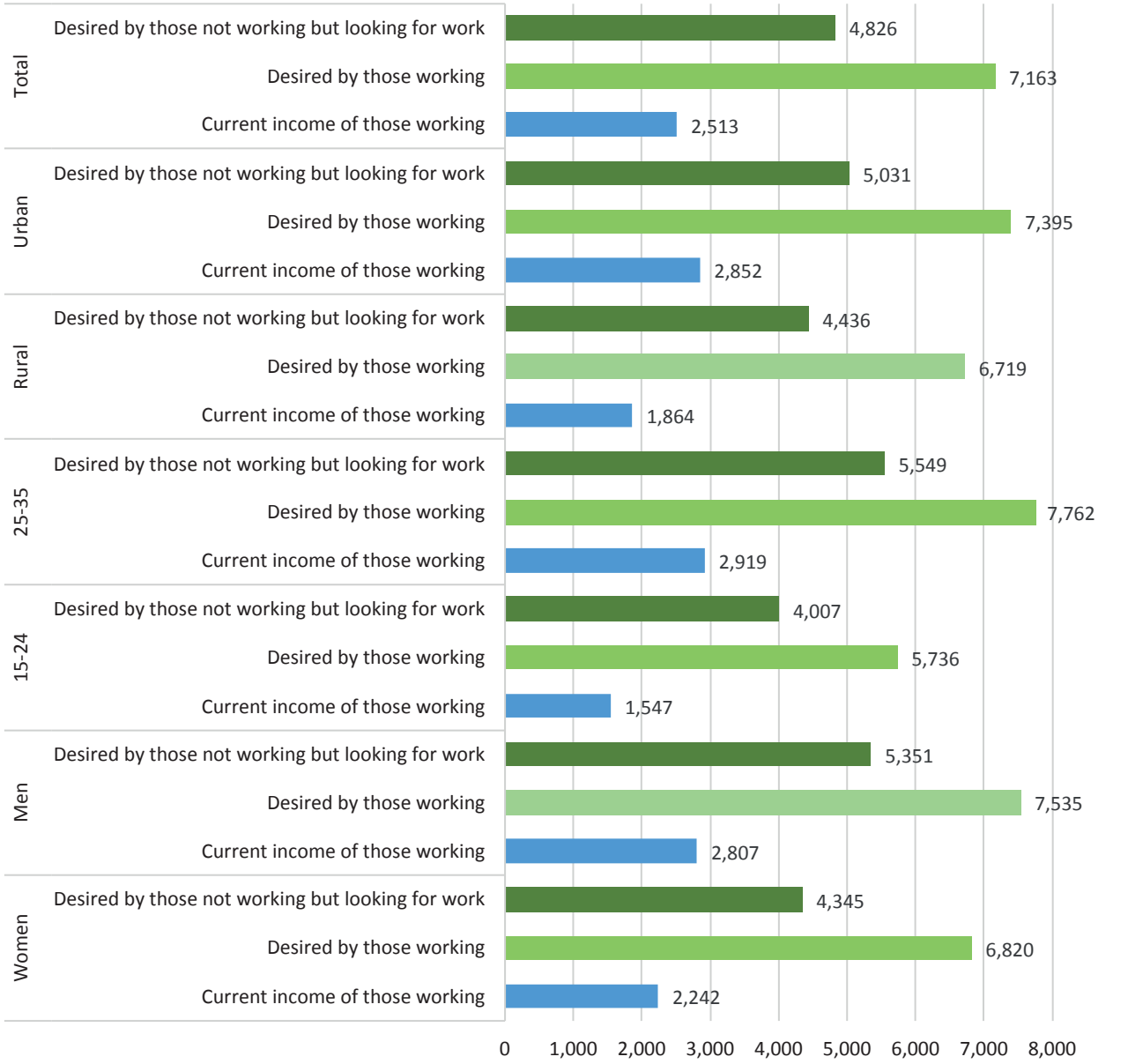
Source: Voice of the Youth Survey. Based on the questions "What is your current employment status?" (N=271) and "What would be your preferred employment status?" (N=884).

these individuals reported that they are still looking for a job. But despite the smaller sample, the data reveals a considerable discrepancy between the current income (2,514 pula) and the desired income (7,163 pula). The distribution by different groups shown in Figure 42 suggests that the income inequality among young people is quite low with the biggest difference between rural and urban areas. On the other hand, data reveals almost universal consensus among young people that the income they currently get is way below their expectations. The gap between reality and expectations is highest among 'younger youth' (aged 15–24), who expect to be receiving an income 3.7 times higher than they currently get.

Not surprisingly, the respondents who are not working but looking for work (715 in total) are ready to work for a lower income than those who are currently working.

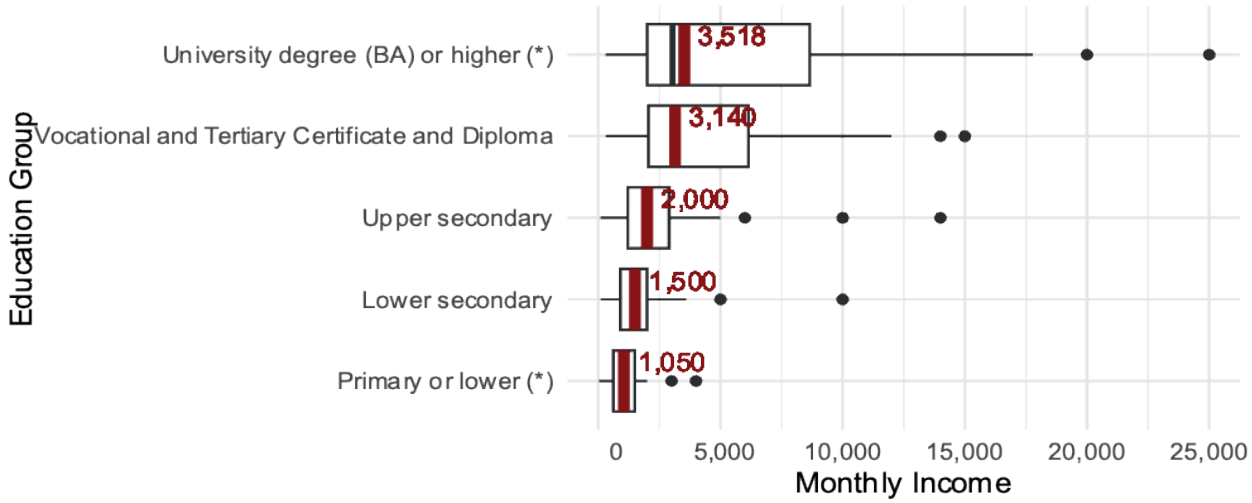
The survey results reveal a clear positive correlation between educational attainment and wage levels among Botswana's youth (respondents aged 15–35 who have a job) whose median wages are increasing steadily from 1,050 pula for primary-educated workers to 3,518 pula for university graduates (Figure 43). The data also illustrates

FIGURE 42: Current and desired incomes (in pula)



Source: Voice of the Youth Survey. Based on the questions "What is the total monthly net income that you are working for now?" (N=271) and "What is the monthly income before tax that would be acceptable for you?" (N=715).

FIGURE 43: Total monthly net income (in Botswana pula) by education level of the currently employed youth (15–35)



Source: Voice of the Youth Survey. Based on the question "What is the total monthly net income that you are working for now?" N=271.
Notes: Vocational education and Tertiary Certificate and Diploma follow upper secondary education. Asterix (*) marks groups with less than 30 observations. The plot displays the distribution of wages, the box shows the range in the centre of distributions where most (50 percent) of people's wages fall, the red line indicating the median wage.

the link between increased educational attainment and expansion of opportunities. Young workers with only primary education find themselves trapped in a tight wage band between 617 and 1,500 pula (a span of just 883 pula with little room for financial progress). Completing lower secondary school pushes median earnings to 1,500 pula, but the real transformation begins with upper secondary education, where wages start showing meaningful variation and the top earners reach nearly 3,000 pula. The most striking differences emerge at higher education levels. Vocational training graduates see their median wages more than double compared to school leavers who completed lower secondary education only. The top quarter of that group earns up to 6,150 pula—demonstrating that specialised skills create pathways to better incomes. University graduates experience the widest range of income possibilities. While half earn more than 3,518 pula (the median wage), the top quarter command salaries reaching 10,000 pula, with some outliers going even higher.

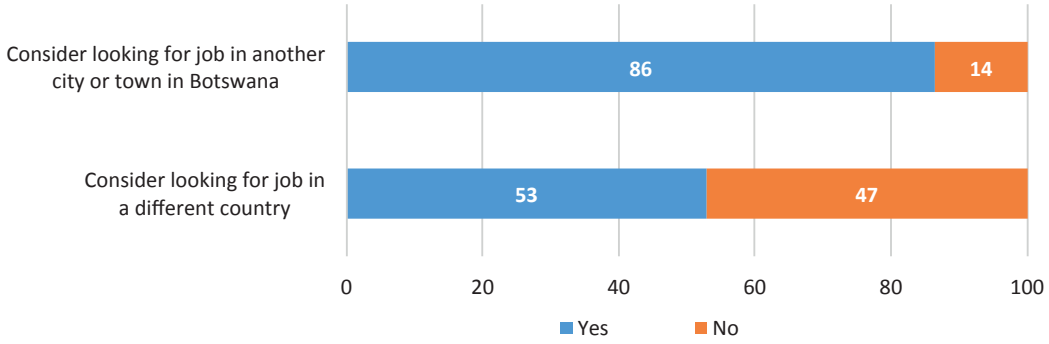
In the surveyed areas, the main source of household income includes wages from the private sector (28 percent of households), piece jobs (18 percent), central government (10 percent), and local government (8 percent). Ipelegeng is also found to be a significant contributor to household income, with 5.1 percent of households relying on Ipelegeng income for their survival. Other households rely on earnings from agriculture and remittances from friends/relatives (5 percent). Evidence indicates that there is less participation of Batswana in soft skills and the informal sector with only 3 percent of households earning income from the informal sector and 2 percent relying on income from the agricultural sector.

Mobility

Young people appear willing to move to get a job: 86 percent consider looking for job elsewhere in Botswana (Figure 44). This finding supports the argument that one of the ways in which the challenge of unemployment can be met is reducing the barriers to internal migration—particularly from rural to urban areas. What might be done in that regard? Almost a third (31 percent) of the respondents put the cost of accommodation as the main factor discouraging migration followed by high cost of living (excluding accommodation) with 16 percent. These two factors are on top of the factors listed as second priority (respectively with 31 percent and 60 percent of respondents) and third priority (with 21 percent and 24 percent).

More than half would be prepared to move abroad in search of employment. Of those considering external migration, one third are driven by the opportunity to save money for a big investment (e.g., building a house, starting their own business, marriage), one third by the higher living standards in the receiving country and only 13 percent by the opportunity for upward job mobility.

FIGURE 44: Internal and external migration



Source: Voice of the Youth Survey. Based on the questions "Would you consider looking for a job in a town or city different from the one you currently live in?" (Valid responses only, N=881) and "Would you consider looking for a job in a different country?" (Valid responses only, N=877).

Values and aspirations

Preferences regarding work intensity and social interactions

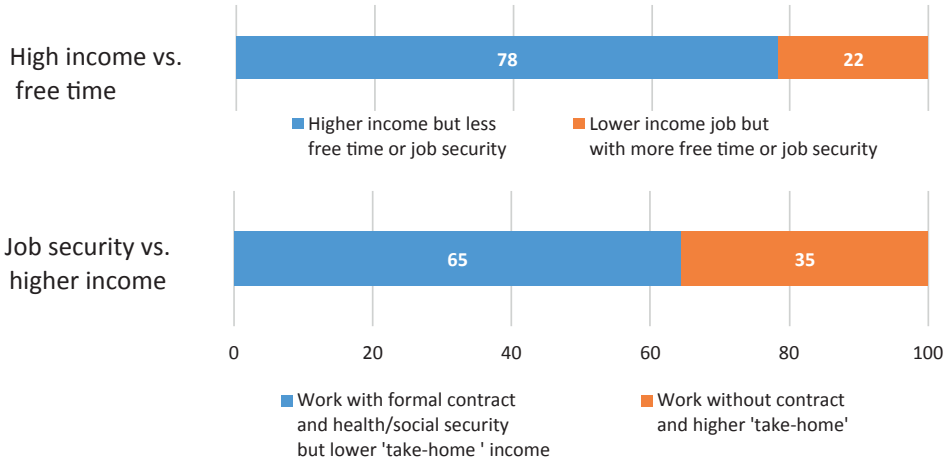
In general, young people demonstrate a combination of dynamic attitudes (to be expected given their age) matched by appreciation of stability. More than three quarters are willing to work hard with less free time. At the same time, most prefer a formal work contract with associated social security but with lower take home income (Figure 45).

Young people prefer higher level professional responsibilities with almost two thirds seeking a combination of "more decision-making functions matched with high responsibilities" (Figure 46). Almost an identical share (64 percent) prefers to work in a place with income and opportunities for professional growth but a highly competitive work environment rather than in low-demanding work; but with good vibes and positive social interactions (36 percent).

Attitudes towards work

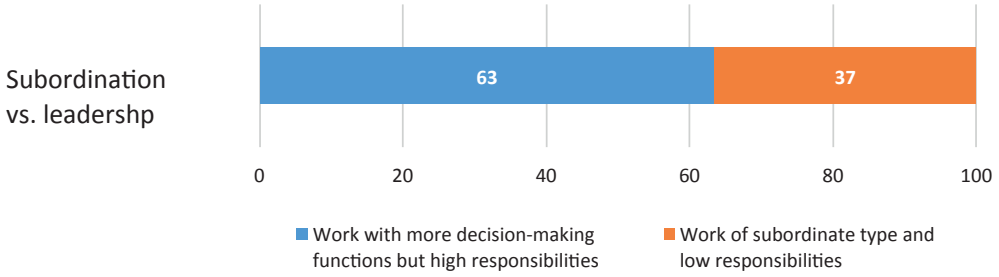
Most young people expect the state to play a strong role in the economy. 73 percent agree that avoiding taxes is

FIGURE 45: Preference of higher income vs. non-monetary benefits (%)



Source: Voice of the Youth Survey. Based on the question "When people are looking for a job, usually the available options combine different pros and cons. Which of the combinations listed below would you prefer?" with options "A high income job but with less free time or lower income job but with more free time?" and "Work with formal contract and health/social security but lower 'take home' income or work without contract and higher 'take home' income?"

FIGURE 46: Preference of decision-making roles vs. low responsibilities (%)



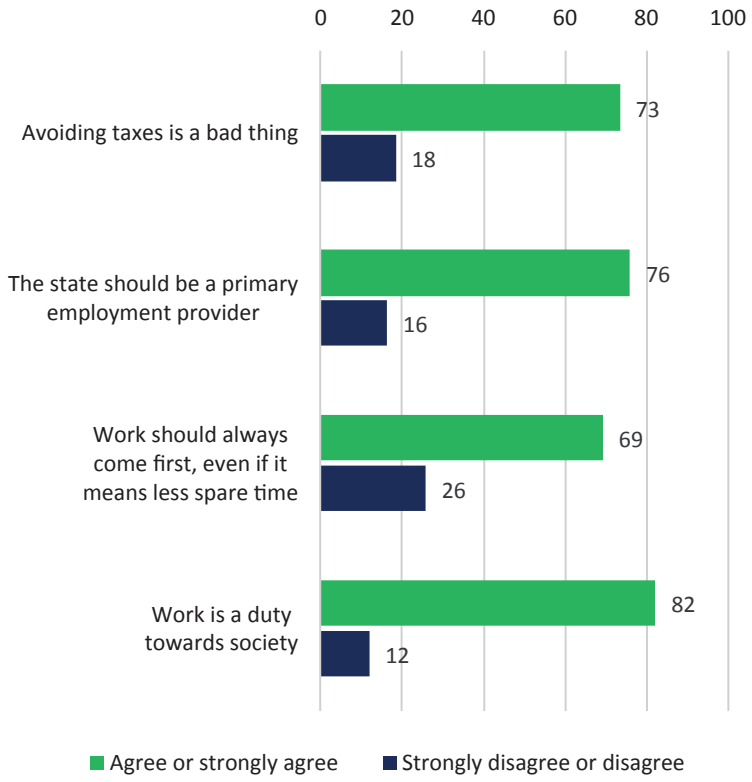
Source: Voice of the Youth Survey. Based on the question "Work with more decision-making functions but high responsibilities or work with of subordinate type and low responsibilities?" N=1303.

a bad thing, and 76 percent regard the state as being the main provider of employment. An even higher share (82 percent) agree that work is a duty towards society (Figure 47).

Young people and artificial intelligence

Only 19 percent of respondents with clear opinion believe they are very or somewhat familiar with AI, while the share of those who feel somewhat or very unfamiliar is 68 percent (Figure 48). Of those that are, many are concerned about the effects of AI on job security. Few

FIGURE 47: Share of respondents who agree with the respective statements regarding work and the role of the state as employment provider (%)



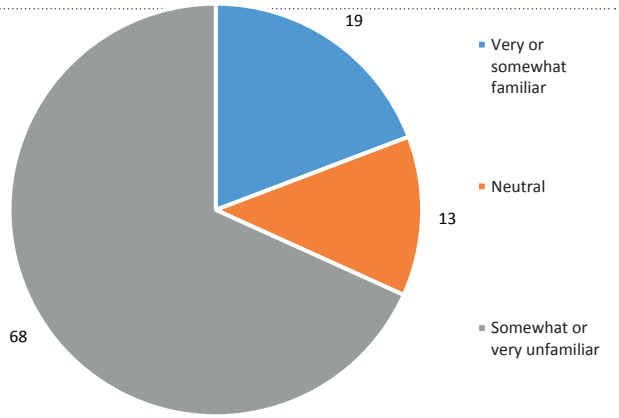
Source: Voice of the Youth Survey. Based on the question "To what extent do you agree or disagree with the following statements?" N=1303.

believe AI will create more jobs, while half think it will eliminate jobs (Figure 49).

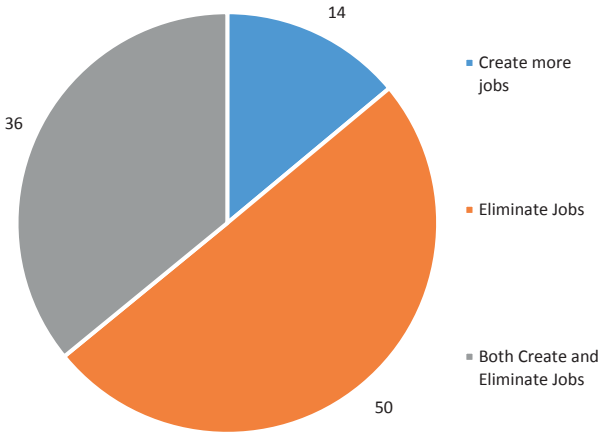
FIGURE 48: Familiarity with AI (%)

Source: Voice of the Youth Survey. Based on the question "How familiar are you with artificial intelligence (AI)?" Valid responses, N=957.

FIGURE 49: Anticipated impact of AI on the labour market (%)



Source: Voice of the Youth Survey. Based on the question "Do you believe AI will create more jobs, eliminate jobs, or both?" Valid responses, N=387.



65 percent are concerned about job security due to AI and automation (27 percent are not concerned and 8 percent have mixed feelings about the issue). Only 14 percent believe AI will create more jobs, while 50 percent believe it will eliminate jobs (Figure 49). Recalculated without the respondents with mixed views, the share of the pessimists regarding AI's impact on the labour market reaches 78 percent. 52 percent believe the rise of AI would influence their career choices, while 48% believe it will not.

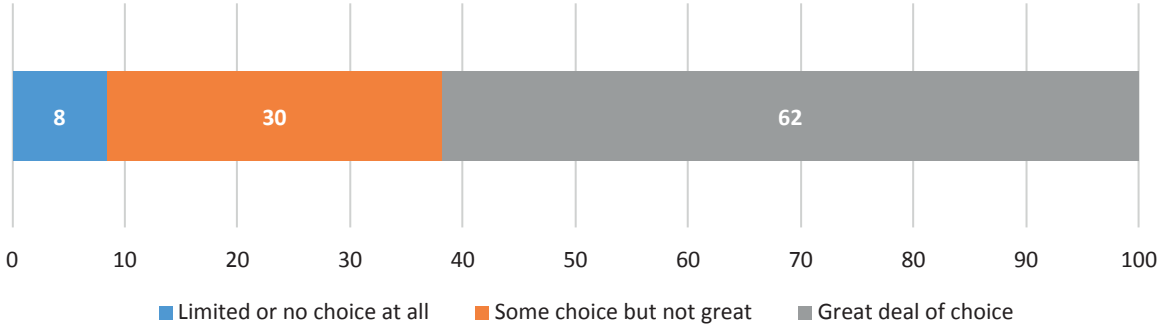
Freedom of choice and trust

Assessing their freedom of choice, 62 percent of the youth interviewed indicated they have a great deal of choice, while 30 percent feel they have some choice but not great, and 8 percent indicated they have limited choice or none (Figure 50). This means that at least 92 percent of the youth feel they have freedom of choice whatever its quality.

> Only 14 percent believe AI will create more jobs, while 50 percent believe it will eliminate jobs.

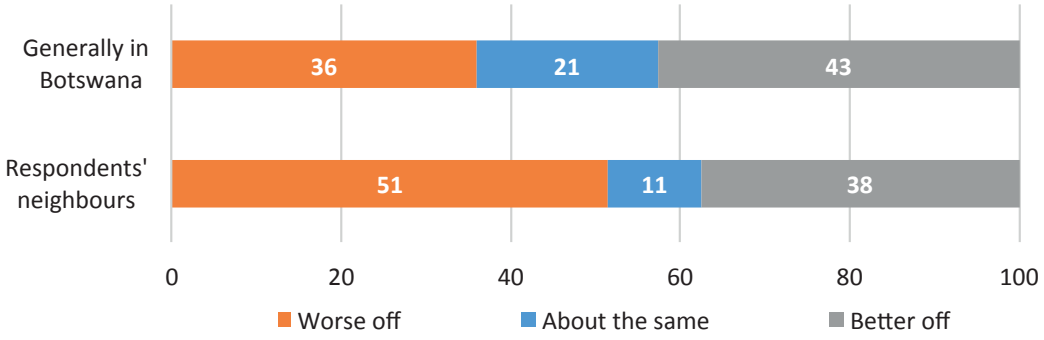
In the view of 38 percent of the respondents, they have better opportunities and control of their life than peers living in the same place or district. This number rises to 43 percent when young people compare themselves to their peers at the national level. At the same time, 51 percent of young people consider themselves worse off in terms of choices and control of their lives when compared to their neighbours in the place of living or district but only 36 percent when compared to peers at the national level (Figure 51).

FIGURE 50: Respondents' freedom of choice and control of their life (%)



Source: Voice of the Youth Survey. Based on the question "How would you assess your freedom of choice and control of your life on a scale from 1 to 10, where 1 means 'no choice at all' and 10 means 'a great deal of choice'?" N=1303.

FIGURE 51: Respondents' opportunities for choice and control of their own life compared to their peers in the place they live and to peers generally in Botswana (%)

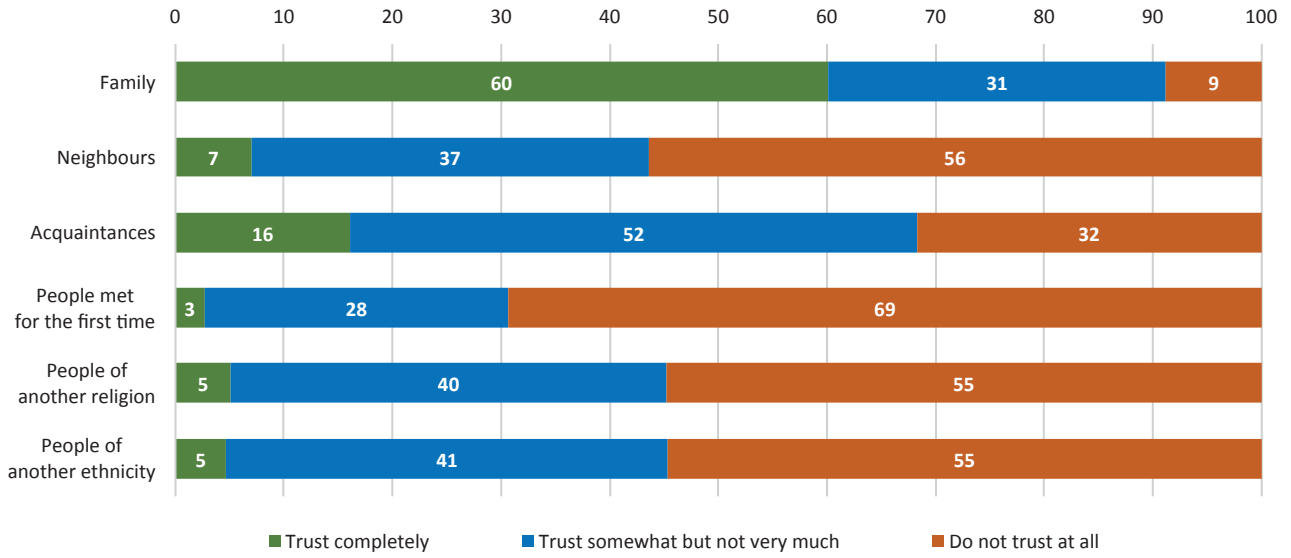


Source: Voice of the Youth Survey. Based on the questions "Comparing your opportunities for choice and control of your life with that of your peers living in your place or in your district, would you say that you are better off, worse off or about the same?" and "Comparing your opportunities for choice and control of your life with that of your peers generally in Botswana?" Valid responses only, N=1070.

The survey suggests that young people tend to trust primarily members of their own family (Figure 52). The highest share of mistrust towards people they meet for the first time might be understandable—unlike the mistrust to neighbours ranking second. The high level of mistrust of 'others' (people of a different religion or ethnicity) is disturbing as it suggests potential xenophobic attitudes in the society.

The high level of mistrust of 'others' (people of a different religion or ethnicity) is disturbing as it suggests potential xenophobic attitudes in the society.

FIGURE 52: Trust (%)



Source: Voice of the Youth Survey. Based on the question "I'd like to ask you how much you trust people from various groups. Could you tell me for each whether you have trust… In your family? In your neighbours? In people you know personally? In people you meet for the first time? In people of another religion? In people of another nationality/ethnicity?" N=1303.

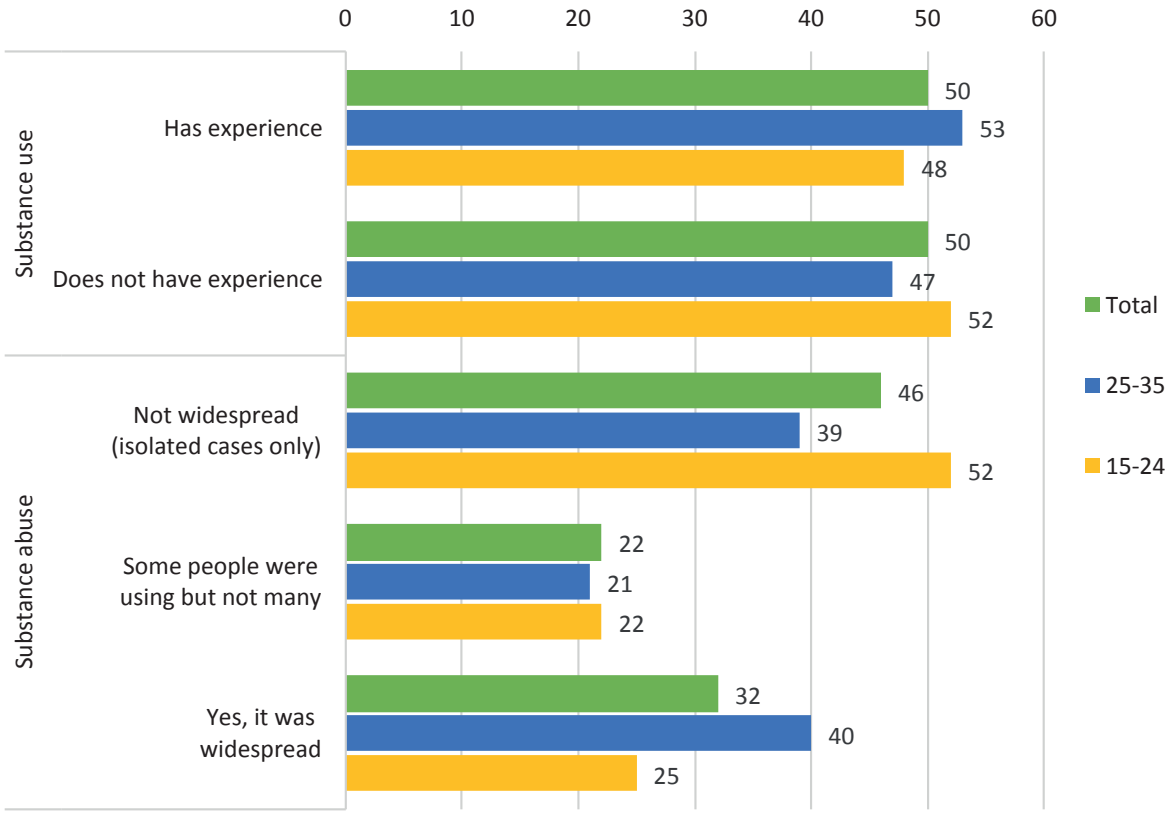
Substance use

Incidence of substance use and experience of abuse

About half the respondents reported widespread substance use amongst peers during their teenage years (last years at school). The situation with substance use seems to be deteriorating with younger youth reporting a higher incidence of widespread use than older youth (Figure 53). The share of respondents reporting substance use/abuse was 53 percent among the younger youth (aged 15–24) and only 39 percent among the older youth (aged 25–35). No difference was observed in encountered experience of substance use between women and men.

No difference was observed in encountered experience of substance use between women and men

FIGURE 53: Incidence of substance use and abuse (%)



Source: Voice of the Youth Survey. Based on the questions "During your teenage years (last years at school), was substance use/abuse widespread among your schoolmates?" (valid responses, N=1202) and "Have you or someone you know experienced issues related to substance abuse?" (valid responses, N=1285).

The difference between the 'younger youth' and the 'older youth' is less pronounced regarding experience with substance abuse. 48 percent of the respondents aged 15–24 report that they or someone they know has experienced substance use, while this share was 53 among those aged 25–35 (Figure 53). The 5 percentage points difference however should not be interpreted as an indicator of some positive trend—most probably, the younger groups simply did not have time to get such experience.

Reasons for substance use and its impact

57 percent of the respondents with a clear opinion feel that substance use is a common way for youth to cope with stress, while 43 percent disagree. Again, the difference between the two age groups is considerable: while 53 percent of the 'younger youth' agree with this explanation, 61 percent of the 'older youth' do so. The majority of respondents believe that substance use/abuse has a negative impact on young people's perspectives of finding a decent job (87 percent in total with no difference between women and men). The 'younger youth' appears to be slightly less concerned by the potential impact of substance use on their employability compared to the 'older youth' (with 85 percent and 88 percent agreeing on that, respectively). Again, the slightly lower level of concern might be explained by the shorter experience.

Coping strategies

About one third of respondents prefer counselling and therapy services as a way of coping, with other actions attracting limited interest. Only 12 percent see educational programmes (e.g., school-based substance abuse education) as potentially helpful. However, the distribution of preferences in favour of the second and third option differ between women and men as well as between the 'younger youth' and the 'older youth' (Table 38).

TABLE 38: Preferred coping strategies (%)

	15–24	25–35	Women	Men	Total
Educational programmes (e.g. school-based substance abuse education)	13	10	11	12	12
Counselling and therapy services (e.g. access to mental health professionals)	34	27	33	26	31
Parental and family support programmes (e.g. family counselling, parenting workshops)	6	6	6	6	6
Awareness campaigns (e.g. public awareness initiatives, media campaigns)	9	11	10	9	10
Access to recreational activities (e.g. sports, arts, and other engaging activities)	9	13	10	13	11
Mentorship programmes (e.g. guidance from mentors or role models)	3	2	2	4	3
Support groups (e.g. peer support groups, community programmes)	6	8	7	6	7
Helplines and crisis intervention services (e.g. national or local hotlines)	3	2	2	2	2
Other	18	21	18	20	19
Total	100	100	100	100	

Source: Voice of the Youth Survey. Based on the question "What kind of support or resources do you think are needed to address substance use among youth?" N=1303.

Micro-narratives analysis

This report argues for policies to expand opportunities for youth. This 'metanarrative' is aimed at policy change and associated actions based on a synoptic view derived from evidence and experience elsewhere. Policy can also beneficially be shaped by so-called micronarratives—short, specific narratives that are used to understand a particular situation or context.[129] In simple terms, they are fragments of stories or small descriptions of experiences that carry some special personal meaning. They reflect how people interpret events in relation to their identity and place in the world. They also help understand complex situations, make better sense of the world, and inform decision-making. They were collected as part of the survey by asking young people to tell a memorable story about their job search.[130] Then young people rated their stories by three criteria: frequency,[131] desirability,[132] and emotional load.[133] Together with the quantitative part of the survey and information about person and locality, these stories[134] provide additional background that helps our understanding of the context in which young people in Botswana deal with their employment related challenges.

Policy can also beneficially be shaped by so-called micronarratives—short, specific narratives that are used to understand a particular situation or context.

This narrative landscape reveals patterns in how young people experience the job search. Gravity Wells dominate: these are frequent and undesirable experiences pulling people repeatedly into frustration,

129 Venditti, S., Piredda, F., Mattana, W. (2017). Micronarratives as the form of contemporary communication. The Design Journal 20 (sup1):S273-S282, July 2017.

130 "To better understand your answers, I would like to ask you to share with us a short story summarising your experience when you or a young person you know was looking for a job and that stuck in your mind. What happened?"

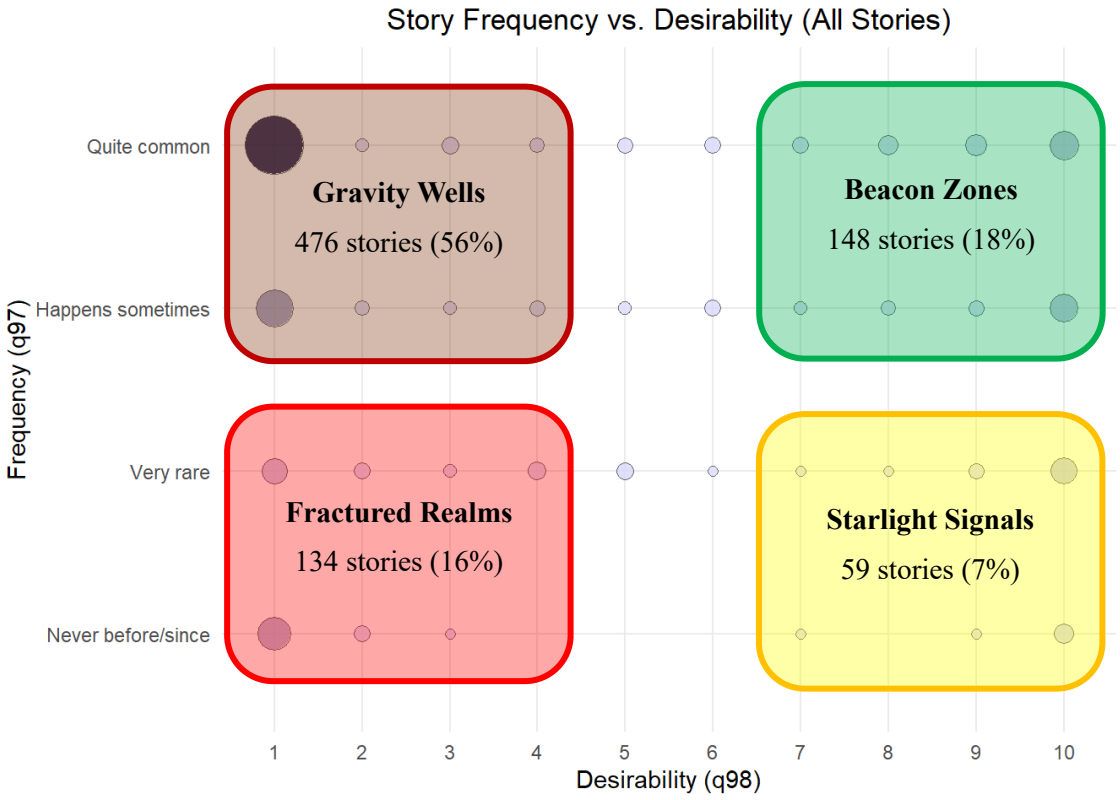
131 Q97. How often does this sort of stories happen? (SELECT ONE) Never before/since / Very rare / Happens sometimes / Quite common.

132 Q98. Would you like this sort of stories to happen… Less often 1 2 3 4 5 6 7 8 9 10 More often.

133 Q99. What emotions does this story evoke in you? SELECT ALL THAT APPLY joy / trust / fear / surprise / sadness / disgust / anger / anticipation.

134 In total 844 stories were collected, in written form or as audio recordings. Those recordings were transcribed and translated into English for further analysis.

FIGURE 54: Pattern of frequency and desirability of stories



Source: Voice of the Youth Survey. Based on the 'Micronarratives' analysis, N=788.

exclusion, or stagnation. These are hard to escape and signal that structural barriers are deeply embedded. They are more common for women. In contrast, Beacon Zones (18 percent) offer hope through evidence of systems or practices that work and can be replicated and strengthened. They offer a foundation to build on. They are equally common for women and men. Fractured Realms (16 percent, men 17 percent, women 15 percent) are scattered, rare stories of struggle or breakdown, often overlooked but important to detect—cracks in the surface that may widen without care. And then there are the Starlight Signals (7 percent, women 5 percent, men 10 percent): rare, luminous glimpses of what a better future could look like. These stories spark imaginations and reveal emerging possibilities worth nurturing.

The dominance of Gravity Wells shows how many people are caught in negative cycles. This pattern is seen in statistical data as well—a very high share of relaxed job seekers among young people, reflecting troubles with the transition from study to work. Household responsibilities and subsistence farming—low productivity activities—are other reasons for staying outside the formal labour force, in a negative cycle of frequent undesirable stories. However, the presence of Beacon Zones and Starlight Signals gives both guidance and hope.

These stories spark imaginations and reveal emerging possibilities worth nurturing.

In terms of emotions,[135] on average, the most common stories cause sadness (72 percent of respondents), anger, and joy. The stories, which people marked as infrequent,[136] showed different emotional patterns—while sadness (50 percent) still prevailed, joy (37 percent) was a much more common emotion, followed by anger (16 percent). Stories

135 Respondent could select multiple emotions for the same story.

136 Never before/since and very rare.

FIGURE 55: Emotional load of stories by frequency: how often do such stories happen?

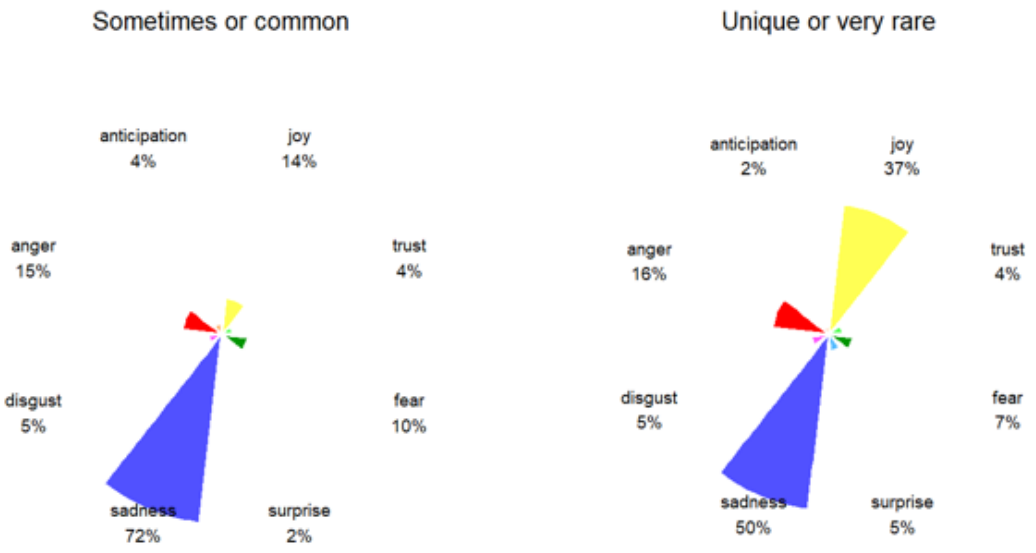
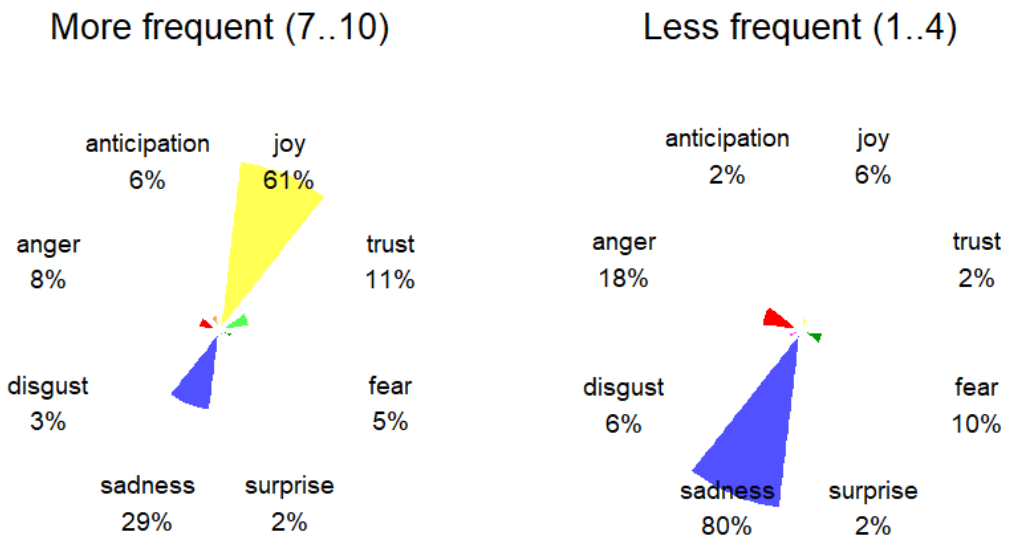


FIGURE 56: Emotional load of stories by desirability: how often would you like such stories to happen?



that people would like to happen more usually show joy (61 percent) as a prevailing emotion. Conversely, in stories that people would like to happen less, sadness (80 percent) is prevailing. Monitoring the emotional tone of stories over time can help assess whether there has been improvement. A shift from sadness and anger toward joy can signal growing trust, agency, and impact. Regular micronarratives offer a people-centred way to learn and adapt strategies.

All experiences are lived locally, shaped by the specific conditions of one's community, including access to employment and the broader economic environment. The stories people share reflect these deeply rooted local realities, and the data confirms that limited employment opportunities—particularly in rural areas—are linked to more negative narrative patterns. In localities with ample employment, nearly 39 percent of people wish such

TABLE 39: Local conditions affect patterns of stories

		How often would you like this sort of stories to happen? (group) (% row)		
		Less frequently (1–4)	Same (5,6)	More frequently (7–10)
How would you define the situation regarding employment in the locality where you live?	Ample employment opportunities	55.6	5.6	38.9
	Some opportunities	68.9	2.2	28.9
	Jobs are scarce	77.6	3.5	18.9
	Survival jobs	58.5	1.4	40.1
Type of settlement	Rural areas	79.1	1.6	19.3
	Urban village	70.5	3.0	26.5
	City/town	68.8	4.5	26.7

The stories people share reflect these deeply rooted local realities, and the data confirms that limited employment opportunities—particularly in rural areas—are linked to more negative narrative patterns.

stories would happen more often, suggesting positive experiences worth repeating. This contrasts starkly with areas where jobs are scarce, where only 18.9 percent want their experiences repeated and 77.6 percent wish those stories occurred less frequently, indicating frustration, hardship, or stagnation. Geographic context further reinforces this divide: in rural areas, where a significant share of the population is engaged in subsistence agriculture or informal survival-based activities, 79.1 percent of stories are those people would rather not experience again, and only 19.3 percent see them as desirable. In comparison, those living in urban villages and cities are more likely to report desirable experiences, though still less than a third find their stories worth repeating.

Narratives offer a deeper look into the emerging patterns identified by clustering the stories by certain metrics. Narratives are revealing not just what is happening, but how people make sense of their experiences. The table below presents four examples—each illustrating one of the narrative domains: Gravity Wells, Beacon Zones, Fractured Realms, and Starlight Signals—bringing to life the different ways individuals navigate hope, hardship, and possibility within their local realities. Each story was selected from a bigger cluster of stories, grouped as shown in Figure 54.

As outlined in the introduction and the 'Youth employment and human development' chapter, policies prioritising employment and employability of young people have the highest human development potential. Even when their direct implications may seem narrow and sector-specific (e.g. measures towards business environment reform or active labour market policies), if implemented consistently, they result in

TABLE 40: Examples of stories from different domains

Gravity Wells R: What I have not noticed is that we struggle when looking for work. You might find that we do not have transport money to go around dropping applications, we also lack money for copies, to buy envelopes, then when you manage and try to submit your application you will be told that there is no job, but you might find a new person the next day when you had been told that there is no job. Female, 21	Beacon Zones R: Uhm my baby daddy was looking for a job in certain companies, actually he had been working somewhere so after the job ended he went looking for a job, when he went looking to this company they told him that his qualifications and references are too high, they cannot afford him, he went looking and got the same thing from five private companies that his qualifications and references are too high, they cannot afford him, until he went to labour offices, then he registered with them, then he kept on checking them so one time they said they have temporary posts at the hospital, they just took him ignoring his references and qualifications, they gave him three months after three months and eventually extended the three months, he was never sent home until now. Male, 25
Fractured Realms R: I saw a post, I dropped an application and got no reply. I don't even know if I am good enough or not. It brings down one's morale when looking for a job. Male, 29	Starlight Signals R: One morning when I woke up, I heard that they were hiring at Crombac. I went there to drop an application. I was invited for an interview the next day. I did not struggle at all at Crombac in 2016. They gave me overalls and told me to get to work. I: And your feelings about the experience? R: I felt… I didn't know if I was lucky or what. I was confused. Female, 31

7 RECOMMENDATIONS

sustainably improved human development opportunities. The recommendations presented in this chapter follow this logic. Moreover, they provide a window of opportunity for Botswana to harness the benefits associated with its demographic dividend introduced in the 'Demographics' section of Chapter 2. Investments in economic growth, job creation and education and skills development place the country in a good position to achieve the development aspirations articulated in Vision 2036.

Economic policy

In addressing youth unemployment, the Government should focus on growth based on better performing, productive firms to create more and better-quality jobs for young men and women, as well as for other age groups. This will need action in several areas. All proposed actions set out below involve financial and/or political costs. While some are not fully in line with the prevailing conventional wisdom in Botswana, the cost of not taking action in these areas is likely also to be considerable, in fact higher.

Business environment reform

Make it much easier for the private sector to operate.

The new Government emphasises the importance of business environment reform. Such high-level political commitment is crucial to success and has been seen as a prerequisite for an effective business reform environment in most other countries. There is case history to draw on about how governments organise business environment reforms and overcome obstruction, as well as many guides on how to go about business environment reforms.[137] In other words, this is a well-trodden path with many countries having achieved major progress in this area.

It is also a cross-sectoral action which benefits all parts of the economy, not just those selected by governments as priorities under industrial policy. In fact, unanticipated sectors can produce remarkable success stories if market incentives are set right, and entrepreneurial initiatives are given space to flourish. Moreover, if done right, it sets positive feedback loops in motion—e.g., higher activity levels generate employment and additional tax revenues, raising domestic demand and public investment, which further raise the level of activity—providing increasing returns over time.

Experience suggests that the process needs to be centralised and top-down with a coherent vision, driven by high-level political support. Since business environment reform often results in changes to established processes, and the Government has a tendency to overregulate and to install excessive checks-and-balances, this high-level support is important in cutting through the instinctive resort to red tape. Some countries have used regulatory guillotines to take stock of the laws and regulations on the business environment, to analyse them, to recommend actions, implement them and rapidly terminate obsolete legislation (see Example 11 in Annex 2). This offers a rapid and comprehensive response and was the justification for the 'Doing business reforms roadmap' for Botswana compiled in 2017.[138] Unfortunately, implementation has proceeded much more slowly than was hoped and so has delayed gains from reform.

The new Government emphasises the importance of business environment reform.

Given the dominance of services in GDP, it is probably there that business environment reforms will show the strongest effects. All high-income economies boast large service sectors as the most significant source of employment and the generator of economic growth. The large share of services is therefore consistent with Botswana's goal to be a high-income country by 2036. Much of the decline of employment in agriculture is offset by employment in services so a strong service sector is important in the rural-urban transition.

An obvious question therefore is whether there are business environment reforms which particularly benefit services. Experience internationally suggests that eliminating restrictions on foreign investment or operations in backbone service sectors (including telecommunications, logistics, aviation, legal services, banking, and insurance) is likely to be beneficial. An easier business environment in these areas will have

137 See for example European Commission (2020). Business environment reform guidelines, Publications Office of the European Union, 2020; ICR, Investment Climate Reform Facility (2021).

138 Ministry of Investment, Trade and Industry (2017). Reforming Botswana's Business Environment: Doing Business Reforms Roadmap and Implementation Plan.

knock-on effects on other firms that rely on services in these areas. It is not apparent that there are business environment reforms which specifically benefit youth.[139]

Sequencing reforms is also important since this affects the gains. The best sequence appears to be to decrease trade costs, then improve contract enforcement, and, finally, to decrease the cost of firm creation.[140] Others argue that quick successes generate opportunities for more success and that this matters more than sequencing. Successful reform in one area opens opportunities for other interventions as people see the benefits. Conversely, stagnation and lack of success restrict possibilities.

The Government should therefore:

- confirm the status of actions under the Doing Business Action Plan for Botswana, noting which reforms have been completed, which are in progress, and those where activities are still to start;
- if not already done, update the action plan as necessary in response to the 2024 Business Ready assessment of Botswana's business environment;
- review organisational responsibility and staffing for implementation of actions, ensuring that they are sufficient to accomplish all planned reforms; and
- ensure sufficient funding to allow all reforms to be completed on schedule.

Business environment reform should also be linked to digitalisation. This is in progress and involves both process reengineering and the IT methods needed to make it work in practice. Processes in the business environment need to be integrated with the digitalisation process so that users can meet compliance requirements online. This speeds things up and removes opportunities for bribery. This will also help alleviate the palpable frustration about protracted delays by the Government and the need for repeated physical attendance at various government offices, all of which greatly frustrates the private sector and increases costs to business. The Government's ongoing efforts to reengineer business processes in the public sector (with UNDP support) holds the promise of markedly reducing such transactions costs. This reengineering must be done before digitalisation can proceed and hence accelerating this process is important to avoid delaying digitalisation.

Picking winners

The need for industrial policy should be reconsidered, with consideration given to markedly reducing the number of target sectors if this approach is not dropped entirely. Industrial policy is expensive and risky with uncertain outcomes, and it offers unattractive political features. While national champions appeal to voters, public funding for firms that are already quite prosperous is less palatable (a reverse Robin Hood in taxing the poor to give to the rich). It can also be the cause of major political embarrassment if, as inevitably happens, some expected winners do not deliver.

This is not to argue against industrial policy but rather against top-down industrial policy where the Government identifies priority sectors and provides public support. There is much evidence to show that this apparently attractive idea (which appears to command widespread support in Botswana) is likely not to be successful in the long run and that its recent popularity internationally is likely misplaced.

The substantial evidence comes from the former socialist world where central planning was based on picking winners. Thus, the transition of Eastern European economies from centrally planned systems to market economies in the 1990s revealed several failures in industrial policies. They were shown to have prioritised maintaining employment and output across entire sectors rather than supporting competitive firms. This led to inefficient allocation of resources and perpetuated losses in unprofitable industries.[141] Subsidies or preferential treatment for 'national champions' create opportunities for bureaucrats to extract bribes from firms. This undermines the positive effects of such policies, reducing investment and R&D spending due to corruption.[142] In some cases, political elites manipulate industrial policy to divert state resources for personal or political gain, with state-owned enterprises used for patronage or political finance, particularly in high-impact sectors like infrastructure and extractives.[143] Politically-designated champion sectors distort decision-making,

139 ICR, Investment Climate Reform Facility (2024). Business environment reforms for youth employment in ACP countries: lowering barriers to employment and recruitment.

140 Asturias, J., Hur, S., Kehoe, T.J., Ruhl, K.J. (2016). The Interaction and Sequencing of Policy Reforms. National Bureau of Economic Research.

141 Frydman, R. (1992). Privatization and Corporate Governance in Eastern Europe: Can a Market Economy Be Designed? In: IMF (1992), Central and Eastern Europe. Roads to Growth.

142 RES, Royal Economic Society (1997). Industrial Policy Fosters Corruption.

143 OECD (2019). Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises; World Bank (2020). Enhancing Government Effectiveness and Transparency. The Fight Against Corruption.

BOX 23: Industrial policy failures

There are numerous examples of failed industrial policy such as Brazil's attempt to establish a national computer industry or Malaysia's attempts to create a domestic automobile industry. In the documented cases of failures, public money was often wasted and prices kept high at the expense of consumers without attaining the desired outcomes, thereby lowering overall welfare. In addition to the fact that some percentage of projects always fails, at least some of the failures are due to regulatory capture, situations in which the industries concerned managed to convince politicians to extend protection or support despite clear signals that the industries had failed to perform in a satisfactory manner.

Source: Dullien, S. (2024). European Industrial Policy in the 2020s: Rationale, Challenges and Limitations. Intereconomics – Review of European Economic Policy, Volume 59, 2024/5, pp. 249–253

leading to inefficient allocation of subsidies, budgetary support and investments. Politicians often prioritise politically favourable regions or industries rather than economically viable ones, further exacerbating inefficiency.[144]

Dumping losers should be a key part of industrial policy, even though it is less politically appealing than picking winners (see Box 23). Governments often expensively put off such decisions rather than admit they made the wrong choice. A sunk cost fallacy in these contexts is common since the principle of 'failing fast and getting out quickly' is difficult for governments to accept. In short, governments are rarely good at picking winners, with the process often hostage to the well connected. More public funds are then wasted in the prevarication that follows failure. Furthermore, given that public investment management in Botswana has failings,[145] the question emerges whether the Government's management of private investment is likely to be better.

Industrial policy is costly; OECD countries spend between 0.75 percent and 2.25 percent of GDP (no estimates were found of the cost of business environment reforms). This is significant for Botswana in the context of a wide budget deficit. There are also opportunity costs with, for example, evidence from the United States showing that industrial subsidies are more expensive (and less effective) than neutral, pro-growth tax reform.[146]

Industrial policy could also threaten Botswana's reputation for good economic governance since there will inevitably be attempts at capture by special interests. Since industrial policy is expensive due to subsidies and other transfers, to the extent it is employed, it needs to be accompanied by transparent implementation and monitoring to curb favouritism and ensure accountability. There is also analysis showing a correlation between industrial policy measures and upcoming elections: in other words, governments tend to use industrial policy to get elected.

If there is a choice between business environment reform—including a general improvement of public goods required for doing business—and picking winners, the Government should prefer the former. Business environment reform is a fair-market capitalism approach which prioritises stability along with economic growth and job creation, without a focus on national champions. Instead, the emphasis is on supporting a dynamic market economy along with free entry which ensures that businesses operate in a fair and competitive marketplace.

It may not be immediately apparent that there is a choice between business environment reform and picking winners. In practice, the effort involved in successful business environment reform absorbs capacity that could otherwise be used for implementing industrial policy and

144 es, E.P., Câmara, S.F., Rocha, L.G., Brasil, A. (2018). Influence of corruption on state-owned enterprise expenditures. In: Brazilian Journal of Public Administration 52(4): 695–711.

145 The February 2025 Budget Speech referred to the state of public financial management systems, practices and process having deteriorated over the years, as evidenced in systems for prioritisation of development projects, for procurement, for implementation of potentially game-changing mega-projects, for monitoring of projects, for transparent payments and for informed and fair economic decision-making. The Minister said that "this dysfunctionality has contributed to persistent financial losses in the recent past and manifested in a culture of regular supplementary budget requests." See also International Monetary Fund (2017). Botswana: Technical Assistance Report-Public Investment Management Assessment.

146 Michel, A.N., Lincicome, S. (2023). Charting Some of Industrial Policy's Opportunity Costs. CATO Institute.

BOX 24: State capacity for industrial policy

State capacity is manifest in state administrators' ability to implement policies in the real world. Even if fortuitous politics promote the adoption of good industrial policy, the Government must still be able to implement it. For example, successful export policies of one environment may entail a platoon of skilled administrators, detailed data on export performance, and more. Implementing such policies in a low-capacity environment may be entirely impractical without more investment in administrative capacity.

Industrial policy almost always requires investment in administrative capacity. This was true in the Republic of Korea in the 1960s and 1970s, when the Government centralised bureaucracies and invested in administrative capacity, and it is true today. For example, the US Department of Energy Loan Programs Office has expanded to disburse 10 times more funding since it enacted the Inflation Reduction Act.

Source: Juhasz, R., Lane, N. (2024). A New Economics of Industrial Policy. IMF, Finance & Development Magazine, June 2024

vice versa. This could make it impossible to do both well (Box 24). Indeed, business environment reform has been protracted, having been in progress since 2013 without yet being completed.

If the Government decides to continue with industrial policy and promote champions, it then faces a choice in terms of risk. It could support lower-risk safe champions, prioritising financial stability and sustainability over the potential benefits of a more aggressive growth strategy. The alternative is supporting bold champions, emphasising growth and risk-taking. Governments that pursue this strategy are willing to accept a higher risk of instability. In practice, governments rarely recognise this choice, regarding all champions as equal until it is obvious that they are not.

> It may not be immediately apparent that there is a choice between business environment reform and picking winners.

A further option is to experiment with industrial policy in fewer sectors. This could be in those where there are public goods which enable private investment, including mining outside the diamond sector (copper, nickel, manganese, uranium and iron ore). Given that known reserves are quite remote, public investment in transport infrastructure could enable private investment (this would however need to be confirmed through economic appraisal). Public investment in roads and small airports could also enable geographical widening of the tourism industry (again to be confirmed through economic appraisal). In both cases, there would be a separation of public goods and private investment without direct public transfers to the private sector.

Support to agriculture

Clarify the objectives of support to agriculture. The current choice of sectors as possible champions in Botswana prominently includes agriculture. The reasoning behind this is not clear. Agriculture provides a very small part of GDP in Botswana and, while the share of employment remains high, this will inevitably fall with labour release from agriculture and rural-urban migration. Botswana's goal is to be a high-income country: high income countries typically have less than 5 percent of employment in agriculture, in contrast with the share in Botswana, which is 18 percent. In other words, as Botswana progresses to high-income status, there will be major movement of labour out of primary agriculture, although there may be slightly increased employment in agribusiness (input supply, machinery supply, marketing and any agroprocessing that emerges).

Given Botswana's very high ratio of agricultural employment to agricultural GDP, labour release is overdue since this has contributed to keeping agricultural earnings low. In other words, given that Botswana has set a goal of high-income status, it is appropriate to expect and plan for a much lower rate of agricultural employment. While the commercial farming sector indeed has the potential to grow, the likelihood of employment loss in the sector overall does not make agriculture an obvious national champion in the context of high unemployment.

Commercial farming does have the potential to grow with substantial labour productivity increases based on mechanisation. Land productivity will probably continue to grow in the traditional sector based on technological improvements and despite climate change. But, without substantial labour release and small-scale mechanisation, labour productivity in traditional agriculture will remain low, as will, in consequence, earnings in agriculture. This is exacerbated by agriculture's continuing role as a de facto safety net in absorbing labour which cannot find jobs in the urban sector.

Income in smallholder agriculture can be increased by mechanisation[147] if machinery of the right scale is available. This arises from increased labour productivity, although some land productivity improvements from mechanisation are also found.[148] The National Agricultural Research and Development Institute should therefore trial the use of small-scale farm machinery. Unlike India and China, which have very large internal markets and domestic machinery manufacturers, farm machinery for Botswana will likely continue to be imported.

Agricultural policy will rest in part on the Government deciding whether smallholder optimism or smallholder pessimism prevails (as noted there has recently been a shift from the latter to the former with the change of government). If the former, the Government is implicitly accepting that there will be major transfers to farmers, mainly in the form of subsidies.

Subsidies to smallholder agriculture are very costly and are a tax on the growth sectors to fund the lagging sector. They are therefore not part of a sound long-term growth strategy. Agricultural subsidies internationally have been 0.3–0.7 percent of GDP over the past decade.[149] More than half of total government support worldwide to the food and agriculture sector goes to agricultural producer subsidies, and only a quarter to support for public goods that hold a clear promise to help the sector (extension, public veterinary services, phytosanitary services and inspectorates that keep banned agrochemicals out of the market).

These transfers are justified by governments on various grounds, with the underlying and implicit reasoning that a smallholder sector must be maintained (this has an obvious political dimension). The subsidies and other transfers that this involves become embedded and hard to discontinue without major political cost.

The Government should therefore maintain existing agricultural subsidies (since the political cost of their prompt discontinuation would be too great) but review the modalities to make them more effective and not add further subsidies or increase them in line with inflation. They will gradually be eroded until they become insignificant, at which point they can be cancelled. Savings should be used as a safety net for those (including older generations) who are unable to benefit from the non-farm economy.

Botswana's goal is to be a high-income country: high income countries typically have less than 5 percent of employment in agriculture, in contrast with the share in Botswana, which is 18 percent.

Savings should also be used to ensure that the public goods in agriculture are adequately funded. Paradoxically, and in contrast to subsidies, governments are often reluctant to provide adequate and predictable funding for extension, phytosanitary, food safety, public veterinary services for epidemic control, and an agricultural inspectorate. It seems that this is because agriculture is a largely untaxed sector while governments prefer to fund actions elsewhere which yield tax revenues. These public goods are nonetheless essential for a well-functioning, productive and competitive agriculture sector.

The February 2025 budget speech calls for development of an agricultural financing strategy. The temptation will be to include subsidised interest rates for agriculture and earmarked funds for on-lending to agriculture. Both should be resisted. Earmarked funding means that finance is committed to the lagging sector and not go to growth sectors (primarily in services) where better returns and a higher likelihood of repayment may well be available. This means that the country will probably be

147 Caunedo, J., Kala, N. Mechanizing Agriculture. Impacts on Labor and Productivity.

148 Ma, Z., Sun, H. (2024). Harnessing the Power of Mechanization: A Multivalued Treatment Effect Analysis on Productivity for Chinese Smallholders.

149 Amaglobeli, D., Benson, T., Mogues, T. (2024). Agricultural Producer Subsidies: Navigating Challenges and Policy Considerations.

poorer and grow more slowly than if there had been no intervention.

Subsidised interest rates are damaging since they squeeze banking margins and thus dissuade commercial banks from lending to agriculture. In the medium and long term, agricultural financing is likely to happen through long-term loans secured on farmland, leasing for farm machinery, and overdraft financing for inputs. Making sure that markets work in these areas is thus the route to securing agricultural financing. This will require secure title on farmland, effective leasing laws, and a credit registry to contribute to banks' ability to know their clients.

Regardless of whether Botswana's agricultural policy reflects smallholder optimism or smallholder pessimism, it is apparent that domestic production is not and is unlikely to be the only foundation of food security. Domestic grain production meets about 25 percent of annual needs, with the remainder supplied from imports. In these circumstances, national food security will come from grain storage combined with domestic and international long-term grain supply contracts. Indeed, the Government has recently increased storage capacity.

At household level, producing cash crops allows purchase of grain, albeit with farmers facing the risk of diversification from crops they are familiar with growing to new crops with uncertain markets. Farm families can also achieve food security through jobs in the non-farm rural economy, which is generally a more important source of rural income than farming.

> Earmarked funding means that finance is committed to the lagging sector and not go to growth sectors (primarily in services) where better returns and a higher likelihood of repayment may well be available.

Governments worry about reliability of external supplies of grain, with this concern exacerbated by grain export restrictions during the Covid-19 pandemic.[150] This is understandable, particularly where exporting countries impose arbitrary export bans (as happened during Covid-19). The current arrangements for procuring grain, pulses for the grain and pulse reserves, however, are not transparent and offer opportunities for corruption.

The Botswana Agricultural Marketing Board offers subsidies-in-kind in the form of inputs and machinery. Farmers who receive the subsidy must sell cereals and pulses to the Botswana Agricultural Marketing at around 30 percent below the market price. Farmers who do not take the subsidy can sell on the open market. There is therefore implicit pricing of the subsidies and an ensuing lack of transparency about the actual cost. The net unit cost of grain and pulses procured for storage compared to cereals and pulses procured on the domestic and international open market is not known.

The Government should consider an alternative and more transparent arrangement whereby grain procurement prices are set at a margin above market prices. All producers could then benefit from this subsidy, farmers would have an incentive to sell to the Botswana Agricultural Marketing Board, and the true cost of procurement would be known. Any additional needs over domestic sources would need to be procured internationally, preferably through long-term supply contracts with several different partners.

The argument against that it does not provide absolute assurance of supply in crises such as Covid-19 is valid. But neither do current arrangements provide such assurance, given the incentive to farmers informally to divert grain and pulses to the open market in the context of soaring prices. This is a common problem in what amounts to contract farming.

Planning for urbanisation

Botswana's economy is concentrating with enterprises choosing to invest in a few areas of the country. As noted, this is beneficial, offers economic gains and is likely to lead to more cities of significant economic mass with attendant benefits.

Urbanisation continues worldwide even as governments have tried unsuccessfully to reduce rural-urban migration

150 Falkendal T., Otto, C., Schewe, J., Jägermeyr. J., Konar, M., Kummu, M., Watkins, N., Pumaet, M.J (2021). Grain export restrictions during COVID-19 risk food insecurity in many low- and middle-income countries.

and to spread out development over a wider area. There was a brief recent resurgence in promoting job creation in left-behind places[151] but this showed limited effects, with tacit if grudging acceptance that facilitating people in moving to take up jobs (taking people to the jobs) rather than seeking to create jobs in disadvantaged areas (taking jobs to the people) is likely to be more effective and less costly.

This means accepting that people will move or commute to urban areas or close to urban areas for jobs. Commuting can be daily, weekly or covering longer periods during peak seasons (in the tourism industry, for example). The feasibility of moving depends in part on the cost of housing in the target area. The feasibility of commuting depends on the time needed to travel to work, with experience suggesting that up to one hour's travel each way is the maximum that most people will contemplate. The catchment areas therefore depend on public and private transport and on road quality.

Botswana's economy is concentrating with enterprises choosing to invest in a few areas of the country.

Planning for migration and commuting involves housing policy, including releasing land on the urban periphery for housing development and provision of utilities in new areas. It will also involve public transport provision, as well as licencing private transport providers.

Governments often find it hard to embrace deliberately unbalanced development concentrated on urban areas and see it as the opposite of inclusion. There are strong political pressures in favour of balanced development and in opposing rural-urban migration. One rejoinder rests on the extraordinary growth record of China, which pursued a policy of unbalanced development in favour of the coastal areas (see Example 3 in Annex 2). China has now reached the Lewis Turning Point with the acceleration of real wages even in slack seasons indicating that the era of surplus labour is over and that China's development model needs to shift to greater capital intensity and use of skills.[152]

Reform of state-owned enterprises

Recent analysis of state-owned enterprises in Botswana and proposals for reform is summarised below.[153] The general principles would be to create a level playing field for competition among all enterprises, reduce the use of budgetary funding, and increase their operational efficiency and effectiveness. Rebalancing the roles of the private sector and the state-owned enterprises is part of Business Botswana's Private Sector Development Strategy and Programme 2025–2029.[154]

The principles would also include separating roles and objectives: regulatory, social, and commercial. Each state-owned enterprise should have only one of these objectives:

- if they are given regulatory powers, they should be independent, have capacity for the areas they regulate, should not engage in commercial activities, and should not be responsible for social goals;
- if they have social objectives, assign a budget line in annual budgets (and in medium-term multiyear budgets) for this purpose; assess whether the specific social service is best provided by a state-owned enterprise of the current nature; and use the funds in the budget line to pay the best provider of the social service to attain the social objective; and
- if they are to engage in commercial activities, they should be able and free to compete on the same terms as private enterprises. They will need to (a) cover all costs and abide by their budget constraints after initial capitalisation without bailouts; (b) pay for their cost of capital through annual dividends paid to the budget; (c) be stripped of any regulatory and social functions; and (d) access funding from banks on the same terms as private enterprises (no prioritisation of access or government guarantees on their borrowing).

The Government should therefore do the following:

Comprehensive analysis of the state-owned enterprises. Take stock of the existing SOEs (including subnational SOEs and SOE subsidiaries) in terms of their commercial viability, public policy objectives, track record,

151 Hendrickson, C., Muro, M., Galston, W.A. (2018). Countering the geography of discontent: Strategies for left-behind places.

152 Xiaobo, Z., Jin, Y., Shenglin, W. (2011). China has reached the Lewis turning point. China Economic Review, Volume 22, Issue 4, 2011, pp. 542–554.

153 IMF, African Department (2023). Botswana: Selected Issues. IMF eLibrary.

154 Business Botswana and African Development Bank (2025). Private sector development strategy and programme 2025–2029.

and success in addressing market failures would inform decisions and fill in current information gaps. All annual financial statements should be audited, then published. Additionally, the Ministry of Finance could compare SOE performance with that of private firms (where feasible) or with SOEs in other countries to establish a benchmark to support understanding of their efficiency. The analysis should prioritise SOEs that are targeted for privatisation and those operating in sectors where private firms are present. Importantly, SOEs need to have only commercial objectives, and be stripped of monopoly powers before they are considered for privatisation.

Strengthening monitoring and oversight of the SOE sector. Clarifying the roles and avoiding duplication risks between the Public Enterprise Evaluation and Privatisation Agency and the Enterprise Development Policy Unit would be an important first step. Ideally, a single unit should be responsible for monitoring performance, enhancing SOE governance, and implementing the reform strategy, including support for board members' nomination and evaluations.

Strengthening transparency and accountability through published annual reports and hard budget constraints. Audited annual reports signed off by SOE management and the auditing firm will need to be published annually. SOEs need to face hard budget constraints, i.e., be able to cover all their costs without recourse to government bailouts. If a bailout is needed, the SOE is entered into a bankruptcy procedure and the management of the SOE lose their jobs (as in the private sector).

All annual financial statements should be audited, then published.

Actions in the medium term comprise:

- Devising and implementing an SOE governance reform strategy. Based on the 2015 OECD Guidelines,[155] the Government should make an analysis of the rationale and future role of each SOE. Based on this, the Government should implement an ownership policy—a formal document that describes the roles and responsibilities of the institutions involved in the oversight and governance of SOEs. An inter-ministerial working group should be assigned the responsibility of designing and implementing the strategy. To follow best practices, policies are needed to guide the SOE activities and limit overlap between SOEs. Any obligations and responsibilities that an SOE is required to undertake beyond its normal commercial functions should be mandated, disclosed to the public, and their costs covered in a transparent manner. Authorities may wish to develop a set of criteria for prioritisation and sequencing, including fiscal impact, importance of sectoral development, market readiness, and cost of reform.

- Distinguish the subset of SOEs that need to be kept in state hands for reasons of national security or because they cover an asset of national interest (e.g., diamonds) or they are active in a natural monopoly area (e.g., the water supply system or the transmission component of the Botswana Power Corporation). Prepare others for privatisation (by reducing objectives to a single commercial one, ensuring they have no monopoly power, and recapitalising, if needed); and liquidate the rest through a (possibly simplified) bankruptcy process. Then proceed to privatising the designated set of SOEs in a process lasting no more than a year. Enter those that could not be sold in that timeframe into liquidation. To ensure a broad set of potential buyers, it is advisable to have a business environment capable of attracting foreign interest for SOEs to be privatised.

- Strengthening the independence of SOE board members and management. The Government should clarify the roles of the boards, management, and the state as owner, and ensure uniformity across SOEs. The board nominations process should be formalised and conducted by the oversight unit and shown to line ministries. To ensure a quick replacement process, a single public database of potential candidates could be established. The Government should enhance the monitoring of the shareholder's compacts, focusing on high-level financial and non-financial objectives and making them public. This will empower SOE boards to set the entity strategy, while selecting and supervising the management team.

- Proceed with the unbundling of the Botswana Power Corporation, enabling the emergence of a

155 OECD (2015). Guidelines on Corporate Governance of State-Owned Enterprises.

competitive set of independent power producers, and further down the road, of distributors. Keep the transmission and dispatch component (a natural monopoly) in state hands but ensure that a sufficiently capacitated independent regulator regulates its activity.

An immediate change should be made in the business model of the Botswana Meat Commission (BMC). At present, the BMC procures livestock for export and arranges slaughter through the slaughterhouse which meets EU standards. The BMC is then responsible for marketing the meat. This is contrary to practice elsewhere where livestock traders and aggregators pay to use a slaughterhouse (with payments in bi-products and/or cash) and then market the meat themselves or sell it to specialist meat traders. This is likely to improve access to international markets since public agencies tend to be poor at marketing.

Dutch Disease

Measures to address Dutch disease and the effects on private sector development comprise the following:

An immediate change should be made in the business model of the Botswana Meat Commission (BMC). At present, the BMC procures livestock for export and arranges slaughter through the slaughterhouse which meets EU standards.

- begin a steady build-up in the Government Investment Account,[156] coupled with full transparency with quarterly unaudited account balances, and annual audited balances published;

- finalisation of the agreement with DeBeers was an important milestone for ensuring a clear, plannable projection of future diamond flows, subject to market uncertainties but no longer subject to political uncertainty; and
- during the next IMF Article IV consultations, review continued adequacy of the fiscal-monetary and structural policy mix given the Government's growth, employment and development objectives.

As a small, open economy, pursue an open trade and investment strategy that facilitates attracting foreign investment and enables Botswana's corporate sector to enter multinational value chain positions. This would capitalise on the country's comparative advantage in solar and other renewable energy production and its natural endowment of several minerals critical for new high-growth sectors (e.g., manganese, copper, and rare earth metals). This is Botswana's best chance to benefit from rapid net export growth—the pathway that proved effective for Southeast Asian countries and many others.

Implement, with urgency, an agreed critical mass of policy measures (the recommendations in the NHDR can be a starting point for discussions) to sustainably raise employment and productivity. These are not mutually exclusive if this takes the form of rapid, sustained private sector growth enabled by a rethinking of the role of government and the private sector in economic development.

Active labour market programmes for youth

Despite muted success internationally, effective vocational training is likely to remain important in Botswana. It adds skills not found in secondary education and provides an on-ramp to market-based employment. This is important where employers expect a suite of skills as a precondition of recruitment to trainee posts and the within-industry training that then follows. In other words, vocational training is a public good that enables subsequent training to be provided as a private good. It may also be an essential basis for internships and apprenticeships which have shown some success. If governments pursue the policy of picking winners, vocational training will naturally concentrate on skills needed by the selected champions. But in any case, the choice of areas and the modalities of vocational training need to reflect the private sector's desired skill set.

Broader support for young entrepreneurs who want to develop a business is also justified given that employment in established firms will not grow at a level sufficient to absorb available labour. This will entail strengthening entrepreneurial skills and facilitating access to new technologies. Even if many will not succeed, the success of the few (and the jobs they would create) makes sense for the Government's broad-

156 The government investment account (the Sovereign Wealth Fund) can be replenished from government-owned assets. These include both accumulated budget surpluses, extra budgetary surpluses, net central bank revenues above the solvency and liquidity needs of the central bank, and any excess of budget financing (e.g., if there were state-owned enterprises privatised).

base support of entrepreneurship. A separate area of entrepreneurial activity with significant promise is to link up with successful existing enterprises to provide a bundle of services (e.g., IT or other knowledge-intensive activities) in areas where the enterprises do not have in-house expertise.

In addition, there is also a public goods aspect to strengthening entrepreneurial skills for a part of youth. Benefits include greater competition and a heightened understanding of how the private sector works. Enhanced awareness and understanding of an entrepreneur's mindset and perspective is a bonus for any potential employee.

> But in any case, the choice of areas and the modalities of vocational training need to reflect the private sector's desired skill set.

Employment-conducive social policy

The Government of Botswana approved the Life-course-based Social Protection reform in 2020. Its implementation needs to be accelerated given the important role the social protection system plays when economy is going through structural changes (as Botswana's economy is expected to). It takes time for the benefits of the macroeconomic reforms to yield results at micro level. Some households might find themselves at increased risk of unemployment—and thus, poverty. Social protection systems should continue to provide basic social safety for such households and individuals. At the same time, such measures should have elements incentivising young people to actively seek employment and build their skills to match the emerging needs of the labour market. The balance between the safety net and incentives for active job seeking are important for maintaining the constituencies' support for the necessary reforms.

Public investment management

Unless there has been marked improvements since the most recent Public Investment Management Assessment in 2017, it is likely that further actions will be needed in this area. Given that an unusually large proportion of Botswana's GDP is spent on public investment, using it well holds the promise of considerable development gains.

A progress review is needed to assess whether the measures recommended by the 2017 assessment remain pertinent. As well as the issues raised in 2017, this would address the efficiency and optimality of sectoral and geographical allocation of public investment and any crowding out private sector investment.

This should be followed by the development of an action plan for those that still need to be implemented. For development projects, this should include improvement in the quality of recurrent cost estimates by assigning responsibility for such estimates to the recurrent budget unit. The Government should also develop a Medium-Term Fiscal Framework (MTFF). On this basis, it should publish indicative multi-year public investment estimates of need and spending by ministry and project in budget documents. It should also establish a preliminary selection process associated with the MTFF and prepare project memoranda for those projects included in it.

For large projects and mega projects:

- Clarify roles and responsibilities of all public entities involved in large and mega projects including strengthening the role of the Ministry of Finance in evaluating budget affordability for large projects;

- Improve costing and project preparation, including (a) a three-phase appraisal process including pre-feasibility, feasibility and independent review; (b) using international unit costs by type of project to guide cost estimates; and (c) involving project managers from the beginning of the project rather than only at the implementation stage; (d) appoint consultants for the medium term; and (e) ensure that future running costs of the resulting assets are entered into the MTFF.

For Public-Private Partnerships (PPPs):

- Strengthen the Ministry of Finance and Economic Development oversight role in (a) monitoring and assessing PPP projects, (b) reporting data on PPPs in a budget annex, and (c) increasing and training staff in the PPP unit.

- Clarify the legal and regulatory framework for PPPs either by amending the Public Procurement and Asset Disposal Act or by enacting a dedicated PPP legal framework.

Building on this foundation, the Government should prepare a three-year rolling public investment programme. This shows the public investments that are under implementation in this period, as well as new projects where implementation will start. Projects are only admitted to the public investment programme when they pass appraisal criteria and meet conditions of readiness for implementation (this includes compliance with legal requirements and having necessary permissions and licences in place). Similarly, the public investment project should have a clear mechanism for disposing of projects that fail to meet milestones defined at the outset of the project.

Importantly, the rolling public investment programme matches project cost with forecasts of capital and recurrent financing and ensures that projects are not included if there is insufficient finance. This is important since governments worldwide tend to allow excessive public investment starts to show that 'something is being done' for political reasons. However, this often means that completion is delayed, and economic returns are reduced.

Capacity for public investment planning, appraisal and management probably remains lower than required. This is a near-universal problem even in upper middle-income countries despite extensive past capacity building. The Government will require capacity in these areas in both apex and sector ministries for effective public investment management, necessitating further capacity building for economists in public service to ensure rigorous appraisals. This is important overall, but also in countering overoptimism about public investments which is pervasive even in high-income countries[157] and in international financing institutions.[158]

Education and skills development

This report also recommends supply-side interventions that impact the transition of youth from education to employment and reduce the skills mismatch. Skills development, inclusion, quality, and access are critical elements for the various proposed interventions. Furthermore, any skills development strategy must centre around the goals of youth employability, employment creation, equal opportunities, entrepreneurship development, and harnessing the demographic dividend. Botswana's young men and women lack employable skills. Employability is the projected outcome of high-quality education and training that develops the knowledge, skills, and competencies of youth so that they "secure and retain a job, progress at work, cope with change and secure another job when desired or necessary."[159]

In addressing youth unemployment, the Government should focus on strengthening, through partnerships and inclusion, policy, strategy, governance and human resource development in the various education sub-sectors, and increase pathways to further education, employable skills, employment, entrepreneurship and job creation. It is vital that attention be placed on strengthening the secondary education pipeline to tertiary education, improving access to work-based learning as an on-ramp to employment for students across the education sector, promoting technical and vocational education and training as a respected career choice for young people, and encouraging entrepreneurship and innovation for job creation.

Policy, strategy and governance

Develop a new National Human Resource Development Strategy. The new NHRDS will drive the country's human resource development agenda and replace the expired NHRDS (2009–2022). The new strategy should aim to raise institutional teaching and training standards and quality outcomes for all learners in Botswana's education and skills development system. NHRDS development and implementation under the auspices of the HRDC will be a key instrument for driving labour force productivity to support economic growth.

Furthermore, any skills development strategy must centre around the goals of youth employability, employment creation, equal opportunities, entrepreneurship development, and harnessing the demographic dividend.

157 National Audit Office, UK (2013). Over-optimism in government projects.

158 Ika, L., Feeny, S. (2022). Optimism Bias and World Bank Project Performance. The Journal of Development Studies, Volume 58, 2022 – Issue 12.

159 The original source of this definition is the Resolution concerning human resources training and development adopted by the ILC (Geneva, 2000).

Develop a Skills Development and Employment Promotion Strategy. This guiding document will articulate demand-driven interventions across the entire tertiary education (higher education and TVET) system that bridge the labour-demand and -supply gap and provide Botswana's workforce with market-relevant skills and access to decent employment for the long-term economic transformation of the country. A revised ETSSP (2015–2020) should develop the skills development portion of the strategy.

Conduct a comprehensive performance assessment of secondary education. The challenges facing secondary education are multi-faceted and require a thorough investigation to unpack the various layers of the problems within the sub-sector that hinder student learning and development, before remedial action can be identified and implemented. The assessment should address the underlying causes of declining performance and of school drop-out rates at junior and senior secondary school levels, with a particular focus on optimising the infrastructural capacity of senior secondary schools to take in more students.

Develop a new National Policy on Education, and Education and Training Sector Strategic Plan. The new policy and plan will update the Revised National Policy on Education (1994) and the ETSSP (2015–2020), to reflect the current situation and priorities of the education sector.

Delink TVET from tertiary education. TVET should commence within the secondary education system so that the choice between TVET and non-TVET can be taken before leaving secondary school (i.e., take up supplementary classes to finish secondary school with a certificate in some profession/trade). One pathway toward enabling secondary school dropouts to enter the labour market is to provide them market demand-driven TVET courses while in school. This delinking should be formulated as a path that provides students with the option of choosing further TVET or a university after leaving secondary school.

Develop a TVET Policy that is aligned with the African Union's Plan of Action for the African Decade (2019–2028) for Technical, Professional, Entrepreneurial Training and Youth Employment, and an Apprenticeship and Internship Policy. TVET's prioritisation should be in line with the African Union's comprehensive Plan of Action. The African Union's Plan of Action for the African Decade (2019–2028) for Technical, Professional, Entrepreneurial Training and Youth Employment recognises that "Transforming TVET from low quality and relevance with noticeable skills mismatch with labour market needs and second-choice learning into higher quality, demanded and relevance learning opportunities requires sustaining a series of actions in different strategic areas."[160]

Establish a TVET Authority (TVETA). The proposed TVETA will be responsible for accreditation and registration, quality assurance, skills development, funding and support, and policy implementation within the TVET sub-sector. With TVETA, TVET graduates will have the opportunity to compete globally as well as progress to the highest level in the country's NCQF.

Establish a TVET Board. The proposed TVET Board is necessary to coordinate the current fragmented sub-sector and ensure that the new TVET Policy is implemented in a harmonised way. It will be responsible for the design of curricula, teaching materials, teachers' guides, implementation of novel teaching methods, as well as promote the use of information and communication technology in TVET. It will also coordinate the implementation of teachers' development programmes, monitor their implementation, and evaluate the results. Finally, it will advise the Government on all activities which can fast track TVET development. Rwanda's experience with its TVET Board (RTB) is described in Example 2 in Annex 2.

Address imbalances in resource distribution and facilities across school districts. Priority should be placed in addressing any shortages of resources (e.g., of classrooms, exercise books, textbooks, desks, and chairs) and under-resourced subject area laboratories and other facilities where they occur, in order to raise the standards of the learning environment.

Increase investment in TVET infrastructure. The Government should increase TVET funding levels and invest in modern infrastructure, equipment, and facilities that will enable the technical colleges and brigades to provide students with access to cutting-edge training, technologies, and resources.

Harmonise national stakeholders' efforts and initiatives. Going forward, developing the education

160 African Union (2019). Plan of Action for the African Decade for Technical, Professional, Entrepreneurial Training and Youth Employment (2019–2028). African Union.

and skills development outcomes of Botswana's youth will fall under the remit of the HRDC, in addition to the BQA, Ministry of Finance, Ministry of Youth and Gender Affairs, Ministry of Trade and Entrepreneurship, Ministry of Labour and Home Affairs, Business Botswana, LEA, CEDA, local Councils, Special Economic Zones Authority, Botswana Digital and Innovation Hub (BDIH), Botswana Institute for Technology Research and Innovation (BITRI), BIUST, Botswana Open University, Botswana University of Agriculture and Natural Resources, the University of Botswana, and the various departments within the Ministry of Child Welfare and Basic Education and Ministry of Higher Education. All these stakeholders' actions need to fit into a consistent national framework to avoid duplication, inefficiency, or confusion.

Establish an M&E framework for the Government's youth programmes. Performance monitoring and management systems in the education sector is critical to ensure that decision-making is routinely informed by robust data and evidence. An M&E framework, including a management information system, needs to be built into these programmes for the periodic monitoring and evaluation of the extent to which the programme is meeting its intended objectives, is being appropriately implemented by both the line Ministry and beneficiary, and whether change is required. Monitoring helps to provide quick feedback on any implementation problems and, thus, allows learning, and taking corrective measures if specific targets or goals are not being met. Evaluation helps to identify the design features that increase a programme's effectiveness. It suggests ways in which programmes can be improved, by identifying which types are more successful and why. As monitoring and evaluation are fundamental requirements for the effective implementation of policies and programmes aimed at promoting youth employment, programmes need to incorporate both functions from the design stage.[161] ALMP implementers in the various Ministries require capacitation in project management to coordinate and manage youth programmes, and to develop data and information systems to help implement the M&E framework in their programmatic offerings.

Distinguish between the two sub-groups of young people. Currently, the definition of 'youth unemployment' includes people aged 15–35. However, such a broadly defined group includes people in different stages of their life trajectory. The characteristics of the fresh graduates from education (those aged up to 24 according to ILO methodology) differ from the characteristics of the 'mature' youth (those aged 25–35). Unlike the former, the latter have more accumulated labour market experience, are more probable to have established families of their own—and consequently, face different challenges or have different immediate priorities. Similarly, unemployment data is not disaggregated for lower vs. upper secondary or those with a JC vs. a BGCSE qualification, while ample evidence exists to suggest that lower secondary provides dramatically lower chances of employment than upper secondary. Therefore, disaggregating employment and unemployment statistics by the two sub-groups of young people and by lower/upper secondary education would help identify—and address—the specific challenges young people face when transitioning from education to employment.

Human resources development

Widen access to the Human Resource Development Fund for teacher development. The HRDC should consider extending access to the Human Resource Development Fund or training levy fund to cover a wider range of skills development and capacitation activities such as pre-employment training, the upskilling and reskilling of TVET teachers and instructors with practical, technology and pedagogical related skills, and their development with industry assistance of industry-specific courses that meet the skills demands of employers. Example 5 in Annex 2 indicates the various uses of the fund in Rwanda, Malaysia, Singapore, and Uganda.

Support secondary education and TVET teachers to provide quality education. To reduce any teacher effect contributing to students' poor performance at the BGCSE examinations, it is recommended that secondary education teachers be regularly upskilled and reskilled on their subject content knowledge and active learning and student-centred pedagogies to raise the level of teaching and learning. Annual subject-content workshops should be organised for teachers at the regional level to ensure all teachers have similar content knowledge to teach the BGCSE syllabi content. Periodic and updated training sessions on active learning strategies and student-centred pedagogy should be routinely organised for teachers to strengthen teacher delivery expertise.

Significant investments must be made to develop TVET teachers. Training of TVET teachers should be implemented on a periodic basis to ensure their currency with best practices. Initiatives may include the upskilling of newly recruited teachers with practical and technology related skills by existing veteran teachers or as institutional

161 Freedman, D. H. (2012). Youth employment promotion: A review of ILO work and the lessons learned. Youth Employment Network (YEN) Papers. ILO.

cohorts to be trained by industry representatives, or through short-term attachments in industry; upskilling teachers and instructors on andragogy (adult teaching), competency-based pedagogy and assessment and vocational teaching; and upskilling teachers to deliver soft or core skills like critical thinking, problem-solving, budget management, and other social and emotional, cognitive, and metacognitive, basic digital and green skills. This may be achieved in collaboration with the MasterCard Foundation (Example 6 in Annex 2). Example 7 in Annex 2 describes TVET teacher preparation in Singapore.

Prepare for the Fourth Industrial Revolution

Develop a national 4IR strategy and integrate 4IR technologies into TVET. This strategy could be based on the three areas of action for AI-augmented human development as suggested by the 2025 Global Human Development Report: i) building a complementarity economy that allows people and AI to collaborate more than compete; ii) drive innovation with intent so that opportunity for people is not an afterthought but a built-in integral part of AI design and deployment; and iii)) investing in capabilities that count, in particular creativity and the ability to generate new ideas that the algorithms would help implement. Actions in these three areas would allow people to make the most of AI and thrive in a world with AI.

Botswana is not currently producing the skills needed to harness the 4IR. Agility and improved ability of TVET to reduce the skills mismatch are needed on the part of the Government and tertiary education to prepare youth to harness the 4IR. Existing barriers to readiness are insufficient funding for new curricula, capacity building, software and upgrading of technology; limited facilities and internet access; and the lack of staff expertise in the technologies of 4IR and their need to acquire new knowledge. It is recommended that the Government ensure a strong link exists between TVET and the private sector in a PPP model and for practical training opportunities; ensure the availability of ICT and other infrastructure, intellectual property rights, and technology for the delivery of digital skills; integrate digital skills across the TVET curricula and delivery modes; promote basic digital access and literacy for the community so that no one is left behind; upskill TVET teachers' pedagogical skills for 4IR; provide entrepreneurship education, training, and promotion for 4IR; and partner with leading ICT or other firms to develop a skilled workforce.

The main employment effect of 4IR technologies will be found in technical and engineering skills needed to adapt and adopt new technology (e.g., skills for the production, maintenance, and repair of robots, drones, and networked computer systems); health care skills for a rapidly expanding sector; and elementary digital skills in all sectors to apply 4IR technology and advanced digital skills in professional occupations; as well as managerial and entrepreneurial skills.[162]

> Periodic and updated training sessions on active learning strategies and student-centred pedagogy should be routinely organised for teachers to strengthen teacher delivery expertise.

4IR technology also has the potential to increase access to education. Digital learning platforms offer flexible learning and enable training to reach a wider population of young learners. The use of simulations, 3D immersive virtual reality, videos, collaboration, software, and mobile devices (including smartphones) can make training much more engaging to youth and facilitate faster learning and skills development.[163] For example, Brazil's National Service for Industrial Training utilises simulation apps to teach courses such as welding and reach a larger number of students through blended teaching. Example 8 in Annex 2 describes the state of readiness for 4IR in Rwanda and Mauritius. Example 9 describes the benefits to TVET of a technology-enhanced learning environment.

Pathways to further education and employable skills

Review curricula for all stages of the education pipeline and enact required reforms to decisively shift the education system from the current knowledge-based orientation to the competency-based one.

Provide multiple accessible pathways to further education and reduce dropouts. Several

162 Fox, L., & Signé, L. (2021). The Fourth Industrial Revolution (4IR) and the future of work: Could this bring good jobs to Africa? INCLUDE Knowledge Platform.

163 Association for the Development of Education in Africa [ADEA] (2020). Rethinking the role of Technical and Vocational Education and Training (TVET) in future work and lifelong learning, in light of digitalization and the Fourth Industrial Revolution (4IR). ADEA.

recommendations are proposed to increase the chances for employability for students, including dropouts, and post-secondary education. OSET needs to be revamped to improve on the implementation of its mandate. An information system should be put in place to track students that drop out of secondary education. Hybrid, distance, and community-based learning programmes should be enhanced to increase access to education and training, particularly for school dropouts. Training on basic digital access and literacy should be provided for the community so that no one is left behind. Soft skills should be included in the outcomes-based curriculum to increase students' employability chances after completion of secondary education.

Establish a vertical pathway between TVET and higher education. The Government, through the BQA, should establish a vertical pathway between TVET and higher education academic programmes to provide TVET graduates with seamless access to higher education.

Delink TVET from tertiary education. TVET should commence within the secondary education system so that the choice between TVET and non-TVET can be taken before leaving secondary school (i.e., take up supplementary classes to finish secondary school with a certificate in some profession/trade). One pathway toward enabling secondary school dropouts to enter the labour market is to provide them with market demand-driven TVET courses while in school. This delinking should be formulated as a path that provides students with the option of choosing further TVET or a university after leaving secondary school. Example 10 in Annex 2 describes articulation arrangements in Singapore and Germany where clear articulation lines exist between TVET and higher education.

Implement a non-credit-bearing Developmental Winter Bridge Programme for all incoming students into the public universities. A 4–6 week Developmental Winter Bridge Programme for all incoming students into the public universities, implemented prior to their first semester, will address their readiness gap for core university-level courses and improve on their poor performance in first year and senior-years' undergraduate Introductory Mathematics and Mathematics-underpinned courses. The Developmental Winter Bridge Programme will provide entering students with accelerated developmental instruction in Mathematics, English composition, and Computer Science (STEM-offering universities can include Chemistry and Physics) and an in-depth orientation to university life and resources, academic advising, and training in skills necessary for success in the university environment.

Establish TVET centres of excellence in key districts across the country. The Government may consider converting some technical colleges and brigades to centres of excellence based on the characteristics of their locations. For example, if eco-tourism has the potential for growth in the community, an institution may be capacitated to offer education and training that focus on this area. Furthermore, institutions may be clustered to strengthen programme offerings in industry relevant areas such as agriculture, arts and jewellery, mining and hospitality and tourism.

Offer stackable micro-credentials in national priority skills areas. The Government, in consultation with the industry, should develop stackable HRDC-recognised short courses (and their associated training manuals) that target the skills underpinning the priority areas in the NTS. Higher education institutions and the technical colleges should implement the short courses in a flexible, hybrid manner, based on their individual capacities. Example 11 in Annex 2 describes a digital micro-credential developed by Tourism Training Australia for its priority Tourism and Hospitality sectors.

Align tertiary education with the needs of a knowledge and skills-based economy. The Government of Botswana should promote PhD and post-graduate education required for driving research in the knowledge-based economy. Investments in research should be strengthened to enhance innovation and thought leadership in tertiary institutions, working in close partnership with the universities and the private sector (e.g., UniPod [University Innovation Pod] in the University of Botswana and shared with the Botswana International University of Science and Technology, and the Botswana Digital and Innovation Hub). Higher education institutions and the technical colleges should ensure students are equipped with the core or soft 21st Century skills and STEAM (science, technology, engineering, the arts, and mathematics) skills that boost their employability. STEAM skills have the capacity to serve as key pillars for economic transformation. Guidance on core skills in the 21st Century that are relevant to all jobs can be found in the global framework developed by the ILO and other United Nations organisations and partners. The core skills framework includes social and emotional, cognitive, and metacognitive, basic digital and green skills.[164]

164 ILO (2021). Global Framework on Core Skills for Life and Work in the 21st Century. ILO.

Facilitate access of youth, particularly youth in the NEET category, to lifelong training and skills development opportunities for increased employability. UNESCO's Global Skills Academy (GSA) offers a range of programmes that empower learners with in-demand skills, including digital literacy and skills, green technologies, and entrepreneurial capabilities. The free training and skills development and mentorship programmes offered by UNESCO's GSA are described in Example 12 in Annex 2.

Pathways to employment

Restructure and regulate WBL as an 'on-ramp' mechanism. WBL in the form of internships, apprenticeships, work experience and work placements provide invaluable opportunities for youth to develop job-specific skills, build professional networks, and gain insights into industry expectations and practices. These opportunities also enable youth to apply theoretical knowledge in real-world settings, enhancing their understanding of the subject matter and promoting the transfer of skills to the job setting. The Government may consider widening the scope of WBL to facilitate work experiences for youth across the education system, that is, students in secondary education, TVET and higher education. Example 13 in Annex 2 describes the varied opportunities open to students, individuals, and SMEs in Singapore.

Re-introduce the National Apprenticeship Programme. The new Apprenticeship Programme should cover all apprentices, that is, those in both the formal and informal sectors, to leave no one behind. The Government should promote apprenticeship programmes across all sectors, particularly those prioritised in the NTS and those with skill shortages. Botswana's former apprenticeship programme covered apprentices in the formal sector and was based on the German dual vocational training system which commits both the employer and the training institution to provide practical and theoretical training respectively, to enable development of necessary skills and knowledge required for a trade. Under this system, over a four-year period, trainees in Botswana received 13 weeks of theoretical training at a TVET institution and nine months of practical on-the-job training through an apprenticeship in the workplace each year.

Recognise, incentivise and certify apprenticeships in the informal sector. Informal sector apprenticeships are a common source of skills training. Informal TVET occurs among street craftspeople: mechanics, household appliances repairers, electricians, plumbers, painters, builders, hairdressers, etc. Apprentices are often the only workforce of these craftspeople and are solely engaged in practical, on-the-job-training that is market demand-driven and production-focused. In the absence of a formal curriculum, effort should be made to recognise and certify the training provided. Nationally recognised skills certification will play a significant role in demonstrating to potential employers and clients that youth have acquired the relevant competencies in their specific trade areas. Example 14 in Annex 2 describes the certification and formalisation processes of informal apprenticeship in Ghana.

Scale quality youth apprenticeships nationally. The Government should explore the feasibility of scaling apprenticeships in urban and rural areas, whether using apprenticeship intermediaries in select trade areas or a single public entity such as the Madirelo Training and Testing Centre. This could help overcome the country's skills gap problem and the challenges whereby employers have been offering fewer places to TVET apprentices and tend to have no journeyperson in place with sufficient training to supervise apprentices. This initiative should also make inroads into making apprenticeships more attractive to formal sector employers. Example 15 in Annex 2 describes the role and functions, benefits and challenges of Apprenticeship Intermediaries and Example 16 provides more details on Australia's experience in that area.

Establish career advisory service centres within higher education institutions. Career guidance should be provided in different formats to current students. Centres should also reach out to institutions' unemployed graduates to assist in their employability. Current students and alumni should be provided with career guidance, academic advising, counselling, and other support services to help them make informed decisions about their educational and career paths and to facilitate their transition from education to employment.

Pathways to entrepreneurship and job creation

Expand entrepreneurship education, training, and promotion at tertiary level. Not all youth can or want to get a job. Entrepreneurship provides youth with an alternative to raising their livelihoods. The World Bank and ILO conducted a systematic review and meta-analysis in 2022 of the effectiveness of youth-targeted ALMPs to improve the labour market outcomes of young people. Some types of ALMP implemented were found to play an important role in determining labour market outcomes. Specifically, entrepreneurship promotion was the ALMP found to have the largest impact on youth

labour outcomes, followed by employment services and skills training interventions.[165] An assessment of Botswana's ALMPs found that YDF beneficiaries across the country receive ad hoc entrepreneurship training using a non-uniform curriculum. A 2021 Ministry of Youth and Gender Affairs Tracer Study of YDF beneficiaries found that they required skills on operating a business, keeping records, marketing, and preparing and analysing financial statements, and support to obtain additional funding, manage finances, expand into new markets, and improve business efficiency and productivity.[166] Poor recordkeeping make it difficult for promoters to validate the financial and general performance of their funded businesses.[167]

Strengthen TVET students' entrepreneurial development. Technical colleges and brigades should develop their students' entrepreneurship skills, equipping them to become job creators, and encourage their development of innovative market solutions. Given the nature of TVET, promoting entrepreneurship carries even greater significance than in other types of education. Specifically, these institutions should:

1. Incorporate the development of entrepreneurship skills and mindsets directly into the curricula of TVET programmes.

2. Adopt an entrepreneurial approach to their institutional governance and management and collaborate with external partners to develop an ecosystem conducive to entrepreneurship among faculty members and students.

3. Liaise with LEA, BDIH, BITRI, and the UniPod at the University of Botswana and the Botswana International University of Science and Technology, to support students with innovative business ides and prototypes.

4. Train TVET teachers to deliver entrepreneurship education using the UNDP Botswana-developed YEDTC. The modular-based YEDTC focuses on skills development and seeks to develop specific entrepreneurial outcomes among Botswana's youth, such as entrepreneurial mindsets, entrepreneurial capabilities, entrepreneurial status, and entrepreneurial performance.

Example 17 describes Austria's Youth Start Entrepreneurial Challenges, an approach to teaching entrepreneurship to TVET students.

Combine demand-side ALMPs with income support. Botswana may consider introducing unemployment insurance or a limited-time cash transfer scheme for unemployed youth to be offered along with its ALMPs. Mauritius' Workfare Programme offered to formal and informal sector workers is described in Example 18 in Annex 2.

Actively promote TVET and the new Apprenticeship Programme. The skills-generating capability of TVET and its potential towards building a career should be emphasised to parents and young people. Massive rebranding and quality improvement of TVET should be undertaken to make it a rewarding skill development mechanism for securing sustainable livelihoods for young people who do not make it to tertiary education. Example 19 describes Australia's actions towards raising the status of apprenticeships.

Partnerships and inclusion

Strengthen employer, professional body, and other demand-side PPPs in the curriculum development and training processes of the TVET system. The involvement of the industry and private sector in TVET is one way of strengthening TVET's response to the labour market. It is important to partner with the private sector in curricula development and reviews to address the skill mismatch between education training and the labour market needs. Professional bodies are strategically positioned to bridge the gap between the supply and demand sides of TVET systems, spearheading the development of occupational quality standards and ensuring their effective integration

Poor recordkeeping make it difficult for promoters to validate the financial and general performance of their funded businesses.

165 o, S., Curcio, C., Bausch, J., Stöterau, J., & Weber, M. (2022). The impact of active labour market programmes on youth: An updated systematic review and meta-analysis. International Labour Organization and the World Bank.

166 Ministry of Youth and Gender Affairs (2021). Tracer Study: Youth Development Fund graduates of the Botswana International University of Science and Technology Starting Your Business and Sustaining Your Business courses (2018–2020). Ministry of Youth and Gender Affairs.

167 UNDP (2020). Outcome evaluation of Youth Development Fund (YDF) in Botswana.

Out of 25 OECD countries which have a statutory minimum wage, half have a sub-minimum wage for youth set at around three-quarters of the adult minimum wage.

in both TVET programme development and course planning processes. Furthermore, the involvement of demand-side stakeholders, especially in the private sector, can improve the quality of apprenticeships and work-based learning.

Increase intake and quality of tertiary education institutions through public-private partnerships, periodically introducing cost-sharing mechanisms to reduce the level of public spending on education.

Incentivise the private sector to participate in internships and apprenticeships. Several options are available to incentivise the private sector to provide internships and apprenticeships as part of WBL. One option is for the Government to offer the private sector a youth wage subsidy like that offered by South Africa's Employment Tax Incentive to subsidise the recruitment cost of first-time work seekers and for offering spaces for internships and apprenticeships. For more details see Example 20 in Annex 2.

The youth wage subsidy can help to solve the problem of information asymmetry by reducing the risk associated with employing inexperienced young workers, compensating firms for the risk associated with being unable to identify the productive capacity of prospective employees. At best, a wage subsidy policy will ensure that people just below the minimum skill threshold are absorbed into the workforce (because they can learn on the job to reach that threshold).[168]

Other options to encourage employers to provide spaces for internships and apprenticeships are granting companies tax credits per apprentice and introducing a sub-minimum wage for youth. Out of 25 OECD countries which have a statutory minimum wage, half have a sub-minimum wage for youth set at around three-quarters of the adult minimum wage. This lower 'training wage' reflects the fact that, at the beginning of an apprenticeship contract, young people's productivity is lower. A more indirect mechanism for incentivising the supply of apprenticeships is to force all companies to contribute to a special training fund, with only those who offer apprenticeships being able benefit from it. For example, all companies in Denmark pay a yearly contribution per employee into the Employers' Refunds for Apprentices Fund. The fund then compensates companies every 24 months for each apprentice hired.

Ensure equity and inclusivity in TVET and higher education. The UN Agenda 2030 for Sustainable Development aims to "eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations" by 2030 (SDG target 4.5), and "achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value" (SDG target 8.5). Equality and non-discrimination are also reflected in the UN's 'Leaving no one behind' framework, endorsed by the United Nation System's Chief Executives Board for Coordination.[169]

The Government should ensure equity and inclusivity by attracting more students (especially girls and young women) and teachers to STEM trajectories including through mentorship programmes to enhance innovation and the development of the manufacturing sector. It should provide accessible and flexible learning pathways in TVET for disadvantaged groups or marginalised populations, including women, people with disabilities, rural populations and non-traditional students. TVET institutions must challenge gender stereotypes and encourage greater participation of women in traditionally male-dominated fields, such as STEM and technical trades. Although some females are enrolling and completing courses where males dominate, the pace and scale of change is very slow. Opportunities for shifting women's and girls' perceptions on enrolling in male dominated courses have arisen through concerted efforts and good practices. Examples include career fairs and clinics, road shows, career guidance, open days and kgotla meetings that promote TVET and encourage girls to enrol, and initiatives such as 'Adopt a school programme' at the basic education level which offer the potential for career guidance by industry stakeholders with successful TVET-

168 Burns, J., Edwards, L., & Pauw, K. (2010). Wage subsidies to combat unemployment and poverty: Assessing South Africa's options. International Food Policy Research Institute Discussion Paper 00969.

169 United Nations. Agenda 2030 for Sustainable Development; United Nations (2017). Leaving no one behind: Equality and non-discrimination at the heart of sustainable development. UN.

trained female role models in employment in relevant well-paying occupations.

Botswana may consider adopting South Africa's Department of Employment and Labour plan to offer a subsidy scheme designed to promote employment for people with disabilities. Organisations that apply must be registered and once approved will receive a predetermined amount on a quarterly basis. They will receive a subsidy amount for an approved number of people with disabilities manufacturing goods or rendering services in the organisation. The department intends to have organisations commence with the subsidy scheme upon signature of Service Level Agreement.[170]

TVET institutions must challenge gender stereotypes and encourage greater participation of women in traditionally male-dominated fields, such as STEM and technical trades.

To improve inclusive employment outcomes for youth, it is recommended that the Government:

1. Promote sectors, occupations, and trades where young women are under-represented and have the potential to create higher-paying jobs for young women.

2. Remove barriers to education and training and encouraging girls and women to specialise in STEM fields.

3. Ensure gender-responsive measures are in place, such as equal pay policies and gender-sensitive social protections.

4. Increase access for youth living with disabilities to skills and vocational training, and to funds from the YDF to start their businesses.

5. Promote apprenticeships that target young women and those living with disabilities and in rural areas (See Example 21 in Annex 2).

6. Modify structures, facilities and teaching and learning material in TVET institutions to increase access to youth living with disabilities.

7. Train tertiary level teachers in pedagogical systems adapted to people with disabilities and provide them with adequate teaching materials to support youth with disabilities.

Optimise the demographic dividend to create a globally competitive skilled workforce. The report notes the following paradox: Botswana has allotted significant financial resources to address inequities in access to education and to improve the quality and relevance of education, provide free or heavily subsidised schooling at primary, secondary and tertiary levels, achieve near universal enrolment in primary school and increased enrolment in secondary and tertiary education levels. However, the quality challenges at all three levels raise the question whether the Government's significant financial investments are giving full value for money in building quality human capital and ensuring a competitive economy for the country in the future.

It is recommended that Botswana address its skills mismatch problem by first establishing a high-level commission to examine the declining quality in education and then carry out the necessary reform. The reform should be aligned to SDG 4: Ensure inclusive and equitable quality education and promote lifelong opportunities for all. The specific priority policy action areas recommended to optimise the value of its relatively heavy investment in education[171] are:

1. Set up a special high-level commission on addressing the declining education quality to investigate and ensure decisive action to overcome education quality bottlenecks.

2. Review curricula for all stages of the education pipeline and enact required reforms to decisively shift the education system from the current knowledge-based orientation to the competency-based one. This should be accompanied by massive investments to retrain all teachers in learner-centred pedagogies, aligning curriculum in teacher

170 Department of Employment and Labour (2024, September 16). Subsidy Scheme to create employment opportunities for persons with disabilities invite.

171 Based on Government of Botswana (2018). Opportunities and policy actions to maximise the demographic dividend in Botswana: Demographic Dividend Study Report.

training institutions with the competency-based system, providing required learning materials, and improving the working conditions and remuneration of teachers to attract and retain good teachers.

3. Expand the number of teaching centres and qualified teachers to ensure universal early childhood education, which is vital for child development.

4. Address the underlying causes of declining performance and of school drop-out rates at primary, junior secondary, and senior secondary school levels, with a particular focus on optimising the infrastructural capacity of senior secondary schools to take in more students.

5. Increase intake and quality of tertiary education institutions through public-private partnerships, periodically introducing cost-sharing mechanisms to reduce the level of public spending on education.

6. Partner with the private sector in curriculum development and reviews to address the skill mismatch between education training and the labour market needs.

7. Deploy massive rebranding and quality improvement of TVET to make it a rewarding skill development mechanism for securing sustainable livelihoods for the thousands of young people who do not make it to tertiary education. TVET should be designed and implemented in close partnership with the private sector to ensure that it is responsive to the labour market needs and ultimately enhance the employability and capacity for self-employment of its graduates. Aspects of TVET should also be mainstreamed in primary and secondary school curricula to ensure that practical work-related skills are imparted throughout the school years.

8. Enhance investments in research to enhance innovation and thought leadership in tertiary institutions, working in close partnership with the universities and the private sector (e.g., UniPods in the University of Botswana and BIUST; and the Botswana Innovation Hub).

9. Attract more students (especially girls) and teachers to STEM trajectories including through mentorship programmes to enhance innovation and the development of the manufacturing sector.

10. Enhance performance monitoring and management systems in the education sector to ensure that decision-making is routinely informed by robust data and evidence. Critically, there is an urgent need to understand the high levels of school drop-out rates to devise corrective measures and to provide an enabling environment for education reform experts and other change agents to test and ultimately scale up various innovations for addressing Botswana's pervasive education quality challenges.

Expand the cooperation with the development partners. The Government of Botswana cannot raise the livelihoods of the majority of its population—its youth—on its own. The country will rely on assistance from its many bilateral and multilateral development partners (e.g., various UN entities in Botswana, notably UNDP and ILO, the European Union, GIZ Botswana, etc.).

It is recommended that Botswana address its skills mismatch problem by first establishing a high-level commission to examine the declining quality in education and then carry out the necessary reform.

Such cooperation can be critical for boosting youth employment. It can boost national capacity to address the challenges related to youth employment and improve the efficiency of the measures. The inputs from international stakeholders can be particularly relevant in the following areas:

- Policy review and development support. Assistance will be needed to develop comprehensive policies and strategies such as the proposed Skills Development and Employment Promotion Policy Strategy and the wider National Human Resource Development Strategy. Assistance will also be important in revising the National Policy on Education (1994), National Policy on Vocational Education and Training (1997), Tertiary Education Policy (2008), and Education and Training Sector Strategic Plan (2015–2020).

- Technical assistance. Technical assistance will be required to acquire and apply best developmental practices, develop job creation strategies, regulatory frameworks, curricula, and training materials; revitalise TVET; build monitoring and evaluation into government programmes including ALMPs; strengthen systems for digitisation and 4IR, etc.

- Financial support, if available. Support will be required to update the infrastructure of TVET institutions and support their efforts to develop their staff.

- Capacity building of regulatory bodies and TVET institutions, and the subject-content, pedagogical and ICT development of secondary and TVET teachers.

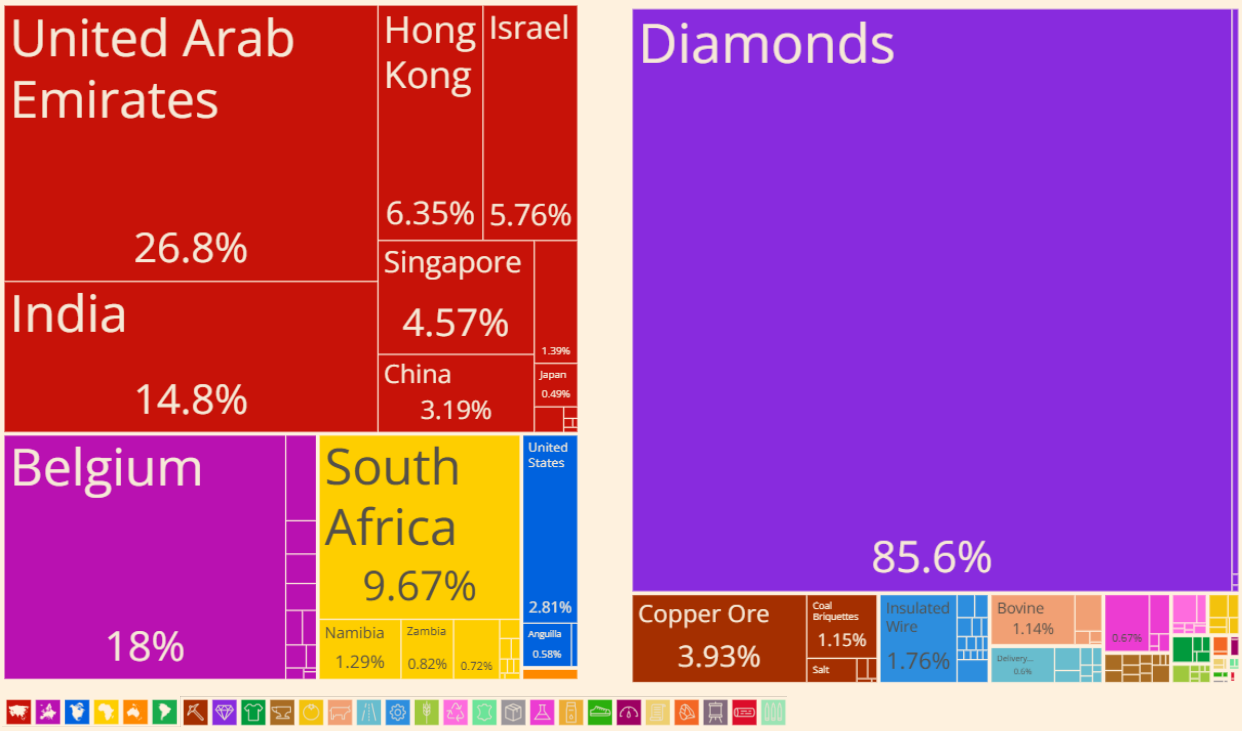
- Partnerships with industries in the countries of development partners to develop TVET staff and students.

The country will rely on assistance from its many bilateral and multilateral development partners (e.g., various UN entities in Botswana, notably UNDP and ILO, the European Union, GIZ Botswana, etc.).

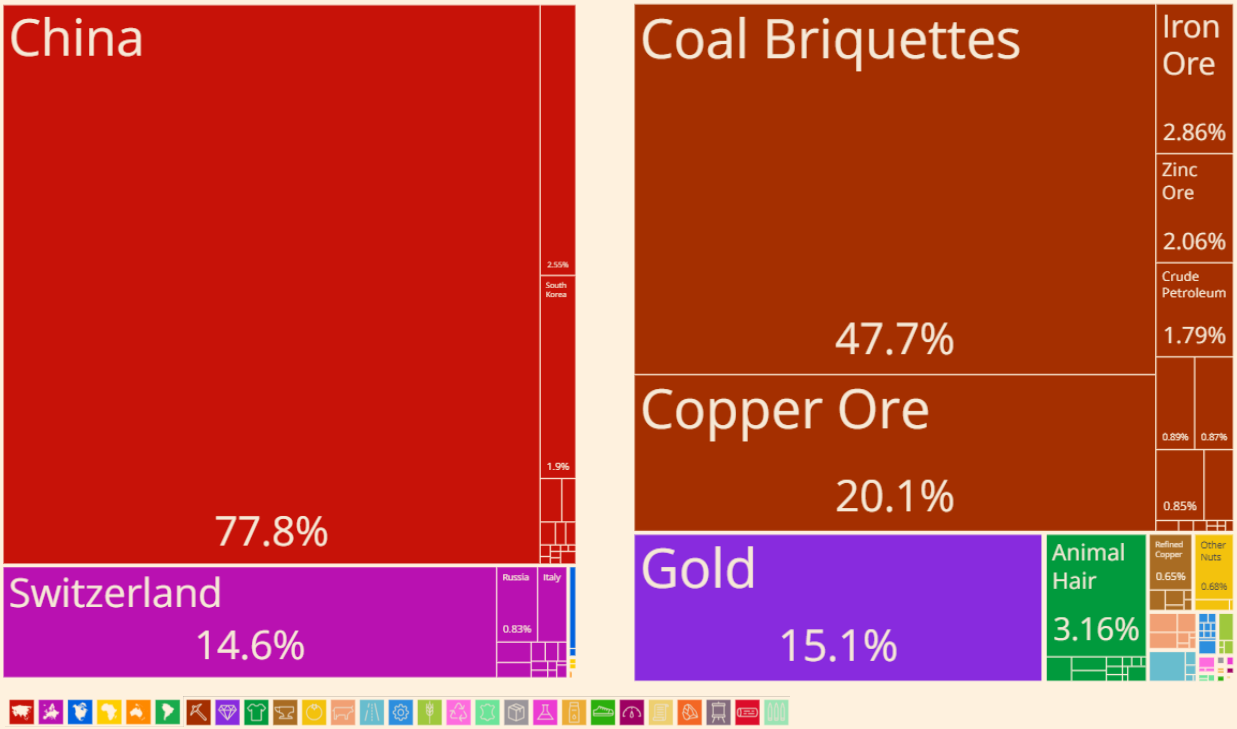
8 ANNEXES

Annex 1: Selected countries' structure of export by destinations and products, 2022

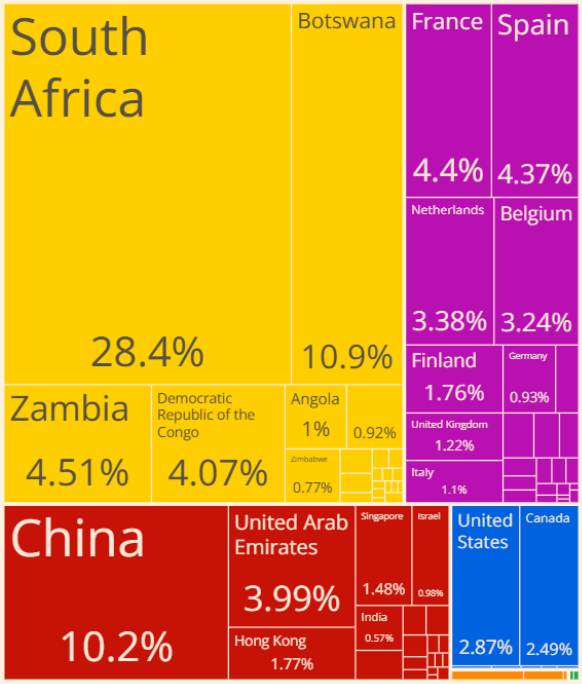
Botswana

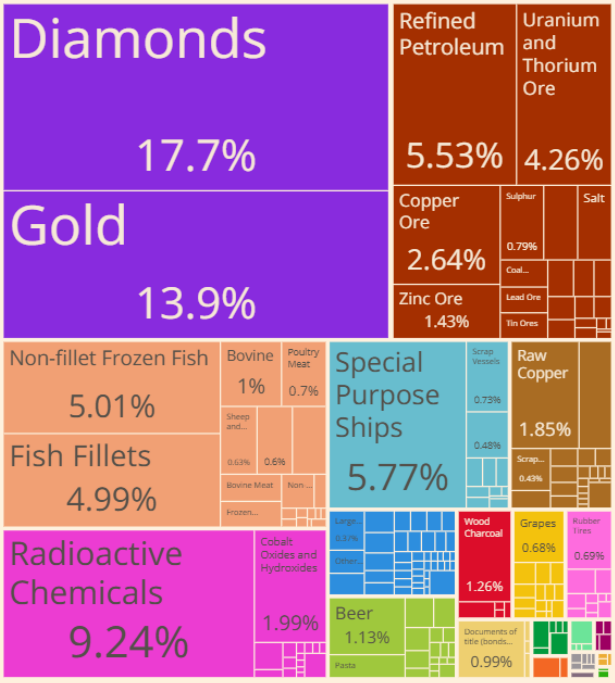


Mongolia

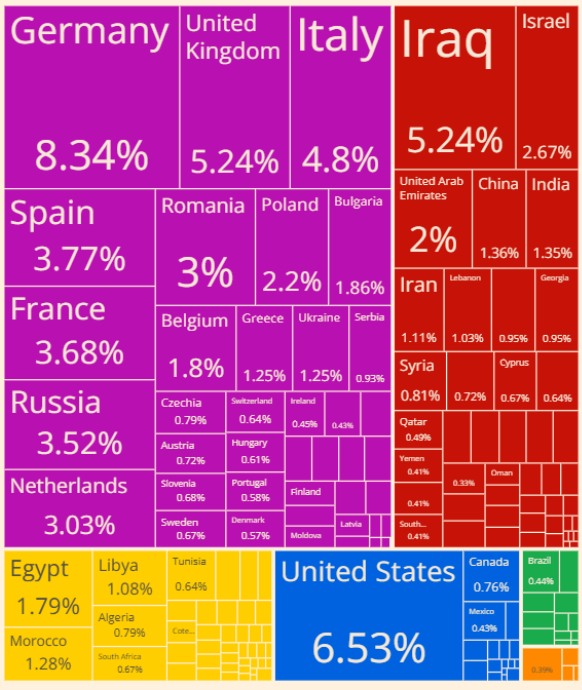


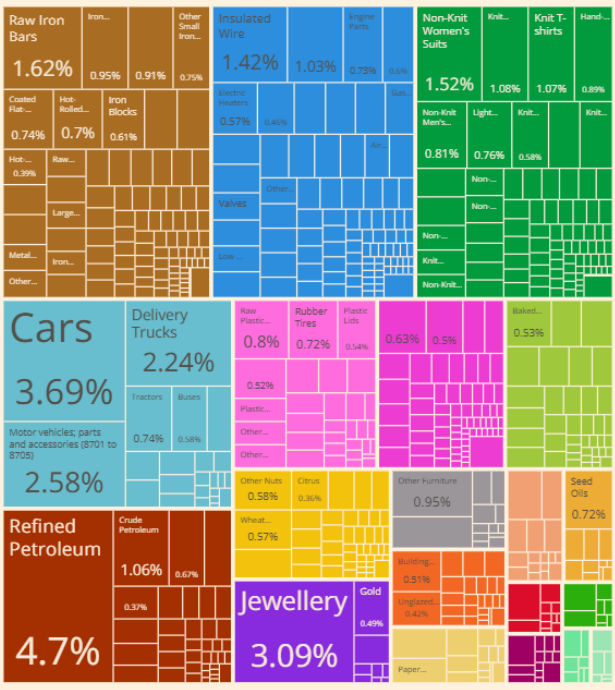
Namibia





Türkiye





Data from OEC https://oec.world/, based on BACI HS6 REV. 1992 (1995–2022).

Annex 2: Examples of working practices in supporting youth employment

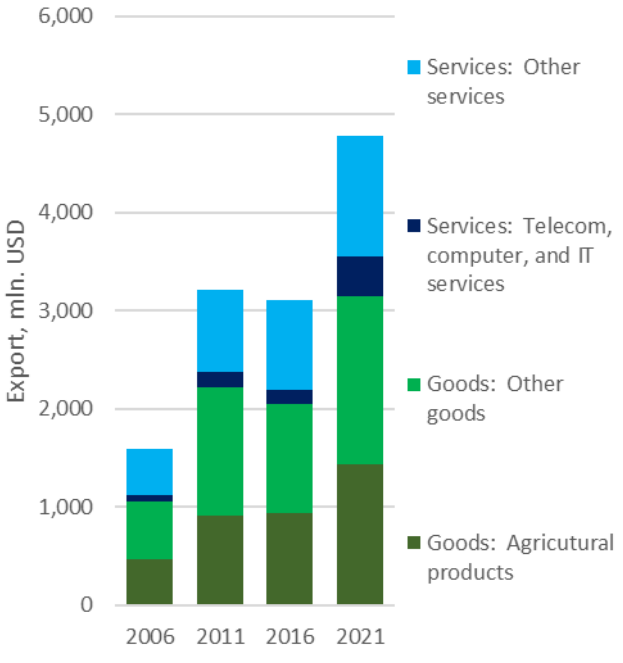
This annex presents examples of practical and pragmatic approaches to the multi-faceted challenges young people face during their transition from education to employment, in gaining marketable skills as well as cases of successful partnerships between relevant stakeholders. Bearing in mind the specific country contexts in which these practices have worked, the diverse experience might be a source of inspiration for addressing Botswana's specific challenges.

Example 1: Republic of Moldova IT Park and Kyrgyzstan Park of Creative Technologies

The Republic of Moldova, a lower-middle-income economy, with a population of three million, has historically relied on agriculture, which employs about one-third of the labour force but contributes only 10 percent to GDP. The country faces challenges such as a declining population due to migration and a high rate of youth NEET, which stood at 19.5 percent in 2019. To diversify its economy and create sustainable employment, the Republic of Moldova has prioritised the development of its IT sector. The IT industry has been identified as a key driver for economic growth, with the potential to attract foreign investment and create high-value jobs.

In response, the Government established Moldova IT Park—officially known as Moldova Innovation Technology Park (MITP)—in 2018 as a virtual park to provide a favourable tax regime and simplify administrative procedures for IT companies. The park offers a single tax of 7 percent on sales, encompassing corporate income tax, personal income tax, and other mandatory contributions. Earlier, in the 2010s, the Republic of Moldova implemented 'Guillotine' reforms—a systematic review and elimination of outdated or burdensome regulations—to streamline its business environment and reduce administrative barriers. The establishment of MITP required legislative changes and collaboration between various government agencies and the private sector. Additionally, investments were made to improve IT infrastructure and promote the Republic of Moldova as an attractive destination for IT outsourcing.

The establishment of MITP has led to a significant increase in IT services exports, with the sector becoming one of the top contributors to the country's GDP. The number of IT companies has grown, and many have established call centres and other IT-enabled services, capitalising on the country's multilingual workforce. This growth has created numerous employment opportunities, particularly for young people, and has contributed to a reduction in the NEET rate. Furthermore, the demand for skilled IT professionals has prompted reforms in the education system to better align curricula with industry needs, as well as to provide new forms of learning. In the six years since its establishment, the park has grown to over 1,650 active residents, including more than 240 foreign-capital companies from 39 countries. MITP residents now produce 4 percent of the Republic of Moldova's GDP and account for 90 percent of the country's IT service exports. The park offers



competitive salaries (average monthly wage over MDL 40,000, four times higher than country average), helping the Republic of Moldova retain skilled professionals. Over 20,700 IT specialists work for MITP companies, with more than 9,000 jobs created in total, reshaping the local labour market towards the tech sector.

Kyrgyzstan, a landlocked nation of seven million people in Central Asia, has historically depended on gold mining (40 percent of export), agriculture, and remittances. Recognising the potential of the IT sector to drive economic diversification, the Government prioritised its development. In 2011, the Kyrgyz Government established the High-Tech Park (HTP) to provide favourable conditions for IT companies. The HTP offered tax incentives, including exemptions from sales tax, profit tax, and value-added tax, with companies paying only a 1 percent fee on total revenue to cover administrative costs. To qualify, companies needed to ensure that at least 80 percent of their production was exported. Similarly to the Republic of Moldova, Kyrgyzstan initiated a comparable regulatory reform by drafting a law in 2021 aimed at terminating obsolete legislative acts under the 'Regulatory Guillotine' principle, following a presidential decree to inventory national legislation. The HTP's establishment led to a substantial increase in IT service exports. Currently HTP hosts 383 IT companies, with 2417 jobs created. This growth created numerous employment opportunities for young professionals and prompted reforms in the education system to better align curricula with industry needs. Initiatives such as the IT Academy were launched to train individuals in relevant digital skills, further enhancing the talent pool.

In the 2020s Kyrgyzstan started movement towards new forms of economy, leveraging the potential of the creative economy. Kyrgyz fashion industry—brands like Art Group Tumar, SAKHNA, and Dilbar Fashion House—successfully integrate traditional nomadic motifs and felt craftsmanship into modern designs. The sector was booming in the 2000s–2010s thanks to a readily available supply of inexpensive materials from neighbouring China. Kyrgyz fashion industry started with regional markets and expanded to export to global markets, showcasing Kyrgyzstan's cultural heritage as a competitive economic asset. In 2023–2024 the Creative Industries Park has emerged as a flagship initiative to boost innovation-driven growth, with government-backed reforms including tax incentives, a supportive legal framework, and decentralised hubs across the country. By the end of 2024, the park had registered 50 resident companies, achieved a 3.4 times revenue growth quarter-over-quarter, and demonstrated impressive productivity—averaging $43,000 in GDP per employee annually, far surpassing the national average of $2,500. The ecosystem enhances youth employment, encourages formalisation of creative services, and provides extremely cost-effective options for freelancers and small teams just starting out.

Sources: Own analysis based on ITC Trade Map Database, the Kyrgyzstan Association of Creative Industries and the Moldova Innovation Technology Park.

Example 2: Reducing the perceived risks of Africa for investors through prudent use of the 'put option'.

A 'put option' is the price the Government might pay in the future (if the risk materialises) for attracting a strategic investment today. The put options bear a number of risks. Governments may lack the fiscal capacity to underwrite put options. They can increase moral hazard implicitly encouraging investors to take excessive risks knowing they are insured. Changes in regulatory frameworks can undermine the enforceability of put options. The explicit benefit for the potential investor can breed corruption. Despite these risks, a number of African countries have used put options:

1. Ethiopia's Hawassa Industrial Park (Textile & Apparel): The Ethiopian Government offered exit guarantees to foreign textile firms (PNH, Calvin Klein) investing in the park. If the firms failed to profit after 5–10 years, the state would buy back their factories at a depreciated value. This boosted FDI in textiles, creating thousands of jobs, and investors felt secure despite Ethiopia's perceived risks.

2. Nigeria's Sovereign Investment Authority (NSIA)—Infrastructure Projects: The NSIA provided partial put options to private partners in toll roads and power plants. If revenue targets weren't met, the NSIA would buy back equity at a pre-set rate (the Lagos-Ibadan Expressway PPP included a buyback clause to reassure investors).

3. Rwanda's Kigali Innovation City (Tech Hub): The Rwanda Development Board offered soft put options to tech investors: if the project underperformed, the Rwanda Development Board would facilitate a buyout via sovereign funds. The hubs attracted firms like Andela and Zipline (drone logistics).

4. Morocco's Automotive Sector (Renault-Nissan): The Moroccan Government guaranteed to purchase Renault's Tangier plant if export demand (to Europe) collapsed due to trade shocks. As a result, Renault expanded operations, making Morocco Africa's top auto exporter.

Notwithstanding the risks and challenges outlined above, Botswana could use put options as a complementary tool in addition to the economic reforms suggested in this report to encourage private investment in a few selected high-impact sectors seen as overly risky by private investors. For example, put options could be used to encourage green energy projects—solar/wind farms with buyback guarantees or EV battery manufacturing (particularly if connected to Botswana's planned lithium refinery). A put option with a clause to buy back the processing plants might be useful in developing beef and textile processing. Finally, they can boost the development of tech hubs (following Rwanda's model and building on Botswana's emerging UniPods in two leading universities).

Sources: World Bank. (2020). Ethiopia's Industrial Parks: Jobs and Challenges; Oxford Business Group. (2019). Morocco's Automotive Industry Drive; African Development Bank. (2021). Rwanda's Digital Transformation; NSIA Annual Report. (2022). Nigeria's Infrastructure Partnerships.

Example 3: China's policy of unbalanced growth

Over the last hundred years, much of Asia has chased the urban dream. Dirt roads gave way to concrete, while glass covered high-rises rose up, dwarfing ancient valleys and cities. China, in particular, grew incredibly fast, with industrialisation and urban growth moving at stunning speed. In periods of fast development—from the 1980s to 2000s—Chinese planners went for concentrated yet decentralised growth. Concentrated because they never aimed at balanced growth across the country; decentralised because land and housing reforms helped local bodies drive growth. Cities on the coast experimented with export processing zones and new land laws. There was no private ownership of land, but local governments instead sold 50–70-year land leases. The housing and infrastructure that ensued brought revenues which enriched local governments, in turn funding more urban development. In this way, cities concentrated wealth, population and investment. They kept enterprise at their core, with infrastructure a major component, helping cities on the coast reap the benefits of export trade. The downside is that Chinese central and far western regions got little attention, at least until now. Safety nets prevented extreme poverty, pending an expected trickle down of wealth from the strong growth on the coast. But it was never expected that inland regions could compete with the prosperous coast. The Belt and Road Initiative aimed to tackle this by linking lagging regions to markets inside and outside China, with physical and enterprise infrastructure at the core, thereby mirroring the policies which led to the coastal boom.

Source: Maddock, N., Xiecun Li, G. What can Nepal learn from Chinese urbanization? Planned urbanization was at the core of almost everything in China. Republica, 15 November, 2017.

Example 4: Rwanda TVET Board (RTB)

Since 2008, the Government of Rwanda has positioned TVET as a crucial tool to alleviate poverty and equip youth with relevant skills essential for the labour market, enabling them to secure meaningful and decent employment.

The RTB is a government institution established in 2020 under the Ministry of Education, to promote quality education in technical and vocational education and training aimed at fast tracking socio-economic development of the country. One of the key mandates of the RTB is to offer a strategic response to the country's skills development challenges across all economic sectors.

The core business of RTB is run through two key departments and one division:

- The Training Management Department focuses on standards compliance, trainers' placements, capacity development and retention, school infrastructure development and cross-cutting issues such as workplace learning, career guidance, industry attachments, production and incubation, tracer surveys as well as gender-mainstreaming in TVET.

- The Curriculum & Instructional Materials Development Department is tasked with developing, regularly updating and monitoring the implementation of TVET curricula. In line with relevance of the curricula, the department constantly engages with Technical Expertise Groups to benchmark the TVET curricula with the ever-changing labour market needs. The department has developed over 178 CBT/CBA curricula, provided training on CBT/CBA and developed 21 training manuals.

- The Digital Technologies Division is tasked with the penetration and demystification of ICTs to the ordinary TVET learner/trainer and the establishment, management and maintenance of ICT, Network and Internet connectivity infrastructure within TVET schools. The division is responsible for transforming the developed curricula and all related instructional materials into digital content that are accessible online to both learners and trainers, and ensuring that TVET keeps abreast with the latest emerging instructional technologies such smart classrooms, virtual labs, etc.

RTB also has a Single Project Implementation Unit (SPIU), which coordinates all projects and development partners that support skills development up to level five of the RTQF. The unit is a dedicated project management structure to effectively manage projects and improve the quality of aid utilisation in a more structured way, avoiding duplication of services under effective controls backed up by strong monitoring and evaluation systems. The Rwanda TVET Board SPIU has four programmes with different interventions. These programmes are the TVET Infrastructure Development & Equipment Program, TVET Skills Development Program, Private Sector Engagement Program and Quality TVET Education Program. The TVET Skills Development Program includes the NEET Project that targets Rwandan youth who are not employed, not in education or training by upgrading capacities and competencies of university graduates in professional and technical courses with high labour market demand; equipping unemployed secondary education graduates with technical and vocational skills with high labour market demand, and upgrading the capacities and competencies of unemployed and unskilled out-of-school youth to acquire technical and practical skills with high labour market demand, through industry-based training and a dual training system.

Source: Rwanda TVET Board.

Example 5: Uses of the Human Resource/Skills Development Fund

Rwanda's Skills Development Fund, which was established to rapidly close skills gaps with the objective of increasing the supply of skills in high demand in the labour market, provides sub-grants to eligible applicants on a competitive basis to develop scarce skills among the Rwandan workers. The fund has three main windows to apply for funding: Window 1, Rapid response training; Window 2, Out-of-school youth, recognition of prior learning, informal sector training; and Window 3, apprenticeships and internships.

In Malaysia, the Human Resource Development Fund (HRDF) supports in-service training at employers' discretion. The HRDF is financed by a levy, between 0.5 percent and 1 percent of employees' wages, on private firms above 50 employees. These funds are collected in company-specific accounts to pay for the training of the company's staff, in accredited training programmes. The HRDF funds 13 different types of trainings, to respond to each business particular needs, including 2 ICT-focused trainings, 4 courses aiming at increasing the supply of skilled labour and 7 upskilling the existing workforce. SMEs received roughly 80 percent of the trainings while businesses in the services sector accounted for approximately 60 percent of trained employees.

The Singapore Skills Development Fund, funded by a levy, provides financial incentives for the training of persons preparing to join the workforce, persons in the workforce and persons rejoining the workforce.

In Uganda, the Skills Development Fund focuses on cross-cutting themes such as digitalisation and entrepreneurship and has the support of the World Bank and Enabel, amongst others.

Source: Johanson, R. (2009). A review of national training funds. World Bank. Asian Development Bank (2016). Skills development funds: Country experiences and implications for South Asia. Uganda's Skills Development Fund.

Example 6: Collaboration with the Mastercard Foundation

The Mastercard Foundation increases access to education and skills training through scholarships and innovative training delivery models. Since its founding in 2006, the Mastercard Foundation has worked in 37 countries across Africa with more than 400 partners. By working with employers and governments, it ensures students are equipped with skills that meet market needs. The foundation also works with entrepreneurs, universities, companies, and funders to translate innovative ideas into large-scale solutions.

Mastercard Foundation's Young Africa Works Strategy is the outcome of extensive consultation with leaders of African governments, private sector organisations, educational institutions, civil society, and young people. Working with governments and the private sector, the foundation seeks to gain an understanding of their economic priorities and opportunities, identify growth sectors and develop a long-term plan to drive systems-level change. The foundation has launched its new country approach in Ethiopia, Ghana, Kenya, Nigeria, Rwanda, WAEMU, and Uganda. Using youth employment as an indicator of progress, the foundation believes that the Africa Works Strategy will help millions of Africans find a pathway out of poverty for themselves and their families.

Source: Mastercard Foundation website.

Example 7: Teacher preparation: Singapore Institute of Technical Education

Singapore's Institute of Technical Education (ITE) offers courses leading to National ITE Certification (Nitec), Higher National ITE Certification (Higher Nitec) and Technical Diploma. ITE's Total Organisation Capability initiative encourages its lecturers to enhance their competencies both in their individual and cross domain capabilities. Besides workplace attachments and training courses, lecturers can hone their skills by participating in projects, consultancy work or experiencing real world projects in the Technology Development Centres.

In ITE, it is mandatory for new lecturers to undergo a rigorous Advanced Certificate in the Technical Education Programme that has a duration of 40 weeks. Face-to-face modules are conducted during vacations and interspersed with practicum that is supervised by lecturer mentors.

Experienced lecturers who would like to deepen their competencies in designing learning and leading pedagogic practices can attend in-service programmes at the diploma level. Other in-service lecturers can opt to attend courses that are related to the integration of ICT in lesson delivery, pastoral care or educational career guidance.

Source: Singapore TVET.

Example 8: Readiness for 4IR

In Rwanda, innovation and digital technologies have been integrated into their TVET system, allowing students to have access to digital learning resources and technology-related TVET skills to better prepare students for the needs of the Fourth Industrial Revolution. TVET teachers in Rwanda have been trained in ICT to properly educate their students. The Rwandan Government also collaborates with relevant continental and international organisations, development partners, and the private sector to continually improve its TVET system in the areas of capacity building, curriculum development, and the formulation of TVET policies. In Teaching and Learning, the students are being taught online via an e-learning platform, where virtual classrooms are created, with video conferencing, online attendance, online assessment and grading. Technologies such as robotic training have been embraced in TVET institutions and good internet connection is made available via fibre link and 4G network.

In Mauritius, TVET institutions in Mauritius are in a position to adopt the technologies associated with 4IR. Some of the TVET institutions are already delivering courses in fields that are related to the 4IR such as Internet of Things, Big Data, etc., especially the higher-level ones and the ones that are technologically driven (e.g. automation, electronics, ICT and building services). Zoom and Microsoft Learning platforms are being used for delivery of training in Teaching and Learning as well as teaching programmes related to the Internet of Things, Big Data, etc. The University of Mauritius offers a Master's Degree in AI to students sponsored by its Human Resources and Development Council. The University of Technology, Mauritius, offers an MSc in Blockchain Technologies and Business Applications. An MSc in Robotics is being offered by the Université des Mascareignes.

Source: Association for the Development of Education in Africa [ADEA] (2020). Rethinking the role of Technical and Vocational Education and Training (TVET) in future work and lifelong learning, in light of digitalization and the Fourth Industrial Revolution (4IR). ADEA.

Example 9: The role of technology in supporting innovative TVET programmes

Technology has revolutionised the way we learn, teach, and share knowledge. In the context of TVET, leveraging technology can play a significant role in enhancing the quality and effectiveness of training programmes in three areas.

Technology-enhanced learning environments. The specific actions can include:

- Facilitating interactive and engaging learning experiences: the integration of multimedia content, such as videos, animations, and simulations, can help make learning more engaging and immersive for students.
- Supporting personalised learning: adaptive learning technologies can help instructors tailor learning experiences to the individual needs of students, providing personalised feedback and customised learning paths.
- Promoting collaboration and communication: digital tools, such as online discussion fora and collaborative document editing platforms, can facilitate communication and collaboration among students and instructors.

Learning management systems (LMS) and e-learning platforms. The specific actions can include:

- Centralising course materials and resources: LMS platforms can serve as a centralised repository for course materials, assignments, and resources, making them easily accessible to students and instructors.
- Facilitating assessment and feedback: LMS platforms often include tools for creating and managing assessments, as well as providing feedback to students on their performance.
- Supporting blended and online learning: e-learning platforms can enable the delivery of fully online or blended learning courses, providing greater flexibility for students and instructors in terms of time and location.
- Open educational resources (OERs) and massive open online courses (MOOCs) can play a significant role in supporting innovative TVET programmes by:
  - Expanding access to quality educational content: OERs and MOOCs can provide TVET students and instructors with access to high-quality educational materials from renowned institutions and experts around the world.
  - Promoting lifelong learning: OERs and MOOCs can support the continuous professional development of TVET instructors, as well as provide students with opportunities to expand their knowledge and skills beyond the classroom.
  - Encouraging collaboration and resource sharing: the use of OERs can promote a culture of collaboration and resource sharing among TVET institutions, helping to improve the overall quality and accessibility of educational materials.

In addition, social media and digital communication tools can support innovative TVET programmes by facilitating networking and professional development, enhancing student engagement in class discussions, group projects, or peer feedback and supporting real-time communication and collaboration.

Source: Varmam C., & Malik, S. (2023). Perspective Chapter: TVET in the 21st Century – A Focus on Innovative Teaching and Competency Indicators. In Jian-Hong Ye and Man Jiang (Eds.). Technical and Vocational Education and Training. Intech Open.

Example 10: Seamless articulation: The cases of Singapore and Germany

In Singapore, normal technical schools offer technical courses over four years at the secondary education level (ISCED 2 and 3). Students are offered 5–7 subjects including English language, mathematics and computer applications as compulsory subjects. After 10 years of basic education (6 years of primary and 4 years of secondary education), students may progress to:

a. GCE Normal (Academic) track to acquire GCE O-Level qualifications which prepare them for university study.
b. The Institute of Technical Education (2–3 years), which offers courses leading to National ITE Certification (Nitec) or Higher National ITE Certification (Higher Nitec). Apart from full-time institutional training, students can also acquire skills certification through traineeship programmes conducted jointly by companies and ITE. ITE also offers Technical Diploma programmes in collaboration with foreign partners, in niche areas such as automotive engineering and culinary arts, to provide additional pathways for further skills development.
c. The Polytechnics (ISCED 5–8) which offer a wide range of three-year diploma courses that equip students with industry-relevant skills and prepare them for mid-level professions and management.
d. University—polytechnic graduates who wish to further their studies may be considered for admission to the universities based on their diploma qualifications.

The complete education system has formal articulations that allow students to progress from the Institute of Technical Education to diploma-level studies in a polytechnic to a degree programme in a university, depending on their performance.

Germany has an eight-level National Qualifications Framework for Lifelong Learning based on learning outcomes (Deutscher Qualifikationsrahmen für lebenslanges Lernen). The framework aims to increase transparency and comparability of qualifications and permeability in the education and training system, to increase the skill and learning outcomes orientation of qualifications, to support learner and worker mobility and to promote lifelong learning.

One key principle of the framework is that each qualification level should be accessible via various education pathways. Progression is possible through various regulated VET programmes provided at post-secondary and increasingly at tertiary level. There is a variety of VET programmes at upper secondary level: in full time schools or within the framework of the dual system (apprenticeship), which is the core of VET in Germany. Some programmes offer preparatory training; others lead to a vocational qualification allowing access to relevant occupations. A VET qualification can also be acquired along with a Bachelor's Degree during dual studies programmes (i.e., at a university of applied sciences).

Source: UNESCO-UNEVOC (2020). TVET Country Profile: Singapore. UNESCO-UNEVOC (2020). TVET Country Profile: Germany. https://unevoc.unesco.org/home/Dynamic+TVET+Country+Profiles/country=DEU?ref=pulse.pressportal.co.za.

Example 11: How Tourism Training Australia is creating flexible learning pathways in TVET through micro-credentials

Tourism Training Australia, in collaboration with the industry and the Victoria Government, launched an online micro-credential platform and AI-based marketing tool to address local labour shortages in the tourism and hospitality sectors during the pandemic. The initiative supports reskilling and upskilling in the face of evolving demands in green and digital transformation. Flexibility in TVET is essential, with digital micro-credentials seen as complementary to traditional TVET. When successfully implemented, digital micro-credentials have the transformative potential to bridge the 21st Century skills gap.

Source: https://unevoc.unesco.org/bilt/Learning+Lab+--+Tourism+Training+Australia.

Example 12: UNESCO's Global Skills Academy

The Global Skills Academy (GSA) is a global initiative dedicated to addressing the pressing labour skills gaps and empowering individuals for a future-ready workforce. Under the umbrella of UNESCO Global Education Coalition and in line with UNESCO Strategy for TVET: Transforming TVET for successful and just transitions, the GSA is committed to supporting ten million youth and adults globally in building essential skills for improved employability by 2029 with targeted initiatives in four areas:

Digital skills. Digital competence is in growing demand, with more than 75 percent of companies looking to adopt digital technologies such as Big Data, cloud computing and AI, and 86 percent of companies incorporating digital platforms in their digital marketing strategies in the next five years (The Future of Jobs Report 2023). Youth and adults may access free, certifiable digital literacy and skills training with GSA's partners: Aleph Inc., Anthology, Cisco, Coursera, Fundación Telefónica, GIZ-atingi, Huawei, IBM, ITU, Microsoft, Orange, Outsystems, Pix, and Technovation.

Green skills. Green expertise is hired 1.19 times more, and demand for green and sustainability skills has grown by more than 60 percent since 2016 in economies like sustainable fashion, environmental services and renewable energy. Projection shows demand will outstrip supply in five years' time, emphasising the critical need for green skills development (Global Green Skills Report 2023). Youth and adults may access free, certifiable green and sustainability skills training with GSA's partners: FESTO, GIZ-atingi, IBM, Siemens Stiftung, and SkillEd.

Entrepreneurial skills. Entrepreneurial and transversal skills can boost careers by developing empathy, agility and readiness to learn, improving communication and project management, identifying opportunities and building leadership. Youth and adults may access free, certifiable entrepreneurial and transversal skills training with GSA's partners: Generation Global, GIZ-atingi, and HP LIFE.

Mentorship programmes. Mentorship programmes provide each mentee a unique experience through a dedicated mentor from the industry, providing insights and experience about study and personal development, giving guidance in career planning and advancement, opening doors for potential job opportunities. Youth and adults may enrol in free mentorship programmes with GSA's partners: DIOR, KPMG, and Junior Achievement Americas.

Source: UNESCO, Global Skills Academy. Training and skills development opportunities for employability.

Example 13: Singapore: Work-based learning for students and individuals

TVET in Singapore is positioned to support the 'Five Futures': future jobs and skills, future growth industries and markets, future of connectivity, future city, and future corporate capabilities and innovation. In line with this, Singapore seeks to help Singaporeans acquire and utilise deep skills to take up quality jobs and seize opportunities in the future economy and facilitate the building of a resilient and flexible workforce and great workplaces through three work-based learning programmes:

SkillsFuture Credit is a scheme encouraging skills deepening or reskilling in new areas outside of an individual's current field. All Singapore citizens aged 25 and above receive an opening credit of S$500 and a one-off top-up of equal amount to pay for approved skills-related courses. Individuals can pursue a full qualification or take short courses that stack up to a qualification in priority areas plus soft skills.

Two programmes are specifically designed for students. Through the MySkillsFuture online platform, students can conduct a self-assessment of their soft skills and obtain information on the Singapore industry landscape, job roles, educational institutions, courses and different education and career pathways.

SkillsFuture Work-Study Programmes are offered to Singapore citizens and permanent residents by the Institutes of Higher Learning and private providers appointed by SkillsFuture Singapore. Under this programme, students receive a competitive starting salary and full-time employment with participating companies, acquire relevant work experience and skills valued by the industry, and obtain an industry-recognised certificate and a sign-on incentive of S$5,000 for most programmes. Employers receive a grant of up to S$15,000 per individual to defray the costs of developing and providing structured on-job-training. The Work-Study Programmes are offered at three levels:

A. The SkillsFuture Work-Study Certificate for students who wish to gain industry relevant skills and knowledge to build on what they acquire in school. Students are matched with a job related to their discipline of study and undergo a 12- to 18-month structured training programme. Students deepen their skills through structured workplace learning, mentorship, and facilitated learning; acquire industry-relevant work experience and skills; attain an industry-recognised certificate and receive a sign-on incentive of S$5,000.
B. The SkillsFuture Work-Study Degree (WSDeg) helps students to better transit to the workplace upon graduation. It closely integrates classroom learning with structured on-the-job training. These programmes involve companies and universities co-designing and co-delivering curricula that closely interconnect theory and practice, as well as co-assessing students' performance at the workplace. WSDeg is suitable for polytechnic, junior college students and working adults who wish to pursue a degree at a local university. WSDeg is delivered in two modes: Term-in/Term-out where students alternate between spending one to two terms (or trimesters) in university and at the workplace; or Work-day/Study-day where students alternate between working a few days of the week in the partner company and studying for the remaining days of the week.
C. The SkillsFuture Work-Study Diploma targets fresh graduates from the ITE, to provide them with a head-start in their career. Students are matched with a job related to their discipline of study and undergo a 12- to 36-month structured training programme, depending on the programme, sector and job requirements. The programme includes facilitated learning, on-the-job training and work-based projects, to allow students to deepen their skill sets at the workplace. Students will have an assigned mentor at the workplace and enjoy a well-structured career progression pathway, in line with the company's talent development plan. At the end of the programme, students will receive an industry-recognised Diploma-level qualification, a sign-on incentive of S$5,000 for most programmes, and the potential wage progression or career advancement based on performance.
D. The SkillsFuture Work-Study Post-Diploma provides youth with a head-start in their career related to their discipline of study and more opportunities to build on the skills and knowledge acquired in school, through a work-study arrangement. Participants undergo a 12- to 18-month structured training programme, depending on the programme, sector and job requirements. Participants attain an industry-recognised Post-Diploma qualification or professional certification, and a sign-on incentive of S$5,000 for most programmes.

Source: SkillsFuture Singapore.

Example 14: Formalising informal apprenticeships in Ghana

Informal apprenticeship training is responsible for some 80–90 percent of all basic skills training in Ghana, compared with 5–10 percent from public training institutions and 10–15 percent from non-government organisations, for-profit and non-profit providers. Established in 2002, the Apprentice Stream is one of the post-basic education alternative pathways primarily aimed at junior secondary school graduates who are either unable or unwilling to pursue education at technical or vocational institutes and opt to engage in formal or informal industry apprenticeships. Roadside apprenticeship offers an opportunity for training adolescents who have dropped out of school.

In Ghana, a prospective apprentice attaches themselves to a master, typically for a period of three years. An initiation fee is often required for training, although it may be waived in cases where the youth is already known to the master. While contracts between the master and apprentice are signed in some trades, verbal agreements are more common. There is typically no formal curriculum or established procedure for skill acquisition. Apprentices primarily learn through observation, imitation, and the trial-and-error method. On-the-job learning occurs through direct instruction, and apprentices could face repercussions for making errors.

Youth trained through informal apprenticeship training have three options regarding certification (these are not mutually exclusive, and some apprentices may obtain all three):

1. A signed testimonial from an apprentice's master-craftsperson (the most common form) is generally not recognised beyond the immediate community where the apprentice learned.

2. Some of the larger informal sector associations (e.g., Ghana National Association of Garages, Ghana National Association of Tailors and Dressmakers, and the Ghana Hairdressers and Beauticians Association) operate their own informal skills testing resulting in certificates issued by the association which are widely recognised by their members nationwide.

3. Informal apprentices take the National Vocational Training Institute (NVTI) Proficiency Examination. The Proficiency Examination is a non-written competency-based skill test involving a practical and oral examination. This allows illiterate trainees, including informal apprentices, to get nationally recognised certification. The proficiency tests differ from regular full NVTI trade examinations which include written components. Knowledge of tools and equipment is assessed during an interview.

The Government and the trade associations have set up processes to formalise informal apprenticeships so that young participants can spend 20 percent of their time in formal technical colleges to learn the minimum theory necessary to do their job well. Since 2015, the German Government has set up an investment fund, the Ghana TVET Voucher Project, to subsidise public training centres so that they can receive master craftspeople and informal apprentices. These grants help the centres to provide more classrooms and improve their infrastructure. Masters get trained first: they spend four hours a week for 12 weeks studying the latest developments and innovations in their trades and learn about the CBT (competency-based training) pedagogy. With the CBT method, masters are encouraged to follow a curriculum developed specifically for their trade, and to help their apprentices acquire skills in a more active, engaging and empowering way. Skills benchmarks and apprenticeship curricula have been developed for each family of trades.

Source: Busson, S. (2020). Skills development and youth employability in West Africa: Observations on the state of TVET and good practices from Senegal, Ghana, Ivory Coast and Nigeria. Association for the Development of Education in Africa ADEA. Palmer, R. (2009). Formalising the informal: Ghana's National Apprenticeship Programme. Journal of Vocational Education & Training, 61(1),67–83.

Example 15: What are apprenticeship intermediaries?

The intermediary organisations act on behalf of and link apprentices and employers. The intermediary may be part of an organisation formed originally for another purpose (e.g. an employer association or chamber of commerce), part of an umbrella organisation providing a range of related services, such as labour hire (provision of workers to companies for short-term or outsourced work), or a standalone apprentice intermediary organisation such as a not-for-profit organisation or training provider. Apprenticeship intermediaries have been used to expand apprenticeships in priority areas such as health care, advanced manufacturing, energy, transportation, construction, insurance, banking and financial services, and cybersecurity. They have been implemented in Australia, Indonesia, Türkiye, the United Kingdom, the United States, India, Germany, and other EU countries.

The role of the apprenticeship intermediary organisation:

- Undertakes marketing of the apprenticeship brand in a locality, persuade employers to adopt apprenticeships, and employ apprentices as a third-party employer.
- Provides apprentice support services and assist employers to register their programmes with the government apprenticeship offices.
- Carries out all administrative and reporting functions usually undertaken by the employer.
- Screens prospective apprentices (a critical component of the on-ramp programme to find candidates who are more likely to contribute productively to the workplace and be absorbed).

Apprenticeship intermediaries help employers through the design and administrative tasks required to establish an apprenticeship. The critical role of intermediary organisations is that they conduct or arrange for the off-the-job training related to the apprenticeship occupation. This includes technical and soft skills. They get the 'right skills' through the organisation's door. Some intermediaries use a reverse engineering approach in the development of its education and training curriculum for the employer's sponsored positions. They may go to the employer's site to discover the essential functions of the job and apprenticeship competencies required to perform the job. This learning is used to train apprentices for their apprenticeship.

The benefits of the apprenticeship intermediary organisation:

- Overcomes information asymmetries and imperfect intermediation mechanisms that can hinder matches between youths and businesses.
- Reduces the inherent risk of employing apprentices, especially young apprentices, due to the extra services that they provide, which make the apprenticeship more likely to succeed.
- Provides a useful conduit for the dissemination of information from governments and relevant bodies to employers, apprentices, and other parties.
- Encourages and facilitates employers to recruit more apprentices and, specifically, to recruit more apprentices from disadvantaged groups.
- Improves retention and completion rates in apprenticeships.
- Possesses expertise in matters specific to young people and to disadvantaged groups.
- Builds relationships with other support services to which employers and/or apprentices might be referred, such as welfare agencies, counselling services or specialist training services.
- Helps to counter business downturns by employing apprentices when employers are reluctant to do so and employ 'out of trade' apprentices, who are capable but have been made redundant due to individual business failures or industry restructuring.
- Provides signals to governments about the state of the labour market for young people—a 'bellwether' role.
- Places apprentices in rural areas.

Challenges:

- Intermediary may not employ appropriately qualified, or sufficient, numbers of staff, which reduces their effectiveness. In Australia, some employers complained that intermediaries did not have sufficient expertise to deal with apprentices with literacy difficulties or disabilities.
- Dysfunctional behaviour is possible in any organisation that benefits financially from a growth in apprentice numbers. In the UK and Australia, access to government funds have led to a growth in low-quality apprenticeships, fuelled by financial incentives both for companies and for intermediary organisations.

Source: International Labour Organisation [ILO] (2019). Intermediary organizations in apprenticeship systems. ILO. Boren, Z., Arabandi, B., San Miguel, M., & Hawkins, R. (2022). Youth apprenticeship: A roadmap to build, manage, and sustain a registered apprenticeship programme for young people. Urban Institute.

Example 16: Intermediary apprenticeships in Australia

In Australia, there are two types of apprenticeships: 'apprenticeships', which are mainly in traditional manufacturing and craft trades, and newer 'traineeships', which are generally of shorter duration and in non-trade areas. Intermediary organisations provide services for apprenticeships and traineeships alike. There are two major types of specialist apprenticeship intermediary organisations: Australian Apprenticeship Support Network providers (AASNs) and Group Training Organisations (GTOs).

AASNs are contracted to, and funded by, the national Government. The Australian Government contracts 11 Apprenticeship Network providers to deliver support services across 400 locations nationally. They provide information, advice and support on apprenticeships and traineeships, and how the system works; completing administrative paperwork and registering a training contract; contacting and enrolling with a Registered Training Organisations of your choice; employer incentives and opportunities; understanding of rights, responsibilities and obligations as an employer; and transfers, variations, suspensions/cancellations, early completion, termination, period of probation, credit for prior training and experience, and disputes on training matters. AASNs administer apprentice contracts and therefore their use is compulsory; you cannot commence an apprenticeship or traineeship without being formally connected to an Apprenticeship Network provider. There is a comprehensive national code of conduct for AASNs.

GTOs employ apprentices and 'lease' them to host employers. The GTO is the legal employer. GTOs provide support services to both employers and their apprentices alike. GTOs have existed for over 40 years and are not currently funded or managed by the national Government, except insofar as they must comply with certain national standards in order to be on the national register. About 10 percent of Australian apprentices and trainees are employed by GTOs.

GTOs have worked with over 100,000 employers to set up and operate apprenticeships. The GTOs not only market apprenticeships to employers, find good candidates for apprenticeships, and arrange for the off-job training, but as the employer of record of apprentices, they save host employers from extensive paperwork and potential liability. GTOs also partner with schools and government career services to increase awareness of apprenticeships among students and parents.

GTOs' incomes are derived from 'leasing' apprentices, and from government financial incentives for employing apprentices. Some State governments provide some funding to GTOs, but this is often targeted at certain industry areas, specific types of apprentices (e.g. indigenous people) or types of employers (e.g. rural or remote).

Source: International Labour Organisation [ILO] (2019). Intermediary organizations in apprenticeship systems. ILO.

Example 17: Youth Start Entrepreneurial Challenges in Austria

The Youth Start Entrepreneurial Challenges responds to an increasing need for modern methods to teach entrepreneurship to TVET students. It offers entrepreneurial challenges in different fields, which can be combined in multiple ways and implemented at all levels of TVET. An online tool selects suitable challenges and provides accompanying teaching material to be used in teaching and training. The Youth Start Entrepreneurial Challenges project was carried out in a close collaboration between the ministries of education of Austria, Luxembourg, Portugal and Slovenia.

The programme focuses on fostering entrepreneurial competences in the areas of cognitive and personal development, economic education, and ethical and social thinking. To do this, the programme combines challenges from 18 different categories for use as practical learning opportunities. The challenges are grouped by learning levels and can be incorporated by teachers and trainers thanks to the accompanying teaching materials. Entrepreneurial, challenge-based learning follows a Framework of Reference for Entrepreneurship Competencies, and the Trio Model of Entrepreneurship Education. All teaching and learning materials are available in multiple languages for international audiences.

The programme responds to the need for enhancing the entrepreneurial mindset of current and future learners. Fostering an entrepreneurial mindset involves a different learning style, and solving social challenges enables students to make valuable contributions to society. Assessments of the programme have shown that it contributes positively towards developing entrepreneurial competences among participating students, offers a flexible approach to entrepreneurial learning, can be implemented at all levels of education and according to different curricula or training regulations. The programme can easily be transferred to other regions or countries due to its modular approach at different levels of curricula and availability in major languages. Its website is an easy access point and contains all of the learning materials which are updated regularly. Learning materials would have to be contextualised for other regions and possible work scenarios.

Source: International Labour Organisation [ILO] (2019). Intermediary organizations in apprenticeship systems. ILO.

Example 18: Integrative policy—combining unemployment benefits with active support: The Workfare Programme of Mauritius

Combining income support with ALMPs is a viable strategy for helping unemployed people while they look for work. However, access to such programmes in developing and emerging countries (where they exist) tends to be restricted to formal sector workers. New evidence from the Mauritian unemployment benefit scheme demonstrates the value of expanding access to cover informal workers as well.

The Mauritian unemployment benefit scheme, known as the Workfare Programme, is currently the main form of unemployment support available to jobless workers in Mauritius. Launched in 2009, the programme seeks to protect living standards while providing incentives for labour market participation.

The Workfare Programme targets unemployed workers who were previously employed full-time for at least 180 days without interruption. Provided that their previous job was of sufficient duration, individuals coming from both formal and informal employment may join the programme, as there is no entry requirement linked to social security contributions. All reasons for job loss are accepted in determining eligibility, except for voluntary resignation. Participants may remain in the programme for a maximum of 12 months, though eligibility ends if a participant finds a new job lasting longer than 30 days. While in the programme, participants receive:

- Unemployment benefits: During the first three months of unemployment, the benefit level is set at 90 percent of the monthly wage at the moment of job loss. The replacement rate then drops to 60 percent for the 4th to 6th months, and after that to 30 percent for the last six months of participation in the programme. However, the entitlement never falls below 3,000 Mauritian rupees and it never exceeds an upper limit.

- Active support: At registration, participants are required to choose one out of three available activation measures. First, they may opt for the public employment services provided by their region's Employment Information Centre. These centres aim to improve the matching between jobseekers and vacancies. Second, participants may obtain support for setting up a new business from the parastatal body Small and Medium Enterprises Mauritius, which offers business counselling and facilitation services. Third, until 2016, when this option was discontinued, participants could sign up for training programmes organised by the National Empowerment Foundation.

The Workfare Programme is managed by the Ministry of Labour, Industrial Relations, Employment and Training in coordination with the Ministry of Social Security, National Solidarity, and Environment and Sustainable Development and other public agencies.

Effects

- The scheme has helped beneficiaries improve their employment prospects in general.
- Out of the three available types of activation measure, most participants (85 percent) opt for job placement, which testifies to their keenness to regain employment.
- There was only a small negative effect of benefit generosity on the probability of being employed after the end of the programme. This effect is more likely to be observed among participants with previously higher incomes probably because they have less incentive to look for a job immediately after the income support ends.
- The job placement option is the most effective of the three activation measures in terms of promoting rapid re-employment.
- The training option resulted in larger gains in terms of both employment probability and wages over time. This is consistent with positive effects of training that increase over time as human capital is accumulated.
- The start-up support option is the least effective option when it comes to securing formal employment for participants in the programme because many new businesses start off operating in the informal sector.

Policy considerations

1. Increase coverage by relaxing the criterion of previous employment. The current strict requirement is less likely to be met by young people and women, who are among those in the greatest need of support as they search for a job.
2. Simplify the registration procedure and conduct awareness-raising campaigns throughout the country.
3. The process of targeting income support according to individual or household characteristics could be introduced to ensure that financial resources are indeed channelled towards those most in need.
4. Counselling should be offered to participants who opt for a job.
5. Participants should be required to report more frequently to the public employment centres to promote attachment to the labour market.
6. Involve all relevant stakeholders (including workers' and employers' organisations) in the design and management of the Workfare Programme.
7. Replacing an informal sector job lost by an informal sector job gained at a comparable or higher income level should be counted as success, not failure.

Sources: International Labour Organization [ILO] (2019). What works: Promoting pathways to decent work. ILO; Liepmann, H., & Pignatti, C. (2019). Eligibility and participation in unemployment benefit schemes: Evidence from Mauritius. Research Department Working Paper No. 50. ILO; Liepmann, H., & Escudero, V. (2020, September 19). The joint provision of active labour market policies and income support can be a powerful solution for improving workers' perspectives.

Example 19: The Australian Apprenticeships Ambassadors Programme

Australia has a well-established apprenticeship system. However, a steady decline in the enrolment rate has raised concerns. One of the main causes of this decline is the negative public perception of apprenticeships. The reason for dwindling interest in apprenticeships among young people lies partly in the negative public perception of apprenticeships and traineeships, particularly the view that careers which require a vocational degree are of lower status than careers requiring a university degree.

The Australian Apprenticeships Ambassadors Programme aims to raise their status. The programme recruits prominent figures and high-performing former apprentices and trainees as ambassadors and then organises events and business forums where ambassadors showcase the apprenticeship system. As of 2017, the programme has more than 200 active ambassadors who have appeared at numerous events organised by the Department of Education and Training, as well as at local events. The events are promoted via social media. An online platform increases the programme's outreach, sharing success stories about former apprentices and enabling the public to invite ambassadors to their local events. The programme has reached more than six million people across Australia.

Mobilising two types of ambassadors. The programme has two 'tiers' of ambassadors. 'Tier 1' ambassadors are public personalities in Australia: well-known people who have had direct experience with apprenticeships (including television celebrities, sports stars, etc.). Their fan base allows the programme to reach a wide audience. 'Tier 2' ambassadors are former apprentices or trainees who were selected through national programmes such as WorldSkills Australia and the Australian National Training Awards, and those who have won prizes. These ambassadors range in age and are from various industries and cultural backgrounds. They make up most of the ambassadors and are often not known to the public, but they are successful and exemplify the achievements attainable through apprenticeships. Their role is to share success stories that audiences can easily relate to. The ambassadors' public appearances and stories are targeted at potential apprentices (i.e., youth aged between 15 and 25) as well as at people whose opinions may influence youth in their decisions regarding taking up an apprenticeship (e.g. parents). The ambassadors challenge negative perceptions by communicating the key benefits of undertaking an apprenticeship or traineeship, including greater employability, higher job security, larger earning potential and a broader range of work options.

Approaching employers. Recruiting more apprentices or trainees requires making more apprentice job placements available. Therefore, promoting apprenticeships requires encouraging employers to become part of the apprenticeship system. Accordingly, ambassadors visit business forums and meet employers to address any concerns they may have about hiring an apprentice or a trainee. Within this target audience, small businesses (fewer than 50 employees) are a priority. Although they employ almost half of the workforce in the private sector in Australia, small businesses are often reluctant to employ an apprentice. Ambassadors address their fears of trained apprentices leaving to join larger companies. Another task performed by ambassadors is to encourage employers in male-dominated industries to hire women, including in trades that involve demanding physical work.

Delivering messages in multiple ways. The programme's website complements the physical events. As not all of the ambassadors are professional spokespeople, the delivery of key messages at live forums is supplemented by online articles and videos that convey the experiences of all the ambassadors in an accessible format. In addition, the programme's website features an interactive map that shows where the ambassadors are located, with links to articles about the ambassadors. With one click, online visitors can identify the ambassadors who live in their region, then invite them to local events. Website users can search for ambassadors by occupation, industry, state and name.

Source: Retrieved from https://unevoc.unesco.org/up/PP_Ambassador.pdf.

Example 20: South Africa's wage subsidy: The Employment Tax Incentive

The Employment Tax Incentive (ETI) was initiated in 2014 to address the high youth unemployment in South Africa. Referred to as 'the youth tax incentive', and 'the youth wage subsidy', the initiative has been extended to 2029. The incentive is offered to reduce the tax bill of firms that employ young workers aged 18–29 who earned below ZAR6,500 per month (US$350).

The initiative is based on the premise that reducing the effective cost of hiring young workers by subsidising up to 50 percent of their salary will lead firms to create more jobs for youth. In 2018, it became applicable to all new employees of firms operating in special economic zones, regardless of age. To date, there are 11 such zones.

The policy indicates that eligible employees should be paid at least ZAR2,000 per month to less than ZAR6,500 per month, for the subsidy to be claimed on their employment. The subsidy is available to full-time and part-time workers, but public sector employees are excluded.

Eligible employers may, however, only claim ETI for qualifying employees for a maximum period of 24 months during which the employee is in employment of the employer. The 24 months can have interruptions. Firms have no obligation to train employees, and there is no requirement for those hired to be unemployed for a specific period. Findings on the effect of the ETI on employment are mixed.

Source: Muller, S. M. (2021). South Africa's employment tax incentive is not a success story. Tax Guide: Employment Tax Incentive

Example 21: Increasing the access of persons with disabilities and women with low levels of education to skills development programmes in Bangladesh

The ILO's TVET Reform Project in Bangladesh (TVET-R) is an initiative of the Bangladesh Government, financially supported by the EU, and aimed at supporting Bangladesh's competitiveness in the global markets. By setting up an educational policy framework focused on TVET, the programme aims at ensuring that the vocational training system in Bangladesh is of high quality, inclusive, up to international standards, and relevant to the needs of the labour market.

Bangladesh has been one of the pioneering countries in the ratification of the UN's Convention on the Rights of Persons with Disabilities. There is awareness within the Government that to alleviate poverty, more people need access to both formal and non-formal skills development. The reform efforts have therefore focused on enabling the access of underprivileged groups to vocational training.

In the framework of the project, a successful training model was launched in the city of Gazipur with the Centre for Rehabilitation of the Paralyzed of Bangladesh to train people with disabilities to use sewing machines, with the aim to help them acquire technical competencies for becoming multi-skilled workers in the ready-made garment (RMG) sector. The RMG industry is one of the biggest sectors in the export market in Bangladesh and has been a rapidly growing sector.

As a first step, extensive consultations with government training institutions, private organisations and disability-focused organisations identified the export-oriented RMG sector as a potential provider of employment opportunities for persons with disabilities and vulnerable women. The programme started with an off-the-job training and formative assessment over a four-month period. This was followed by eight months of on-the-job training, with regular monitoring of the trainee's skills achievements, with the ultimate goal of offering the possibility of obtaining a formal National Technical and Vocational Qualification Framework Certificate. The course also included extracurricular and leisure activities aimed at building a sense of community among trainees. Overall, the project proved that including persons with disabilities can significantly help fill the lack of skilled local workers. For instance, the industry showed interest in recruiting persons with disabilities, not only for corporate social responsibility purposes, but also because it made good business sense.

Source: Lange, R., Hofmann, C., & Di Cara, M. (2020). Guide on making TVET and skills development inclusive for all. ILO.

Annex 3: Voice of the Youth Survey technical note

Survey preparation

The UNDP team developed the questionnaire in parallel to the outline of the report. Once the key hypotheses to be tested were agreed, the tool was consulted with IRH and piloted. On 20–24 January 2025 a training workshop bringing together 22 research assistants, team supervisors, and administrators who were identified to carry out data collection activities was conducted. Two additional participants, Mr. Mihail Peleah and Mr. Andrey Ivanov from the UNDP project team, joined the workshop virtually on the second day to provide further insights into the study methodology.

A pilot of the survey took place on 24 January 2025 in Gabane Village. Its purpose was to test the functionality, clarity, and effectiveness of the research tool in real field conditions. A total of 36 households were successfully interviewed. The pilot tested not only the survey tool but also field protocols and interviewer performance.

Sample

The sample design for the Voice of the Youth is a stratified multistage random sampling, with strata defined by the urban and rural areas of the country. The National Statistics Office (Statistics Botswana) selected 94 enumerations areas for this study to corroborate geographical diversity and statistical validity. Within regions, enumeration areas (EAs) were selected using an equal probability method and with sampling allocation. EAs were sorted towns and cities, urban village, rural village and lands and cattle post status and then geographically within each status prior to sample selection.

This sorting induced an implicit stratification, ensuring that the number of urban and rural EAs in the sample was proportional to their distribution in the survey. Urban areas are characterised by high population density, a high level of economic activities, or infrastructure. Rural areas are defined as having minimal population density, little infrastructure, or economic activities. The sampling frame was based on the Botswana Population and Housing Census conducted in 2022, provided by Statistics Botswana.

A pilot of the survey took place on 24 January 2025 in Gabane Village. Its purpose was to test the functionality, clarity, and effectiveness of the research tool in real field conditions.

Definition of household

For both sampling and analysis purpose, a household was defined as a group of persons who normally live and eat together. These people may or may not be related by blood but make common provisions for food or other essentials for living, and they have only one person whom they all regard as the head of the household. Households were eligible for participation in the survey if they were within the predefined EA and were randomly selected for inclusion in the survey. Within each sampled EAs, 12 households were selected using the systematic sampling and a random walk method,[172] resulting in a sample size of 1128 households.

Within the sampled households, all eligible youth participants aged 15 to 35 years who were usual household members were included in the study sample for data collection. The selection of individuals involved the following steps: (i) listing all individuals known to reside in the household, (ii) identifying individuals who were eligible for data collection, and (iii) selecting those individuals meeting the age requirements of the study.

Fieldwork

The data was collected between the 3 and 21 February 2025. The study covered 94 enumeration areas spanning both urban and rural providing balanced geographical representation of both urban and rural areas. A total of 1,185 households were reached; from these households, 5,035 members were identified and 2,359 youths, who were the primary focus of the study. Among them, 1,502 were selected for individual interviews, with 1,303 ultimately participating after obtaining consent.

172 The random walk method involves the following: (1) choosing a central point within the EA; (2) choosing a direction in which to proceed using the quadrant-based random walk technique; (3) determining the sampling interval for the random walk; and (4) randomly choosing a household as the starting point and select accordingly to the sampling interval.

Overview of survey questionnaires

The study used two survey questionnaires: household and individual questionnaires. A household questionnaire was administered to the designated household head in participating households. The household head provided consent for and participated in the household questionnaire, in which all individual members of the household were rostered. The household questionnaires cover modules on the household roster, household assets, and the overall economic situation.

Then, individual questionnaires were administered to eligible and consenting youth aged 15–35 years in the household. In households with more than three eligible youths, a maximum of two were randomly selected for interviews to ensure fair representation. The individual questionnaires cover modules on the respondent's trajectory from education to employment, employment status and aspirations, values related to employment, artificial intelligence in the workplace, management of stress related to employment/unemployment and substance use and lastly micronarratives module. To minimise data misrepresentation, key details such as age, education, and employment status were verified directly with the selected youth, as household heads may not always provide accurate information.

Data entry, processing and control

The data was captured and stored in real time using SurveyCTO, a reliable, secure, and scalable mobile data collection platform designed for researchers and professionals. Data collection was conducted using the latest Samsung tablets with the latest version. SurveyCTO's robust features enabled the research team to monitor and analyse incoming data daily, ensuring accuracy and timeliness throughout the data collection process.

SurveyCTO built-in quality controls: A key feature was the strict enforcement of age eligibility, which limited responses to individuals aged 15 to 35 years. Any entry outside this range triggered an automatic error prompt, preventing the survey from proceeding until corrected. This ensured that all respondents fell within the study's defined youth demographic. Other embedded functions included mandatory response validations to prevent skipped questions as well as skip logic and relevance constraints to guide the flow of questions based on previous responses and automated consistency checks for variables such as income, education, and employment status. The dataset was exceptionally complete; no issues of missing data were encountered across the finalised responses.

Spot checks: Supervisors conducted unannounced spot checks and occasionally shadowed interviewers to observe interviews directly. Teams conducted end-of-day meetings to report progress, challenges, and adjust where needed.

In addition to supervisor's spot check, a UNDP representative conducted an oversight visit during the fieldwork. The UNDP official monitored survey implementation and reviewed interview processes. This external validation reinforced the credibility of the survey's proceedings and findings.

Experience of micro-narratives

The fieldwork for the youth survey uncovered not only statistical trends but also deeply personal and emotional narratives surrounding unemployment in Botswana. While quantitative data provides figures on unemployment rates and NEET statistics, the emotional dimension expressed through frustration, hope, despair, and resilience paints a more complete picture.

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