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DETERMINANTS OF UNEMPLOYMENT AND LABOUR MARKET TRANSITIONS OF THE YOUTH IN BOTSWANA

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OUTLINE OF PRESENTATION

- INTRODUCTION (Policy Context , Relevance, and Objectives of the Study)
- RESEARCH QUESTIONS AND HYPOTHESES
- METHODOLOGY (MODEL / ANALYTICAL FRAMEWORK AND DATA SOURCES)
- RESEARCH FINDINGS
- CONCLUSION: *KEY FINDINGS, POLICY IMPLICATIONS AND RECOMMENDATIONS*

CONTEXT AND RELEVANCE OF THE RESEARCH STUDY

Botswana has achieved impressive growth over the years since independence. The country however has a major challenge with regard to unemployment especially for the youth estimated at 25%.

This is despite the various efforts including the government intervention programmes

The aggregate unemployment and employment rate may be influenced by worker flows between different labour market states-employment, unemployment and out-of-labour force (OLF)

Business cycle positions of the economy determines the labour market transitions.

These are also influenced by socio economic characteristics of individuals- their gender, level of education, type of skills, age.

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CONTEXT AND RELEVANCE OF THE RESEARCH STUDY

While high aggregate unemployment may reflect structural problems e.g.,
inadequate job creation

large labour flows/transitions have substantial impact on aggregate unemployment
and employment

➤ Large flows from employment to unemployment will result in lower
employment and higher unemployment

Large flows from out-of-labour force to either employment or seek for a job
would increase in both employment and unemployment simultaneously

Degree of labour flows across states affects the type of policy advice

This study examines determinants of the youth transitions across labour market
states in the greater Gaborone village of Gabane

OBJECTIVES

To determine the factors that influence youth transitions (or employment) across states in Gabane

To investigate whether individual characteristics (age, education, gender) influence transition probabilities

To investigate whether economic conditions (wage, government programmes) influence transition probabilities

To determine if government programmes influence employment/transitions

Provide evidence-based policy advice

RESEARCH QUESTIONS AND HYPOTHESES

Does being male increase the probability of being employed of Gabane youth?

Does a higher level of education increase the probability of being employed?

Does being older increase the probability of employment of the youth

Does income affect employment outcomes and participation in the labour market?

METHODOLOGY: Analytical Framework/Model

Study employs the Markov chain model and multinomial logit (MNL) model to examine transition probabilities

Markov chain model is used because the transition of individuals is observed only at discrete points and exact time of transition is not observed

MNL model is used since it can quantify the probabilities of transition, given impact of individual characteristics and other factors

MNL model allows several predictors, which allows dealing with the problem of third-variable effect affecting the Markov model results

METHODOLOGY: Analytical Framework/Model

The data were collected using the CBMS tool

The CBMS tool entails undertaking a survey (not sampling) of the target area

Theme topic questions were rider questions in the CBMS survey

Although responses to theme questions relied on the memory of the respondents, errors were minimized since respondents only had to recall their labour market state relating to a period of 6 months (e.g., January-June or July-December) not specific dates

RESEARCH FINDINGS

Research Question	Findings Based on Analysis of Data
<p>Does gender make a difference in terms of youth employment?</p>	<p>From both Markov and MNL models, being male (compared to female) increases the chance of finding a job relative remaining unemployed.</p> <p>MNL model was used to investigate if female individuals respond differently to factors such as education, employment, etc.</p> <p>Results are similar, implying the difference is not statistically significant</p>
<p>Does age, which may also measure experience matter for youth employment?</p>	<p>From both Markov and MNL models, older youth have higher probabilities of finding employment, probably due to more experience</p> <p>Also being older reduces chances of exiting the labour force when unemployed</p>

RESEARCH FINDINGS

Research Question	Findings Based on Analysis of Data
Does a higher level of education increase the probability of being employed?	Although Markov suggests influence of education on transition probabilities, the MNL does not
Do government programmes affect transitions from unemployment to employment of youth?	From both Markov and MNL models, participation in government labour market programmes increases chances of obtaining employment relative to remaining unemployed Those who participated are however few meaning there are problems with accessibility of government programmes aimed at enhancing youth employment

CONCLUSION: KEY FINDINGS, POLICY IMPLICATIONS AND RECOMMENDATIONS

Key Findings	Policy Implications	Recommendations
<p>1. Males, compared to females, have higher probabilities of remaining employed or moving from unemployment state to employment</p>	<p>Females have fewer job opportunities due to limited jobs, occupational segregation and perhaps skills mismatch from training and education that is not demand driven</p>	<p>Expedite employment creation policies and reform education and training to address labour market needs and reduce skills mismatch.</p> <p>There is also need to come up with more gender empowering programmes geared towards reducing the gender gap in the labour market</p>
<p>2. older youth have higher probabilities of remaining in the employment state, or moving from unemployment to employment, compared to the younger youth</p>	<p>There is need to provide more experience for the youth during and after education and training.</p>	<p>Education and training should infuse practical training and learnership to provide graduates with skills that can increase their employability</p>

CONCLUSION: KEY FINDINGS, POLICY IMPLICATIONS AND RECOMMENDATIONS

Key Findings	Policy Implications	Recommendations
<p>3. Majority of Gabane youth at 99% did not participate in any of the government employment programmes in 2017</p>	<p>Government employment programmes are not accessible to youth due to lack of knowledge and or complexities in the processes of their access formalities</p>	<p>There is need to publicise government youth programmes and simplify the programmes forms and other qualification criteria for funding</p>
<p>4. Youth who participated in the government labour market programmes faced higher probabilities remaining in unemployment, or movement from unemployment state to employment, as compared to those with lower wages or did not participate in the government programmes</p>	<p>Youth who participated in government programmes have more chances of moving from unemployment and out of labour force states to employment and self employment</p>	<p>There is need to publicise government youth programmes and simplify the programmes forms and other qualification criteria for funding</p>

Proposed Strategies for Institutionalization of CBMS in the Country and in the Locality

The SDG and Theme topic were discussed with all stakeholders that include all key ministries and the Gabane leadership

The workshop attendants were quite excited about CBMS and wanted to know what it would take to roll it out to the larger Botswana in terms of costs, etc.

Participants were to discuss with their principals the possibility of using the tool for monitoring intervention at local level

The Botswana CBMS team is now working on making follow ups with the key decision making ministries that include Ministry of Finance and Economic Development which is responsible for SDGs and Ministry of Local Government- most of that engagement will be done in June/July 2019



THANK YOU!

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