Chapter 8

Employment Protection Legislation and Unemployment in Botswana

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ABSTRACT

Botswana has experienced phenomenon economic growth and structural transformation since independence. Despite the achievement in terms of economic growth, the country has had challenges with unemployment averaging 20% and being quite high for youth. The labour laws have changed over time to conform to international standards. The current changes have, however, not been positive in terms of labour relations with the transition from consultative system to collective bargaining almost forestalled. The labour movement has been quite weak. The labour laws have had mixed impact on employment and the labour market and employment creation. The chapter makes key recommendations on how Botswana’s labour environment can be transformed based on international experience. Key recommendations are towards employment creation and improving the social dialogue space, especially for labour as the weaker party. This should go a long way in increasing labour productivity and dealing with the persistent problem of poor work ethic.

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INTRODUCTION

At independence in 1966, Botswana had a very small labour force made mainly of low skilled and lowly educated Batswana who were mainly migrant labourers to the South African mines. The country had very little in terms of industrialisation due to limited manufacturing and services industries. A few years after independence, the country went through structural transformation due mainly to the profitable exploitation of diamond mines discovered just after independence. The revenue from the diamond allowed the country to invest heavily in infrastructure and human capital resulting in a highly transformed labour market.

The result of the changes in the economic sphere has been transitions and structural changes in the composition of the workforce. This is characterised by dualism between the modern formal sector and the informal sector. There was also transformation from an agricultural based economy to one driven by mining and services sectors. There has also emerged a persistent and high level of unemployment averaging about 20 percent with youth unemployment of more than 40 percent. Part of the problem of youth unemployment is due to limited job opportunities and skills mismatch.

While there were structural changes in both the economy and the labour market, the country also experienced major changes in terms of industrial relations due to evolving labour laws and regulations. In particular the labour relations were transformed from consultative structures to semi tripartite structures meant for negotiation. The current situation is one of chaos with very hostile labour relations and an evolving set of laws meant to not only make labour market much more flexible but also meant to weaken the bargaining power of the workers. This chapter therefore provides an analysis of the various labour market changes that have evolved in Botswana’s labour market and provide policy proposals on the way forward in terms of the current labour relations quagmire from both an international perspective and that applicable to Botswana’s own unique situation.

MAIN FOCUS OF THE CHAPTER

Economic and Structural Changes of Botswana’s Economy-Challenges of Economic Diversification

The economy of Botswana has largely been driven by mineral revenues and to some extent by private sector investment. The mineral revenue accounted for 51.3 percent of total government revenue in 1985 increasing to 59.3 percent in the year 2000. In the 42 years of independence, between 1966 and 2007/08, the real growth of GDP averaged 8.7 percent per year. The non-mining GDP growth was 10 percent
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