

4<sup>th</sup> World Congress on

# CLIMATE CHANGE AND GLOBAL WARMING

August 06-07, 2018 Osaka, Japan

## The 2015/16 El Niño business in Botswana: Water supply disruptions among small and medium enterprises in Gaborone

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**Statement of the Problem:** The 2015/2016 El Niño weather phenomenon has intensified the already existing drought associated with climate change in Botswana. Drought affects water resources, driving up water shortages for all use, including industrial use. Profound economic impacts are felt across sectors, particularly Small and Medium Enterprises (SMEs) due to their limited capacity to cope. Nevertheless, literature on the impacts of water shortages on SMEs is still lacking.

**Objective:** This study investigates the economic impacts of water supply disruption on SMEs in Gaborone and their responses during the 2015/2016 El Niño associated drought.

**Methodology:** A survey research design was used to assess 62 SMEs from the hospitality and hair salon sectors. In-depth interviews were held with resource managers in the water, environment and business sectors using a qualitative interview guide.

**Results:** Due to drought and poor management of water infrastructure, water shortage has affected business operations. Businesses experienced impacts including damage to inventories and assets, reduced productivity, increased cost of operation and suspension of business activities. As a result, businesses were unable to fulfill customer obligations that resulted in permanent loss of customers and they had to temporarily dismiss employees. Despite the fact that businesses employed a number of coping and adaptation strategies to stay in operation, some still felt they were at the risk of closing down.

**Conclusion:** Water supply disruption and its impact on business operations demonstrated that for businesses to stay in operation, proper water planning and management is of critical importance. Recommendations are made for enhanced strategies that will increase the resilience of SMEs to future hydrological and meteorological droughts.

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