



REPUBLIC OF NAMIBIA

MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION

INTRODUCTION AND MOTIVATION OF THE BUDGET ESTIMATES FOR VOTE

14

FOR

THE

2021/2022 FINANCIAL YEAR

BY

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MINISTER

WINDHOEK

22 APRIL 2021

Honourable Chairperson of the Committee of the Whole House

Honourable Members

I rise to introduce Vote 14: Labour, Industrial Relations and Employment Creation for the Financial Year 2021/2022

Honourable Chairperson of the Whole House Committee

Honourable Members

The Ministry of Labour, Industrial Relations and Employment Creation's critical mandate originates from the rights and freedoms under Chapter 3 of the Namibian Constitution and the Principles of State Policy, in Article 95. The core functions of the Ministry are to protect workers, promote sound industrial relations, ensure social protection services, render services to the labour market, and to coordinate employment creation.

I have distributed Annexure "A" with the Achievements which the Ministry has made during the Financial Year 2020/21.

Honourable Chairperson

Honourable Members

Namibian workers and their families and Namibian employers are looking to Government, working in partnership with the private sector, public enterprises and the informal sector, to reverse the devastating effects of economic downturn and COVID-19 experienced in the last financial year, which included the recorded loss of **Eleven Thousand Two Hundred and Ten (11,210) jobs** from **983** employers.

I assure you today that the Ministry of Labour, Industrial Relations and Employment Creation is poised to work tirelessly and innovatively with its social partners and all stakeholders to make Decent Work the new normal in Namibia and to achieve a culture of employment-centred planning and budgeting that will result in employment creation and sustainable enterprise development.

Honourable Chairperson

Honourable Members

Allow me to motivate the funds as allocated to Vote 14 for the 2021/2022 Financial Year.

A total amount of **N\$162,692,000 (One Hundred and Sixty Two Million Six Hundred and Ninety Two Thousand Namibia Dollars)** is allocated to this Ministry of which an amount of **N\$153,935,000 (One Hundred and Fifty Three Million Nine Hundred and Thirty Five Thousand Namibia Dollars)** is for the Operational Budget and **N\$8,757,000 (Eight Million Seven Hundred Fifty Seven)** is for the Development Budget. The Development Budget is mainly for Renovations and Maintenance of the Buildings and office infrastructure. The Ministry has Four (4) Programmes with stipulated activities planned for 2021/22 Financial Year as follows:-

Programme 01: Promotion and Ensurance of Optimum Development and Utilisation of Human Resource. Budget Estimate: N\$24, 602, 000 (Twenty Four Million Six Hundred and Two Thousand Namibia Dollars)

The Programme is implemented by the Directorate of Labour Market Services. The Key Priority Areas are: the Provision of Employment Services; Upgrading and Strengthening the Namibia Integrated Employment Information System (NIEIS); and the Implementation of the Communication Strategy for Public Employment Services. The Ministry also undertakes Productivity Enhancement Interventions to improve productivity at the workplaces and conducts a Pre-retirement Programme. The Ministry is working, in collaboration ILO and OPM on updating the Namibia Standard Classification of Occupations (NASCO).

Programme 02: Promotion of Harmonious Labour Relations. Budget Estimate: N\$76, 299 000 (Seventy Six Million Two Hundred Ninety Nine Thousand Namibia Dollars)

This Programme is implemented by the Directorate of Labour Services, the Offices of the Labour Commissioner, and the Employment Equity Commission jointly. The funds allocated to this Programme are to be used to enforce the provisions of the

Labour Act and Affirmative Action (Employment Act) through stakeholders' education, labour inspections on the basic conditions of employment and measures to ensure adherence to safety, health and welfare of employees at work. Most of the workplace inspections this Financial Year will target the high-risk sectors in relation to COVID-19 pandemic. The Ministry will promote Guidelines and an awareness campaign through Workplace Preparedness for Occupational Health and Safety called "Return Namibia to Work".

Strengthened compliance with the Affirmative Action Act and the deepening of employment equity is of paramount importance. The Ministry is also investigating the possibility of lowering the reporting threshold of Relevant Employers from the current 25 employees in order to extend affirmative action obligations to a greater number of employers and workers. In order to build the capacity of Relevant Employers to comply with the Affirmative Action Act, the Ministry has prioritised the intensification of stakeholder engagement and regular workplace inspections/visits. The Ministry will further finalise and pilot the integration of an objective criteria affirmative action scorecard as part of the Employment Equity Commission's review process, with a view to commence the use of a template during the 2022/23 Financial Year.

Conciliation and arbitration of labour disputes and registration of trade unions and employers organisations continue as important permanent functions of the Ministry.

Programme 03: Social Dialogue and Tripartism. Budget Estimate: N\$7,940,000
(Seven Million Nine Hundred and Forty Thousand Namibia Dollars)

This Programme is implemented by the Division of International Relations and Advice, which is aimed at: 1) fulfilling Namibia's obligations as a member of the Employment and Labour Sector of SADC, the Specialized Technical Committee on Social Development, Labour and Employment (STC-SLE) of the African Union, and of the International Labour Organisation (ILO); and 2) processing and advising on the numerous applications received for exemptions and variations from the Basic Conditions of Employment provided for in the Labour Act. The Programme also includes Secretariat support to the tripartite Labour Advisory Council.

In September 2020, this August House approved the ratification by Namibia of the ILO Convention No. 190 on Elimination of Violence and Harassment at the Work. This action by Namibia is well-timed and appropriate as it is now responding to Goal 5 of Harambee Prosperity Plan II. The Ministry will introduce legislative and administrative measures to institutionalize implementation of the Convention, and, with the support of the ILO, will commence an ambitious programme of training to achieve the objectives of the Convention at all workplaces.

Honourable Chairperson

Honourable Members

I wish to inform the House that I have appointed the Wage Commission to investigate the possibility of introducing the National Minimum Wage (NMW) for Namibia. The Commission is currently consulting stakeholders country-wide. Kindly provide them with the necessary information and support they may require. The report is expected to be submitted by 30th September 2021 for consideration. Activities to facilitate the outcome of the investigations will then commence towards the end of this Financial Year.

In addition, the Ministry is at an advanced stage to finalize the design of the Social Security National Pension Fund (NPF) as a vehicle to provide pension coverage for all working Namibians. This Project is projected to be finalized by March 2022.

Honourable Chairperson

Honourable Members

The Ministry is committed to eliminate child labour and all forms of forced labour in Namibia. In March this year, the African Union launched the International Year for Africa on the elimination of all Forms of Child Labour. Each Member State, including Namibia, is expected to implement the AU's Ten-Year Action Plan on the Eradication of Child Labour, Forced Labour, Human Trafficking and Modern Slavery. A tri-partite plus Technical Committee will assist the Ministry in translating the Ten-Year Action Plan into short-term action Plans.

I bring to the Members' attention that the Ministers of Employment and Labour in SADC are expected to adopt the **SADC Employment and Labour Policy Framework** at its coming meeting scheduled for the **week of 26th April**. The Policy Framework has been developed to guide Member States on key priorities for addressing decent work deficits, including unemployment and underemployment, which continue to undermine prospects of productive structural transformation and poverty eradication in the Region. Once the Policy Framework it is adopted, Member States are required to commit resources towards its implementation at national level. The domestication and implementation of the Policy Framework may require additional resources.

Programme 04: Policy Co-ordination and Support Services. Budget Estimate: N\$59,711,000 (Fifty Nine Million Seven Hundred and Eleven Thousand Namibia Dollars

This Programme is responsible for Policy Coordination and Directives and the general Administration Support Functions:

The Ministry has planned to finalise the revision of existing legal frameworks such as Affirmative Action (Employment) Act, (Act No. 29 of 1998) and the Employment Services Act, (Act No. 8 of 2011) the Labour Act (Act 11 of 2007,) Social Security Act (Act 34 of 1994).

The promotion and implementation of the National Labour Migration Policy and the development of the Third National Employment Policy are also on the Ministry's agenda for this Financial Year. The National Employment Policy will focus primarily on an employment coordination mechanism that requires all major projects in the country to undergo Employment Impact Assessment (EIA) before a project is approved or a tender is awarded.

The component of Administration Support Services of this programme includes: ensuring of the supply and prudent management of human resources; financial management; procurement of goods, works and services; transport services; and support for information technology.

I am pleased to inform you that management, other Staff members and key stakeholders will be trained in Gender-Responsive Budgeting and Gender Mainstreaming in employment programmes pursuant to recommendations from the Ministry's Self-Assessment Gender Audit.

Honourable Chairperson

Honourable Members

In conclusion, I would like to thank the Minister of Finance, Director-General of National Planning Commission and their Teams as well as my own staff for their professional and technical expertise in the preparation of this Budget under very difficult circumstances and times.

I now do hereby submit Vote 14 of **N\$162,692,000.00 (One Hundred and Sixty-Two Million Six Hundred and Nine Two Thousand Namibia Dollars)** for this House's consideration and approval.

I THANK YOU