



REPUBLIC OF NAMIBIA

MINISTRY OF LABOUR, INDUSTRIAL RELATIONS & EMPLOYMENT CREATION

BUDGET SPEECH OF HON. ERKKI NGHIMTINA, MINISTER OF LABOUR,
INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION TO THE NATIONAL
ASSEMBLY IN SUPPORT OF VOTE 14

Honourable Chairperson of the Whole House Committee

Honourable. Members

1. I rise to speak to motivate the adoption of Budget Vote 14 of the Ministry of Labour, Industrial Relations and Employment Creation, which I will refer to as "Ministry".
2. This Ministry puts the working people, the unemployed, the employers and the aspiring employers first. Its mandate is derived from the Principles of State Policy set out in Chapter 11 of the Namibian Constitution, Article 95, Welfare of the People. It is appropriate on this occasion to remind the members of this House of these pertinent principles, namely,

"that the State shall actively promote and maintain the welfare of the people by adopting, inter alia, policies aimed at:

- (a) *Enactment of legislation to ensure equality of opportunity for women, to enable them to participate fully in all spheres of Namibian society, in particular the Government shall ensure the implementation of the principle of non-discrimination in remuneration of men and women; further, the*

Government shall seek through appropriate legislation to provide maternity and related benefits for women;

(b) Enactment of legislation to ensure that the health and strength of the workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter vocational unsuited to their age and strength;

(c) active encouragement of the formation of independent trade unions to protect workers' rights and interests, and to promote sound labour relations and fair employment practices;

(d) membership of the International Labour Organisation and adherence to and action in accordance with the International Conventions and Recommendations of the ILO;

(e) ensurance that workers are paid a living wage adequate for the maintenance of a decent standard of living and the enjoyment of social and cultural opportunities ..."

3. This Constitutional mandate confers a duty on the Ministry to protect and uphold the rights of all members of the Namibian labour force and to promote social and economic justice through labour market regulation, provision of labour market services and social protection, law enforcement and coordination of employment creation.

4. The Ministry's programmes and activities are designed to improve the lives of people, to remedy inequality, to promote and ensure justice at work, and to contribute to poverty eradication and to Namibia's socio-economic development generally in three broad but interrelated areas, namely: "Labour", "Industrial Relations", and "Employment Creation". The programmes and activities have a vast reach throughout Namibia.

5. In the area of “Labour”, the objective is to ensure decent work and social justice at the work place. This is achieved by, among other things, introducing, promoting and enforcing statutory minimum conditions of employment and labour standards that are indispensable to a healthy, safe and exploitation-free and discrimination-free working environment.
6. A unique approach of the Ministry to fulfilling its functions is through social dialogue, and in particular, tri-partite consultations and cooperation. A commitment to social dialogue requires negotiations, consultations or share information with social partners namely the employers’ organisations and the trade unions (plus other relevant stakeholders, where appropriate)--on issues of common interest relating to economic and social policy. The tripartite approach is reflected in the composition of the Labour Advisory Council, in the governance structure of the Employment Services Board, the Employment Equity Commission and the Social Security Commission, as well as in the planning of Namibia’s Decent Work Country Programme, which coordinates ILO technical assistance to Namibia on an achievable set of priority outcomes that are aligned with the National Development Plans.
7. **Summary of Achievements during the 2016-2017 Financial Year**

Permit to me to note some headline achievements of the Ministry and bodies under its jurisdiction during the 2016-2017 Financial Year. The Ministry: -

- **facilitated the adoption of a multi-employer and multi-trade union collective agreement in the fishing sector and a statutory variation of basic conditions of employment for fishers due to the nature of this sector,**
- **facilitated together with the Ministry of Mines & Energy the recent settlement of the Skorpion Zinc labour dispute concerning contracting out of mining operations and threatened retrenchment of 278 workers, preserving the employment and terms and conditions of employment of the vast majority of the affected employees,**

- prepared National Policies on 1) health and safety at work; and 2) productivity,
- settled thousands of labour disputes and prevented potential labour disputes,
- reconvened the Wages Commission for Domestic Workers to review the minimum wages and minimum conditions of employment for domestic workers, which is on its way to Cabinet consideration,
- piloted productivity evaluations and recommendations for enhanced productivity for the Ministry of Home Affairs & Immigration and Air Namibia; *And*
- **Cabinet**
- made substantive inputs to the National Planning Commission of the Ministry's proposal that all development projects covered by NDP5 will include explicit employment targets, the achievement of which will be reported upon as part of the regular NDP5 reporting process and made public.

8. In addition, a brief summary of the day-to-day achievements of the different components of the Ministry is as follows: -

Labour Services: Through its regional and satellite offices, the Ministry's labour inspectors, have visited thousands of workplaces in order to: provide education and advice to employers and employees; conduct inspections to ensure compliance with basic conditions of employment and health and safety regulations; investigated and resolved labour complaints, investigated fatal and major workplace accidents, and enforced arbitration awards.

A total of 1 113 inspections for the health and safety standards and the safety of the dangerous machineries were conducted; whereas 3 255 inspections were conducted to verify compliance with basic conditions of employment.

A total of 1063 of workplaces inspected were rated for compliance with OSH standards and only 18% (total 178) was found to be in good compliance; whereas about 78% (2 539 of 3 255) were found to be in compliance with basic conditions of employment.

The Ministry attended to and resolved 3754 labour complaints to prevent disputes. Higher rates of complaints are mostly noted following the review of Collective Agreements when some employers fail to apply new provisions on time.

The Ministry received 99 notifications of major accidents and 35 of fatal accidents over the 5 year period. The rate of accidents was observed mostly in construction sector and has been fluctuating between 6 and 9 cases a year; whereas the major accidents have reduced from 34 cases in 2012/13 to 9 cases in 2016/17.

Labour Market Services: The Ministry's employment officers, policy analysts, economists and psychologists working in this Directorate have provided, and continue to provide a wide range of services to the labour market that are designed to promote, facilitate and create employment. These include: maintaining an inter-active Namibian Integrated Employment Information (NIEIS) system that, among other things, matches registered jobseekers with job vacancies posted by employers and stores data on persons with specialised qualifications and skills; providing vocational guidance counselling to learners; developing a regulatory framework for psychometric testing and conducting psychometric testing; promoting increased productivity and preparing for the establishment of the Namibia Productivity Centre; gathering and developing proposals for employment creation projects; supporting the Employment Services Board; and conducting labour market researches, including research on the Informal Economy.

A total number of **64,911** registered jobseekers are currently registered on the NIEIS since the launch of the system in December 2013, of which **13,676** job seekers were registered during the reporting period and **1,233** were placed. The system also registered **632** Designated Employers, of which **463** were trained to use the system.

A total of **3,699** individuals received vocational counselling services, this includes psychometric testing for career counselling and guidance as well as testing for selection. Other activities that are related to career guidance are such as orientation talks and Career Themed Events. Orientation talks targeted learners and youth and took place at schools or youth centres, a total of **61** Orientation/motivational talks were conducted this financial year.

Pre-retirement workshops targeted individuals, especially Government employees aged 45 and above were conducted in order to inform them on how to prepare for retirement by providing them with relevant information pertaining to emotional, financial and general well-being.

Resolution of Labour Disputes: A nationwide system of Alternate Labour Dispute Resolution (ADR) under the supervision of the Labour Commissioner afforded employers and employees with cost-free access to conciliation and arbitration proceedings to resolve thousands of disputes on violations of the Labour Act and/or of breaches of employment contracts.

The total number of cases registered for the year 2016-2017 were 2 769

- cases settled at conciliation: 87% (actual number = 1 682),
- cases arbitrated: 13% (actual number = 261),
- Conciliation of collective bargaining disputes: 4% of all conciliations (actual number = 70),
- number of strikes/lock-outs: 9 (4 illegal strikes, 3 legal strikes, 2 legal lock-outs),

- number of retrenchments: 322 companies, and
- number of employees retrenched: 2 851 employees.

Affirmative Action: The Employment Equity Commission registered progress in its effort to redress the inequities in employment arising from the discriminatory policies and practices of the previous Apartheid dispensation. The latest workforce profile statistics revealed that previously disadvantaged employees accounted for 66% of positions at the top three occupational levels of the employers covered by the Affirmative Action Act. This is an 8% improvement in the figures recorded during the previous review period. However, only 44% of employees at the top occupational categories were women, while only a mere 0, 7% were persons with disabilities and 7% were non-Namibians. The under representation of women and persons with disabilities at the three top occupational levels remain a serious concern and should remain to enjoy the Ministry's priority attention in order to ensure their equitable representation at all occupational levels ~~• see the attached Report.~~

International Relations and Advice:

The Ministry participated in the 105th Session of the International Labour Conference and the ARLAC Minister's Council Meeting with a view to develop and promote the implementation of international labour standards and multilateral cooperation in the areas of labour and employment.

In the 2017-2018 Financial Year, the Ministry will work hard to build on its successes, while reforming its legal framework for labour and employment, retooling its continuing programmes and activities, and taking bold new steps to meet current and anticipated future challenges particularly on employment creation and labour relations field.

The Ministry aims to achieve the following in the sphere of employment creation:

- (a) In order to establish a strong legal and institutional framework for coordination of employment creation, it intends to introduce in the National Assembly the

Employment Creation Commission Bill as soon as the drafting process is completed. The Commission, when established, will coordinate employment creation; conduct research and analyse pertinent labour market developments; and monitor employment creation; and evaluate the effectiveness of projects and programmes designed to create employment,

- (b) In accordance with the Harambe Prosperity Plan, the Ministry will establish the **Namibia Productivity Centre** during the 2017-2018 Financial Year. The development of a productivity culture and ethic in Namibia can contribute to enterprise development, promote more effective service delivery and provision of goods in the public and private sectors, attract investment and create employment,

The Ministry will also take the following actions to promote and create employment: -

- (i) work with the National Planning Commission to monitor and report on achievement of employment targets in NDP5 projects and programmes, and devise means of tracking and reporting on employment creation and loss of employment in the private sector,
- (ii) submit to Cabinet comprehensive Employment Directives to maximize employment creation in the awarding of tenders and licences for valuable economic rights and work with stakeholders to implement the Directives,
- (iii) promote the use of labour-based works, job attachments and internships and trade testing as means to expand employment and enterprise development,
- (iv) research on the development of a multi-sectoral strategy to unlock the potential of the informal economy as a driver of employment creation and enterprise development and to lead to its formalisation,
- (v) implement gender mainstreaming in the Ministry's employment programmes, through research, stakeholder education and joint planning, and

- (vi) finalize for circulation the Draft Policy on Labour Migration and Development.

Harmonious Labour Relations

- (i) the maintenance of harmonious labour relations is an integral requisite for employment creation and for the achievement of Namibia's national development goals,
- (ii) the experience has shown that most of the disruptive industrial actions that have taken place over the years in Namibia could have been prevented, if the employers, workers and their trade unions had learned how to communicate effectively at the workplace and had committed themselves to the principle of mutual gain in collective bargaining,
- (iii) When trade unions and employers come to the bargaining table, they must seek solutions that will satisfy the respective needs of the employees and of the business, taking into account also the well-being of the Namibia nation. This requires adherence to good faith, commitment to the settlement process and elimination of greed. There is never only one way to settle a collective bargaining dispute. The Ministry is confident that if the parties apply these principles, they will find a way to reach agreements that do not disrupt the functioning of the economy,
- (iv) The recent settlement of the labour dispute between Skorpion Zinc and the Mine Workers' Union, illustrates that settlement of a seemingly intractable dispute is possible where the parties maintain an open mind, try to understand the needs of the other party and are prepared to compromise. Team work between the Ministries responsible for labour and mining were also important components of the process,
- (v) going forward, the Ministry will step in when necessary to facilitate settlement, in the interest of Namibia, and work together with other ministries, where appropriate, but it will not attempt to impose Government's positions on the

parties. Neither party should seek or expect a “political” solution to a labour dispute,

- (vi) the Ministry will review the effectiveness of the Labour Commissioner in conciliating and arbitrating labour disputes and will give priority to: 1) developing “early warning” mechanisms to identify and help to resolve potentially disruptive labour disputes; 2) upgrading the skills of conciliators in collective bargaining disputes and the skills of arbitrators to determine disputes of rights; and 3) improving services afforded by the office to employees and employers to achieve greater access to justice and more effective collective bargaining.

Achieving Equity and Social Justice in the Labour Market

The Ministry will place emphasis on protecting low-wage and informal workers, including expanding social protection; addressing income inequality and gender equity; strengthening health and safety at work; introducing reforms to the legal frameworks for labour and employment; addressing insecurity and inequity in employment by casualization and outsourcing; and efficient labour inspection. It is expected to achieve this through the following:

- (i) bring into effect a Wage Order that improves the minimum wages and minimum conditions of employment of domestic workers;
- (ii) design a road map for the establishment of a National Minimum Wage and embark upon its implementation;
- (iii) work with the Social Security Commission to finalise preparation for the introduction of the Pension Fund, which should come into existence during the Year 2018;
- (iv) conduct training on gender awareness and gender mainstreaming in the Ministry’s policies and programmes; and

- (v) devise and implement new and/or more effective modalities to ensure compliance with the Basic Conditions of Employment and the Health and Safety regulations of the Labour Act, 2007 including by strengthening public education, advice and awareness, conducting inspections where mostly needed, guided by risk rating; and conducting more and timely follow-up inspections.

Tripartism and social dialogue international relations

The Ministry will strive to achieve the following:

- (i) in conjunction with the social partners, negotiate and finalise a new Decent Work Country programme with the ILO assistance, to be in line with NDP5; and
- (ii) consultation on the possible ratification of ILO Conventions on Maternity Protection and Convention 189 on Decent Work for Domestic Workers.

Honourable Chairperson of the Whole House Committee

Honourable Members of the National Assembly

The Ministry will pursue its activities with the limited resources available. The Ministry Budget represents a 35% decrease in the 2017-2018 amount allocated in the last Mid-Term Framework Expenditure. In some cases, such as labour inspections, conciliation and arbitration which require equipment and travel throughout the country, these activities will be reduced. In other areas, the Ministry will try to work smarter and harder to overcome some of the financial constraints.

The Ministry's budgetary requests are as follows:

Year Breakdown	2017/18
Personnel Expenditure	112 989 000
Goods and Other Services	18 462 000
Subsidies and Other Current	3 560 000
Acquisition of Capital Assets (Operational)	

Capital Transfers (Operational)	
Operational Budget	135 011 000
Operational Capital	
Acquisition of Capital Assets (Development)	8 866 000
Capital Transfers (Development)	
Development Budget	8 866 000
Total State Revenue Fund Appropriation	143 877 000
Development Partners	
Grant Total	143 877 000

In conclusion, I want to thank Hon. Calle Schlettwein, the Minister of Finance for tabling a balanced National Budget in the face of harsh economic realities. As such I will endeavour to steer the Ministry in accordance with these allocations albeit challenging.

I therefore respectfully move the adoption of Vote 14.

I thank you.