



REPUBLIC OF NAMIBIA

MINISTRY OF LABOUR AND SOCIAL WELFARE

VOTE 14 (MLSW)

BUDGET MOTIVATION STATEMENT
2014/15

BY HONOURABLE MINISTER DOREEN SIOKA, MP

Honourable Speaker

Honourable Members,

Introduction

The Mandate of the Ministry of Labour and Social Welfare which is to *provide labour, employment and social welfare services in accordance with the Namibian Constitution.*

Our country is faced with immense challenges of high unemployment, which now stands at 27.4%, low wages that perpetuate extreme income inequality and intolerable conditions of employment in some major sectors of our national economy. We have witnessed in recent weeks with respect to on-site housing conditions and inhuman modes of transporting workers as well as wide spread vulnerability amongst the elderly and disabled persons particularly in rural areas. Given these precarious circumstances facing our people, the role of the Ministry of Labour and Social Welfare has never before been more vital to the socio-economic development of our nation.

Honourable Speaker,

Honourable Members,

Allow me to first highlight the main achievements of the Ministry of Labour and Social Welfare for the financial year 2013/2014 as follows:

1. Employment

The Ministry achieved important milestones in its strategy to effectively facilitate employment and to coordinate employment creation efforts. As a result,

- **The Second National Employment Policy was launched**

This dynamic policy is product of extensive social dialogue and collaboration between the Ministry and its social partners, the employers' organisations and the trade unions, together with a wide range of Ministries and agencies, State-owned enterprises and civil society institutions, which sets forth a comprehensive strategy for employment creation in key sectors. The Policy articulates how we can create employment that is targeted in the Fourth National Development

Plan (NDP4) with detailed action plans for the implementation of the strategies by key role players.

- **National Employment Conference**

The Ministry has successfully organized the Employment Conference for the period 24-25 October 2013. The Conference which deliberated on the strategies to create employment was necessitated by the high rate of unemployment in the country. Key among the highlights of the Conference is that His Excellency the President has launched the National Employment Policy at the Conference. A task force was established at the Conference to oversee the implementation of the Policy. I will report on the impact of the task force in the next Financial Year End 2014/2015.

- **Launch of the Integrated Employment Information System.**

The Ministry has launched a Computerized System called Namibia Integrated Employment Information System (NIEIS) in terms of the Employment Service Act, Act no. 8 of 2011 on the 4 December 2013. Following the successful launch, the Ministry has commenced a mass registration which was carried out in all fourteen regions to register job seekers. The system is a comprehensive database to facilitate employment of the unemployed and employment planning, to register job seekers, identify the skilled and yet unemployed with the intention to find employment for them. Employers are required to register vacancies with the Ministry for the system and are also required to employ job seekers from the system. The design of the whole process is such that it continues to match the unemployed with prospective employers, while at the same time registering training and education providers so that the Ministry is in position to advice job seekers where they can upgrade their skills.

The registration process is on-going. NIEIS can be accessed electronically at Namibia@work.com

- **Enhanced professional testing services offered by the Ministry to facilitate career planning and employment**

The Ministry employs qualified psychologists to provide counselling and supportive services for the Labour Market.

Over the past financial year, the Ministry has developed for the first time localised Namibian norms for Differential Aptitude Test Form L, abbreviated as DAT-L. This DAT-L in the form of a manual is now used by Psychologist and Psychological Counsellors in Namibia to test clients on their aptitude. The manual is used for career guidance purposes and selection for interview purposes. Vocational training centers can use the manual when selecting their learners for enrolment and also for selecting learners who wants to engage in such professional fields as engineering, medicine and law

The Psychologists and Psychological Counsellors were trained on the Neethling Brain Profiling Instrument. This instrument is used to measure the thinking brain preference in different areas including the world of work.

The public can come to the Ministry and get their thinking preference tested so that they know in which field they fit in terms of work. In addition, the Ministry has bought Psychometric Testing Materials for career guidance purposes.

The Ministry makes these professional services available to the public.

- **Introduction of Retirement Planning Services**

Over the same period, the Ministry has developed a Pre-retirement Training Manual. This training manual is now used by Psychological Counsellors to psychologically train people to face retirement and prepare to exit the world of work. So far, four training workshops have already been conducted in Keetmanshoop and Rundu respectively, with two pilot targeted workshops conducted in Windhoek. The training is ongoing and it will be rolled out to all the regions on rotational basis as part of the Ministry's career counselling and guidance services.

2. Promoting Harmonious Labour Relations

In an effort to minimize the harmful industrial actions that have taken place in past years, I convened a high-level tripartite consultative conference in Otjiwarongo from the period 18-19 September 2013. At this conference, employers' and trade union leaders and representatives from a

variety of sectors discussed what should be done to avert strikes and lockouts and to ensure harmonious relations and more effective resolution of disputes. The conference appointed a tripartite committee to carry forward the recommendations for improved social dialogue and targeted measures to improve the labour relations environment. I will report on the achievements of the tripartite committee in the Financial Year End 2014/2015.

3. Labour Inspection

Equally to note over the same period, the Ministry has amplified its labour inspectors from fifty to sixty five and we will continue to increase staff complement in the coming financial year 2014/15. This expansion of the inspectorate will lead to more workplace inspections would lay a sounder basis to prevent the eruption of formal labour disputes.

In addition, the Ministry conducted special targeted inspections at:

- **Windhoek China town business establishments to both ensure legal compliance and to promote awareness of the labour laws.** I am pleased to announce that the Embassy of the Peoples Republic of China, in cooperation with the Ministry, has undertaken to have the Labour Act, 2007 translated into the Mandarin language.
- **Security Sector to ascertain compliance with the industry-wide minimum wage agreement in that sector.** The Inspectorate shared the results of this report with the Tender Board. Tender Board in return is obliged not to award tenders to enterprises that are not adhering to the minimum wages and other conditions at work.
- **Retail establishments** to ensure compliance with the Labour Act and the Labour Amendment Act, Act no. 2 of 2012, to particularly protect workers who have been exploited through the abuse of short-term contracts and non-compliance with the statutory Basic Conditions of Employment.

In addition, Honourable Speaker, Honourable Members,

The members of the labour inspectorate were by trained on Effective Labour Inspection Systems. This gave rise to the introduction of the e-Labour System, which facilitates better data collection, strategic planning, monitoring and evaluation of the inspectorate's work.

Secenty (70) labour inspectors were trained on child labour. After the training, four Focal Persons were selected to develop child labour materials by end of March 2014.

A new specialised unit was created to investigate child labour cases.

4. Promoting the Well-being of Workers

Wellness at the workplace remains a significant foundation for the success of any organization, and sustaining employee wellbeing is therefore one of the critical success factors. On this basis, the Ministry of Labour and Social Welfare, in collaboration with the International Labour Organization (ILO), has embarked on an initiative aimed at strengthening national policy and legal framework conducive to the elimination of stigma and discrimination, whilst supporting workplace interventions on HIV and AIDS. In September 2013, the Ministry committed itself to adhere to the principles contained in ILO Recommendation concerning HIV and AIDS and the World of Work, 2010 (No. 200) designed to guide and assist interventions at the workplace in response to HIV and AIDS.

5. Improved social protection for the elderly and disabled persons

The Ministry undertakes as one of its core functions the payment of social grants to senior citizens and people living with disability who hold Namibian citizenship or permanent residence. As you may recall in the previous budget, the State Social Grants were increased from N\$550 to N\$600. In addition, the value of the funeral benefit plan, which provides in-kind benefits for grant recipients, has been increased from N\$2200 to N\$3000.

These increases have been successfully implemented.

6. Addressing the situation of domestic workers

Last year, the Wages Commission on domestic workers submitted its report and recommendations concerning minimum wages and conditions of employment for domestic workers. The report was scrutinized by the Ministry's management and specialists. The report and recommendations were submitted to Cabinet. However, the report was referred to the Cabinet Committee on Land and Social Issues, where it is presently under consideration.

7. **Namibia at Work Radio Programme**

In response to requests for public education on the rights and obligations conferred on employers and workers by Namibia's labour and employment laws, the Ministry, in cooperation with NBC, launched a weekly radio programme entitled "Namibia at Work", in January, 2014. This call-in programme will not only educate the public, but will also provide a platform for social partners to discuss important issues relating to Namibia's labour market. The programme airs every Tuesday at 18:30. I invite you to tune in.

8. **Capital Projects**

In attempt to bring services closer to the people, the Ministry has opened a much-needed office in Walvis Bay and has completed the renovations of its office in Ondangwa.

Honourable Speaker,

Honourable members,

Having explained how the Ministry spent the allocation of the previous financial year, it is now my pleasure to motivate our request for the coming financial year 2014/2015 as follows:

Administration and Planning

An amount of **one hundred and thirty two million, four hundred and seventy six thousand Namibia Dollars (NS132 476 000.00)** is required to cater for the formulation of policy and provision of administrative, personnel affairs, organizational procedures and the provisions of logistics, material and equipment and transport services. It further provides other auxiliary services in addition to assisting the Minister in carrying out oversight responsibilities. The programme further

ensures capacity building programmes for social partners and other key stakeholders to improve social dialogue and strengthen tripartism, In addition to the implementation of capital projects.

Namibia will be hosting the Special Session of the African Union (AU) Labour and Social Affairs Commission on the Ouagadougou Declaration and Plan of Action on Employment Promotion and Poverty Alleviation from 21-25 April 2014. The Special Session will be attended by approximately 400 delegates from 54 AU member States.

The Ministry enlisted the services of the International Labour Organisation to identify gaps in our national system of administration. The result is a new proposed structure that has incorporated most of the ILO recommendations. The structure is now with the Office of the Prime Minister in its final stages to approval for the Financial Year 2014/15. Of critical importance will be the creation of the Directorate of Labour Relations, which will promote harmonious labour relations through collective bargaining and stakeholder education.

Labour Market Services

An amount of **seventy four million, five hundred and twenty two thousand Namibia Dollars (N\$74 522.000)** is required to cater for employment planning by providing quantitative and scientific information through the conducting of the labour market surveys and researches in the Namibia. The programme also provides vocational and occupational guidance; register job seekers and assist them to find suitable employment. It also provides services aimed at ensuring decent work, promote employment creation, productivity and reduce poverty.

The Ministry will be conducting a Skills Assessment Survey. The survey will assess the skills of Namibians and identify the gaps within which foreign nationals can be accommodated to develop framework and guidelines for free movement of Labour migration.

Labour Services

An amount of **seventy six million, seven hundred and fifty two thousand Namibia Dollars (N\$76 752.000)** is required to cater for the Implementation of and compliance with Labour Act of 2007 by conducting Labour Inspections, investigation of workplaces complaints and enforcement of compliance orders. Factory, boilers and elevator inspections, to ensure occupational health and safety at workplace are also conducted under this programme. The programme also ensure the

provision of technical information and advice to social partners on compliance with legal provisions such as minimum wages and other legal provisions

Labour Relations and Labour Dispute Resolutions

An amount of **thirty five million, eight hundred and seventy nine thousand Namibia dollars (N\$35 879.000)** is required to cater for the prevention and resolution to labour disputes and promote the orderly collective bargaining. To promote the principles of tripartism, enhance dispute resolution mechanism and procedures and established case management system. Also to promote principles of employees basic rights at work places, monitor, manage and control industrial actions in the country.

Social Welfare

An amount of **one billion, four hundred and sixty six million, twenty two thousand Namibia Dollars (N\$1 466 022 000)** is required to cater for social and economic upliftment of Namibians with the aim of reducing poverty through sufficient and sustainable safety nets. This include amongst others strengthening the survival capacities of individuals, families and vulnerable groups of the society. This programme administers Old age grants and disability grants in accordance with the National Pensions Act , Act No. 10 of 1992 and the Funeral Benefit to those conforming to the said Act.

Under this programme, it is envisaged in next year to arrange tripartite social dialogue meeting on the Basic State Grant Bill and to have the final draft to submit the Bill to Cabinet Committee on Legislation.

Allocations to this programme will also allow the Ministry to undertake outreach visits to the most remote areas of our country in order to raise awareness about social grants and their timely distribution thereof. This is an activity that concerns our core mission of social assistance to the most vulnerable members of our society.

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Employment Equity

An amount of **thirteen million, three hundred and fifty thousand (N\$13 350 000.00)** is required to cater for full implementation of the Affirmative Action (Employment) Act, 29 of 1998 by the Employment Equity Commission. The Act seeks to achieve equity, equality, fairness and elimination of employment barriers against person in designated groups. It ensures that no person shall be denied employment opportunities for reasons unrelated to ability and guarantees that workforces are reflective of the demographics of Namibia.

Honourable Speaker,

Honourable Members,

In conclusion,

The Ministry is requesting the approval of an amount of **One Billion, Eight Hundred and Eleven million, Seven Hundred and Twenty Nine thousand Namibia Dollars (N\$1,811,729.000)**, primarily for operational expenses aimed at expanding and improving services. The lion's share of the budget is devoted to the provision of the social grants for the elderly and disabled persons. The budget also includes the ongoing work for the office of the Labour Commisisoner, the Employment Equity Commission and the several directorates and divisions, which continues the work already described.

I thank you.