



REPUBLIC OF NAMIBIA

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## MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION

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### OFFICE OF THE MINISTER

Tel: (061) 2066111  
Fax: (061) 212323

Private Bag 19005  
32 Mercedes Street,  
Khomasdal  
Windhoek

Our Ref.:.....

Your Ref.:.....

Response by Honourable Erkki Nghimtina, Minister of Labour, Industrial Relations and Employment Creation on questions raised by Honourable Nico Smit.

### **Question 1**

**What is the Ministry of Labour, Industrial Relations and Employment Creation is doing to formalise the informal sector and to extend social protection to those employed in the informal economy?**

**Answer:** The Government in general and the Ministry of Labour, Industrial Relations and Employment Creation in particular, is very much aware of the fact that almost 60% of the Namibian labour force works in the informal economy. Namibia's second National Labour Policy states: *"the informal sector faces a host of challenges, including lack of recognition, lack of inclusion in decision-making, lack of skills and capital to move beyond survivalism, low wages, lack of access to finance, lack of social protection, poor health and safety, etc. However, the informal economy presents opportunities for employment creation and thus will be systematically supported."* Our Ministry therefore has committed itself to support the process of transition to formality, including the extension of social security to the informal economy.

To this end, in reporting to the President at the end of May, I committed our Ministry to carry out the following strategic intention: *"To develop a strategy, in conjunction with other institutions of government, the private sector and civil society, to facilitate the transition of the informal economy to a formal economy"*

*and the extension of labour and social protection to informal sector workers and to implemnt the strategy.”* The transition is a complex and cross-cutting challenge that will require all of the afore-mentioned institutions, including those representing the informal sector, to work together.

Our work on the extension of social security to the informal economy began quite some time ago. The proposals being developed to establish the Social Security National Pension Fund will include the informal economy. In addition, research is about to be conducted jointly by our Ministry, the Social Security Commission, the National Statistics Agency and the Ministry of Trade and Industry to determine, among other things how to best provide other social security benefits, such as maternity, sickness and death benefits to the informal economy.

I would like also to inform the Honourable Member that the vulnerability of informal economy workers and the realisation of the potential of the informal economy is not only a challenge to the Namibian Government, but it is an international challenge. The ILO adopted in June of this year a new International Labour Standard-Recommendation 204 on the Transition from the Informal Economy to the Formal Economy--which will give critical guidance to our work in this complex area.

## **Questions 2**

**Why has the Minister not moved to ensure that public infrastructure projects create work solely for Namibians, where that work can be adequately performed by Namibians?**

**Answer:** This august House enacted legislation to ensure that, in filling positions of employment, preferential consideration should be given to Namibian citizens first, provided that such Namibian citizens meet the requirements of the job, that is, they are suitably qualified. The Affirmative Action (Employment) Act, 29 of 1998, provides for employers to give preferential treatment to Namibians before they consider employing expatriates. However, I must point out, Mr Speaker, that work permits for expatriates to work in Namibia, are granted by the Ministry of Home Affairs and Immigration and I trust that the Immigration Selection Board only issues work permits to Non- Namibians when suitably qualified Namibians are not available. If employers adhere to the relevant laws that govern the hiring of expatriates and these laws are effectively enforced,

I believe that infrastructure projects could take many Namibians off the street as employment opportunities that are created by these projects should only be reserved for Namibian citizens.

### **Question 3**

**Why has the Ministry stood by idly while Chinese construction firms have employed foreigners at the expense for Namibians?**

**Answer:** Honourable Smit has chosen to single out Chinese Construction firms as the only culprits in this regard. I am not convinced that it's only Chinese construction firms that employ foreigners. I am aware of fishing companies, commercial banks, mining houses and other private companies which employ expatriates, sometimes, without having advertised the vacancies to test the local market for suitably qualified Namibian candidates. As I indicated in my earlier response, the mandate to grant work permits does not fall within the ambit of my jurisdiction, but the Ministry of Labour, Industrial Relations and Employment Creation does what it can to enforce the laws that fall within its mandate.

### **Question 4**

**Why jobs in the construction sector are not identified among those to be strictly reserved for Namibians?**

**Answer:** I have already alluded to the fact that the law requires employers to give Namibians preferential consideration when filling positions of employment. This provision of the law applies to all sectors of employment, including the Construction Sector. The challenge is not the absence of the policy directive or legislation, the challenge could rather be that of enforcement.

I trust that I have satisfactorily responded to Honourable Smit's questions.

I thank you.

