



## REPUBLIC OF NAMIBIA

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### MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION

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#### INTRODUCTION OF VOTE 14 FOR 2018/2019 FINANCIAL YEAR

BY HONOURABLE ERKKI NGHIMTINA

IN THE NATIONAL ASSEMBLY

17 APRIL 2018

Honourable Chairperson of the Whole House Committee

Honourable Members of this August House

I rise to introduce Vote 14 of the Ministry of Labour, Industrial Relations and Employment Creation for 2018/2019 Financial Year.

The Ministry of Labour, Industrial Relations & Employment Creation is very critical and central to ensuring labour stability, good employment relationships, investment enhancement, employment creation coordination, social protection and job security, to mention but a few objectives in a broader context. Hence this Ministry has direct impacts on both trade and labour matters of Namibia and beyond. However, some associate the Ministry of Labour, Industrial Relations and Employment Creation only with industrial actions, and strikes in particular. Some think of the Ministry when there is a looming dispute, strike about wages and others conditions of employment, but pay little or no attention to its contribution to social-economic development and to justice in the work place. The balancing role the Ministry plays in regard investment (job creation) and good labour relations (trade unions and employers' organizations) should appreciated or recognized.

Honourable Chairperson

In Namibia's current economic and social climate, everybody speaks about the need for employment creation, but often without adding substance to such pronouncements. There is no doubt that Namibia is confronted by a high and yet unacceptable level of unemployment, particularly among the youth and women.

I emphasize that when we refer to creation of employment, we refer to decent work that respects workers' rights and freedom, enables a worker to work himself/herself out of the poverty cycle and contributes positively to the national development agenda.

Having set the tone for Vote 14, it is important to note that the Ministry of Labour, Industrial Relations and Employment Creation derives its constitutional mandate directly from Article

95 of the Namibian Constitution, which directs that State policies must aim at, among other things, decent living standards for all Namibians, protecting the right to form and join trade unions of one's choice and ensuring adherence to International Labour Standards adopted by the International Labour Organization.

To actualize this broader and encompassing role, the Ministry further derives its mandate from a number of Acts of Parliament and high-level policy instruments, namely: -

- Labour Act, 2007 (Act 11 of 2007),
- Employment Service Act, 2011 (Act 8 of 2011),
- Social Security Act, 1994 (Act 34 of 1994),
- Employees Compensation Act (Act 30 of 1941) as amended,
- Affirmative Action (Employment) Act (Act 29 of 1998), and
- Namibia's Vision 2030,
- SWAPO Election Manifesto (2014),
- Harambee Prosperity Plan (HPP),
- Agenda 2063 of the African Union,
- SADC Regional Indicative Strategic Development Plan (RISDP),
- UN Vision 2030, and
- the Sustainable Development Goals (SDGs) and relevant interventions.

I will now highlight some of the programmes and activities that the Ministry carried out during the 2017/2018 Financial Year, amidst tough economic challenges faced by both Namibia and the African Region as a whole, as well as some key plans for the coming year.

### **Job creation efforts**

Fifteen-thousand five hundred and sixty-nine (15 569) jobseekers were registered on the Namibia Integrated Employment Information System (NIEIS). Disappointingly, only the small number of 3 116 jobseekers could be placed in employment. This demonstrates that there are serious structural challenges in a component of the employment creation strategy that



is intended both to provide fair opportunities to all who seek employment and to meet employers' hiring needs. Some of the shortcomings noted are: - the absence of compulsory registration or reporting by each employer of every job that is created in the country, as it appears that many employees might have been recruited not from the NIEIS, but by a word-of-mouth, personal connections, straight from a college, school, street or even the internet; lack of relevant skills necessary for economic growth; and inadequate attention paid to the recognition of prior learning.

Honourable Chairperson

Employment creation requires a serious and targeted approach and not only political and social talks without offering viable alternative. Although the State has so far tried to create the necessary conditions and conducive environment for employment creation, this has not translated into the creation of much-needed jobs. If the economy cannot grow and cannot create the necessary job opportunities, then it should be redesigned or remodeled.

**Employment creation coordination and monitoring is therefore the primary objective of this Ministry for the 2018/2019 Financial Year**

To meet the challenge in the promotion of employment to which I just referred to, the Ministry is revising NIEIS both to ensure that every job that is being created is recorded by the State, in order to provide for a true reflection of the state of affairs of employment created and to facilitate recognition of the potentiality of each and every Namibian to contribute to economic growth. I am pleased to inform you that in May 2018, the Ministry will embark upon a three-year programme of technical cooperation with the Republic of Korea (through the ILO) to update and upgrade the Namibia Integrated Employment Information System to produce a dynamic, inclusive, reliable and effective mechanism to facilitate employment creation in Namibia and to serve as a world-class model, especially for developing countries.

The Ministry also expects to benefit from the experiences of Korea in the successful coordination of the implementation of its Employment Policy.

I also would like to inform the Honourable Members that Employment Directives to maximize employment have been prepared and should be strictly complied with by those who tender for State contracts and who apply for valuable economic rights, concession and licenses. I have already approached the Ministers of many key Ministries to coordinate efforts in order to ensure that successful results are achieved.

I am sure that we all agree that achievement of gainful and decent employment will enable our people to get out poverty and gain dignity. To this end, the Ministry has reviewed the Domestic Workers Minimum Wage Order and gazetted the new level of minimum wages in this sector.

Similar measures were applied in the Construction, Agriculture and Security Sectors, although the latter is now the subject of a challenge in the Labour Court.

Furthermore, the Ministry has commenced research and analysis, with the assistance of the ILO, to determine the feasibility of introducing a National Minimum Wage for Namibia. This is very necessary in a country like Namibia where many employees are still paid wages that are not commensurate with their job content and productivity and are considered to be part of the "the working poor".

Parallel to this is the establishment of the Namibia Productivity Centre to balance productivity with innovation and decent work in order to make Namibia one of the most competitive economies in the SADC Region and if not in Africa. This requires skilled and continued training of both employers and employees to embracing productivity concepts for better results. This initiative is at an advanced stage.

To successfully continue with these activities and get the desired results an amount of **N\$32 799 000** is requested.



### Promotion of harmonious labour relations

As I have mentioned earlier on, there could be no tangible investment enhancement and socio-economic growth and development in the absence of good labour relations. In this area, Namibia's industrial relationship remains one of the most stable countries in the SADC Region. This is mainly attributable to the commitment of the Ministry and its social partners to social dialogue and collective bargaining processes hinged on an accessible, affordable, simple and relatively speedy system of alternative dispute prevention and resolution. This is done through labour inspections, conciliation and arbitration processes.

Furthermore, the alternative labour dispute resolution mechanism that was introduced ten (10) years ago as an appropriate vehicle to resolve labour conflicts in the country is functional and gaining recognition and appreciation from its users. This is an alternative to the formal court system. Ordinary employees and upcoming small and medium enterprises are able to access justice, fairness and relatively fast finality to their workplace labour disputes without the assistance of a lawyer. Of course, to run such a public system to ensure access to justice requires technical skills, equipment and consistent regular upgrading and training.

In order to improve and maintain this system for it an amount of **N\$23 245 000** is required to continue rendering professional services of fairness and access to justice.

Compliance with and enforcement of laws have proven to be the biggest hindrance to high levels of implementation. The Ministry carried a combined inspections totaling to 2132, which comprised of 1116 occupational safety and health aspects and 1016 workplace labour inspections.

Some workplaces were found in compliance, others moderately so, while the rest failed the inspection test, resulting in the issuance of Compliance Orders for them to comply within a prescribed time, and the Ministry conducts periodic follow-ups.

To enforce the law and ensure compliance requires enormous human and financial resources, appropriate tools and equipment particularly to reach employers and employees in all corners of the vast country.

The Ministry remains steadfast and focused to fulfill its mandate to promote compliance with and to enforce the law, with whatever resources and tools are at its disposal. This has been and continues to be done through proactive and reactive inspections, and targeted and spontaneous investigations of workplaces.

Therefore, these activities need an amount of **N\$51 285 858**.

Honourable Chairperson of the whole House Committee  
Honourable Members

The struggle to achieve equal opportunities in employment has borne some fruits, as is evident from the Report of Employment Equity Commission that I tabled before this august House a few weeks ago. Therefore, there is no need for me to report on the progress that has been made in this area at this stage.

It is however important to state that the Ministry in collaboration with the ILO has embark upon a three-year programme to mainstream gender in the key areas of its work. It has already conducted a training course for 15 facilitators who will conduct a Gender Audit of the Ministry and its programmes.

The Audit will lay the basis for several gender-responsive programmes, including stakeholder training and instituting measures to mainstream gender-awareness programmes in the implementation of the National Employment Policy and in the labour market generally.

For Namibia to develop her human resources it has to be informed and guided by its needs. The Ministry has been conducting vocational counselling sessions and school talks informing students to make good career choices.

Making a good career choice enhances one's employability and entrepreneurship opportunities while propelling innovation in the labour market.

As a contribution to social protection with a specific focus to employees that are facing retirement, the Ministry has been conducting pre-retirement workshops and awareness sessions in the country. These sessions have specific emphasis on how one plans for his/her retirement to avoid emotional stress, financial strain and social frustration. The target groups are those employees in the age group of 45 to 60. Currently, the programme is focusing on civil servants but private sector can also be covered on request.

Social exclusion and poverty are affecting the populace although it shows some signs of declined in recent years. It is unacceptable that persons who worked throughout their lives should slip into poverty upon retirement. To arrest this scourge, the Ministry has been working with the Social Security Commission to operationalize the National Pension Fund. The Fund has to cover all employees including those who are in informal economy and self-employed at an affordable rate. The final modalities and preference method of contributions are a current subject of the Commission's deliberations. It is this Ministry's conviction that any Namibian who has held a decent job in his/her life time should be able to live a decent life beyond the scope of work.

As an effort to ensure equity in employment and social protection the activity requires **NS14 433 000.**

Honourable Chairperson

Honourable Members

Namibia is a proud member of Regional (SADC), Continental (AU) and International Communities (ILO) in the area of labour and employment, and it has discharged her



obligations as expected and continues to work within the appropriate frameworks of these bodies.

In June 2017, Namibia was elected as a Deputy Member of the ILO Governing Body, along with Lesotho (Titular Member) and Swaziland (Deputy Member) representing Africa and SADC in particular for a period of three (3) years (2017-2021). She is required together with others to be the voice of Africa and SADC in this Executive Body of ILO.

In accordance with SADC principle of rotation, Namibia will assume the SADC Employment and Labour Sector coordinator ship starting August 2018 till July 2019. Her ascendancy to the position of coordinator and chair comes with some technical and financial obligations. This Ministry is ready and prepared to fulfil the tasks entrusted upon Namibia in this regard.

To maintain Namibia's membership in good standing thus continues to play her roll and fulfil her obligations both at home and abroad the amount of **N\$7 644 000** is hereby requested.

To achieve the overall Ministry's objectives, different component need to be supported by an effective planning and administration system. This includes maintenance of its equipment, tools, infrastructure and ensurance of operational efficiency, therefore, an amount of **N\$73 755 000** is required.

Honourable Chairperson of the whole House Committee

Honourable Members

In conclusion, I would like to express my appreciation to the Hon Minister of Finance, Minister of Economic and National Planning and the Director-General together with their capable staff for the preparation of the Budget of 2018/2019. As per the Ministry of Finance's directive that Vote 14 "should fully cater for the fixed expenditure items such as personnel expenditure, utilities, maintenance, property rentals and security contracts where applicable", the Ministry will ensure adherence to such directives in allocating the remaining funds to specific activities mainly the employment creation strategies.

It is now my singular honour and privilege to submit Vote 14 for the Ministry of Labour, Industrial Relations and Employment Creation amounts to **N\$194 763 000** for the House's consideration and approval.

I would like to thank you, most sincerely, for your attention and support.