



REPUBLIC OF NAMIBIA

---

MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION

---

**INTRODUCTION AND MOTIVATION OF THE BUDGET ESTIMATES  
FOR VOTE 14  
FOR THE  
2023/2024 FINANCIAL YEAR**

**BY**

**HAFENI L NDEMULA, MP  
DEPUTY MINISTER**

**WINDHOEK**

**31<sup>st</sup> MARCH 2023**

Whole House

**Honourable Chairperson of the Committee of the  
Whole House**

**Honourable Members**

1. I rise to introduce Vote 14, the budget of the Ministry of Labour, Industrial Relations and Employment Creation (or MLIREC) , for the financial year 2023/2024.
2. Namibian workers and their families and Namibian employers are looking to Government and to Parliament, working in partnership with the private sector, public enterprises and the informal sector, to reverse the devastating effects of economic downturn, drought and COVID-19 and to solve the pre-existing problems of structural unemployment, informality, skills gaps, income inequality and the absence of a coordination mechanism for employment creation.
3. The programmes of the Ministry of Labour, Industrial Relations and Employment Creation are critical to a reversal and to solutions of these deep-seeded problems. Through fulfilling its mandate of protecting workers, promoting sound industrial relations, ensuring social security, rendering necessary services to the labour market, and coordinating employment creation, MLIREC has the potential to contribute to the improvement of the lives of Namibians.

4. I have distributed Annexure “A” with the Ministry’s Achievements during the Financial Year 2022/23.

### Chairperson of the Whole House

### Honourable Members

5. I am certain that I speak for all of Government and all members of this House when I say that we feel the desperation of our tens of thousands of unemployed youth, and other unemployed Namibians, and their families, who are doubting whether they are included in our national Vision 2030 of “a prosperous and industrialised nation, developed by her human resources, enjoying peace, harmony and political stability.”
6. I will therefore address at the outset a burning topic that is undoubtedly uppermost in the minds of most of us in this House and in minds of the Namibian people: **Employment Creation.**
7. The sober truth is that Namibia, and many other countries experienced jobless growth for more than the past two decades, even in good times of rising GDP and despite many programmes aimed at socio-economic growth.
8. Unfortunately, many policy makers and economists world-wide, including in Namibia believed, and some still believe, that employment is automatically created when a country’s economy grows. This has proven not to be true.

9. I note that some of our opposition politicians and social activists have found it politically opportune to blame my Ministry for not creating jobs. This reflects a basic lack of understanding of what is required to create employment and a misunderstanding of MLIREC's mandate.

10. I encourage the Honourable Members to familiarize yourselves with the seminal Ouagadougou Declaration and Plan of Action on Employment and Employment Creation, adopted by Africa's Heads of State in 2004. The Heads of State expressed committed their countries to

*"place employment creation as an explicit and central objective of our economic and social policies at national, regional and continental levels, for sustainable poverty alleviation and with a view to improving the living conditions of our people."*

11. Employment creation therefore is a grand national project that **places employment and job creation at the centre of national socio-economic development**. This project has many facets and interlinkages, including the linkages between employment creation and industrial policy, macro-economic policy, sectoral policies, labour-market financial policy, urban and rural development, up-to-date statistical research, public-private partnerships, trade, smme development, the informal economy, the need for enhancement and coordination of relevant education and training, support for local value chains and markets, extension of "affordable" credit and increased productivity. The success of this project depends upon an employment-focused consciousness in all Government policies and programmes and across economic sectors and strong coordination.

## Chairperson of the White House Committee

### Honourable Members

12. The mandate of MLIREC is to **coordinate** employment creation and not to create jobs directly. Jobs are created by employers in the private and public sectors and state-owned enterprises and through self-employment.

13. MLIREC is hard at work to coordinate and promote employment creation. To this end, it has initiated, and will continue its work in the 2023/2024 financial year to;

13.1. train key government personnel in the methodologies of employment impact assessment in order to evaluate the employment creation potential of the National Development Plans, policies and programmes and proposed investments;

13.2. develop a tool for employment-centred budgeting and a plan for the introduction of employment centred-budgeting in the process of approving budgets in the public sector and state-owned enterprises;

13.3. promote legislation to establish an Employment Creation Commission;

13.4. with Cabinet approval, develop Namibia's third National Employment Policy and its Implementation Plan, under the supervision of a committee of Executive Directors, A key objective is to ensure that employment creation across sectors is mainstreamed explicitly in the National Development Plan 6 and in

the strategic plans of all public entities, including public enterprises, and is budgeted for.

## **United Nations Accelerator of Jobs and Social Protection for Just Transitions**

13.5. Beginning in the current financial year, the most innovative and potentially game-changing activity of MLIREC targeting employment creation, has been to lobby the ILO and the United Nations for Namibia's designation as a Pathfinder Country in the United Nations Accelerator of Jobs and Social Protection for Just Transitions ( or GA). The Global Accelerator is an ambitious Initiative launched by the United Nations Secretary-General Antonio Guterres in the aftermath of the Covid-19 pandemic to support member states to create 400 million jobs across the globe and to extend social protection coverage to the 4 billion people currently excluded through an innovative whole of UN system-whole of Government collaboration.

13.6 The Global Accelerator will concentrate its technical support initially on a small group of Pathfinder countries that can serve as positive examples of how measurable goals to create jobs and expand social protection can be achieved through accelerated programmatic and international and domestic funding strategies that are well-coordinated at the highest level of Government. In applying to become a Pathfinder country, Namibia has made it clear that its top priorities are to establish effective coordination of employment creation and to significantly increase youth employment.

13.7 After a high-level scoping mission of the International Labour Organisation and the United Nations visited Namibia in February 2023 to assess its readiness to serve as one of 10 initial Pathfinder Countries, positive feedback has been received and indications are that Namibia 's selection is highly likely. I am confident that Namibia's participation in the Global Accelerator can make a significant impact on the well-being of our people.

## **MLIREC's Goals for the Financial Year 2023/2024**

### **Chairperson of the Whole House Committee**

#### **Honourable Members**

In the Financial Year 2023/2024, MLIREC will strive to imbue its work with a sense of urgency and a stronger and more empathetic customer-centred approach. This will include: eliminating delays, responding quickly and boldly to matters of public interest involving labour and employment; and making the Ministry more visible and accessible. In addition to the activities already mentioned with respect to employment creation, the key goals of MLIREC for the coming year will include:

14.1 In the areas of **legislation and policy**, MLIREC plans to:

- submit to the National Assembly: the Labour Amendment Bill; Social Security Amendment Bill; Employees Compensation Bill; Occupational Safety and Health Bill; and Affirmative Action Amendment Bill;

- submit to the National Assembly for ratification the ILO Maternity Protection Convention and the ILO Family Responsibilities Convention;
- introduce the Employment Creation Commission Bill, or establish an alternative employment creation coordination mechanism;
- complete the process to set the National Minimum Wage;
- initiate the internal process to ratify ILO Social Security Convention (Minimum Standards);
- in cooperation with the Social Security Commission and the ILO, accelerate the establishment of the SSC National Pension Fund; and
- support the efforts of the Social Security Commission to establish the Unemployment Insurance Fund.

**14.2 In the area of Labour Inspection, Enforcement of Basic Conditions of Employment and Occupational Safety and Health, MLIREC will:**

- Investigate labour complaints and occupational accidents promptly;
- Elevate the profile of inspection through selected inspections led by the Minister or Deputy Minister;
- Conduct special investigations in key areas of concern and publicize the results thereof;



strengthen employer and worker awareness through increased education activities;

- work with trade unions of domestic workers to strengthen implementation of ILO Convention on Decent Work for Domestic Workers; and
- support the establishment of the first global National Coordination Mechanism on Decent Work in the Fisheries Sector, in line with ILO Working in Fishing Convention.

#### 14.3 In order to **Strengthen Social Dialogue and Support Social Partners**, MLIREC will

- promote the role of trade unions and employers' organizations to fulfill the principles of State Policy contained in Article 95 of the Namibian Constitution;
- promote industry-wide collective bargaining in key sectors;
- facilitate the re-establishment of the forum for collective bargaining in the security industry;
- assess the state of tripartism and social dialogue and formulate an action plan;
- develop a capacity-building programme to assist social partners in cooperation with the ILO; and
- create platforms to promote collaboration and unity among trade unions and among employer organisations, respectively.

14.4 In order to contribute to the **Eradication of Inequalities and promotion of Gender in Equality**, MLIREC will:

- complete the upgrading programme of the Employment Equity Commission;
- Implement the MLIREC gender training and mainstreaming plan, including the training of stakeholders and mainstreaming gender in the National Employment Policy;
- Collaborate with the Ministry of Gender Equality on the introduction of an Employment Pillar in the National Gender Policy and implementation plan;
- further implement ILO Convention 190 on Violence and Harassment in the World of Work; and strengthen compliance with ILO Convention 111 on Discrimination, especially in the area of racial discrimination, in accordance;

14.5 In order to **Prevent Labour Disputes of National Interest**, MLIREC will, through the Office of the Minister and the Office of the Executive Director:

- Establish an early-warning system to prevent disputes;
- Utilize the mechanism contained in Section 80 of the Labour Act, 2007 for disputes of national interest; and
- Maintain an open door policy and intensify informal efforts to prevent or resolve labour disputes.

14.6 In order to improve the **Resolution of Labour Disputes**, MLIREC will, through the Office of the Labour Commissioner,

- finalise the re-engineering process of the Office of the Labour Commissioner.
- prioritize the elimination of delay / backlog in the conciliation/arbitration process;
- introduce a new case management system and report arbitration awards on-line;
- introduce services to assist unrepresented complainants and provide guideline for the arbitration and conciliation process;
- strengthen the capacity of arbitrators in the office of the Labour Commissioner arbitrators to conciliate disputes of interest;
- Strengthen the capacity of the office of the Labor Commissioner to conduct research and to provide information to parties to disputes of interest that can facilitate collective bargaining and settlement;
- adopt a proactive approach to minimum retrenchments;

14.7 In order to improve its **Provision of Services to the Labour Market**, MLIREC will:

- promote adoption of Employment Directives prepared by MLIREC to maximize employment creation in the awarding of tenders and other economic rights;
- launch and promote the upgraded Namibia Integrated Employment Information System (NIEIS);
- Amend the Employment Services Act
- strengthen the coordination and implementation of National labour Migration Policy, including establishing a labour migration unit;

- finalise the updating of the Namibia Standard Classification of Occupations (NASCO).

## **Honourable Chairperson of the Whole House Committee**

### **Honourable Members**

**15.** To actualize and realize the Ministry's Plans and Activities, I put Vote 14 forward for the House's consideration and approval as follows:

#### ***15.1. Programme 01: Promotion and Ensurance of Optimum Development and Utilisation of Human Resources.***

An amount of **Thirty Million, Four hundred and Eighty Four Thousand and Six Hundred and Sixty Four Namibia Dollars (N\$30,484,664)** is allocated towards this programme to facilitate the coordination of employment creation, productivity, research, career guidance, vocational counselling and preparing young people for the future of work.

#### ***15.2 Programme 2: Promotion of Harmonious Labour Relations***

A total amount of **Eight Two Million, Seven Hundreds and Eight Thousands, Seven Hundreds and Seventy Five Namibian Dollars (N\$82,708,775)** is allocated to this programme, which is implemented by the **Labour Commissioner** (which is responsible for labour disputes resolution); **Employment Equity Commission** (is responsible for the implementation of Affirmative Action Legislation in employment to ensure equitable workforce) and **Labour Services** is responsible for harmonious labour relations by enforcing compliance and ensuring adherence through labour inspections on basic conditions of employment and occupation safety and health, and maintain employees compensation.

### ***15. Programme 3. International Relations And Advice***

An amount of **Twelve Million, Three Hundred and Fifty-Eight Thousand and Seventy Nine Namibia Dollars (N\$12,358,079)** is allocated towards this programme which is responsible for tripartite consultation (Social dialogue), coordination between the Ministry and other institutions on labour and employment matters, national, regional and international such as Southern Africa Development Community (SADC), African Regional Labour Administration Centre (ARLAC), African Union (AU) and the International Labour Organisation (ILO) among others.

#### ***15.4 Programme 4: Supervision and Support Services***

The Programme is responsible for policy directive and legal oversight, overall coordination, effective administrative support services to all the operations of the Ministry and full implementation of recommendations by the Auditor-General's Report with the total amount of **Eighty-Two Million, Two Hundred and Eighty Six Thousand and Four Hundred and Eighty-Two Namibia Dollars (N\$82,286,482)**.

Honourable Chairperson of the Whole House Committee

Honourable Members

**16.** I now submit to this august House a proposed amount of **Two Hundred and Seven Million and Eight hundred and Thirty-Eight Thousand Namibian Dollars (N\$207,838,000)** for the **2023/2024 financial year**, to enable the Ministry of Labour, Industrial Relations and Employment Creation to fulfil its constitutional mandate and I count on your support Honourable Members.

17. However, before closing, I must state that this amount is very limited and imposes a limitation on the implementation of the Ministerial plan, programmes and projects. The Honourable Members should note that at present, MLIREC is operating with a staff complement of only **53%** of its approved structure. This undoubtedly contributes to some of the gaps and delays in the Ministry's performance. However, MLIREC shall align its priorities to the amount allocated, and deliver as well as possible with the limited resources at our disposal, in the hope that this House will prioritize an expanded budget in the future.

**-I THANK YOU-**