



REPUBLIC OF NAMIBIA

MINISTRY OF LABOUR, INDUSTRIAL RELATIONS & EMPLOYMENT CREATION

INTRODUCTION OF VOTE 14

FOR 2019/2020 FINANCIAL YEAR

BY

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IN THE NATIONAL ASSEMBLY

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WINDHOEK

Honourable Chairperson of the Whole House Committee

Honourable Members of this August House

It is my considered singular honour and privilege for me to rise to introduce the Ministry of Labour, Industrial Relations and Employment Creation, Vote 14 for the Financial Year 2019/2020.

Honourable Chairperson

Honourable Members

It is undoubtedly fair to state that the Ministry of Labour, Industrial Relations and Employment Creation is one of the central Ministries of Government when it comes to socio-economic development of any country. This fact is manifested itself in many areas that lead to labour relations stability in the country, preservation of current investments, ensuring and enhancing new investments opportunities, guarantying job security and social protection for employees, coordinating employment creation efforts thus overall guarantees labour market predictability and stability in terms of policies and laws .

As a consequence of the above, the Ministry therefore is an axle of labour, investments, employment and trade issues to ensure that they are consistently linked to each other for a common goal.

All these are direct contributors to economic and social development of the country. A successful country is measured, amongst others, on meaningful investments, social justice, good labour relations characterized by social dialogue, freedom of association and right to collective bargaining and decent work (respect and observance of workers' rights).

Honourable Chairperson

Honourable Members

There is no need for me to recast the fact that Namibia and the SADC Region has been going through economic tough times. This challenging situation has seen many employees losing their source of income hence livelihood, i.e. jobs, while some employers closed or scaled down their businesses particularly in the construction and mining sectors. Frighteningly but true, soon this phenomenon will attack the agricultural sector too due to the threatening drought and cyclones in the Region.

Although some jobs have been lost and others are to be affected soon, as I said, last year in this very August House that “everybody speaks about the need for employment creation, but often without adding substance to such pronouncement”.

This Ministry is factually confident that new decent work (jobs) can be created in some sectors particularly those with natural resources, and where the State has a leverage to dictate the terms and conditions.

Such sectors are but not limited to: -

- fishing by strictly tying quota allocation to the actual number of jobs to be created with a robust monitoring tool,
- timber harvesting by insisting on value addition to be done here locally,
- charcoal production by demanding that harvesting, processing, packaging, branding and transporting should be done locally in what is known as the “value chain configuration”,
- repairing and maintaining of State (Public) infrastructure and equipment (chairs, tables, beds, cupboards (in schools, clinics, etc.),

- debushing amass and process the biomass, into finished products,
- food production, processing and marketing, and
- garment (textile) manufacturing - school, army, police, correctional services and nurses uniforms including overalls of many companies be locally made. This is in line with the Growth at Home Strategy.

Honourable Chairperson

Honourable Members

As it can be observed, I deliberately focused on specific segments of selected sectors because that is where the potentiality of creating thousands of jobs is, and the skills required vary albeit in different degrees and levels are available.

These can be achieved through private sector initiatives or through public private partnership (PPP) corroboration. Private sector should lead in some of these areas.

Honourable Chairperson

Honourable Members

We all agree that the Public Sector is unacceptably big while others called it, “is bloated”. However, H.E. the President, during his SONA, explained where and how this current situation came about.

It is not by accident or mistake that a developing State like ours has a big Public Sector. It is a developmental reality but yet a necessary socio-political source of economic stability, a force behind a purchasing power particularly for the small and medium enterprises.

Therefore, as Namibians we need to reflect on this narrative soberly rather than taking a leaf from World Bank and International Monetary Fund books without having an alternative to the negative effects thereto.

Probably, what needs to be done is to scientifically assess the wage levels of public officials and their benefits whether they are commensurate with the services being rendered or not or benchmark them with the Region.

The real issue is not the actual number (size) of the public sector but the wage bill, can it be contained or not and if yes, how?

The Ministry of Labour, Industry Relations and Employment Creation just like any other Ministries derives its mandate from the Constitution of the Republic. It operates under the State Policies as set out in Article 95 of the Constitution that dictate, amongst others; the decent living standards for all Namibians, protection of the rights to form and join trade unions freely and the adherence to the International Labour Organization's Labour Standards.

To actualize these Constitutional Policy Directives, this August House over the years has been providing the Ministry with legal instruments such as:

- Employment Compensation Act (Act 30 of 1941)
- Social Security Act (Act 34 of 1994)
- Affirmative Action (Employment) Act (Act 29 of 1998)
- Labour Act (Act 11 of 2007), and
- Employment Services Act (Act 8 of 2011) for implementation.

To operationalize these legal instruments, the Ministry has been guided by High Level Policy Documents like:

- National Vision, Vision 2030,
- SWAPO Election Manifestos,
- National Development Plans (NDPs)
- Harambee Prosperity Plan,
- African Union Agenda 2063,
- SADC Regional Integrated Strategic Development Plan,
- UN Vision 2030, and
- UN Sustainable Development Goals (SDGs).

Honourable Chairperson

Honorable Members

Having set the barometer and foundation of this Ministry, permit me to outline the Programmes and Activities that were undertaken during the previous Financial Year (2018/2019). In so doing, I will also, at the same time, inform this August House the important Plans and Programmes for this Financial Year 2019/2020 the Ministry has.

1. Promotion of Harmonious Labour Relations

At the beginning, I have indicated that investments, trade and labour are mutually intertwined hence inseparable. Despite the difficult economic headwinds and climate, the Ministry managed to keep the labour market stable.

Namibia's industrial relations remains for consecutive years stable in the Region. Our social dialogue remain functional and improving, collective

bargaining system at enterprise level is working, backed by the public system of resolving and settling issues that needed a third party intervention.

In illustrating the above, 1016 workplaces in different sectors of the economy were inspected by Labour Inspectors. 75% of these places were found to be in compliance with the Labour Act.

3522 labour complaints were received and all were attended to. Some were successfully resolved the rest were referred to the Labour Commissioner for conciliation and arbitration.

786 workplaces were also inspected from the occupational safety and health at work point of view. 16% of these work places were in full compliance with occupational safety and health standards. The rest were found to be either at an average or at total non-compliance. Occupational Safety and health at workplace is not well natured in Namibia

As the country progresses towards industrialization, more workplaces do acquire and use machineries of which some are dangerous such as boilers, elevators, escalators etc.

Currently, Namibia is estimated to have 1066 these type of machines countrywide. 244 of the dangerous Machineries were inspected for safety and fitness. To ensure awareness and compliance, 42 occupational safety and health education and awareness campaigns and sessions were conducted.

Sadly, 14 accidents were notified of which 5 were fatal and 9 injuries. This is unacceptable situation and the Ministry continues to educate and advocate for zero accident at workplace.

Honourable Chairperson

Honourable Members

The Ministry received 3969 labour dispute referrals for conciliation and arbitration (dispute resolution). Out of these 2989 were successfully accepted while 680 were referred back to the parties for various reasons like lack of adequate information, incomplete forms, out of date etc. Therefore, a total of 4976 cases including cases from the previous year were handled as follows:-

- 1836 cases were resolved at conciliation stage, while
- 250 cases were resolved at arbitration phase.

Three (3) new trade unions were registered. One (1) industrial action (strike) was recorded and five (5) demonstrations were noted with a combined number of 1734 employees participated in these actions. With great concern, 4560 employees have lost their jobs through retrenchments due to economic reasons, and mainly from the construction sector.

2. Job Creation Strategies

Employment creation is not a responsibility of one entity alone, but for everyone, the State, employees (trade unions) and employers. I will elaborate on this for proper understanding and reflection.

The State has been and continues to create more favourable environment for investments and space for economic expansion that may create more jobs. These efforts yielded little results due to many factors including our population size and lack of stringent conditions for value addition and local consumption (buy Namibian to keep and create new Namibian jobs).

Employers and trade unions should think of the “Shift system” to make space for unemployed to have any opportunity to also earn a wage. This concept needs serious commitment and consideration. As a part of my introduction, I have indicated some sectors where primary jobs can be created of which the shift system fits well.

The Namibia Integrated Employment Information System (NIEIS) is operational and fulfilling its primary objective of registering job seekers for job placement purpose. A total number of 8613 job seekers were registered of which only 711 were successfully placed. Unfortunately, currently there is no legal requirement that obliged all employers to report any employment they have created. There are hundreds of employees been recruited daily but not reported to the Ministry for accurate statistics. As it can be observed, the public placement rate remains very low compared to that of previous years. This is a clear indication that the economy is unable to absorb the high number of jobseekers hence my emphasis on refocusing our efforts to the sectors that I have listed herein above, and for the Government to take a deliberate policy position in directing those sectors of what to do.

This is very much consistent with what I have said last year again in this August House that “If the economy cannot grow and cannot create the necessary job opportunities, then it should be redesigned and remodeled.”

Despite the economic squeeze, the sectors I listed have the capacity and potential to create enough jobs that is the “redesigning and modelling”, I referred to.

Honourable Chairperson

Honourable Members

Namibia is part of the Regional, Continental and International Labour and Employment Community. As a result, she has duties and obligations to fulfill as a respected member of that community. To this end, as the Chair of SADC Employment and Labour, Namibia hosted the Tripartite Technical Committee in September 2018, Joint Tripartite Meeting in November 2018 and successfully organised the SADC ELS Ministers and Social Partners Annual Meeting in March 2019. All these Meetings were preceded by the Sector Troika Meetings in accordance with the Rules and Procedures of SADC and they took place in Namibia.

At the international level, Namibia is the Deputy Member of the ILO Governing Body (Executive Body) that sets the Agenda and approve Policies, the Budget and Programmes of the Organisation.

The ILO Director General, Mr. Guy Ryder on the invitation of Namibia has visited the country in August 2018. His visit culminated into the signing of the Memorandum of Understanding (MoU) between ILO and Namibia. The MoU put more emphasis on Technical Assistance by ILO in the implementation of the Decent Work Country Programme (DWCP) of 2018-2023 focusing on capacity building and research in the field of labour and employment.

Honourable Chairperson

Honourable Members

This August House has in 2017 approved the ratification of four (4) ILO Conventions. That ratification has been done and the Instruments of Ratification were successfully deposited with the ILO Headquarters, and they are to enter into force on 20 September 2019.

Finally, in 29 years of independence, Namibia has placed a Labour Attaché in Geneva to co-ordinate labour and employment matters at the ILO Headquarters. On a Continental front, Namibia has attended the African Regional Labour Administration Centre (ARLAC) Annual Meeting in February 2019, Durban, South Africa. This Meeting also witnessed the Official Launch of the Global Commission Report on the Future of Work in Africa. The Launch was done by H.E. President Cyril Ramaphosa as the co-chair of the Commission and witnessed by H.E. President Hage G. Geingob and the ILO Director General Mr. Guy Ryder. Thus coincides with the ILO Centenary Celebrations worldwide.

Honourable Chairperson

Honourable Members

This is a short description of what the Ministry was doing during the 2018/2019 Financial Year.

Now allow me Hon. Chairperson, to briefly present to this August House, the Plans, Programmes and Activities for the 2019/2020 Financial Year of which the Budget Estimates of Vote 14 are being requested.

The Ministry is determined to improve on its activities and performance particularly those aimed at keeping and ensuring labour relations stability, and workers right and protection.

1 Inspections :

- a) labour inspections on conditions of employment will be intensified and extended to many other sectors of our economy to ensure compliance and fair treatment of workers,
- b) occupational safety and health inspections are the blood life of health and productive workforce. Workplaces have to be inspected for safety and health standards in the quest of zero accident and occupational diseases, and
- c) the Ministry is busy updating the Code of Conduct of Labour Inspectors. It is also finalizing the National Labour Inspection Policy and Occupational Safety and Health Policy to keep in line with international standards of Labour Administration. The draft Bill on Occupational Safety and Health at Workplace is being worked on.

2 Labour Dispute Resolution:

This activity has proven effect in bringing accessibility, certainty, finality to the parties at no cost. There is a need for the system to be strengthened on the area of human resources development and equipment enhancement. The accessibility to this system is very simple and free of charge to all workers and

employers. It proved that workers and employers equal access to justice regardless of the status in a workplace.

3 Job Creation Strategies:

The Job matching system (NIEIS) will be upgraded and strengthened to support the Public Employment Services (PES). This will be done with the technical assistance from the Government of South Korea through ILO. The Scoping Study has been concluded which included consultations with trade unions and employers. The Task Team to spear head the process is in place engaging employers for job creation. The system can also be redesigned to capture and store some employment information for the country.

Productivity enhancement is one of the Employment Creation Strategies. The Ministry is providing technical assistance to employers in improving their performance in workplace and create additional jobs in the process. This is in line with the Productivity Policy that Cabinet has approved last year. The overall goal is to make Namibia more productive hence competitive. The Namibia Productivity Center's renovation is due to complete with the next months. This will provide a conducive working space to offer better services to the public.

4. Social Dialogue and Protection:

The Ministry is reviewing the current Labour Act, Social Security Act and Employees Compensation Act for improvement and to keep them with the ever changing labour market, current and future trends. The consideration of the

possibility of introducing a National Pension Fund (NPF) and National Minimum Wage (NMW) is at advance stage.

As for the introduction of the National Pension Fund, this is at policy choice level that is to be finalized fairly soon.

The National Minimum Wage a Technical Study has been completed, the matter is now heading for consultations with social partners and other interested stakeholders.

Namibia has recorded improvement in the area of Affirmative Action in Employment, and the Report was tabled in this August House. However, further work still lies ahead. The last Report will be tabled soon in this House too.

5 Regional, Continental and International Obligation.

Namibia continues to fulfil her obligations in terms of her members to SADC, ARLAC, AU and ILO Labour and Employment Segments.

It is important to note that Namibia is leading Africa in the push for democratization of ILO by demanding that the Governing Body be fair to and representative of all the Member States. This is all Africa's common position at the upcoming ILO Annual Labour Conference in June 2019.

SADC has taken a decision at March 2019 Meeting that the Region should prioritize ILO Convention on Domestic Work for ratification. Namibia has

already started the process in this regard. I will approach this House for ratification in the due course.

Furthermore, Namibia has planned to convene a Joint SADC Meeting of Ministries of Labour, Finance, Trade and Investment to discuss and find solutions on how these Ministries may better coordinate employment creation policies and strategies at National and Regional Levels. This activity is awaiting SADC approval.

Honourable Chairperson

Honourable Members

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

1. Office of the Minister responsible for policy directive and legal oversight, N\$ 7 757 000
2. General Services responsible for overall coordination and administrative support services to all the operations of the Ministry, N\$ 67 222 000
3. Labour Market Services responsible for employment creation efforts, productivity, research, career guidance, vocational counselling and preparing young people for the Future of Work, N\$ 26 143 000
4. Labour Services responsible for labour inspections (conduction of employment) and industrial inspections (occupation safety and health, and employees compensation, N\$ 43 455 000

5. Office of the Labour Commissioner responsible for harmonious labour relations and labour disputes resolution, N\$ 26 584 000

6. Office of the Employment Equity Commissioner responsible for the implementation of Affirmative Action Legislation in employment to ensure equitable workforce, N\$ 7 961 000

7. International Relations and Advise responsible for tripartite consultation (Social dialogue), coordination between the Ministry and SADC,ARLAC,AU and ILO on Labour and Employment matters, N\$ 10 862 000

This translates into N\$ 189 924 000 total estimate for Vote 14.

-I thank you-