



MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION

Speech by
Hon. Utoni Nujoma, Minister of Labour, Industrial Relations and
Employment Creation

At the Handover Ceremony of the
Report of the Wages Commission on a National
Minimum Wage

25 March 2022

Office of the Labour Commissioners, Conference Hall
Windhoek

Good morning

I thank all of you for attending this important occasion aimed at improving the lives of the Namibia's workers and their families.

Article 95 of the Namibian Constitution, "Promotion of the Welfare of the People," resorting under Chapter 11, "Principles of State Policy" enjoins the State to promote and maintain the welfare of the people by adopting policies, among others, aimed at

(i) ensurance that workers are paid a living wage adequate for the maintenance of a decent standard of living and the enjoyment of social and cultural opportunities;

We all know that many tens of thousands of our people are working hard every day to provide for themselves and their families but are barely able to put bread on the table, let alone to maintain a decent standard of living, due to low wages. Although the last Labour Force Survey (2018) reports the average wage to be N\$7935, our situation of extreme income inequality, a vestige of apartheid, means that a large component of Namibian working men and women earn less than even N\$1500 per month, while a much much smaller component earns 20, 40 or even 100 times this amount.

Last year, I appointed a Wages Commission pursuant to Section 105 of the Labour Act, 2007, to investigate all industries, report and make recommendations to me on a proposed national minimum wage, which will apply to all employees, except categories of employees specifically excepted in a Wage Order; and on related supplementary minimum conditions of employment.

The objectives of a national minimum wage for all employees, as set out in the terms of reference of the Commission published in the Gazette, are to further the goals of

- Improving the wages of the lowest-paid workers
- Reducing income inequality;
- Alleviating poverty and improving individual and household income; and
- Achieving a decent standard of living for all.

The terms of reference of the Commission set out a detailed set of issues or questions that the Commission was required to investigate. These include:

- the amount and manner of calculation of a proposed minimum wage;
- whether employers, should be required to enter into written contracts;
- best ways to implement and enforce the NMW;
- periodic review and adjustment of the NMW; and
- Possible exceptions from coverage.

In addition, the Labour Act sets out a number of factors that the Commission must take consider in its investigation:

- the aims of Article 95(i) of the Namibian Constitution, to which I referred at the beginning;
- the needs of workers and their families;
- the cost of living in Namibia or in any part of it;
- the minimum subsistence level in any area;
- the value of board, lodging to other benefit provided by any employers or categories
- the potential impacts of the national minimum wage on the individual income of women and men and on household income; and
- the ability of employers to carry on their businesses if they are required to pay the recommended national minimum wages;

Ladies and gentlemen

The Wages Commission, composed of Dr. Marius Kudomo, chairperson; Mr. Gideon Thomas, Ms. Edwina T. Hashikutuva, Dr. Fritz S. Nghiishililwa; and Ms. Nokokure Kariko, conducted 13 live hearings or stakeholder engagements throughout Namibia last year, received 115 oral submissions and 60 written submissions. They have set an excellent example of the centrality of social dialogue in the formulation of important policies and programmes in the sphere of labour and employment.

Today, the Commission is handing over its report, containing recommendations for my consideration.

I want to thank the chair and the other members of the Commission for their tireless work in this mammoth project and their patriotic commitment to achieve its objectives. The public should be made aware that the Commissioners worked as volunteers, without salary, because of their dedication to the advancement of the Namibian people.

Ladies and Gentleman

A National Minimum Wage will become an important component of the regulation of the Namibian labour market and should be “owned” by all key stakeholders. I intend to subject the report to a process of careful scrutiny within our Ministry for its completeness, compliance with legal requirements and the viability of its recommendations. If necessary, I may conduct further social dialogue and consultations. Thereafter, if I consider it to be appropriate, I will prepare a Wage Order for promulgation in the Gazette.

I now call upon Dr. Kudomo to hand over the Commission’s report.