

CONCEPT NOTE:

Solutions session at the Second World Summit for Social Development, Doha-Qatar

4 - 6 November 2025

Solution session focusing on the Introduction of a National Minimum Wage in Namibia

This concept note outlines a presentation on Namibia's newly implemented national minimum wage (NMW) at the Second World Summit for Social Development. The presentation will detail the policy's design, its alignment with international social development goals, and its anticipated impact on poverty reduction and income inequality and the format of the event.

1. Background and Context

Namibia's journey towards a national minimum wage is rooted in its constitutional commitment to social justice and a decent standard of living for all citizens. Despite significant economic growth, the country has continued to face persistent income inequality. Before the NMW, only a few sectors, like agriculture, security and domestic work, had legally mandated minimum wages, leaving most workers vulnerable to exploitation and low pay. In response, the Namibian government, in collaboration with social partners and with technical assistance from the International Labour Organisation (ILO), enacted a new wage order. This policy is a crucial step towards fulfilling the Copenhagen Declaration on Social Development and contributing to the 2030 Agenda for Sustainable Development, particularly goals related to eradicating poverty and promoting decent work.

2. The National Minimum Wage: Key Features

The NMW, which took effect on January 1, 2025, sets a wage floor of N\$18.00 per hour for most employees. However, recognising the unique circumstances of historically low-paid sectors, a phased-in approach has been adopted for agricultural, domestic, and security workers. This ensures a smoother transition for both employers and employees, allowing businesses time to adjust their operational costs.

- General Wage: N\$18.00 per hour, applicable to all sectors, not specified for a gradual increase.
- Phased-in Sectors:
- Agricultural Workers: The wage will increase gradually, from N10.00 per hour in 2025 to N18.00 per hour by 2027.
- Domestic Workers: The wage will increase from N12.00 per hour in 2025 to N18.00 per hour by 2027.
- Security Workers: The wage will increase from N13.50 per hour in 2025 to N18.00 per hour by 2027.

The NMW is legally binding and must be paid in cash, separate from any allowances or in-kind benefits, such as food or housing. This is an important provision to prevent employers from bypassing the law.

3. Anticipated Social and Economic Impact

The implementation of the NMW is expected to have several positive effects:

- **Poverty Reduction and Livelihoods:** By raising the incomes of the lowest-paid workers, the NMW will directly improve the living standards of thousands of Namibians, helping to alleviate poverty and boost consumer spending.
- **Income Equality:** The policy is a targeted measure to narrow the significant wage gap and address structural inequalities, particularly for women who are disproportionately represented in low-wage sectors like domestic work.
- **Decent Work:** The NMW promotes the principle of fair compensation, ensuring that work provides a dignified existence. It acts as a safety net, protecting workers from exploitation and promoting a more inclusive labour market.
- **Economic Stimulation:** Increased purchasing power among low-income households is expected to stimulate demand for goods and services, leading to a positive feedback loop that can foster broader economic growth.

4. Challenges and Future Outlook

- While the NMW is a landmark achievement, its success hinges on practical implementation and enforcement.
- Key challenges include ensuring compliance among all employers, especially in the informal economy, and monitoring its impact on employment levels and business viability.
- The Namibian government is committed to a continuous review process every two years to adjust the wage, ensuring it becomes a "living wage" that keeps pace with the cost of living and contributes meaningfully to social progress.

5. Format of the Session

The solution session, organised by the Government of Namibia, will be held in person. The session will serve as a platform for peer learning and knowledge exchange. The event will take the form of a panel discussion, featuring panellists from the Namibian government and social partners. Countries that have already implemented national minimum wages will be permitted to participate in the debate from the floor to share their experiences.