

Labour and Unemployment

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Introduction

According to international statistical standards, unemployment is defined as a state in which an individual is without a job and available for work, and also actively seeking work. The broad definition of the term, which is also acceptable within the Namibian labour context, refers to unemployment as simply being within the economically active group (15 - 60yrs) and without a job.

A labour force survey conducted in 1997 by the Ministry of Labour and the Central Bureau of Statistics established that according to the broad definition of unemployment, Namibia had an unemployment rate 34.5 % three years ago. A very high rate reflecting a typical developing country's labour market. The survey also established that, the urban unemployment rate is somewhat higher than the rural rate. Unemployment hits women harder than men: female urban unemployment stands at 43% against 28% for males.

Unemployment is amongst Namibia's priority socio-economic problems that the government has been trying to address since independence. Although government has to play a central role in employment creation, other stakeholders in the development process also need to make a contribution. The private sector, trade unions and development NGOs can make a significant contribution to ensure that the unemployment problem is addressed strategically and correctly.

The GRN

The government is the largest employer composed of the national government, regional governments and the local authorities/municipalities that are subsidised by the national

government. The GRN has attempted to address the unemployment problem from different angles through various projects and policies with varying degrees of success.

The current high unemployment rate is mostly attributed to colonial economic structures (exports of unprocessed primary products) and the low education levels among the economically active population. In Namibia some 15% of the population have no formal education at all and more than half of the population (54%) have only completed or attained some level of primary education. Only 2% have reached higher education. This is an after-effect of the colonial regime, which deliberately withheld proper education for the majority to allow only a handful of learners to obtain a school-leaving certificate. Out of a small number of school leavers only a fraction managed to go to tertiary institutions, usually through churches and sympathetic organisations that provided scholarships.

Over 80% of the unemployed population are 25-45 years old. They were of school-going age during the 70's and 80's at the peak of colonialism. Most are school dropouts, due to the very poor socio-economic conditions coupled with the political-military insecurity especially in the former Owamboland and Kavangoland where about 60% of the country's population is concentrated. These statistics are a reflection of the fact that efforts to redress education deprivation in the past are recent, having started only since the country attained independence. The NUNW Secretary General Ranga Haikali believes that: *"There is a low education and skills rate in the work force due to the colonial regime..."*

The GRN has embarked upon programmes that will ensure that the lack of education will not be the cause of unemployment in 20 years from now. Many companies prefer to recruit skilled or at least semi-skilled workers rather than investing in training programmes. Another problem was (and still is) the highly academic curriculum which is often of little practical value when school leavers enter the labour market. Education (policy, administration and institutional development) is therefore a priority for the long-term development of Namibia. Consequently:

- More schools have been built in different parts of the country, especially in the rural areas and other remote places, with the aim of bringing education closer to the people and increasing accessibility. At independence Namibia had 1153 schools the number has risen to more than 2900 schools.
- The Ministry of education has a bursary scheme, which was recently changed to a study loan scheme to assist learners to further their studies in tertiary institutions.
- The GRN subsidises the local university and polytechnic to produce skilled scientists, administrators and technocrats for the country.
- Teachers colleges and vocational training institutions are also heavily subsidised and monitored, in order to produce well-qualified teachers and skilled artisans.

But all these programmes need to be well implemented, monitored, and co-ordinated with the economic development plans to prevent situations like in Zambia and Zimbabwe where people with tertiary qualifications are unemployed or under-employed.

It is very worrying to note (as has been pointed out recently by the Governor of the Bank of Namibia) that despite huge financial investments in education, the quality has often remained poor. High failure rates are still more the rule than the exception in many regions and at the vocational training schools.

Another attempt to tackle the unemployment problem has been undertaken by the Ministry of Youth in collaboration with the Ministry of Defence. They introduced a youth development programme to absorb school leavers and integrate them into different institutions after undergoing military training and completing community service.

The above-mentioned GRN activities are calculated moves by the state to prevent future unemployment among the current student population and the youth at schools. What about the already unemployed adults? The GRN through various ministries has made attempts to reduce unemployment for example by introducing export processing zones. This programme administered by the Ministry of Trade and Industry aimed to attract FDI, to promote industrialization and transfer of technology and thus create job opportunities. Various incentives were offered to investors and the government invested substantial amounts to run the programme and to develop the EPZ infrastructure. However, instead of the 25 000 EPZ jobs that the GRN expected to create between 1997 and 1999 only about 400 jobs existed by 1999. Most of these jobs are of poor standards with workers being subjected to poor conditions of service and low wages.

Another government attempt to create jobs was the incorporation of a substantial number of ex-combatants into various departments, i.e. the defence force, police and security.

The Unions

Over 50% of Namibia's 220 000 formal sector workers belong to one of the country's 27 trade unions, which are grouped into three trade union federations. The National Union of Namibian Workers (NUNW) has nine affiliates with a combined membership of about 70 000 workers; the Namibia Federation of Trade unions has 5 affiliated unions with a combined membership of about 45 000; and the Namibia People's Social Movement has 3 affiliates with a combined membership of about 13 000.

The most unionised sectors are the public sector and the fishing and mining industries with 60 – 80% unionisation. Trade unions principally represent their members' interests. One major objective usually underpinning the establishment of a union is to improve conditions of service and to represent the entire workforce. However, most unions understand that they also have to play a broader role in the country's development. In the words of Steve Rukoro from the Public Service Union of Namibia (PSUN): “...*The GRN must see the responsibilities of any trade union in a broader perspective, that we are here to cater not exclusively for our members but also for the rest of society as large. And us the unions should not only be guided by the interest and immediate needs of our members, but should also be overall considerate to national interest.*”

Unions understand their role as being actively involved to prevent and reduce unemployment. According to Ranga Haikali: “...*The NUNW is involved in reducing unemployment by contributing towards the establishment of a sound, stable labour relations, by promoting collective bargaining, making contributions to various institutions that deals with training and job creation. And adding to policy formulation on the labour issues.*”

Unions need to be recognised as equal stakeholders in the development and well being of the country, only then can they positively contribute to the development. Unions are already represented in different committees and advisory bodies like the Labour Advisory Council. Rukoro pointed out that: “...*The GRN should play the role of a coordinator, because it is only through a tripartite arrangement that we can come into full swing. But when you have differences between GRN and trade unions and differences between unions and the GRN as an employer the situation becomes unfavourable. We all need to reach a level where we are guided by the national interest first. We don't have to be hostile towards each other and see each other as enemies.*”

Trade unions want to contribute to a healthy labour environment by being vocal on development issues that are not only in the interest of organised workers.

Unions have taken issue with some government policies like the one on export processing zones. They pointed out that the right to strike is a fundamental right for any worker according to the ILO's convention. Namibia is an ILO member and therefore has to adhere to its policies. The EPZ policy currently prohibits workers to strike. This is the most powerful weapon that workers have and its absence makes them vulnerable to abuse. Many EPZ workers receive very low wages and work under poor health conditions without protective equipment. The unions have been vocal on these labour malpractices and brought them to the attention of the Labour Advisory Council. They also demanded that the right to strike should apply in EPZs. This found support among the other parties on the Council.

Another problem encountered by the labour movement is the labour hire companies. These companies were established over the past few years and are specialising in “providing labour”. They recruit workers and hire them out to client companies to work for periods ranging from a few hours to a few months. These types of companies are constitutionally legal, but they undermine the rights of workers by depriving them of job security and keeping them in a permanent state of “temporariness”. Instead of employing workers permanently or at least for specific times at agreed wages and benefits, client companies now merely request labour hire companies to provide them with a certain number of workers for specific periods. They then pay an agreed hourly rate to the labour hire company and have no further responsibilities for the well being of the workers. The labour hire company takes a portion of the fees (usually 30-60%) for itself and pays out the rest to the workers.

This labour practice creates an environment very much favourable for the abuse of workers by employers. They threaten workers with expulsions if they dare complain or

are not willing to perform a task, knowing that they will immediately get a replacement from the labour hire company. It is because of the high unemployment in the country that workers are prepared to give up their fundamental rights just to get any type of jobs. And some employers capitalise on this situation. Even parastatals such as Trans Namib and wealthy businesses like the Carl List Group use cheap labour through labour hire companies, where in some instances workers earn as little as N\$2.00 per hour for hard physical labour. Unions find it difficult to organise these workers, because they are not stationed at one workplace and they have very irregular wages. The unions have condemned the labour hire companies operations and have recommended that the laws are made stiffer and not accommodate labour hire companies. These companies do not contribute to employment creation and only facilitate the continued exploitation of cheap labour.

Privatisation and Commercialisation

Most 'Third World' countries are forced to pursue economic structural adjustments programmes designed by the IMF and World Bank. Basic services normally supplied by the state, such as water and electricity supply, transport and telecommunications, etc are privatised and commercialised. Usually the services become very expensive to the public and in many countries large numbers of workers were retrenched, as the newly established companies would only accommodate fewer but skilled workers. Namibia's public sector unions have cautioned against following such policies. Steve Rukoro explained: *"...PSUN has been vocal on the issues of privatization and commercialization. In 1998 we handed over a petition to the Office of the Prime Minister, saying that we are not in favour of the MTCC 2000 Project in the Ministry of Transport and Telecommunications, which reduced staff members from about 7000 to about 300 workers. We reasoned that if this occurs, people would lose jobs. And indeed we were right, for example the Permanent Secretary of the Ministry of works and transport, recently announced that the workers who did not took the option of going to the Roads Construction Company stand a chance to be retrenched. And institutions like Namwater are established to deliver water to the public, where as this is supposed to be a civic responsibility of the state, for the people to have access to water. If we start doing business with water, then it becomes a luxury and then not every household might be able to afford it at the end of the day."*

Some economists justify privatisation and commercialisation as inevitable because they see the state as being unable to provide efficient services. They argue that "well managed" and therefore competitive institutions (which they claim the private sector to be) can do better in this new game of globalisation and international competitiveness. "Well managed" usually refers to cost-cutting exercises which entail the retrenchment of workers. The state is told not to be directly involved in doing business and to concentrate on its core administrative function. Well-established institutions like Rossing and Namdeb also experience the effect of globalization and have employed a similar mechanism of "concentrating on core business". Already workers lost jobs because of outsourcing of the "non-core functions".

Such policies have worsened the unemployment problems in many developing countries where jobs were lost without sufficiently new jobs being created. This is an obvious feature of the present form of globalisation. Namibian trade unions believe that the private sector also has an obligation to prioritise national interest within its operations. According to Ranga Haikali: *“The private sector should not only be there as profit making institutions, they should work hand in hand with the GRN and trade unions to uplift the economy and the development of the country. They should pay adequate wages and give basic benefits like social security.”*

Steve Rukoro agreed: *“We expect the private sector not only to be and remain profit focused, but it is about time to forfeit their desire for profit and put the national interest first.”*

Effects of Unemployment on Trade Unions

Trade unionism is based on workers unity and solidarity and a union’s strength is based on its membership base and the effectiveness of the organisation. The ongoing retrenchments are directly weakening unions’ organisational and financial base. Unions derive the bulk of their income needed to finance their operations from their membership and any retrenchment thus weakens their financial base. Rukoro explained: *“We are responsible for our members when employed and after more and more workers are retrenched, would we be in the position to take care of these people? We get our income from our members, if they are not employed then we don’t have the funds to carry out our activities.”*

The high unemployment rate causes some employers to deliberately undermine workers and their trade unions. Some develop an attitude that they can at any time get another worker from the unemployed pool, so they may indulge in labour malpractices and disrespect for trade unions. This is why some companies are very reluctant to sign recognition agreements with unions and try to retrench their workers during labour disputes.

In conclusion, Namibian trade unions see unemployment as a national crisis that needs to be addressed collectively by the various stakeholders in the development process. Experiences in Namibia and many other developing countries have shown that economic development based on the exploitation of cheap labour is not a viable option. Instead, Namibia needs to develop and implement a medium- to long-term strategy that is based on the development of the country’s human potential and respect for the rights of working people who have suffered abuse for too long.

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