

The Namibian labour market at a glance

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In 1997, the Namibian government carried out its first labour force survey, which resulted in the first comprehensive set of data on the Namibian labour market. Some of its findings were:

Namibia's population is relatively young with 68,9% of the population being less than 30 years old (see table 1). This results in a large number of school leavers entering the labour market each year.

Table 1: Age structure of the population (1997)

Age group	Number of people	Percentage
0 - 4 years	217,690	14.0%
5 - 9	225,627	14.5
10 -14	185,719	11.9
15 – 19	170,444	10.9
20 – 24	147,602	9.5
25 – 29	125,965	8.1
30 – 34	97,471	6.2
35 – 39	83,407	5.3
40 – 44	63,615	4.1
45 – 49	54,925	3.5
50 – 54	38,067	2.4
55 – 59	35,680	2.3
60 – 64	29,548	1.9
65 and older	82,000	5.3
Not reported	1,091	0.1
Unknown age	1,570	0.1
TOTAL	1,560,419	100

Source: Labour Force Survey 1997.

Employment

Agriculture was the sector that provided a livelihood for the largest number of people, accounting for 37% of all jobs in the country. Almost all agricultural jobs were in the rural areas, and they accounted for 63% of rural employment. These jobs could be divided into three broad categories, namely: commercial farmers (mostly white); subsistence farmers (black farmers in the former reserves); and farm workers (about 45,000).

The country's largest employer was the government, with about 70,000 public servants, followed by the wholesale and retail sectors (including repair of motor vehicles), which accounted for 8% of all jobs (about 34,000). The next largest providers of employment were private households, which employed about 25,000 domestic workers; the manufacturing sector (often regarded as a key sector in economic development) employing only about 22,000 workers; and construction jobs, which accounted for 18,000 employees (see table 2)

Table 2: Employment by sector (1997)

Sector	Percentage of employed people
Agriculture	36.6 %
Wholesale and retail trade, repair of motor vehicles	8.4
Domestic work in private households	7.1
Manufacturing	6.5
Community, social and personal services	6.1
Education	6.0
Public administration, defence, and social security	5.5
Real estate, renting, and business activities	5.0
Construction	4.9
Transport, storage and communication	3.4
Health and social work	2.7
Financial inter-mediation	1.9
Fishing	1.7
Mining	1.6
Electricity, gas and water supply	1.1
Hotels and restaurants	0.7
Other	0.6

Source: Labour Force Survey 1997.

Formal sector workers accounted for 63% of the employed workforce, most of them in the private sector. In the urban areas this proportion was as high as 87%, an unusual phenomenon in Sub-Saharan Africa that can be explainable by the tiny size of the informal sector in Namibia. By contrast, the proportion of informal sector workers in urban employment in most countries of Sub-Saharan Africa is significant and may be as high as 50% or more.

The importance of wages and salaries for Namibian workers is shown in Table 3, which indicates that the money paid to workers in the formal sector was the main source of income for over 46% of Namibian households.

Table 3: Main sources of household income (1997)

Main source of income	Percentage of households
Wages and salaries	46.1%
Subsistence farming	26.5
Pension	8.5
Cash remittances	7.0
Business activities	5.2
Animal rearing	2.8
Cash cropping	2.4
Other	1.3
Not reported	0.3

Source: Labour Force Survey 1997.

Unemployment statistics

The labour force participation rate in Namibia is 66%. Of the total of 833,588 people aged 15 years or more, 546,918 were economically active. In 1997, 356,849 of the economically active people were employed, while the rest (190,069) were unemployed. This translated into an unemployment rate of 34.5%. The rate of unemployment was higher for women than for men - 40.4% compared to 28.6%, respectively. Similar differences between women and men could also be observed in urban and rural areas. The rural rate of unemployment (36.1 %) was only slightly higher than the urban rate (32.4%).

Table 4: Unemployment (1997)

	Overall percentage	Percentage among Women	Percentage among men
Nationally	34.5	40.4	28.6
Urban Areas	32.4	39.3	26.8
Rural Areas	36.1	41.2	30.3

Source: Labour Force Survey 1997.

The Labour Force Survey 1997 noted that there was virtually no unemployment (less than 4%) among people with tertiary education and that unemployment levels were highest among people with little schooling.

Unionisation rates

According to the 1997 Labour Force Survey, about 256,000 economically active Namibians were employed in the public and private sectors. About half of them belonged to one of the country's 27 trade unions, which were grouped into three trade union federations: the National Union of Namibian Workers (NUNW) which had nine affiliates with a combined membership of about 70,000 workers; the Namibia Federation of Trade Unions (NAFTU) which had five affiliated unions with a combined membership of about 45,000; and the Namibia People's Social Movement (NPSM) which had three affiliates with a combined membership of about 13,000.

The sectors with the highest level of unionisation were the public sector as well as the fishing and mining industries with unionisation rates of 60-90%. The lowest unionisation rates were found among domestic workers and farm workers (LaRRI 1999, 2001).

Table 5: Unionisation rates according to union records (rounded figures)

Sector	Membership (paid-up and signed-up members)	Unionisation rate (%)
Metal and construction industries	10 300	45
Mining industry	7 500	87
Fishing, food, wholesale, retail and tourism industries	20 500	77
Education sector	14 500	80
Public service, parastatals and municipalities	50 - 60 000 (high rate of double membership between rival unions)	80 -90
Transport and security industries	2 000	23
Domestic workers and dry cleaners	5 000	23
NAFWU	3 500	7,7
Total	113 300 – 123 300	44 – 48%

Source: LaRRI 1999.

The Namibia Labour Force Survey 2000

In 2000, the average Namibian household had 5,0 members with an average size of 5,6 members in rural areas and 4,2 members in urban areas. The population consisted of more women than men as men accounted for only 89% of the number of women in the country. The population was still young with more than half the population being less than 20 years of age.

Economically active population

In 2000, 888 009 Namibians were 15 years or older and the Survey classified 541 447 people as economically active and 346 157 people are economically inactive. The bulk of those classified as economically inactive were students (52,3%), followed by 'home-makers' (20,8%), retired and old people (18,4%) and those affected by illness and disability (6,9%). The number of economically inactive women (211 718) was significantly higher than the number of men (134 439), mostly because almost all 'home-makers' were women.

Agriculture was still the mainstay of employment in Namibia accounting for 123 297 (or 28,6%) jobs. It is, however, important to point out that this figure includes about 78 000 communal/subsistence farmers, 1 623 commercial agricultural employers and 4 354 'own account' self-employed agricultural workers. There were 26 480 farm workers on private farms and 2 730 workers on public farms. Agriculture accounted for 53% of rural employment.

Other important sectors in terms of employment are community, social and personal services with 47 517 jobs (11%); 'real estate, renting and business activities' with 42 128 jobs (9,8%), wholesale and retail and motor vehicle repairs with 39 850 jobs (9,2%); and education with 30 523 jobs (7,1%). On the other hand manufacturing accounted for only 22 921 jobs (5,3 %) which is an indication that this sector is still severely under-developed in Namibia.

Table 6: Employment by sector (2000)

Sector	Percentage of employed people
Agriculture	28.6
Wholesale and retail trade, repair of motor vehicles	9.2
Domestic work in private households	5.2
Manufacturing	5.3
Community, social and personal services	11
Education	7.1
Public administration, defence, and social security	5.4
Real estate, renting, and business activities	9.8
Construction	5.0
Transport, storage and communication	3.3
Health and social work	3.1
Financial intermediation	0.8
Fishing	1.8
Mining and Quarrying	0.9
Electricity, gas and water supply	1.0
Hotels and restaurants	1.8
Other	0.8

Source: Labour Force Survey 2000.

Overall, there were 99166 employees in the public sector (including parastatals) and 169 437 in the private sector. The total number of employees thus stood at 268 603 in 2000 while there were 22 450 employers outside the agricultural sector and 39 980 'own account workers' (self-employed).

The importance of wages and salaries

As in 1997, almost half of Namibian households (48%) relied on 'wages and salaries' as their main source of income. In urban areas, this figure was as high as 76%. These figures indicate the critical importance that wages and salaries have for the survival of Namibian households. This is further emphasised by the fact that 60 % of households in the country (73% in urban areas) lack a secondary source of income.

On the other hand, in some rural regions such as Ohangwena and Omusati, as much as 60-70% of households depend on subsistence farming as their main source of income.

Employment and Unemployment

The Namibian government's unemployment definition is based on three criteria, namely:

- (i) being without work,
- (ii) being available for work, and
- (iii) seeking work.

The 'strict' definition of unemployment excludes from the ranks of the unemployed those individuals (15-65 years old) who are without jobs and available for work, but who are not actively seeking work (MOL, 2002: 22). The 'broad definition' of unemployment on the other hand regards every person who is 15 - 65 years of age and without work but available for work as being unemployed - whether he/she is looking for work or not. The Labour Force Survey presents unemployment figures for both definitions as follows:

Unemployment in Namibia according to the broad definition stands at 33.8 percent whilst this figure is reduced to 20.2 percent when the strict definition is applied. The Survey suggests a slight decline in unemployment as unemployment was recorded at 34.5% in 1997.

Using the 'strict' definition of employment in the context of the Namibian labour market is problematic. The criterion 'actively seeking for work' for classifying the unemployed may not be accurate as many unemployed people may have stopped looking for work not because they do not want to work, but simply because they may be demoralised and have given up hope of finding a job. Others may not bother to seek for work as they witness the fruitless efforts of their friends and relatives. Thus, the criterion of 'not seeking work' tells us very little and may not a relevant criteria in labour markets that are characterised by mass unemployment.

Using the strict definition of unemployment the urban unemployment rate (24.0%) is higher than the rural unemployment rate (16.6%). However, the situation becomes quite different when the broad measure is applied. The rural unemployment rate then stands at 35.9% compared to 31.3% in urban areas.

This is an indication that many unemployed in rural areas are no longer 'actively seeking' employment but are unemployed nonetheless.

Unemployment has a gender dimension as the rate is significantly higher among women (39%) than among men (28%). Female unemployment remains higher than male irrespective of the definition of unemployment used. Using the broad definition of unemployment, the Kavango region had the lowest rate of unemployment (22,8%), followed by Caprivi with 24,3% while Ohangwena recorded the highest unemployment rate (58,2%).

Table 7: Unemployment - broad definition (2000)

	Overall percentage	Percentage among Women	Percentage among men
Nationally	33.8	39	28.3
Urban Areas	31.3	37.2	25.4
Rural Areas	35.9	40.4	30.8

Source: Labour Force Survey 2000.

Unemployment in Namibia affected the youth the most as 67% of between the ages 15 – 19 years and 59% of those between 20 – 24 years of age were unemployed in 2000. On the other hand, the unemployment rate stood at only 11 - 17% for those between 45 and 59 years of age.

Unemployment in Namibia is of a long-term nature as 32% of the unemployed have been jobless for two years or more. Another 12,6% have been unemployed for 1-2 years while only 4,8% of the unemployed population have been without a job for less than 3 months. There was no significant difference between men and women regarding the duration of unemployment. However, there was a marked difference between urban and rural areas as the unemployed in the rural areas has been out of jobs for much longer compared to those in the urban areas. Long-term unemployment (2 years or more) in rural areas affected 37,6% of the unemployed compared to 27,9% in urban areas.

Underemployment

In terms of current international standards there are 2 approaches to the measurement of underemployment:

1. 'Visible underemployment' which refers to insufficient employment in relation to the 'normal' duration of work. In Namibia this could be 8-9 hours of work per day or 40-45 hours of work per week.
2. 'Inadequate employment' which 'reflects a misallocation of labour resources or a fundamental imbalance between labour and other factors of production... Characteristic symptoms of inadequate employment are inadequate hours of work, inadequate income from employment, and misallocation of occupational skills'. This form of underemployment is difficult to measure and several proposals how to measure inadequate employment are currently under discussion in international fora (MoL 2002: 73).

The Labour Force Survey 2000 made no attempt to quantify inadequate employment in Namibia but provided an analysis of visible underemployment. Most working Namibians (79%) were employed (or considered themselves to be employed) on a full-time basis in their main job. The figure was as high as 95% among those working for Government of parastatals compared to 86% in the private sector.

The Labour Force Survey examined how many employees were available and preferred to work more hours. A total of 65 292 people (15,1% of employed persons) indicated that they wanted to work more hours. The figure was higher among men (16,8%) than women (13,3%) and slightly higher in urban areas (15,6%) than in rural areas (14,7%). Only 10% of those who were available and preferred to work more had taken active steps to look for additional work. These figures suggest that unemployment is a far greater problem in Namibia than underemployment.

Education levels

About 12% of the population had no formal education at all while 52% attained or completed some level of primary education. Only about 2% of the population reached higher education. Unemployment is related to the levels of education as the bulk of the unemployed (74%) had primary or junior secondary education while less than 1% of the unemployed had a post secondary education (NLFS 2000: 62-63).

Unionisation

The Labour Force Survey revealed that 109,735 (25.4%) out of 431,849 employed persons were unionised. This figure includes trade unions, farmers unions and employers unions. A closer analysis reveals that out of 268 603 workers in the public and private sector 85 775 (or 32%) were members of a trade union. This figure is significantly lower than those provided by trade unions themselves (see table 5) and their accuracy would have to be established by examining the trade union membership records. Currently, this present a daunting task as only few trade unions have a computerised membership database.

According to the Labour Force Survey, trade union membership is skewed in favour of men (51 138) compared to 34 636 women who are trade union members. In other words, women account for about 40% of trade union members which is broadly in line with their share in formal sector employment.

The sectors with the highest levels of unionisation (including farmers and employers unions) were education (66%), mining and quarrying (65%), health and social work (60%) followed by electricity, gas & water supply (which is 47%). Levels of unionisation were higher among workers in the government and parastatal sectors (58%) than in the private sector (22%). The sectors with the

lowest levels of unionisation were agriculture (8%) and private households (15%).

Social Security

The 2002 Labour Force Survey also assessed the registration of workers with the Social Security Commission in Namibia. Although registration with the Social Security Commission is a legal requirement in Namibia, only about 42% of all employed and about 4% of unemployed persons were registered with the Commission. There was a significant difference between urban areas with a registration rate of 62% and rural areas where only 24% of the employed were registered. The rate of registration was also higher among men (47%) than among women (37%).

A regional analysis reveals that the highest levels of registration were recorded in regions with significant urban centres (Karas, Erongo and Kunene) where 61-66% of all employed persons were covered. The lowest levels of Social security membership were recorded in the predominantly rural regions of Oshana (13%), Oshana-Nama (15,5%), Oshana-Nama (25%) Kunene and Kunene (both 27%).