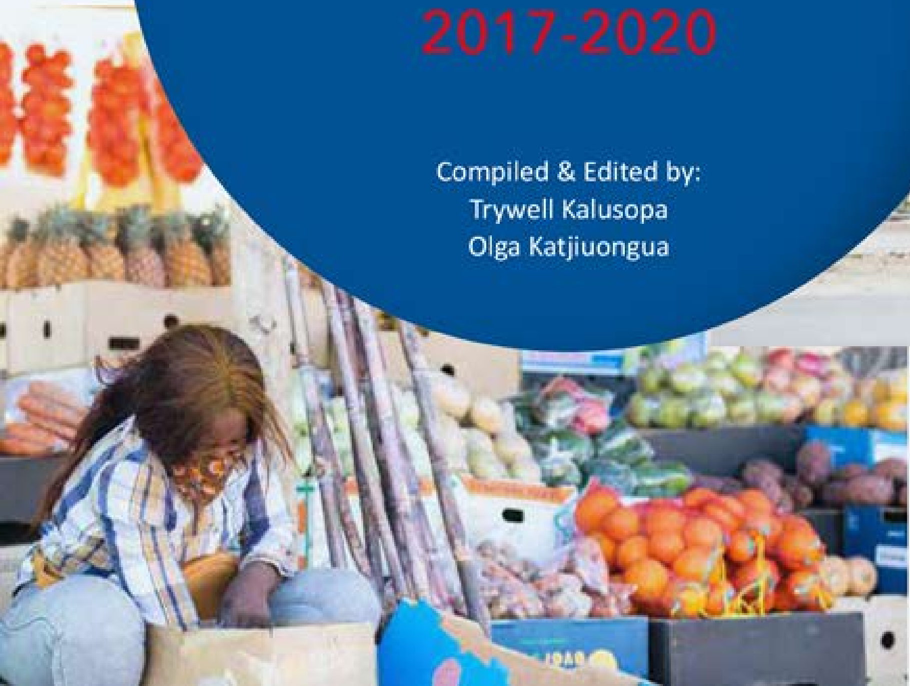
Perspectives on Namibia's Social Protection

2017-2020



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FRIEDRICH EBERT STIFTUNG

Perspectives on Namibia's Social Protection 2017-2020

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Trywell Kalusopa and Olga Katjiuongua

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FOREWORD

The Forum for Experts on Social Protection (FESP) was founded as a result of the collaboration between Frederich-Ebert Stiftung and the Sociology Department of the University of Namibia (UNAM). Since its inception in 2017, FESP has made great impacts on the social protection landscape in Namibia. To date, FESP has successfully hosted local, regional and international experts on social protection, who have led in a series of debates on various topics on social protection.

The debates have emphasised that since social protection is at the forefront of fighting social inequality and vulnerability, it is intrinsically tied to four core values and goals of social democracy, namely: social justice; solidarity; peace; and sustainable economic growth. As numerous studies have shown, social protection schemes remain at the centre of fostering social coherence, societal peace and economic growth. This is because such schemes uplift the lives of the disadvantaged and they instil a sense of hope and confidence in a just future. For this reason, debates on social protection schemes feature high on Friedrich-Ebert-Stiftung's agenda all over the globe. In Namibia, this global agenda and consensus has been realised by partnering with academic institutions such as the University of Namibia.

The collaboration has also been rewarding in that it involved prominent international organisations like, among others, the International Labour Organisation (ILO) and the United Nations Children's Fund (UNICEF). From the beginning, UNAM has offered infrastructure and facilities for the debates and discussions on the various topics on social protection and there has been a guarantee that the institution will continue to play this vital role. We, thus, applaud the University of Namibia for facilitating these debates that have culminated in this book.

It is pleasing and highly commendable that most of the significant inputs delivered during the FESP series of debates find themselves in this book- "*Perspectives on Namibia's Social Protection 2017 - 2020*". The collection of papers seeks to capture the essence of Namibian debates on social protection as much as the multifaceted aspects attached to it. At a time of growing despair, rising inequality, poverty, and unemployment with attendant high crime rates, coupled with livelihoods destroyed by the impact of the global Covid-19 pandemic, this book points to core questions that need to be urgently addressed if Namibia is to enjoy a peaceful and prosperous future. This book also provides suggestions on mainstreaming social protection schemes so that both governmental and non-governmental agencies, and other stakeholders can promote social equality and inclusion in a society of incongruent socio-economic opportunities.

As much as this book will be useful to social protection practitioners, policy makers, academics and students, it will also appeal to the general public and other stakeholders.

Pleasant reading!
Freya Gruenhagen – FES Resident Representative, Namibia
Jairos Kangira – Professor, University of Namibia, FESP founding member

ACKNOWLEDGEMENTS

We would like to thank the FES and UNAM's School of Humanities, Society and Development for spearheading the compilation of this book. In particular, we are grateful to Ms Freya Gruenhagen – FES Resident Representative, Namibia, and Prof. Jairos Kangira – Professor, University of Namibia, FESP founding member and former Dean of the Faculty of Humanities and Social Sciences (UNAM). We recognise the contribution of the Project Manager, Ms Inge Neunda, for excellently coordinating the publication of this book. We are also indebted to the editors, Prof. Trywell Kalusopa and Ms Olga Katjiuongua for their valuable contributions in compiling and editing the book. All the contributing authors are acknowledged for their unwavering patience and commitment to this volume. Lastly, the language editor, Ms Nancy Fernandes, Dr Nelson Mlambo for proof reading the manuscript, and the publishing house, John Meinert Printing are acknowledged.

LIST OF ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
ALMP	Active Labour Market Policies
ALRN	African Labour Research Network
AU	African Union
BoN	Bank of Namibia
COIDA	Compensation for Industrial Accidents and Diseases Act
FAO	Food and Agriculture Organisation
FES	Friedrich-Ebert-Stiftung
GDP	Gross Domestic Product
GRN	Government of the Republic of Namibia
HPP	Harambe Prosperity Plan
ILO	International Labour Organisation
LaRRI	Labour Resource and Research Institute
MLIREC	Ministry of Labour, Industrial Relations and Employment Creation
MVAF	Motor Vehicle Accident Fund
NAPSA	National Pension Scheme Authority
NGO	Non-Governmental Organisations
NIEIS	Namibia Integrated Employment Information System
NMBF	National Medical Benefits Fund
NISO	Namibia Informal Sector Organisation
NPC	National Planning Commission
NPF	National Pension Fund
NSA	Namibia Statistics Agency
OAP	Old Age Pension
OAU	Organisation of African Unity
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OVC	Orphaned and Vulnerable Children
PMLP	Passive Labour Market Policies
SADC	Southern African Development Community
SDG	Sustainable Development Goals
SME	Small and Medium Enterprise
SSC	Social Security Commission
SWAPO	South West Africa People's Organisation
UN	United Nations
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Fund
UNRISD	United Nations Research Institute for Social Development
WCF	Workers Compensation Fund
WFP	World Food Programme
WHO	World Health Organisation

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ABOUT THIS BOOK

Globally, social protection is now receiving more attention as the world is witnessing glaringly engrained poverty and inequality more than ever before. There is a clear consensus that social protection is a critical driver for poverty reduction and sustainable economic growth. Essentially, social protection is about the nature of the social contract between the State and its citizens, and the State's responsibility to provide a minimum level of well-being to its citizens. Nonetheless, debate rages on regarding the extent to which social protection has been an enabler to structural transformation and sustainable development. Since independence, Namibia has evolved an extensive social protection system with a significant legal framework; and a wide range of institutions, from public to private sector agencies, are interacting to deliver social services. Evidently, the implementation of these social protection programmes has occupied policy dialogue in Namibia for many years.

This book is a compilation of articles which describe the perspectives on social protection in Namibia. It is a culmination of scholarly and policy dialogue initiated by the Frederich-Ebert Stiftung and the Sociology Department of the University of Namibia. The dialogue mainly revolved around four themes that are central to explaining social protection in Namibia. These are: *Social Protection and National Development; Social Protection and Informality; Social Protection and Labour/Employment; and Social Protection and Regional/Continental/Global Dimensions.* In this book, the four related themes have been mapped and articulated in sixteen chapters as presented in the sections below.

Theme 1 focuses on Social Protection and National Development and this covers Chapters One to Six. In Chapter One, *David Keendjele*, provides an overview under the title "*The Social Protection Systems in Namibia: Towards Achieving Universal Prosperity for All*". This opening chapter traces and critically assesses the evolution of policy formulation and developments on social protection in Namibia. The chapter presents how the colonial safety net structures were first introduced by the apartheid South African Administration as early as in 1949. Thus, the early initiative on formal social protection programmes can be traced to the first old age pension schemes which excluded black Namibians up until 1973. However, at independence there was a completely radical policy shift, with the desire to expand the provision of social protection to all Namibians. The chapter then explores and shows how this implementation has widely been driven by several government departments and agencies such as the Social Security Commission, the Ministry of Poverty Eradication and Social Welfare and the Office of the Prime Minister, among others. The author then presents the challenges and gaps in the implementation to achieve social protection for all citizens. In doing this, attendant recommendations to fill those gaps are provided. The central proposition in this chapter is that, going into the future, for success to be achieved, it may be necessary to initiate structural change based on a number of closely inter-related core principles of social protection such as: comprehensiveness, preventiveness, re-integration, social solidarity and redistribution.

In Chapter Two, questions around social policy and social protection in Namibia are discussed. *Kolawole Omomowo* and *Ndeshi Namupala* argue that the idea of social protection, which gained currency, initially as a temporary palliative to combat the socio-economic consequences of the adoption of the Structural Adjustment Programme (SAP) in Africa, has over the years tended to be projected and used as the core policy framework for the provision of social goods and social welfare for vulnerable/poor populations. From the World Bank's initial idea of social risk management, to the transformative social protection of Sabates-Wheeler and Devereux, the underlying thinking of social policy that informs the idea of social protection is characteristically residual. This view of social policy limits it to redistribution and social protection, which has been further reduced to different forms of cash transfers in practice. This approach to social policy has been described as 'ex-post', aimed at treating those citizens that fall through the cracks of the market as mediated distribution. A comprehensive view, which is 'ex-ante', suggests the mutual embeddedness of economic and social policy designed to achieve the goals of a society. The founding conception of social policy suggests that the content of social policy might vary with the nature of the social context and the broad objectives of respective societies. Whilst the temporary palliative of social assistance offered by social protection programmes is imperative, in a developing country context such as Namibia, it must be complemented with a more enduring and encompassing social policy architectural framework.

Chapter Three by *Trywell Kalusopa* and *Ndeshi Namupala* addresses the idea about "*Rethinking Social Protection in the Context of Rising Inequalities in Namibia: Lessons and Prospects*". The chapter proposes that Namibia should rethink how social protection can be an instrument or enabler to confront challenges of inequality and social exclusion. It is contended that empirical and practical evidence shows that Namibia remains one of the countries with persistent and glaring inequalities in the world. This has primarily been attributed to the lack of a consistent and implementable structural transformation agenda over the years. The chapter inquires into the power and class relations and how they affect the type of social protection programmes that have evolved over time to deal with inequalities in Namibia. The centrality of the role of the State is suggested as an enabler to structural transformation. This, it is reasoned, should be augmented by the reorientation of the traditional and emerging power bases that are resident-based, bottom-up and highly networked with local communities.

Job Shipululo Amupanda presents "*Politics and Social Protection in the Namibian and African Context*" in Chapter Four. The thrust of this chapter is that the colonial project and the capitalist State that were installed in Africa ignored the social protection systems of the African traditional society. The principles of Ubuntu and African Communalism were flouted. The chapter underlines how Structural Adjustment Programmes by the Bretton Woods Institutions have over the past decades undermined these principles. It is acknowledged that the adoption of MDGs and SDGs and their operationalisation in various African Union (AU) continental treaties and charters, has rekindled the need for social protection as a developmental imperative. The question of leveraging political expedience that undermines the quest to achieve transformative social protection in Namibia is critically presented. Drawing from the available literature, the chapter asserts that although Namibia claims to be one of the countries with the most comprehensive social protection system in Africa, the country remains one of the most unequal nations in the world. Accordingly, alternatives that underscore the need for transformative social protection are presented in context.

Chapter Five by *Mally Likukela* focuses on the "*Implication of Fiscal Consolidation on Social Protection in Namibia*". The chapter discusses how funding for social protection has come under pressure under the fiscal consolidation path embarked upon by the Government of the Republic of Namibia in the past years. The chapter posits that with Namibia being elevated to a upper middle income country, most development partners scaled back on their support, which has undermined the funding for social protection programmes. The proposition in the chapter is to pursue a critical analysis of financial alternatives and prioritisation; while exploring other funding options to increase fiscal space and put social protection funding on a sustainable path.

In Chapter Six, *Arwil Viviers* writes on "*Food Production and Supply During the Covid-19 Crisis: Lessons and Perspectives*". Here, the impact of the Covid-19 pandemic on food production and supply in Namibia is analysed. The chapter traces the volatile changes in supply and demand patterns from the onset of the pandemic and brings forth the policies and measures which have emerged. It explains why the Covid-19 pandemic caused huge job and income losses and the impacts that has had on the demand, supply and overall economic growth of the country. The chapter examines the trade-offs among food, economic, health and bio-security spheres that can be made while trying to combat the pandemic and what impacts this has had on local industries, particularly on the supply of food. Furthermore, it underscores and exposes Namibia's vulnerability in terms of supply and demand shocks due to Covid-19. Namibia's dependence on imports and the importation inputs to produce goods locally is also critically examined. Measures to mitigate the impacts are thus proffered. The central proposition is an illustration of why in the future, it is important for Namibia to have local industries in the food production value chain and thus become less dependent on imports. This, it is argued in the chapter, will provide overarching thematic solutions which can guarantee food security and economic prosperity while simultaneously keeping all citizens healthy; and providing them with the necessary social protection against any future pandemics.

Theme 2 is on Social Protection and Informality, covering Chapters Seven to Nine. This section begins with Chapter Seven by *Michael Nokokure Humavindu,* whose focus is on whether there is a consolidated Namibian policy perspective on the "*Formalisation of the Informal Economy*". The chapter explores the agenda about the formalisation of the informal economy in Namibia. The apparent gap of requisite policy interventions at the macro, meso and micro levels in the development of the informal economy are critically discussed. Priority areas that require the State to play an enabling role in providing public goods and effective delivery of services to facilitate the growth of the sector are also examined. The chapter highlights key benefits of considering indirect formalisation approaches and underscores the fact that the formalisation agenda can best be advanced through the adoption of a National Policy on the informal economy in Namibia.

In Chapter Eight, *Michael Uusiku Akuupa* and *Joseph Veripi Kandenge* unravel the impact of Covid-19 on *Informal Economy Activities in Namibia* based on ground experiences. Namibia as a country has not been spared by the misfortunes presented by Covid-19. As a result, and in conformity with global standards, the Namibian Head of State declared a state of emergency at the onset of the pandemic. Accordingly, regulations were devised to enforce this state of emergency. This chapter explores how the state of emergency, Regulation 4.9 regarding a 21-day lockdown affected actors in the informal economy. It transpired that except for citizens that benefitted from the Emergency Income Grant, the same cannot be said for actors in the informal economy. Informal traders that own shebeens and fresh produce stalls, and those operating from open markets did not benefit from this economic stimulus plan created by the government. Employees in the informal economy could also not benefit from the same programme which was devised by the Social Security Commission (SSC) as they were not duly registered as per the Social Security Act at the time. It is argued that the exclusion of the organised informal economy formations from consultations that pertain to the mitigations and the combating of Covid-19 resulted in neglect and also the suffering of actors in the informal economy. There is therefore, the need to recognise informal economy activities and distinguish them from small and medium enterprises as they are of different standards.

Under this theme, Chapter Nine focuses on "*Social Protection and Women Working in the Informal Economy in Namibia*" as presented by *Ndeshi Namupala*. It is argued and affirmed that women in the informal economy are the most vulnerable and they often lack social protection. This economic precariousness and the deepening of poverty among women necessitates a discussion of the reality of women working in the informal economy of Namibia. This chapter discusses the complex situation in which women are placed to survive, focusing on how the opaqueness of social protection systems in Namibia, such as the current format of maternity benefits, deepens social inequalities. Special attention is further directed at the often-uncoordinated social policies that often violate the reproductive health and rights of women and the need for a multi-dimensional and holistic approach to social protection in Namibia. The chapter argues that the informality of employment, housing and living is a daily reality for many people, particularly women in Namibia. It underscores the fact that women face peculiar contingencies which threaten the security of their income for which they require protection. The chapter further posits that the Covid-19 pandemic has reminded us that social protection programmes, including access to adequate health care, nutrition and shelter, need to include the informal workers as a matter of urgency. Changes in policy making strategies, which include the realm of social protection systems, are recommended, particularly to level the playing ground between male and female actors.

Theme 3 of this compilation is on Social Protection and Labour/Employment, and Chapters Ten to Thirteen are dedicated to this theme. In Chapter Ten, *Olga Katjiuongua* writes on "*Labour Market Interventions and Social Protection in Namibia*". The chapter examines the nexus between the labour market and the social protection landscape in the context of youth unemployment in Namibia. It also interrogates labour market interventions employed to address youth unemployment in Namibia. Empirical findings and the reviewed literature on labour market issues and economic and social protection in Namibia since independence, confirm that the type of unemployment that Namibia experiences is predominantly structural and points to a disconnect between the type of unemployment experienced and the strategies used to address this concern. This could suggest why unemployment remains untamed. The chapter underscores the fact that job search assistance, education and skills development, micro-finance, public works and employment schemes, are among the key strategies to address unemployment in Namibia. Ironically, these strategies struggle to reduce unemployment due to conceptual and delivery deficiencies, as there continues to be a weak link between labour demand and supply. The chapter recommends that modernising and popularising the subsistence agricultural sector holds the key to the creation of decent rural jobs and self-employment opportunities, and this can improve labour market outcomes and enhance access to social protection.

In Chapter Eleven, *Marius Olivier* examines whether *"Unemployment Insurance is of Value for Namibia."* This contribution engages with the possible introduction of an Unemployment Insurance (UI) scheme into the Namibian social security landscape. The argument is that apart from ameliorating unemployment among workers who have not only lost their jobs, the UI may make some contributions to unemployment prevention and promotion objectives. Comparative experiences and international as well as regional standards support the establishment of such a scheme. It is, therefore, possible to develop a model that complies with the requirements of the International Labour Organisation (ILO) Social Security (Minimum Standards) Convention (Convention 102 of 1952) in Namibia. It is argued that an UI scheme for Namibia is affordable and that the country should incrementally expand its coverage so that there is a system of automatic stabilisers to contributions and benefits. However, the scheme should be informed by an appropriate legal and policy framework, bearing in mind international standards and comparative good practice. Links with unemployment prevention, especially in respect to youth unemployment and, in particular, the labour market integration of clients of the scheme, are also essential. The scheme should include government employees, as well as make special arrangements to accommodate informal (economy) workers.

In Chapter Twelve, *Herbert Jauch* looks at the *"ILO's Future of Work Project in the Namibian Context."* The chapter explores whether the proposals can deliver economic security, equal opportunities and social justice through a re-invigorated social contract which places people at the centre of economic and social policy. The Commission proposed three core pillars, including investments in people's capabilities, investments in the institutions of work and investments in decent and sustainable work. Since independence, Namibia has embarked on various initiatives to create additional jobs. These included the creation of the Export Processing Zones in 1995, the National Employment Policy of 1997 as well as sectoral interventions such as the Targeted Intervention Programme for Employment and Economic Growth in 2011. None of these interventions, however, created a significant number of permanent and decent jobs. The second National Employment Policy of

2013 was then designed with the vision to create over 90,000 additional jobs in various key sectors of the economy. However, its implementation was hampered by a lack of cooperation among state agencies, poor coordination, a lack of monitoring, gaps in skills training and development, limited social dialogue and poor labour market information. The chapter alludes to the fact that the Covid-19 pandemic has now severely worsened Namibia's unemployment crisis. Prior to the pandemic, Namibia's unemployment rate stood at 33% while 32% of all employed persons were vulnerable and working in precarious conditions. Almost 60% of all employed persons were either partially or just not covered by social protection and the economic sectors that accounted for most employment were among those hardest hit by the pandemic. Officially, between January and September 2020, about 11,000 retrenchments were reported. It is projected that by August 2021, the real figure was likely much higher and the overall unemployment rate may have reached around 50%. In that regard, it can be argued that the transformation of the world of work as envisaged by the ILO has hardly occurred in Namibia. Clearly, there are no signs of an emerging social contract. The education system has not yielded the expected results in terms of skills while substantive gender equality in the workplace is yet to be achieved. The chapter advances that Namibia still has the opportunity to set up a comprehensive social protection system by adding to the non-contributory schemes, a universal child grant and a universal basic income grant to the existing social pensions. Overall, Namibia's future of work looks uncertain as the country will have to fundamentally restructure its economy to move beyond the limitations of the enclave economy. This will be a precondition for the creation of a large number of decent jobs in the years to come.

Chapter Thirteen, by *Evance Kalula* and *Theodore Kamwimbi* is entitled "*The ILO into the Second Century: Selected African Perspectives on the Quest for and Impact of Social Justice through Social Protection*". In this chapter, it is argued that the on-going and still unfolding Covid-19 pandemic has highlighted and reinforced the need for social justice. Despite its global reach, the impact of the pandemic is bound to be disproportionate, not only adversely affecting poor countries, many of them in Africa, but also the most disadvantaged and vulnerable in those countries. The need for comprehensive social protection in the quest for social justice has, therefore, never been greater. The pandemic comes in the wake of the recent Centenary of the International Labour Organisation (ILO), the foremost institution in the international systems charged with the task of pursuing peace through social justice. This chapter briefly reflects on some of the historical and philosophical foundations of the ILO mission in the search for universal social justice over the last century and during contemporary times. Using selected African experiences, it highlights the impact of the ILO's efforts in terms of the struggle against poverty and the search for adequate basic needs through social protection, using a variety of instruments and tools. In each context, some of the instruments are presented and they include international labour standards as well as national legislation and policies, in particular labour and social security law. Such efforts are examined in both historical and contemporary terms. They are measured against some of the challenges that have been and continue to be encountered. In the face of such challenges and obstacles, the chapter, in passing, looks at recent ILO efforts to renew its mission and seize new prospects through innovation. The authors also refer to the current and likely impact brought about by changes in the world of work and what those changes entail for social policy and protection in Namibia and other Africa countries, including South Africa and Mauritius.

Theme 4 focuses on the Regional, Continental and Global Dimensions of Social Protection and how Namibia can learn and advance its agenda. This is dealt with in Chapters Fourteen to Sixteen. In Chapter 14, on *"Mapping Social Protection and Sustainable Development Goals (SDGs) in Namibia", Mahogora Kavihuha* critically examines the extent to which social protection can be mapped in the context of the Sustainable Development Goals (SDGs) in reducing poverty and inequality in Namibia. Through detailed document analysis, the chapter demonstrates the centrality of the expression of social protection in furthering inclusion and sustainable development. The chapter also argues that enshrining of social protection in several international, continental and regional legal instruments, and placing it at the centre of human rights, should be the predominant occupation of any State, particularly Namibia. The chapter also posits that achieving universal social protection is part of a country's Sustainable Development Goals (SDGs) and this is clearly expressed through several goals classified as either primary or secondary. As a result, each UN/ILO member state is required to nationally define and provide context to the national social protection floors and SDGs targets. Drawing from statistics, this chapter shows that although Namibia is providing several social protection programmes, there is inherently no significant positive impact on the reduction of poverty and inequality. In that regard, the social protection schemes offered in Namibia can be said to have performed poorly in the three efficiency and effectiveness indicators, namely: coverage, target accuracy and generosity, in terms of the implementation of the social protection guarantees. It is recommended that Namibia should 'decommodify' access to social protection by adopting the universality approach that covers all of the social protection floors, thus ensuring that beneficiaries receive close to 100% of the intended benefits as opposed to means-testing, which guarantees less than 70%; while the rest goes to fund the top-heavy administration.

In Chapter 15, *David Keendjele* looks at the "*Portability of Social Security Benefits in the SADC Region – Right to Access Social Security by Migrant Workers in SADC*". This chapter contains an assessment of the barriers to access and the portability of social security benefits for migrant workers in the region by looking at the gaps in the existing regional and national instruments/legislations and making recommendations on addressing these. The author presents the SADC Labour Migration Policy framework that provides for the right to transfer one's earnings; and for migrant workers to enjoy equal treatment with nationals regarding their social security benefits. It is argued that national laws must thus be adjusted to enable access to social security by migrants. Social security systems and access to prescribed benefits to workers and their families are now under more severe threats given the Covid-19 crisis. For migrant workers, these challenges are even more and policies need to be adapted to accommodate the right of access to social security and social protection by these workers. The chapter recommends policy options and appropriate instruments that can assist in promoting and protecting the rights of migrant workers for them to access social security in the SADC region.

Finally, Chapter 16 by *Johnny Strijdom*, unveils the "*African Union Agenda 2063 and Social Protection*". The chapter begins by alluding to social protection provisions espoused in the legal and policy instruments of the African Union (AU) which are also echoed in the AU Agenda 2063, the strategic framework for the socio-economic transformation of the continent over the next few decades. At the request of the highest AU policy organs, shortly after the adoption of Agenda 2063, the Protocol to the African Charter on Human and People's Rights on the Rights of Citizens to Social Protection and Social Security was developed, as well as Social Agenda 2063. The latter illuminates the social development investments required, including social protection, to achieve the social development outcomes of Agenda 2063. In addition to being human rights-based, prioritising inclusion (leaving no one behind) towards combating poverty and inequality, Social Agenda 2063 is premised on nine social policy pillars: family policy as a cross-cutting social policy issue; gender equality as a cross-cutting goal; social protection; universal access to basic societal utilities/services (water, sanitation, energy, housing and transportation), quality and inclusive education; access to good and inclusive health and wellness; access to sufficient and nutritious food; formal labour markets and entrepreneurship; and informal and rural economies. The separate social policy pillar for social protection provides for basic social protection over the life cycle, and also for addressing vulnerability (protection and services for target groups of people who are at high risk of falling into poverty), through safety nets - social assistance and social services. Social Agenda 2063 has already been used as a framework upon which Member States could base their response upon to mitigate the secondary social and economic impacts and vulnerabilities resulting from the Covid-19 pandemic. The implementation of Social Agenda 2063 by Member States will be monitored and evaluated by the AU Commission for onward reporting to the AU Heads of States and Governments. Namibia being part of the AU can learn and integrate this in its current social protection aspirations.

Trywell Kalusopa & Olga Katjiuongua, Windhoek, Namibia

Table A: Thematic Mapping of Book

Chapter	Author(s) /Affiliation	Title
Theme 1: Social Protection and National Development		
1	**David Keendjele** Social Security Commission, Namibia	The Social Protection Systems in Namibia: Towards Achieving Universal Prosperity for All
2	**Kolawole E. Omomowo** University of Namibia & **Ndeshi Namupala** University of Namibia	Social Policy and Social Protection in Namibia
3	**Trywell Kalusopa** University of Namibia & **Ndeshi Namupala** University of Namibia	Rethinking Social Protection in the Context of Rising Inequalities in Namibia: Lessons and Prospects
4	**Job Shipululo Amupanda** University of Namibia	Politics and Social Protection in the Namibian and African Context
5	**Mally Likukela** Twilight Capital Consulting, Namibia	Implication of Fiscal Consolidation on Social Protection in Namibia
6	**Arwil Viviers** Namib Mills, Namibia	Food Production and Supply During the Covid-19 Crisis: Lessons and Perspectives
Theme 2: Social Protection and Informality		
7	**Michael Nokokure Humavindu** Ministry of Industrialisation, Trade and SME Development, Namibia	Formalisation of the Informal Economy: A Namibian Policy Perspective
8	**Michael Uusiku Akuupa** Labour Resource and Research Institute (LaRRI) & **Joseph Veripi Kandenge** Namibia Informal Sector Organisation (NISO)	Impact of Covid-19 on Informal Economy Activities in Namibia: On the Ground Experiences

9	**Ndeshi Namupala** University of Namibia	Social Protection and Women Working in the Informal Economy in Namibia
Theme 3: Social Protection and Labour/Employment		
10	**Olga Katjiuongua** Social Security Commission	Labour Market Interventions and Social Protection in Namibia
11	**Marius Olivier** Faculty of Law, Nelson Mandela University / School of Law, University of Western Australia	Is Unemployment Insurance of Value for Namibia?
12	**Herbert Jauch** Economic and Social Justice Trust, Namibia	The ILO's Future of Work Project in the Namibian Context
13	**Evance Kalula** University of Cape Town, South Africa & **Theodore Kamwimbi** Court of Appeal in the Democratic Republic of the Congo (DRC)	The ILO into the Second Century: Selected African Perspectives on the Quest for and Impact of Social Justice through Social Protection
Theme 4: Social Protection and Regional/Continental/Global Dimensions		
14	**Mahogora Kavihuha** Trade Union Congress of Namibia (TUCNA)	Mapping Social Protection and Sustainable Development Goals (SDGs) in Namibia
15	**David Keendjele** Social Security Commission, Namibia	Portability of Social Security Benefits in the SADC Region – Right to Access to Social Security by Migrant Workers in SADC
16	**Johnny Strijdom** North-West University, South Africa	African Union Agenda 2063 and Social Protection

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Theme 1

Social Protection and National Development

Chapter One

The Social Protection Systems in Namibia: Towards Achieving Universal Prosperity for All

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Abstract

In literature and practice, Namibia has been hailed as one of the few countries with an all-inclusive social protection system in Africa. This chapter therefore, critically traces and assesses the evolution in policy development and formulation towards social protection for all Namibian citizens. The chapter posits that the adoption of the social protection systems in Namibia was historically influenced by the colonial safety net structures; with the first scheme introduced being that of old age pensions by the South African Administration in 1949; but which excluded black Namibians until 1973. The policy shift, with the desire to expand the provision of social protection for all Namibians is extensively discussed in this chapter. The implementation by several government departments and agencies such as the Social Security Commission, Ministry of Poverty Eradication and Social Welfare and the Office of the Prime Minister, among others, is hitherto examined. The challenges and gaps in the implementation to achieve social protection for all are also unravelled. The chapter then provides concomitant recommendations to fill those gaps. It argues that these should centre on employing structural change based on a number of closely inter-related core principles of social protection such as comprehensiveness, preventiveness, re-integration, social solidarity and redistribution. Further considerations should be placed on adopting a multi-factorial, rights-based, multi-actor and multi-dimensional approach if social protection for all is to be realised in Namibia.

Key words: Social Protection, Social Exclusion, Social Protection Policy, Namibia

Introduction

Historically, there appears to be a lack of a clear and consistent approach by those involved in policy development and formulation on social protection in Namibia. This was mainly driven by two basic facts. The first has been the absence of a clear definition of what is accepted as the core definition of social protection in Africa. Secondly, until recently, globally, there has been reliance on the International Labour Organisation's (ILO) narrow definition of social security, while ignoring the reality and limitations of such a definition in the African context. In Namibia, this has been compounded by the long history of colonialism of nearly 116 years until independence in 1990.

The adoption of a social protection system was therefore, heavily influenced by the inherited safety net structures of the colonial legacy. For example, the old age pension which was the first social protection scheme introduced in Namibia by the South African administration in 1949, excluded black Namibians until 1973 (Risper & Shindindola-Mote, 2012).

International instruments, national policy documents and academics provide differing definitions of social security. Some approaches define social security with reference to an enumerated list of social risks (ILO, 1952), while other approaches define the concept in terms of the involvement of the State (Barker & Holzhausen, 1996), or in terms of the aims served by social security generally and/or by particular schemes. It is with this realisation that the ILO in 2012 adopted a new approach to social protection that deviated from its traditional approach which defined the concept of social security too narrowly. What followed was the adoption of the Social Protection Floors recommendation which provides a broader definition for this very concept, previously viewed as the bible of social safety nets in terms of Convention 102 of 1952.

It is now accepted that social security, and by extension social protection, is not a fixed concept, but reflects both similarities and varieties (Berghman, 1991). Similarities exist with regards to the list of social contingencies or risks covered by a scheme, which are often referred to as the core elements of social security. Most systems also still rely on the traditional distinction between social insurance and social assistance (ILO, 1989) as embedded in the concept of social security (Pieters, 1993).

The World Bank has over the years advocated for a multi-pillar structure of social security like that which is generally practised in many countries in Europe and the Americas. The World Bank Group states on its website that it supports universal access to social protection, which is central to its goals of ending poverty and boosting shared prosperity (World Bank, 2020). It deems universal social protection coverage to include the provision of social assistance through cash transfers to those who need it, especially children. In addition, benefits and support must also be provided to people of working age in case of maternity, disability, work injury to those without jobs and must also include pension coverage for the elderly. Assistance is provided through social insurance, tax-funded social benefits, social assistance services, public works programmes and other schemes guaranteeing basic income security. Social protection systems feature prominently in the United Nations (UN) Sustainable Development Goals (SDGs). For example, Goal 1.3 calls for the implementation of *"nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage for the poor and vulnerable"* (World Bank, 1996).

Namibia has a multi-pillar social protection system. This entails social insurance, social assistance programmes and labour market interventions run by the public and private sectors. Social assistance is a universal, non-contributory system. It is both means-tested and non-means-tested and is funded from government revenues. This system includes social protection programmes run by various ministries including the Office of the Prime Minister, the Ministry of Poverty Eradication and Social Welfare, the Ministry of Health and Social Services, the Ministry of Gender Equality and Child Welfare, the Ministry of Finance, the Ministry of Defence and War Veterans, and the Ministry of Agriculture, Water and Land Reform. Social assistance benefits include non-contributory pensions such as the Old Age Pension, War Veterans' Allowance, Blind Persons' Pension, Disability Pension, Child and family allowances (Maintenance grants, Foster parent allowance and place of safety grants and institutional programmes), subsidies to welfare organisations and school feeding programmes.

Social insurance benefits are mostly provided by the Social Security Commission (SSC) and to an extent, by the Motor Vehicle Accident Fund (MVAF). All employers must register their employees as members of the social security schemes, while self-employed persons may register voluntarily as both employer and employee. Coverage is extended not only to workers in the formal employment context, but also to independent contractors and the informally employed. Coverage by MVAF is, however, much broader than that of the SSC as it is non-contributory and covers everyone involved in a motor vehicle accident within the borders of Namibia.

The Constitution of the Republic of Namibia does not guarantee a right to social security/protection as is the case in South Africa (SA) (Republic of South Africa, 1996). Section 27(1)(c) of the SA Constitution for example, reads: *"Everyone has the right to have access to..., social security, including, if they are unable to support themselves and their dependents, appropriate social security."*

Entitlement to social insurance (security) and social assistance (which henceforth in this chapter is holistically be referred to as social protection) is not mentioned as an enforceable fundamental right in Chapter Three of the Namibian Constitution. The provision of social protection and its related benefits is regulated, however, as one of the Principles of State Policy in Chapter Eleven of the Constitution. Article 95 on the *"Promotion of the Welfare of the People"* states that the State shall actively promote and maintain the welfare of the people. The Constitution does though, compel the State to adopt policies aimed at the enactment of legislation to ensure equality of opportunities for women, to enable them to participate fully in all spheres of the Namibian society and ensure the implementation of the principle of non-discrimination in the remuneration of men and women, and to provide maternity and related benefits for women through appropriate legislation (Republic of Namibia, 1990). It further states that the State must ensure that every citizen has a right to fair and reasonable access to public facilities and services in accordance with the law, as well as ensuring that senior citizens are entitled to and receive a regular pension adequate for the maintenance of a decent standard of living and the enjoyment of social and cultural opportunities.

Section 95 additionally requires the State to enact legislation to ensure that the unemployed, the incapacitated, the indigent and the disadvantaged are accorded such social benefits and amenities as are determined by Parliament to be just and affordable with due regard to the resources of the State. The State must establish a legal system that seeks to promote justice on the basis of equal opportunity by providing free legal aid in defined cases with due regard to the resources of the State; ensure 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; and endeavour, through consistent planning, to raise and maintain an acceptable level of nutrition and standard of living of the Namibian people and to improve public health.

There also exist other fundamental rights in the Constitution that underpin and support the development and delivery of social protection schemes. The Constitution accords the right to equality and freedom from discrimination; the right to a fair trial, the right to private property and to privacy. The National Pensions Act (National Pensions Act, 1992) established a universal, non-contributory and non-means-tested social assistance system, as means-testing is considered discriminatory and thus unconstitutional (Social Security Commission, 2001). The right to human dignity is further protected in the Constitution and requires that the dignity of all persons is inviolable, and that in any judicial proceedings or in any other proceedings before any organ of State, respect for human dignity shall be guaranteed. In this regard, social protection beneficiaries also have a right to administrative justice. This Article compels administrative bodies and officials to act fairly and to comply with the requirements imposed upon such bodies by common law and any relevant legislation. Persons aggrieved by the exercise of administrative acts and decisions have the right to seek redress before a competent Court or Tribunal.

Article 95(f) suggests that the State's obligation in providing a regular pension adequate for the maintenance of a decent standard of living and the enjoyment of social and cultural opportunities is not dependant on the availability of resources. This is in contrast with Article 95(g), which requires the State to enact legislation to ensure that the unemployed, the incapacitated, the indigent and the disadvantaged are accorded social benefits and amenities as determined by Parliament to be just and affordable with due regard to the resources of the State. The provision of legal aid is also subject to the resources of the State.

The term social protection further encapsulates elements and rights related and ancillary to social security itself. These other fundamental rights play a significant role in the context of Namibian social protection, such as respect for human dignity, the right to equality and freedom from discrimination, the right to privacy, the right to property and the right to administrative justice. Together with social security, the presence of these elements can be said to ensure, from a human rights perspective, adequate social protection. The type of social protection programmes adopted by Namibia depict either the character of a universal scheme covering everyone who meets the eligibility criteria, a social insurance scheme that is based on membership and funded through payroll deductions in respect of contributions to the scheme paid by the members, or social assistance schemes and labour market interventions funded through tax revenue.

This chapter describes social protection programmes in Namibia and will undertake to do a synopsis of the extent to which the above rights to social protection are present in the programmes and schemes administered by various bodies/entities and if there are gaps, recommend approaches to be adopted to fill those gaps. The next section describes the social assistance programmes, their legal basis and the extent of coverage.

Social Assistance Programmes

Namibia operates a universal, non-contributory social assistance system. Social assistance is generally not means-tested and is funded through government revenues. Benefits include non-contributory pensions such as the Old Age Pension, War Veteran's Allowance, Blind Persons' Pension, Disability Pension, Child and Family allowances (which includes Maintenance grants, Foster Parent allowance and Place of Safety grants and institutional programmes), subsidies to welfare organisations and school feeding programmes (Institute of Development Studies, Sussex 2001, p. 15). Social assistance cash transfers are regulated by the National Pensions Act 10 of 1992 and other specific pieces of legislation.

Regulatory Framework – Social Assistance

The first law relating to social protection was passed by the South African (SA) colonial administration in 1949 and this provided for social pensions for aged persons but excluded the black population or non-white population until 1973. Later in 1965, the German war veterans' pensions was introduced.

In 1960, the first children's law regarding family allowance was passed. However, this was only implemented in 1977 and was later replaced by the current law in 2015.[1]

In 1973, a new provision was introduced to social pensions to include black people. And later in 1999, the veterans' pension was introduced[2]. The Pension Funds Act was introduced in 1956 and in 1992 the National Pensions Act was passed by the Namibian Parliament as an independent State, which was implemented in 1994. In addition to these, the War Veterans' Pension[3] was introduced in 2008 as an extension to the social assistance safety net.

Coverage for Universal and Social Assistance Programmes

Aged, blind and disabled persons' basic State pension; Blind persons' pensions and disability pensions constitute the coverage and social assistance programmes (National Pensions Act, 1992).

1 See Child Care Protection Act 3 of 2015
2 Security Programmes Throughout the World (SSPTW) Reports, 2019
3 War Veterans Subvention Act 16 of 1999

To qualify for an old age pension, blind persons' pension and the disability pension, an applicant must be an aged, blind or disabled person, respectively, and:

- An applicant must be a Namibian citizen or permanent resident, who is resident in Namibia at the time of the application;
- An applicant is entitled to the old age pension, blind persons' pension and disability pension irrespective of his/her assets, income or other pensions (Schleberger, 2002);
- Beneficiaries of the old age, blind persons' and disability pensions may also receive additional and supplementary allowances;
- An attendant's allowance is also paid to, or on behalf of, a recipient of an old age, blind person's and disability pension who is in such a physical and mental condition that he/she needs to be cared for; and
- The disability and blind persons' pensions system also caters for rehabilitation, disability prevention and logistical and financial support (Bester et al., 2004).

An application for an old age, blind persons and disability pension must be made in the prescribed form to the district officer of the district where he/she ordinarily resides. The district officer may make any enquiries in respect of an applicant that he/she deems necessary. Applicants for the disability pension are subsequently examined by the district surgeon. The applicant must then submit the district surgeon's medical report, in the prescribed form, to the Permanent Secretary, now referred to as the Executive Director, for Health and Social Services. The Executive Director shall consider the application, and in the case of an application for a disability pension, also assess the medical report, and may grant or refuse the application. Where the application is granted, the Executive Director shall determine the amount of pension to which the applicant is entitled.

The Executive Director may, at his/her discretion, suspend the payment of any pension, excluding the basic State pension, if the beneficiary is absent from Namibia for a continuous period exceeding six months. The Executive Director may also cancel a pension where the beneficiary ceases to be a Namibian citizen, a permanent resident ceases to be an ordinarily resident in Namibia, a beneficiary fails to furnish proof of his/her Namibian citizenship within the prescribed period and where a beneficiary fails to collect his/her pension for a continuous period exceeding three months (see box 1).

Box 1: Current Funeral Benefits

- Funeral benefit (universal). The deceased received or was entitled to receive a universal old-age or disability pension at the time of death: The cost of the funeral, up to N$3,200[4] (now N$4,500-00).
- Namibia Old-Age Benefits Old-age pension (Old-age Grant, universal): N$1,300 a month (MGECW, 2020).

Source: http://www.mgecw.gov.na, accessed on 14 October 2020

War Veterans' Allowance

The war veterans' allowance is provided in terms of the War Veterans Subvention Act. The current law was passed in 2008 and used the same principles contained in the 1999 Act.

The Act provides for the payment of a subvention to war veterans and dependants of deceased war veterans (see Box 2). Potential applicants of the war veterans' subvention must apply to the Board for registration as war veterans or dependants of deceased war veterans. To be entitled for the subvention, an applicant must satisfy the Board of the Fund that he/she is amongst others, a person who:

- is resident in Namibia;
- on or before the application date has attained the age of 55 years;
- before the application date suffered a permanent disability arising out of his/her service as a member of the liberation force; and
- is not employed.

Box 2: Current War Veteran Benefits

- Veteran lump sum payment of N$50,000 per approved beneficiary.
- Project funding for up to N$200,000 per beneficiary.
- Veterans' pension (Veterans' subvention, social assistance, income tested): N$2,200 a month.
- Permanent Disability Benefits, Disability pension (Disability Grant, universal): N$1,300 a month.

Source: http://www.mgecw.gov.na, accessed on 14 October 2020

Maintenance, Foster Care and Place of Safety Grants

The maintenance grant is made up of a parent's grant and a child grant for each child (for the first three children). The parent's grant is provided to a single woman who has

4 This amount was increased to N$4,500 as from 1st April 2020 when the administration of the schemes was passed to the Social Security Commission (see Box 1).

never been married, is divorced, widowed or who has been deserted by her husband for a period of three months or longer. Potential beneficiaries also include a woman whose husband is in receipt of a social pension or whose husband has been certified to be unfit for remunerative work or is imprisoned (Bester et al., 2004). A foster parent grant is paid to those providing temporary care to a child placed in his/her custody. A place of safety grant is awarded for very brief periods to any family willing to accept a child found in difficult situations or who is being abused.

Qualifying Conditions

Child Disability Grant (universal): This grant is paid for a child younger than age 16 with a disability. The applicant must provide a social back¬ground report from a social worker and a medical certifi¬cate issued by a State medical doctor. The child disability grant ceases when the child reaches age 16 and is replaced by the disability grant (see Old Age, Disability, and Survivors).

Foster Parent Grant (universal): Paid to foster parents who meet certain conditions.

Maintenance Grant (social assistance, income tested): Paid for biological children up to age 18 to social assisted pensioners, widow(er)s, or in respect of persons serving a prison sen¬tence of six months or longer, with a monthly income of N$1,000 or less. Children older than age 7 must be attending school (see Table 1.1).

Vulnerable Child Grant (social assistance, income tested): Paid to certain vulnerable families with children younger than age 16 with a monthly income of N$1,000 or less (see Table 1.1).

Table 1.1: Child Grants and Current Benefits

Maintenance grant (social assistance, income tested): N$250 a month for each eligible child, up to six children
Vulnerable child grant (social assistance, income tested): N$250 a month for each eligible child, up to age 16
Child disability grant (universal): N$250 a month for each eligible child, up to age 16
Foster parent grant (universal): N$250 a month for each eligible child for the duration of the foster care period

Source: Http://www.mgecw.gov.na*, accessed on 14 October 2020*

Theme 1 - Social Protection and National Development

2.2.4 Subsidies to Welfare Organisations and Remission of Rent Schemes

The Department of Social Welfare administers a scheme which provides subsidies to welfare organisations. The State provides about 30% of the subsidies which vary between different welfare organisations. The Department of Social Welfare also assists municipalities with the rent and service fees of the needy. The remission of the rent scheme, which is limited to urban areas, provides for remission of rent for defaulters.

Reports of the activities under these programmes are scattered among the ministries'/ agencies' annual reports and they are not captured in this chapter.

2.2.5 Other Social Assistance Programmes

The Ministry of Education, Arts and Culture administers a school-feeding programme, while the Ministry of Gender Equality, Poverty Eradication and Social Welfare provides childcare grants. The Ministry of Agriculture also provides drought relief assistance during periods of crises or national disasters. The Build Together housing programme (National Housing Development Act, 2000) assists low-income earners without access to private sector housing finance or to the finance offered by the National Housing Enterprise (NHE Act, 1993).

Conclusion About Social Assistance Programmes

Namibia is one of three Southern African Development Community (SADC) countries with social assistance programmes that are commended in terms of access and coverage. The amount in payment, however, is not on par with similar payments in neighbouring SA although the two currencies used in the two countries are pegged to each other. This discrepancy urges the adequacy of benefits in comparison to the poverty line in the country. Evidence has shown that these programmes have assisted to lift people out of extreme poverty.

Social assistance in Namibia is provided in terms of various pieces of legislation and through different government ministries'/agencies' strategic plans. This fragmentation of social assistance provision across government departments and agencies have led to inefficiencies, regional bias, exclusion errors and fraud (Bester et al., 2004). The need for coordination among the social protection actors is thus necessary to avoid the gaps as discussed in this chapter.

Social Insurance/Security Programmes

Social security/insurance is mainly provided through the Social Security Act of 1994. The SSC operates a contributory social security fund through payroll contributions. The Motor Vehicle Accident Fund also provides statutory coverage for all motor vehicle related accidents, which are funded through the fuel levy. A brief description of the social insurance programmes offered under the scope of social protection is provided below:

Social Security Act, Act 34 of 1994

Social insurance is regulated mainly by the Social Security Act (SSA) of 1994 and the Employees' Compensation Act 30. The SSC, established in terms of Section 3(1) of the SSA, administers social insurance schemes and labour market interventions. The SSA regulates the constitution, powers, duties and functions of the SSC.

The SSC provides for the payment of benefits such as maternity leave, sick leave benefits and death benefits to employees, and to establish for that purpose the maternity leave, sick leave and death benefits fund; it provides for the payment of medical benefits to employees and to establish for that purpose the national medical benefits fund; it provides for the payment of pension benefits to retired employees and to establish for that purpose the national pension fund; and it provides for the funding of bursary, study loan, employment and training schemes for the disadvantaged, unemployed persons and to establish for that purpose the development fund. A National Pension Fund (NPF) and a National Medical Benefits Fund (NMBF) are also envisaged for the future. The aim of the NPF will be to extend the current benefits provided to members to a basic pension, including a funeral grant. Overall, the SSC has the duty, inter alia, to administer the funds established by the SSA or any other funds assigned to the Commission by any other law.

Coverage of Maternity Leave, Sick Leave and Death Benefits (MSD) Fund (employers and employees)

In terms of Section 20 of the SSA, all employers whose employees work for more than two days a week, must register them with the SSC as an employer (Section 20(1)(a)). The employer must also register every employee as an employee (Section 20(1)(b)). Section 20(2) states that a self-employed person who does not employ any other person may voluntarily register himself/herself both as an employer and employee. In 2018, employees registered with the Maternity Leave, Sick Leave and Death Benefits (MSD) Fund numbered 712,446 compared to 703,288 at the beginning of 2017. The MSD Fund coverage in respect of registered 2016 employees hovered above 90%. Coverage for the informal sector remained a challenge according to the SSC compliance tracker (SSC Annual Report 2018/19).

There are mainly two active funds, the MSD Fund as mentioned above and the Employees' Compensation Fund (ECF). Employers who are registered with the two active funds are presented in the table below. MSD Fund employers are more than ECF Fund employers due to the limited scope of coverage offered by the ECF. As the figure below indicates, the bulk of employers are mostly concentrated in urban centres located in four regions namely Khomas, Erongo, Otjozondjupa and Oshana.

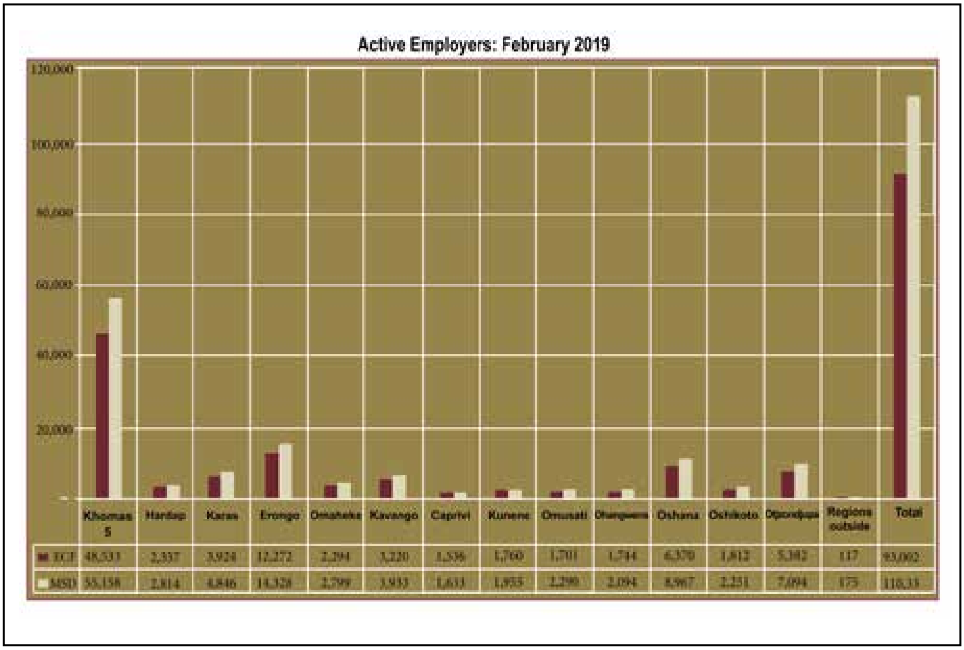

Figure 1.1: Employers registered with ECF and MSD Fund: 2019

(Source: SSC Annual Report 2018/19)

Figure 1.1 shows that the majority of MSD registered employers are concentrated mainly within the Khomas (55,158) and Erongo (14,328) regions.

Funding of the MSD Fund Scheme

The employer is required to deduct the contributions of his/her employee from such an employee's remuneration and pay it, together with the contributions payable by him/her as an employer, to the SSC (Social Security Act, 1994). A self-employed person who registers voluntarily pays both the contributions payable by an employer and an employee. The employee contributes 0.9% of his/her remuneration subject to minimum and maximum prescribed levels. The employer's contribution is equal to that of an employee.

Qualifying Conditions for MSD Fund Benefits

An employee is entitled to MSD Fund benefits from the SSC if he/she has been a member of the Fund for at least six months and if all his/her contributions are fully paid-up. This requirement is, however, due to change when a long-term Fund, such as the envisaged National Pension Fund is introduced.

MSD Fund Benefits

The MSD Fund provides maternity leave benefits to all registered female employees:

- An employee on maternity leave is entitled to 100% of her monthly income, within the prescribed minimum and maximum limits.
- Maternity benefits are payable for four weeks before the employee's date of confinement, subject to a certification in writing by a medical practitioner, of her expected date.
- Maternity benefits are also paid for a period of eight weeks after the actual date of confinement.
- Where the child dies within two weeks after the actual date of confinement, benefits are paid for a further period of four weeks from the date of death of the child.
- Where the member dies while receiving or where she is entitled to maternity leave benefits, the benefits may be paid to the person in whose care the child is placed, or to any other person considered by the SSC to be a fit and proper person to administer the benefits on behalf of the child.

In addition, the MSD pays a sick leave benefit to a registered employee who is incapacitated for at least 30 days and who has exhausted his/her sick leave period in terms of Section 24 of the Labour Act 15 of 2007 or the contract of employment. A sick leave cash allowance is paid at a rate of 75% of countable basic wages as determined by Regulations.

The MSD also offers death, disability and retirement benefits. The Fund makes a once-off payment (long-term) upon the death of a fully paid-up member, or upon retirement or permanent disability. The amount paid is the full value of the death benefits that would have been paid had the member died on the date of his/her retirement. The death benefits of a member who dies without leaving dependants is paid into his/her deceased estate.

During the 2017/18 Financial year, N$283.8 million (2016/17: N$281.8 million) was paid out by the MSD Fund, representing a growth of 0.7%. A total number of 38,045 (2016/17: 35,944) claims were paid out of the MSD Fund, averaging N$7,330 (2016/17: N$7,288) per claim.

Employees' Compensation Act Benefits

The Employees' Compensation Act establishes an Accident Fund and an Accident Pension Fund and provides insurance to employees against loss of earnings resulting from employment injuries and diseases contracted in the course of employment. Contingencies covered include medical aid, temporary and permanent disablement, disability and death resulting from employment-related incidents (Ministry of Labour and Social Welfare, 2006).

ECF Benefits and claims paid for 2018 are summarised as follows (SSC Annual Report 2018).

During the 2017/18 reporting year, N$44.2 million (2016/17: N$26.3 million) was paid out by the Employees Accident Fund, representing a growth of 68%. The largest portion of the benefit paid, 36%, was for medical expenses.

A total number of 4,540 (2016/17: 4,109) claims were paid out of the ECF, averaging N$4,802 (2016/17: N$4,964) per claim in the same period of 2017/18.

Coverage

About 93,000 employers were registered with the ECF in 2019 compared to 110,000 for the MSD Fund. The difference between the numbers of registered employers between the two Funds may be attributed to earnings related exclusions under the ECF, whereas it is compulsory for all employees to be covered under MSD.

Motor Vehicle Accident Insurance Scheme

The Motor Vehicle Accident (MVA) Fund was established in 1991, in terms of Act 30 of 1990, shortly after independence, to compensate people injured in motor vehicle crashes or the dependents of people killed in such crashes. Then a "fault-based" system compensation was paid as a result of negligence or any other unlawful act on the part of the driver.

Motor vehicle accident insurance refers to compensation to a person who has suffered loss or damage through a motor vehicle accident and is regulated by the Motor Vehicle Accidents Fund Act. The Act creates a fund for the administration of compensation to motor vehicle accident victims.

Today, after successful policy review, the Fund is mandated to design, promote and implement crash and injury prevention measures, provide assistance and benefits to all people injured and the dependents of people killed in road crashes in accordance with the MVA Fund Act No. 10 of 2007. Thus, the Fund operates on a hybrid system where all people injured in motor vehicle crashes, regardless of who caused the crash, receive fair and reasonable benefits (subject to some limitations and exclusions). Such payments are issued in accordance with administrative law principles.[5]

The MVA Fund is financed jointly through money derived from the National Energy Fund established under Section 11 of the Petroleum Products and Energy Act (Energy Act 1990) and made available to the Fund, as is money derived from any investments made by the Fund, any money borrowed by the Fund, money made available to the Fund by Parliament, and any money that accrues to the Fund[6] (MVA Fund Act No. 10 of 2007 and its regulations). Table 1.2 provides the summary of benefits.

5 MVA Fund Act No.10 of 2007 and its Regulations
6 Section 4(a) of the Motor Vehicle Accidents Fund Act

Table 1.2: MVA Fund Summary (MVA Fund, 2020)

• **Coverage:** Any person injured in a road crash or a dependent of anyone killed in a road crash in Namibia can claim for assistance from the MVA Fund
The following are the benefits offered by the MVA Fund, in accordance with the MVA Fund Act 10 of 2007:
• **Medical Benefit**
A person involved in a motor vehicle crash is eligible for an undertaking amounting up to N$1,500,000 which provides for medical treatment, injury management, rehabilitation and life enhancement
• **Injury Grant**
The Fund provides an injury grant to the value of up to N$100,000. This is a cash grant that serves as compensation for injury in respect of any injured person
• **Funeral Grant**
The Fund provides a funeral benefit to the value of N$7,000 in respect of any person who died in a road crash in Namibia
• **Loss of Income**
Loss of income may be claimed by a survivor of a road crash casualty and is limited to N$100,000, with certain limitations and exclusions
• **Loss of Support**
Loss of support may be claimed by a dependent of a deceased and is limited to N$100,000.00, with certain limitations and exclusions

Source: Section 4(a) of the Motor Vehicle Accidents Fund Act

According to the MVA Fund Annual Report of 2018, the Fund managed to stabilise its revenue despite the failure to obtain support for an increase of fuel levy. The Report states that:

"The Fund has been on an upward trajectory since attaining solvency in 2016. As at 31 March 2018, accumulated surplus and reserves amounted to N$297.9 million, representing a 65% increase from the prior year. The funding level measures the adequacy of the Fund's net assets to pay for claims liabilities. The ideal position is for the Fund to have a funding level of 100%. As of 31 March 2018, the funding level was 134% up from 122% as of 31 March 2017.[7]

7 See http://www.mvafund.com.na/

Conclusion on Social Insurance

Coverage to social insurance is based on contributions made to the scheme or through indirect contributions to the fuel levy charged when filling up a motor vehicle. The Namibian social insurance/security is, however, mainly financed through contributions deducted from employees' wages and assessment paid by the employers to obtain accident cover for their employees under the employees' compensation scheme.

Social insurance in Namibia still falls short of meeting the objective of providing comprehensive social security coverage as envisioned by the Act. Out of the nine contingencies defined under the ILO Convention 102, only three contingencies are explicitly covered and they are operational in the present SSC administration. These are maternity, sickness and employment injury schemes that mostly cover the formal sector employees while the MVAF offers additional cover for injuries sustained from motor vehicle accidents.

The provision for old age and disability is also covered by the SSA, 1994. However, the NPF, which provides adequate cover for these contingencies is not yet operational though provided for in the 1994 social security law. This is the same situation with regards to the provision of medical benefits by the envisaged National Medical Benefit Fund (NMBF) that is not as yet operational under the SSA.

Some of the recorded shortcomings of the social insurance schemes are:

- Lack of information to members and beneficiaries,
- Poor service offered by offices which has eroded public trust in the schemes,
- Sustainability of the schemes over the long term is not guaranteed,
- Corruption and maladministration cases that are on the increase,
- High unemployment levels have reduced income to the schemes, and
- Low to no coverage of employees in the informal economy.

Complementary Social Protection Schemes

The need to extend social protection cover to employees has seen an emergence of private players to offer cover for these contingencies. The areas of pension and health care are two cases in point and these are discussed briefly in the next section.

Occupational and Private Pension Schemes

In addition to occupational pension schemes, private pension funds cover private sector workers on a voluntary basis, as well as provide additional cover for public sector employees (*Bester et al., 2004*). Private pension schemes operate in terms of the Short-term and Long-term Insurance Acts. NAMFISA regulates all non-banking financial institutions such as medical aid funds and retirement funds. There were about 400 private pension funds providing old age pension, death, disability and retirement benefits in 2002 (Schleberger, 2002).

The number of active pension funds registered with NAMFISA has seen a steep decrease since the early 2000s. In 2018, the number of active funds decreased from 138 registered funds as at 31 December 2017 to 134 as at 31 December 2018. The decrease was as a result of four active funds being deregistered during the fourth quarter of 2018. Two of the deregistered funds were integrated into umbrella funds, while the other two were inactive funds (NAMFISA, 2019).

The Government Institutions Pension Fund (GIPF) which covers public service employees, government institutions and parastatal companies is the biggest player in the private pension market, carrying more than 80% of the pension funds' assets in the country. The Fund is regulated by the Pension Funds Act 24 of 1956 and it is a compulsory defined benefits scheme with contributions from both the employer and employee. An employee contributes 7% of his/her remuneration and an employee who retires at the normal retirement age of 60 is entitled to a retirement pension. However, an employee can request early retirement at age 55, whereby the retirement pension is subject to a different calculation formula.

Private Health Care Schemes

Private health insurance is available for anyone who can afford it and those in employment. Private health insurance consists of Medical Aid Funds, Long-Term and Short-Term Insurance. These are provided in terms of the Medical Aid Funds Act, Act 23 of 1995, the Short-Term Insurance Act, Act 4 of 1998 and the Long-Term Insurance Act, Act 5 of 1998. Medical insurance schemes are supervised by the Namibian Association of Medical Aid Funds (NAMAF), that was established by the Medical Aid Funds Act 23 of 1995 and the Namibian Financial Institutions Supervisory Authority (NAMFISA) established by the Namibian Financial Institutions Supervisory Authority Act 3 of 2001. NAMAF is charged with co-ordinating the establishment, development, functioning and administrative responsibilities of medical aid schemes, while NAMFISA regulates all non-banking financial institutions such as medical aid funds and retirement funds (Bester et al., 2004). The Constitution and laws governing health insurance oblige private health insurance schemes to provide access to quality and affordable health care services on a non-discriminatory basis (Hohmann & Skolnic, 2004).

Those who cannot afford private insurance and the unemployed depend on State-provided public health services. Public health care is either free or at prescribed nominal fees at point of service, although quality of care remains a challenge at these centres. Health care is also offered by Non-Governmental Organisations (NGOs) which especially include many faith-based organisations. The NGOs are subsidised by the State and they operate hospitals, health centres and clinics found mainly in rural areas.

Social Protection Coverage Gaps

Given the high level of poverty and unemployment in the country, this essentially excludes the large segment of low-income earners, those who are self-employed, underemployed and the unemployed from accessing formal social protection. The Labour Force Survey (LFS) 2016 results show that the total number of the employed population in Namibia was 676,885 of whom 358,270 were males, while the remaining 318,615 were females, a difference of 39,655 persons in favour of males. Similarly, there are more males than females in employment in both rural and urban areas (NSA, 2016). Coverage by the MSD Fund in 2018 stood at 712,446, which could either imply that some of the informal sector employees were also covered or that there existed data integrity concerns.

A brief summary of social protection considerations to improve access to all is provided in the next sections. These considerations draw evidence from theories of scholars and opinions gained during the author's participation in regional and national think tanks, inter alia, the SADC Core Group of Social Security Experts, the Southern Africa Social Security Experts Network (SASPEN) and the local Forum of Experts for Social Security (FESP).

Social Security and the Labour Market Imbalances

There are several consequences which can be attributed to social security in relation to labour market policies. The first of these consequences relates to the ability of social security to provide a meaningful substitute should a person leave the labour market, either temporarily or permanently.

The idea of using the Development Fund (DF) to capture the target excluded persons is hampered though by the design and size of the DF which is still small and thus insufficient to cater to the wider mandate that can re-integrate most unemployed persons back into the labour market (SSC, 2018/19). The DF size, since its inception in 2008, grew to about N$322 million or 7.8% of total SSC funds in 2018. It is not yet at a level of capacity to execute a broader mandate given its limited funding. It will be necessary to consider introducing a contributory scheme to provide for unemployment benefits and reform the DF concept and its funding method.

If, by reason of the low labour-demand, measures to improve labour market participation fails, social security then has to provide some measure of direct safeguarding of social integration. This would imply a commitment to undergo retraining or to do voluntary work, bearing in mind the multitude of problems which could arise if, for example, community-based work programmes are embarked upon in an insensitive manner.

A case in point here is the advent of Labour Based Work programmes run by some Ministries or Food for Work programmes that usually do not comply with the Labour and Social Security Acts. By fulfilling social participation duties in this manner, it is important that work ethics are still upheld (Berghman, 1991) as coverage is usually compromised in these types of public works arrangements. It appears that a principled approach to these matters is not reflected in the Namibian legal system and that a proper policy framework for linking social security and labour market or social integration has yet to be developed.

Right Based Approach to Social Protection

The Constitution of the Republic of Namibia does not guarantee a right to social security. Entitlement to social insurance and social assistance is not an enforceable fundamental right in Chapter Three of the Namibian Constitution.

In order to improve access to this basic right, the country needs to review the constitutional provision regarding social protection. The provision of social protection by private arrangement cannot easily be made a basic right under the Constitution and enforced as such. Thus a different approach must be adopted to extend coverage to those excluded.

Lack of Comprehensive Social Protection and Incremental Reforms of Social Protection

In its structure and purpose, the current Namibian social insurance system is largely risk- or contingency-based. Public social insurance schemes exist to deal with particular contingencies such as maternity, illness, death, old age, employment injuries and diseases, unemployment, traffic accident-related injuries and death.

The burden of the high unemployment rate in the country on the affected individuals has been compounded by the absence of the unemployment scheme in the present social security arrangement. The Covid-19 pandemic has exposed employees to severe devastating distress regarding potential loss of income from loss of employment. As a consequence, the SSC has been forced to put interim measures in place to address this gap through tailor-made stimulus packages to affected employees.

Inadequate or lack of coverage due to statutory exclusions or an inadequate design of programmes also needs to be addressed in terms of reforms of social protection. For example, the current maternity leave period of 12 weeks falls short of the minimum standards in Convention 183 of 2000 that sets 14 weeks as the minimum period for maternity leave. In addition, the ceiling placed on earnings used in calculating benefits, or determining entitlement to cover, also needs review. More so, the ECF cover is limited to those earning not more than N$81,300 per annum. This amount excludes a vast number of employees who have to rely on voluntary cover offered at the behest of their employers.[8]

In the area of social assistance, a system of universal non-means-tested and non-contributory social assistance grants ensures that support is given to needy retirees, people with disabilities, war veterans and children.

In short, the present system lacks a comprehensive approach towards social protection. This is an area that needs to be improved in the reform agenda of social protection and social policy being drafted by the Government.

8 Details of the Stimulus programme is accessible at SSC web site: www.ssc.org.na

Roles of Non-Public (Private) Instruments and Schemes

Within the Namibian context, it is clear that in one of the most important areas of social protection, namely health insurance, private schemes are the order of the day. Private insurance schemes bear a large part of the responsibility for health in Namibia although coverage has not been all that good thus far (NAMFISA, Annual Report 2019). The Report noted that in 2018, there were 195,805 active members and their dependents registered in the medical aid funds compared to 179,364 four years earlier in 2014 (NAMFISA, 2019). Due to the high cost of private health care, access thereto is limited and out of reach by the majority of low-income earners and those with irregular income or in the informal sector.

Due to the overt public function fulfilled by these institutions, the institutions ought to be regarded as part of the broader social protection framework. This implies that a functional definition of social protection needs to be adopted, which includes all instruments, schemes or institutions representing functional alternatives for the publicly-recognised schemes – that is to say, all instruments available to society for guaranteeing social security in a multi-tiered fashion (Berghman, 1991, p. 18).

It is thus suggested that social, fiscal and occupational welfare measures, collectively and individually, whether public or private or mixed public, be considered when developing coherent social protection policies. In a country such as Namibia, an approach like this may not only be advisable, but is also necessary, in order to fully utilise limited resources.

Solidarity and Redistribution of Income

The current social security schemes provide little evidence of effective redistribution except for the ceiling placed on earnings. The flat sum for death benefits is the only benefit that is more redistributive in the overall schemes offering but it is such a small component to effectively deal with redistribution.

As far as (re)distribution is concerned, it has been noted that pure private (sector) market provision and regulation of social protection is insufficient. Such an approach appears to be incapable of meeting certain basic income-maintenance needs and of performing certain functions which are deemed necessary from a social, economic or political point of view.

Some scholars argue that (re)distribution should be one of the major objectives of social security to progressively redistribute resources from the rich to the poor, something which the private market is unable to do inherently or sufficiently. Rethinking redistribution should help to fulfil some of the overriding national objectives which include the diminishing of social and economic discrimination and a concentration on helping those whose need is greatest (Titmus, 1976). It is important to note that much more than merely creating or restoring equity in social safety nets provision is needed.

Redistribution can be achieved through the careful construction of the contribution and benefit structure of public insurance funds. Where necessary, however, the aim of redistribution must be realised by employing tax and budget mechanisms. This must be considered when developing a policy framework for social protection.

Need for Coordination of Social Protection Schemes

A wider view of the social security concept would, logically speaking, also require an integrated, comprehensive and coordinated approach to social protection. It makes no sense to view the different parts, measures and objectives of the system in isolation as there exists a close interrelationship between them and because modifications and developments in one area often have implications on other areas.

An integrated approach would also enable one to identify disparities in the system as a whole. A coordinated approach would further enhance proper and equitable financing, indicating from an overall perspective which funding mechanisms are available. This would make it possible to determine how and where to introduce saving measures in the system in such a way that the broader aim of social protection for all is not jeopardised.

In March 2005, the Directorate of Social Assistance in the Ministry of Health and Social Services was transferred to the Ministry of Labour and Social Welfare. While this step signified the Namibian Government's intention of placing all social protection programmes under a unified supervisory authority, in the new structures of Government in 2015, a new Ministry of Poverty Eradication and Social Welfare was created and the mandate for social welfare shifted to that Ministry. Its existence was however short-lived and it was again abolished in 2020 and its functions were placed under the auspices of another directorate in the President's Office.

The now former Ministry of Poverty Eradication and Social Welfare undertook an initiative in 2018 (UNICEF, 2018) to document and come up with a comprehensive programme that would align all social protection schemes in the country and it developed a social protection white paper for adoption as a guide on how social protection in Namibia shall be coordinated and implemented. Since the changes to the mandate of this Ministry were introduced in March 2020, the future of this project is uncertain.

The views of NANGOF in 2016, published in the FES/NANGOF publication entitled "Social Protection in Namibia: A Civil Society Perspective", provided a synopsis of social protection as a developmental tool and it is worth quoting here. It states that: "In view of the multiple roles that social protection can play in social and economic development, current development frameworks must contain an objective that ensures that the inclusion of all groups in the development and society through extending adequate social protection. The development agenda needs a renewed and comprehensive focus on poverty, income distribution and social inclusion. Social security is the conduit" (FES, 2016). Social protection schemes should therefore, serve as a vehicle through which a nation can achieve its developmental targets regarding poverty reduction and social inclusion."

Conclusion

The concept of social security, and by extension social protection, is not a fixed concept but is subject to evolutionary development. Recent developments have indicated a new understanding of social security and the purposes for which it serves, leading to major conceptual innovations. Conceptually, actors in the social and economic spheres need to provide a theoretical basis for understanding this vast terrain of interventions and mechanisms.

This can be achieved by employing a number of closely inter-related core principles, such as comprehensive social protection, prevention and re-integration, social solidarity and redistribution, the protection of the State and of society, structural change and so forth.

Social security/protection further requires a proper understanding of the importance of adopting a multifactorial, fundamental rights and principles of State policy-friendly, goal-orientated and coordinated, multi-actor and multi-dimensional approach in order to realise comprehensive social protection for all. The latter is eventually the objective of a comprehensive social protection system that remains out of reach for many countries. Making the SDGs a priority to achieve, would compel nations around the world to pursue rigorous reforms to their social protection systems in congruence with the SDG social protection targets.

In Namibia, the objective to reach social protection for all is possible if the social protection policy under development considers closing the coverage gaps and shortfalls identified in this chapter and focusing on reforms aimed at bringing forth a coordinated and comprehensive social protection regime. The introduction of social insurance schemes to provide for old age, medical benefits and unemployment insurance must be prioritised.

Given the nature and socio-economic and political historical context of the Namibian environment, these issues are indeed critical to giving practical effects to the constitutionally entrenched rights and principles of State policy operating in the areas of social protection.

Finally, in the post-Covid-19, post-pandemic era, social partners under the leadership of governments, will need to look at various scenarios to set the pace for global employment recovery. Governments will have to rework and look at the future of work in organisations and the growth and impact of remote working arrangements, how to implement protective prevention measures for essential workers and being cognisant of the importance of preserving social security schemes and policy reforms that may emerge in the post-pandemic period. There should be no room left for the deterioration of any social protection programme. Governments should instead ensure that these run parallel to any new measures regarding post-Covid-19 global economic recoveries. Demand for better benefits will be the norm and new benefits due to new market demands will also emerge.

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Chapter Two

Social Policy and Social Protection in Namibia

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Abstract

The idea of social protection, which gained currency, initially as a temporary palliative to combat the socio-economic consequences of the adoption of the Structural Adjustment Programme (SAP) in Africa, has over the years tended to be projected and used as the core policy framework for the provision of social goods and social welfare for vulnerable/ poor populations. From the World Bank's initial idea of social risk management, to the transformative social protection of Sabates-Wheeler and Devereux, the underlying thinking of social policy which informs the idea of social protection is characteristically residual. This view of social policy limits it to redistribution and social protection, which has been further reduced to different forms of cash transfers in practice. This approach to social policy has been described as 'ex-post' aimed at treating those citizens that fall through the cracks of the market as mediated distribution. A comprehensive view, which is 'ex-ante', suggests the mutual embeddedness of economic and social policy designed to achieve the goals of a society. The founding conception of social policy suggests that the content of social policy might vary with the nature of the social context and the broad objectives of respective societies. Whilst the temporary palliative of social assistance offered by social protection programmes is imperative, in a developing country's context, it must be complemented with a more enduring and encompassing social policy architectural framework.

Key words: Social Protection, Social Policy, Social Transformation, Namibia

Introduction

The conceptual understanding of social policy is imperative to its architectural framing to deliver improved social wellbeing and the drive to achieve social goals in a society. The maintenance of well-structured production, distribution and consumption networks are necessary for a society's continuity, often expressed with the notion of the political economy. The production of goods and services and its exchange/distribution must serve the final cause (Pack, 2010) of the satisfaction of the consumption needs of a society –

productive individuals and collective consumption, delivered through the institutions of the economy, family/households and the State. The wage-fund (wages and salary) derived from the capital-labour nexus in production is the primary source of providing for individual consumption in the family/household. The State is fundamental to the organisation and provision of collective consumption, but it is also the province of private, community and non-formal organisations (Heinrich, 2012; Dickinson & Russell, 1986).

Economic and social policies speak to the framing of how a society chooses to satisfy its production and social reproduction needs. It is imperative that the realities of the social context inform policies to foster optimum improvements in social wellbeing. However, policies are at times informed by ideological leanings of the prevailing local and international power constellations. Economic and social policies are often ordered hierarchically, with economic policy taking precedence over social policy. It is only when economic policy, through various macroeconomic instruments failures (market failure), that social policy is deployed to assist the affected members of a society. This suggests a neoliberal independent market logic of the satisfaction of production and social reproduction needs of a society. This is a narrow residual view of social policy, which treats economic and social policies as mutually exclusive (Elson, 2004). The alternative position is a comprehensive view of social policy that sees economic and social policies as mutually embedded to facilitate the socio-economic reproduction of the society (Reisman, 1977; Mkandawire, 2004; Abel-Smith & Titmuss, 1974; Titmuss, 1970).

The residual perspective of social policy is articulated in redistribution and social protection programmes such as cash transfers. Beyond this limited deployment of social policy, the conception of transformative social policy sees social policy as capable of serving multiple functions and using multiple policy instruments in the socio-economic transformation of a society. This conception of social policy is particularly amenable in a developing country's context (Hall & Midgley, 2004; Titmuss, 1970; Adesina, 2009, 2011). In this transformative view of social policy, social protection could be taken as one of the policy instruments to facilitate social wellbeing, especially as a temporary measure to deal with extreme poverty.

Social Policy – Clearing the Conceptual Fuzziness

The popularity of the notion of social policy in academic discourse and the policy landscape does not remove the ambiguities or contestations in its conception (Yi & Kim, 2015). The founding conceptual understanding of the notion of social policy suggests two broad objectives irrespective of the social context or society under consideration. Social policies are social actions that are focused on solving the problems of the whole society and foster the continuous achievement of a society's goals (Cahnman & Schmitt, 1979). Social policy cannot be reduced to a class project, rather it should be all-encompassing. Beyond providing immediate temporary solutions to the problems that a society encounters, it should be focused on providing a framework for the achievement of societal goals as a whole. Broadly speaking, the intervening social legislations that are articulated by a society to solve its problems and to foster continuous goals attainment constitute social policy.

For clear conceptual articulation, 'social policy' must be distinguished from 'social welfare' as they are often loosely deployed interchangeably. The former connotes a broader and more comprehensive conceptual policy framework compared to the latter. Social welfare programmes could be a class project to help the needy by enriching their human capital. Social policy is the action aimed at shifting the social conditions of a society, and it can also be used for social interventions (Cahnman & Schmitt, 1979).

If the achievement of societal goals is fundamental to social policy, then its conception and practice must be clear on the set goals of a society and the means of achieving them. As the goals of a society change, so also, the means for achieving them can change (Cahnman & Schmitt, 1979). In their harvesting of the different meanings of social policy, YI and Kim (2015) argue that in the conception of social policy, the comprehensiveness of its purpose and objectives determines the scope of the means for delivering them. Conceptions with a comprehensive purpose have several means compared to the narrow conventional provision of social services. It therefore, means that as the idea of social policy is focused on affecting social conditions, the means of achieving it will also become broader, compared to conventional social services. Social policy with comprehensive goals is more likely to achieve development which is viewed as improved capabilities (Sen, 1999), compared to policy with a narrow goal.

Mkandawire (2004, p. 1) defines social policy as "a collective intervention in the economy to influence access to, and the incidence of adequate and secure livelihoods and income". It suggests planned actions by a society, as a collective, to guarantee the social wellbeing of its people depending on the contextual realities. The collective action of a society expressed in social policy is closely affiliated to the dominant moral fabric, norms and values, especially those values of social solidarity and altruism. The possibility of conflict and social hostility is high when all these are lacking in a society (Abel-Smith & Titmus, 1974; Titmus, 1970; Adesina, 2009). The different conceptions of social policy suggest that it is the mixture of welfare programmes, insurance against risk and plans for achieving specific societal goals, which could be carried by the State, the private sector and/or non-formal social collectives (O'Hearn & Grubačić, 2016; Adesina, 2007, 2009; Benda, 2012; Alcock, 2001; Hall & Midgley, 2004). The underlying mechanism driving the nature that social policy takes in a society cannot be too remote from the agenda it sets for itself.

Social policy is the nature of social relations which transcend the idea of helping the deprived and the poor. It is a conglomerate of institutions, programmes and processes which allow the construction of identity, social participation and freedom of choice for enhanced social wellbeing. It cannot be reduced to the functioning of the market but involves political will informed by morality and social altruism. The goal of social policy is expanding, depending on the specific historical context, to include issues of social inclusion, and the relief of poverty, as well as social and human rights protection (Reisman, 2001; Hall & Midgley, 2004).

Esping-Andersen (1990, 1999) suggests that three welfare regimes in social policy remain dominant. Esping-Andersen classifies the delivery of social policy according to the structure of the political economy of different countries into three ideal types, namely, social democratic, liberal welfare and conservative welfare regimes. Each regime is characterised by the structure of the relationship between the market, the State and family/households in production, distribution and consumption. The liberal regime is a residual idea of social policy that prioritises free market distribution. Social policy is informed by means-tested needs of social support. The democratic welfare regime emphasises the universal coverage for a more egalitarian society premised on citizenship which is bestowed upon socio-economic and political rights, and not needs alone. The conservative regime approaches social policy as a class project by pooling risks for different income categories. It is based on familialism and corporatism which focuses on the male bread winner and occupation (Hibbert, 2010; Esping-Andersen, 1990, 1999). The limitations of the Esping-Andersen welfare regimes are the primary focus on developed countries. Its application to the developing countries' contexts, however, might be problematic. It might constitute what Adesina (2011) called "policy merchandising" since the empirical cases from Africa are included in its conception.

Social Protection

Social protection is a narrow conception of the delivery of social welfare, which became prominent in the 1980s, initially as a response to the negative socio-economic impacts of the implementation of structural adjustment programmes in Africa (Adesina, 2011). Whilst its conception has expanded over the years, its implementation in practice tends to be narrowed down to different forms of cash transfer programmes. The idea of social protection has shifted from the World Bank's initial narrow conception as social risk management, to Sabates-Wheeler and Devereux's (2007) wider idea of 'social protection for transformation' which is characterised by features of universalism as opposed to poverty targeting. The implementation of the social protection policy, as a social safety net, is a reflection of the residual idea of social policy, with social assistance means-tested and targeted at those that fall through the cracks of the market.

The focus of social protection programmes is on poverty and vulnerable populations with the objective of facilitating efficient labour market, social risk reduction and income guarantees. The Asian Development Bank defines social protection as a "set of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income[1]. Olivier et al. (2004, p. 4) are also of the view that social protection is the "provision of secure access to income, livelihood, employment, health and educational services, nutrition and shelter". Whilst these definitions suggest the embeddedness of economic and social policies, the choice of instruments often reflect neoliberal safety nets, rather than a policy architecture that can build human capabilities across the society.

1 See https://www.adb.org/themes/social-development/social-protection). Accessed October 31, 2019

Sabates-Wheeler and Devereux (2007) tend to broaden the idea of social protection beyond social safety nets to focus on socio-economic and political risks as within its scope with their idea of social protection for transformation. They suggest multiple instruments such as preventive, protective, promotive and transformative, to deliver social protection. However, the practice of social protection often prioritises the instruments, with less focus on the peculiarity of different contexts. Context sensitivity is important to move the discourse of social policy above social assistance in order for it to serve as a development driver.

Social Policy and Social Protection in Namibia

A quick glance at the social policy and social protection landscape in Namibia reveals the lack of a consolidated social policy architecture or framework. It seems the idea of social policy is lacking in the Namibian socio-economic policy discourse as often the discourse of social policy does not feature as imperative to the achievement of the development aspirations of the country. The key aspirations of the Namibian people, through the State, are underpinned by Article 95 of the Namibian Constitution and expressed in Vision 2030, articulated in the various National Development Plans (NDP1 – NDP5). However, these aspirations are presented as achievable only through macroeconomic policy, supported by an array of social protection policy programmes (Government of the Republic of Namibia, 2004; Constitution of the Republic of Namibia, 1990).

Article 95 of the Constitution guarantees the welfare of the people from all categories of society, which must be achieved within the contexts of fairness, equality and democratic participation. Despite the absence of an explicit constitutional right to social protection in Namibia, social welfare is projected to be achieved through the guaranty of income, appropriated through employment or social wages in various forms (Constitution of the Republic of Namibia, 1990). Beyond the broad prescription of the constitution on social welfare in all its ramifications, specific policies must be evolved to actualise the broad objective set out in the Constitution. Vision 2030 could be taken as the goal of the Namibian society, partly informed by Article 95 of the Constitution. This Vision's policy documents, that is, the social, economic, political and environmental broad goals of the country, which other sectoral policies must be aligned in order to foster sustainable development. Vision 2030 hopes to provide synergies between all sectors of society to foster people-centred development by 2030. At the heart of this vision of development is "prosperity, harmony, peace and political stability" to achieve the broad goals of the society (Government of the Republic of Namibia, 2004).

The policies evolved by a society, in the drive to achieve a set vision or goals, is as important as the vision or goals themselves because they are crucial to their achievement. The appropriation of social policy and/or social protection in the achievement of the goals of the Namibian society can be viewed in this regard. The way policies are conceptualised and articulated during implementation will likely have implications for the socio-economic and development outcomes for Namibia. Looking at the practical conception and application of social policy and social protection programmes in the Namibian context, one cannot but note the conceptual fuzziness. Whilst Article 95 of the Constitution mentions health and education as some of the means of achieving citizens' welfare, little reference is made to them in the socio-economic welfare discourse. It seems to us that social protection is treated as a broader socio-economic policy compared to social policy in Namibia. We contend that conceptually, social policy is broader than social protection. In our view, social policy provides a more stable framing towards the achievement of a society's goals compared to social protection which is conceived of as temporary palliatives for socio-economic deprivations.

As indicated above, the framing of social welfare as social policy that ought to target broad societal goals emerged out of particular praxis of social policy in particular social contexts (Cahnman & Schmitt, 1979). Perhaps, the language of social welfare predisposes Namibia to overwhelming subscriptions to social protection in the socio-economic deprivation discourses. What is seen in practice is the government's provision of social services such as publicly funded primary and secondary education in public schools and publicly funded health care services in public hospitals. There is thus a lack of a coordinated social policy framework in Namibia. What exists is an array of fragmented and exclusive (Kameeta, 2019) social protection policy programmes which are dispensed by diverse government ministries and agencies. Firstly, there is a reduction of social policy to social welfare as articulated through various social protection programmes, and secondly, there is a seeming reduction of social protections to different forms of cash transfer programmes.

About eight different functional government ministries and agencies administer different forms of cash transfers, consciously or inadvertently promoting the idea of a social safety net (Subbarao, 1998; Chiripanhura & Niño-Zarazúa, 2013; Dempers, 2016; Schade, La & Pick, 2019) as a general access to social protection. There are several proscribed legislations to activate the different social protection programmes in Namibia. Some of the extant pieces of legislation are the War Veterans Act 8 of 2008, Social Security Act 34 of 1994, National Pensions Act 10 of 1992 and the Children's Status Act 6 of 2006. Social protection programmes are categorised into contributory and non-contributory programmes. Contributory programmes include sick and maternity leave benefits, medical aid, pension and development funds as well as employee compensation schemes. The non-contributory programmes are disability, old age pension, child support grant, food/cash for work, funeral benefit, school feeding programmes and veterans' grants. The limitation of the social protection conception to achieving social welfare is laid bare by their classification of housing, health and education as "other social expenses and subsidies" (Chiripanhura & Niño-Zarazúa, 2013).

The liberation struggle veterans get a monthly subsistence grant, whether employed or unemployed. The old age grants are paid to all Namibian citizens that are 60 years and above. The disability grant is paid to partially and/or permanently incapacitated citizens, while child support grants are focused on orphaned and vulnerable children (OVC). Funeral benefits are paid to the family of those on the old age pension scheme and the disability grant prior to their death (Chiripanhura & Niño-Zarazúa, 2013). In a similar vein, Schade, La and Pick (2019) talk of core and broad social protection programmes. Child support, old age and disability grants are classified as core, while school feeding programmes, housing and shelter are broad social assistance schemes. Over 340,000 children are beneficiaries of the child support grant as at December 2017, while over 200,000 persons are on either old age or disability grants. This similar form of classification was what Subbarao (1998) earlier called formal, government financed, and informal social safety nets. The conceptual thrust of all these classifications is the idea of social safety nets, which portends the appropriation of what should be a temporary palliative to social deprivation as permanent institutional structures of achieving social welfare.

The policy focus on social protection to the neglect of the broader social policy framework, is reflected in the nature of the health and education systems and their financing models. The payment of user fees is expected from the users of public health services. According to the 2011 census figures, approximately 320,000 Namibians, including government employees, are covered with medical aid insurance, while over 1.5 million persons depend on the public health system (Dempers, 2016). As at 2017/2018, approximately 24% of private sector workers benefited from medical insurance coverage (Schade, La, & Pick, 2019; RNSF, 2017). The inequality in access to healthcare services is vivid. In line with the directive of the Education Act of 2001, the Government introduced State funded primary education in public schools in 2013. However, there are still voluntary contributions from parents and donations from private citizens and the private sector that are expected to cater for some of the costs of running public schools while tertiary education students depend on the Namibia Students Financial Assistance Fund (NSFAF) for loans to fund their studies. In addition, the Government also operates school feeding schemes in poor areas of the country (Schade, La, & Pick 2019; Chiripanhura & Niño-Zarazúa, 2013).

The progress we are witnessing in the Namibian socio-economic policy arena in recent times is the attempt to transform social protection policies from means-tested to universal provisions. This is detailed in the draft National Social Protection Policy: 2019 – 2024 (Ministry of Poverty Eradication and Social Welfare, 2019). Rather than change the conceptual approach to social welfare, it seeks to get more people to access the social protection largess. The absence of a social policy framework in Namibia might have long term negative consequences of gaps in the capabilities of citizens, especially in a developing country context like Namibia. Social policy in a development context should transcend redistribution. It should involve the appropriation of diverse policy instruments to facilitate the achievement of multiple functions of production, redistribution, reproduction and social integration. This is the idea of “transformative social policy” which emerged from the United Nations Research Institute for Social Development’s (UNRISD) research initiative (UNRISD, 2006). Mkandawire (2007) and Adesina (2011) expand this idea for a broad approach to the conception and praxis of social policy in a development context. In this view of social policy, social protection is just one of the policy tools, among an array of policy instruments, to achieve the broad objective of social policy. This idea speaks to the multiple tasking of social policy using multiple policy instruments (Hall & Midgley, 2004; Mkandawire, 2007; Adesina, 2011).

Conclusion

The way social welfare is conceptualised, will to a large extent, inform practical policy crafting for its actualisation. There seems to be conceptual vagueness in the conception of social welfare in the Namibian context. Whilst Article 95 of the Constitution stipulates the right to social welfare for all Namibian citizens, particularly through income guaranty, education and health, the choice of policies to achieve this goal is left to the political leadership of the country, in collaboration with the people or different stakeholders. This process is what Sen (1999) refers to as the notion of public reasoning. An inventory of social welfare policies in Namibia reflects preference for social protection as a policy imperative to achieving social welfare. It is our contention that this choice can only be informed by the seemingly conceptual vagueness which tends to see social protection as all-encompassing compared to social policy. We have engaged the notions of social policy and social protection in this chapter in order to bring about conceptual clarity.

We contend that social policy is a broader policy approach than social welfare, when defined as policy architecture constructed in order to achieve societal goals. Social protection can only be viewed and deployed as temporary policy programmes and as one of the multiple policy instruments of social policy to achieve multiple tasks in a society. The overwhelming adoption of social protection, as a preferred policy framework in Namibia's drive for improved social welfare for the majority of its population, in a way reduced the idea of social policy to a social safety net. This means that social policy is seen as taking care of market failure(s) or taking care of citizens that fall through the cracks of the market. This likens social policy as only serving as a redistributive function and this might be limiting in a development context. Social policy must be designed as policy architecture, using multiple policy instruments, including social protection, as informed by the context, to achieve multiple tasks to foster improved social wellbeing and development.

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Chapter Three

Rethinking Social Protection in the Context of Rising Inequalities in Namibia: Lessons and Prospects

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Abstract

The main thesis of this chapter is to interrogate how we can rethink the extent to which social protection can be an instrument or enabler to confront challenges of inequality that may lead to social exclusion in Namibia. We argue that Namibia is said to be one of the most unequal countries in the world and that such persistent and glaring inequalities rest on the lack of a consistent and implementable structural transformation agenda over the years. In that light, we use the political economy perspective to inquire into the power and class relations and how they affect the types of social protection programmes that have evolved over time to deal with inequalities in Namibia. We proffer recommendations that centre on the role of the State, structural transformation and reorientation of the traditional and emerging power bases that are resident-based, bottom-up and highly networked with the local communities.

Key words: Social Protection, Inequality, Social Exclusion, Poverty, Namibia.

Introduction

There is growing evidence relating to global anxiety about inequality. The 57th session of the UN Commission for Social Development in 2019 made a stark global revelation and agreement that the "growing body of evidence shows that income inequality has been on the rise in many countries while unequal social opportunities continue to persist, whether it is access to decent work, quality education and health care or to productive assets such as land and credit" (UN, 2019). There was also a clarion call that global policy shifts in the face of the adoption of the 2030 Agenda for Sustainable Development should now point to the acknowledgement of the centrality of social protection in contending inequality and social exclusion the world over. Namibia is no exception to issues of inequality and social exclusion, and it has been cited as one of the countries with the steepest inequalities in the world. Several policy documents and practices have shown how the country has attempted, since independence, to implement social protection programmes as instruments to narrow the gaps in inequality. However, questions remain as to the extent to which social protection can tackle persistent inequality and social exclusion. This chapter therefore, contributes to this discourse.

Debunking the Concepts of Social Protection and Inequality and their Nexus

There is agreement in literature that the concept of inequality is multidimensional. As aptly observed by the United Nations (UN), Economic and Social Commission for Asia and the Pacific [ESCAP], (2015, p. 28), the "analysis, therefore, should not be limited to the economic sphere, and specifically to inequality of income". ESCAP (2015) identifies three main types of inequality that are useful to this study, namely, *inequalities of opportunity, inequalities of outcome and inequalities across key population groups.* In this regard, the notion of an "inequality trap" appropriately frames the multidimensionality of inequalities. Such traps have two salient characteristics. First, they are generated by the interplay of differences across the *distribution of income, social location and access to political resources and second,* they tend to reproduce themselves over time, such that disadvantages become intergenerational. In Africa, inequality traps take form through three principal mechanisms, namely *educational asymmetries, rent-seeking and patriarchal structures.* It can be argued that inequalities are matters for intrinsic reasons as they undermine human dignity and social justice. Inequalities also matter for instrumental reasons because they undermine the three dimensions of sustainable development by stifling economic growth, undermining social cohesion and solidarity and hampering environmental governance.

In literature, the terms "social protection" and "social security" have been used as synonyms but they have evolved over time to some reasonable convergence. The earlier paradigm by the International Labour Organisation (ILO) as elucidated at the Social Security Convention 1952 (C.102), set a universal minimum standard covering medical care as well as sickness, unemployment, old-age, employment, injury, family, maternity, invalidity and survivors' benefits, which countries may implement through social insurance or social assistance programmes. The ILO defines social security as the protection which society provides through a series of public resources against economic and social distress, caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, invalidity and death, as well as from the provision of medical care (ILO, 1984, pp.2-3). Social security has also been defined as; a system of assistance guaranteed by the State, granted to people in need when their normal source of income has been interrupted or ended, for example through sickness, unemployment or retirement. It could entail assistance to certain disadvantaged groups, for instance the handicapped, the families of deceased workers or people suffering from industrial injuries, or supplementing the incomes of pensioners. Likewise, it could also include social insurance schemes, but in a stricter sense of the word, where it refers to assistance schemes financed from taxation. (Barker & Holtzhausen, 1996, p. 138)

The SADC Code also adopts a narrow and formal view of social security, defining it as "public and private, or mixed public and private measures, designed to protect individuals and families against income insecurity caused by contingencies such as unemployment, employment injury, maternity, sickness, invalidity, old age and death" (SADC, 2004). According to the SADC Code, social security encompasses three elements, namely social allowance, social assistance and social insurance. The main objectives of these measures are to (a) maintain income, (b) to provide health care, and (c) to provide benefits to families.

However, as systems and human development concerns have to be put in perspective, this formal definition has been brought under scrutiny. In fact, current evidence suggests that ILO's Convention C.102 has been ratified by only 55 countries[1] because the minimum standards it prescribes are out of reach for many developing and emerging nations.

Some earlier broader definitions, such as the one by the Asian Development Bank Interdepartmental Group, expands the definition to rest on social protection, and defining it as the: set of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks and enhancing their capacity to protect themselves against hazards and interruption/loss of income. The policies and procedures included in social protection involve five major kinds of activities: labour market policies and programmes, social insurance programmes, social assistance, micro and area-based schemes and child protection. (Ntseane & Solo, 2007, p. 23)

From the above, it is clear that the definitions and scope of social security and social protection are varied and wide. However, it is important to note that there seems to be a current convergence in describing the term as a social, economic and human right. There is an acknowledgement that in a broader context, social protection does reduce poverty and inequalities in society and that it can also be said to actually generate growth and accelerate human development. UNICEF (2012, p.1) offers a plausible explanation on the current convergence in defining social protection and proposes that:

> There are two common pointers in the various definitions. The first is that social protection includes a range of mechanisms to reduce either the risk of experiencing an economic or social shock, or to reduce the welfare loss after such a shock has occurred. The second element is that of alleviating extreme or chronic poverty (ensuring a minimum standard of living) and enabling chronically poor households to eventually overcome their situation. Thus, social protection is as much about limiting fluctuations in welfare (both social and economic shocks) as it is about addressing structural 'stresses' that are associated with chronic poverty.

Hence, the International Labour Conference (ILC) adopted the Social Protection Floors Recommendation 2012 (R.202) which defines basic social security guarantees and the idea that national social protection floors should comprise at least four social security guarantees as defined at the national level:

1 Including 5 African countries: Chad, Libya, Niger, Senegal and Togo; most ratifying countries accepted only parts of the Convention

- access to essential health care, including maternity care;
- basic income security for children, providing access to nutrition, education, care and any other necessary goods and services;
- basic income security for persons of active age who are unable to earn sufficient income, in particular, in cases of sickness, unemployment, maternity and disability; and
- basic income security for older persons.

This implies that such guarantees should be provided to all residents and all children, as defined in national laws and regulations, and subject to existing international obligations. The extension of social protection and the establishment of national social protection floors are seen as key to reducing and preventing poverty. Accordingly, Sustainable Development Goal (SDG) 1, on ending poverty, includes Target 1.3 which reads: *"implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable".* In addition, SDG Target 3.8 calls for universal health coverage, which is one of the components of the social protection floors.

Social protection, as espoused by UNICEF and ILO R202, *in the context of human development, underlines mechanisms that guarantee a decent human life cycle from birth to death, by minimising the risks of poverty during childhood, active employment, life and old age.* It takes a socio-economic dimension that underscores the fact that social protection is a human developmental question. In that regard, social protection may take various forms referring to the support provided in the form of income or benefits to the poor, the vulnerable and the socially-excluded in society. The aim is to enhance their capacity to protect themselves against social and economic risks such as loss of income, illness, death and other such contingencies. Therefore, social protection embraces both social security and social welfare policies and measures such as social assistance for the elderly, support for children and the disabled, as well as interventions aimed at empowering individuals or groups to earn income through employment or self-employment, and this is direly necessary.

We also agree that social protection is part of the framework of decent work. The development and extension of social protection is one of the key tenets of the ILO Decent Work Agenda. The Decent Work framework is based on four pillars namely, (a) full employment (including enterprise creation); (b) respect for workers' rights; (c) social protection; and (d) social dialogue (ILO, 2007). In the context of the ILO Decent Work Agenda, social protection allows for the promotion of both inclusion and productivity by ensuring that women and men enjoy working conditions that are safe, that allow for adequate free time and rest, that take into account family and social values, that provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare.[2] The assertion is that decent employment provides an income that gives individuals the possibility of accessing a whole range of goods and services, dignity and the

2 See http://www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm

opportunity to accumulate assets which are necessary to achieve a decent living standard. We assert that implementing a decent work paradigm in Namibia that has a relatively small number of workers in paid employment along a larger and expanding unregulated informal economic activity and self-employed sector remains a challenge.

Literature attests that the provision of social protection has become more relevant with the sharp manifestations of globalisation. The current world economic growth patterns and an asymmetrical globalisation process have produced uneven impacts and opportunities, widening income gaps within countries and development gaps across countries and increasing the exposure of already vulnerable groups to greater economic volatility and insecurity associated with globalisation. Thus, as climate change, food and fuel price volatility rise and the growing global financial crisis threaten progress towards the Sustainable Development Goals (SDGs) in Sub-Saharan Africa (SSA), there are increasing calls for new and expanded social protection schemes. It is thus evident that most governments in SSA continue to pursue policy initiatives for providing social protection geared towards poverty reduction and consequently the attainment of SDGs. However, in the current socio-economic context in Namibia, the dependency burdens of the vulnerable, old and unemployed youth have continued to increase the pressure on an already weak support system, which is heavily shouldered directly by the working class. Thus, the national revenue bases are continually narrowing and hence the safety nets capacities are being overstretched.

What Social Protection Paradigm can Tackle Inequalities in Namibia: Proposals and Prospects?

Namibia can be said to have achieved some relatively notable progress in reducing poverty since independence in 1990. In 2009, the World Bank reclassified Namibia as an upper middle-income country based on its per capita Gross National Income average of $5,840 (NPC, 2018). The country has more than halved the proportion of Namibians living below the national poverty line from 69.3% in 1993/94 to 28.7% in 2009/10, and further to 17.4% in 2015/16 (World Bank, 2020). Measured at the international poverty lines of 2011 purchasing power parity (PPP) of $1.90 per person per day, 15.5% of the population were poor in 2018 following a fall from 22.6% in 2009 (World Bank, 2020). The corresponding poverty rate at the 2011 PPP of $3.20 per person per day in 2018 was 33.7%, relatively high for an upper middle-income country (World Bank, 2020). Typically, female headed households, the less educated, larger families, children and the elderly and labourers in subsistence farming are particularly prone to poverty (World Bank, 2020).

Namibia has been ranked the second most unequal country in the world after South Africa (NPC, 2018) with a Gini coefficient[3] that now stands at 0.572, despite the observed decline in inequality over the last 23 years of about 14.1% points. What is crucial is whether the observed declining trend has been the same for the different groups of the population

3 The Gini coefficient is the world’s accepted standard to measure inequality of wealth distribution and poverty levels in any country. The higher the figure – closest to one - the more unequal is the society while the lower figure – closest to zero - represents a society with the most equal wealth distribution

(NPC, 2018). Inequality is inseparably tied to economic imbalances and, in a context of limited productive investment opportunities, the only inevitable outcome is sharply higher unemployment. If there is income inequality, people with high income would invest in their education and skills. Those with less income do not invest in education/skills and thus they have no opportunity for employment. Between 2003 and 2010, inequality increased in seven of the thirteen regions namely, Khomas, Kunene, Ohangwena, Omusati, Zambezi, Karas and Otjozondjupa, indicating that the economic growth of 4.2% experienced during this period benefited the population differently (NPC, 2018). The World Bank estimates that the extreme poverty rate is expected to rise by nearly 2.7% points in 2020, as the pandemic is threatening to widen gaps and increase the already extremely high inequality (World Bank, 2020). It predicts that "the most affected are people living in urban areas, people with secondary education and those employed in construction, manufacturing, private services, trade or transport sectors" (World Bank, 2020, p.1).

Namibia is one of the few countries in Africa which makes provisions in its Constitution for public funded social welfare programmes. The country has also enacted several laws and established institutions to regulate and administer the different social welfare programmes. The social welfare programmes are administered through various public and State-owned enterprises. Article 95 makes it obligatory for the State to actively promote and maintain the welfare of the people by adopting appropriate measures such as various policies aimed at ensuring that 'every Namibian has a right to fair and reasonable access to public facilities and services in accordance with the law'. The Constitution further provokes the State to institute measures for ensuring:

> ... that senior citizens are entitled to and do receive a regular pension adequate for the maintenance of a decent standard of living and the enjoyment of social and cultural opportunities'. It also calls for the enactment of legislation to ensure that the unemployed, the incapacitated, the indigent and the disadvantaged are accorded such social benefits and amenities as are determined by Parliament to be just and affordable with due regard to the resources of the State.

However, although the Constitution indicates that this is "obligatory", this does not seem so if read together with Article 101 of the Constitution. Most social partners have thus argued on many occasions that this Chapter provides with the "right hand and takes away with the left hand". In other words, Article 95 gives while Article 101 makes it non-obligatory because of its unenforceability. Therefore, it is clear that the Namibian Constitution of 1990 does not acknowledge social security as a human right and the informal sector is not referred to in any of the 148 Articles provided for in the Namibian Constitution. It is omitted from Chapter 3 on "the Fundamental Rights and Freedoms" which has catalogued 14 fundamental rights and 11 fundamental freedoms". Yet the Namibian Constitution guarantees equality and freedom from discrimination in Article 10 and the right to dignity in Article 8. The extension of social security to the informal sector prevents discrimination on the grounds of economic status, namely employment in the informal sector, and could thus promote respect for human dignity for employees in the informal sector. The system of Namibia's social protection is thus rather comprehensive compared to other countries in the region. The system consists of non-contributory (social assistance), and contributory schemes (social insurance, including State managed and private systems). The public sector social assistance also involves extensively professional social welfare services.

The provision of social protection benefits in Namibia faces a number of challenges. These include a lack of national documents by potential beneficiaries, lack of information, inadequate monthly grants, urban bias, poor service delivery by pay-out officials, crime at pay-out points, corruption and concerns regarding sustainability. These are discussed in detail below.

(a) Challenges in the Social Security Act (SSA), 1994

The Social Security Act (SSA) and the Social Security Commission (SSC) make provisions for coverage for only those in formal employment. In an effort to embrace preventive and integrative social security, the SSC operates a standalone Development Fund (SSC-DF) as a non-contributory fund. The SSC-DF focuses on preventing unemployment, predominantly among the youth, by affording people a chance to finance their tertiary education and thus improve their employability. The Fund also assists in integrating unemployed people into the labour market – mainly those who are unable to gain admission into a college or university. This integration is preceded by the acquisition of new skills and the reinforcement of existing ones, as well as the use of employment services rendered by training providers. These ongoing interventions have resulted in a relatively high number of unemployed people successfully transitioning into the world of work. In addition, the SSC-DF has also embarked on an ambitious drive to create opportunities for decent employment in the rural areas of Namibia. This has been made possible by funds provided to third parties to assist communities in establishing livelihood ventures that can generate income and create and sustain jobs. In the first year of this intervention, over 200 jobs were created and all employees were registered with the SSC. In total, the SSC-DF has spent approximately N$85 million over the past five years to extend assistance to more than 2,000 unemployed people, out of a total unemployed population of 290,000. This implies that the majority of job seekers remains uncovered as the Fund is limited in its coverage. The current contributory social security schemes, however, also leave a large coverage gap especially because benefiting from the system is conditional to the status of employment and the majority of the workers operate in the informal sector. The regime under which the SSA was enacted did not give, or gave, insufficient considerations to the informal sector. This is evident from the following observations:

(b) Lack of national documents

To register for some schemes as a beneficiary, several documents are required especially the national identity document (ID), birth certificate or some letter from a local or regional authority or church certifying that indeed the applicant is a resident in a particular constituency. However, despite some drastic improvements in the provision of national documents by the Ministry of Home Affairs and Immigration, there is still a large number of people who do not have such documents especially those residing in rural areas. The difficulties in obtaining the necessary documents result in exclusion on the basis of lack of documents and hence the inability to access welfare grants, enter school or apply for exemptions from the payment of school fees or health costs (Third National Development Plan, 2008).

(c) Lack of data and information

It has been established that some workers in Namibia are not aware of their rights to social security. Research findings clearly indicate that many workers have little understanding of the benefits to be accrued from the SSC. Workers such as domestic, informal and farm workers have no knowledge of the SSC and the benefits offered (Shindondola-Mote, 2008; ILO, 2014). This could be due to a lack of recognition of the fact that such workers are also employed and they should also be entitled to benefits, not only by their employers, but through government funded social protection schemes. The lack of information also has to do with the fact that potential beneficiaries often do not know what the requirements are for them to be able to benefit from the available services.

(d) Inadequate monthly grants

The Government has over the years increased the total monthly grants, especially the old age pension. However, due to several reasons such as lack of employment, high living costs and high inflation, decreasing remittances due to lack of jobs and increasing number of orphans due to the HIV/AIDS epidemic, many beneficiaries complain about the inadequacy of these grants. To address this challenge, it may be necessary for the Government to consider a Basic Needs Basket Approach (BNB) to social protection. This means that grants should be increased in line with the cost of a BNB. Such basic needs could include food, clothing, shelter and additional needs such as school fees, transport, primary health care services, etc. A mother of a child living with disability bemoaned (Kojwang & Shindondola-Mote, 2012) that:

Placing my child in a special school is very difficult and I was put on a waiting list for two years. They don't provide meals so I have to pack her something every day and I can only get her uniform at a more expensive store. I believe this is the reason why a lot of disabled kids stay at home since parents can't afford the school requirements. Most children without medical aid do not receive physiotherapy even though they need it. I think they should be exempted so that parents can fend for other children as well. Kids on wheelchairs require a nanny and an escort to hospitals and if the payments were increased, this would be possible.

(e) Urban biased services

Many of the social protection as well as the social insurance services are only easily accessible to urban dwellers. It is also generally the urban dwellers that have easy access to reliable information as well as easy access to the offices and officials that deal with issues relating to the services. It is therefore important that investments in out-reach programmes be made a priority so that rural-based Namibians can access such services (Kojwang & Shindondola-Mote, 2012).

(f) Poor service delivery by pay-out officials

Literature reviewed (Shindondola-Mote, 2008; ILO, 2014) and discussions with some beneficiaries point to the fact that incidences of verbal abuse, especially towards beneficiaries who are not competent in the English language, were widespread. Some respondents indicated that some officials behave as if they 'own the money and those receiving it do not deserve it'. Others complained about waiting for too long in queues, bearing the hot sun and sometimes cold winds, which is something they believe could be avoided if the officials carried out their duties with due diligence.

(g) Crime

This challenge is outside the control of the schemes, but it is important to note that some beneficiaries also raised concern about incidences of crime at pay-out points. They indicated that old age pensioners, as well as those living with disabilities, especially those confined to wheelchairs and the blind, are easy targets of crime. They are robbed of their grants at the pay-point centre, on their way home or at home. The culprits were often cited as their own children, grandchildren or neighbours (Kojwang & Shindondola-Mote, 2012). Grant beneficiaries also fall prey to unscrupulous business men and women. Such people target the beneficiaries and promise them some rewards for small investments. Thus it is important that adequate security is provided for old age pensioners to prevent or minimise such incidences.

(h) Corruption

Corruption has also been noted as a serious challenge. Particular reference was made to the child maintenance grant. Some beneficiaries of the child maintenance grant noted that the registration procedures are cumbersome. With regards to maintenance claims, corruption and bribery take place at many levels. Beneficiaries complain that sometimes the officials at court who are supposed to summon the defendant do not do so as soon as a case is opened. Employers were also accused of colluding with defendants in making false declarations of income to the courts. Such practices result in complainants not receiving any payments or the defendant getting away with declarations of false information. Below are some views of beneficiaries of the child maintenance grant (Kojwang & Shindondola-Mote, 2012):

1. *The cases take too long to be decided upon. Some men deny paternity and one has to wait for a long time before the DNA tests are released. I think in future such men who play the delay tactics should be punished so that they are used as an example to deter others from behaving the same. In the majority of the cases, the results come back positive that he is the father. In the meantime, his child continues to suffer whilst he is playing mind games.*

2. *I think the men use such excuses so that if the woman is not strong enough or patient enough, she will just not pursue the matter. It is kind of humiliating for a child's paternity to be doubted because it is almost as if the men want to show that you do not know whom you had sex with.*

3. *Some men even go to lawyers to avoid paying maintenance. He will admit that he is the father, but instead of paying maintenance for his child, he would rather pay the lawyer in an effort to prove that he has no money for child support. This is ironic.*

However, the most prevalent case of corruption has to do with the Government Institution Pension Fund (GIPF) where the Board and senior management of the GIPF were accused of misappropriation of members' contributions. The alleged corrupt activities occurred through the distribution of loans to companies headed by influential people. Loans worth N$659 million were given to some 21 companies and some of these companies received money without even providing any sort of collateral. Some companies were also mentioned as having received loans without formally applying for them, whereas others received millions of dollars from GIPF without any signed approval by the Fund's board of trustees. Some companies received second loans even before paying off the first one (Kojwang & Shindondola-Mote, 2012), and others closed down without ever paying back one dime.

However, the Government has instituted an independent investigation into the matter. In the meantime, some civil servants are concerned about the possibility that they have already lost their pensions before retirement and they are calling for improved control mechanisms to ensure that such loss of workers' money is avoided in the future. They are also calling for alternative and flexible benefits that should enable workers to draw from their pension before the official retirement age of 60 (Kojwang & Shindondola-Mote, 2012).

(i) Sustainability

Sustaining Namibia's social protection programmes will depend on the extent to which the national economy is able to absorb as many people into the labour market as possible. There will be a need for a bigger middle-income class for the Government to be able to draw enough taxes to distribute to the poor. Even the social insurance programmes which depend on contributions from employees and employers can only be sustained if the economy is growing and jobs are being created. Namibia's social protection, including social insurance programmes, may not be easily sustainable in the long run due to the following (Kojwang & Shindondola-Mote, 2012):

- **Large Income Inequality:** Namibia is currently regarded as one of the most unequal societies in the world. This means that it has a small percentage of people who are paying income-based taxes regularly and in large numbers as compared to those who depend on taxes for survival.

- **Unemployment:** This means that many people have no work and hence they are not able to pay income tax or contribute to social insurance programmes.

- **HIV** is rife, and the **AIDS** pandemic is killing many people. This means that HIV/AIDS is severely undermining the productive capacity of the nation.

- **Increasing number of orphans and vulnerable children:** Namibia's population is generally young and a large number of these young people are orphans (mainly due to AIDS). The possibility, therefore, that in future there will be a population that is largely dependent on the State for income is real because orphans and vulnerable children also receive a State grant. Moreover, some of the orphans might also never be able to hold a job in the long run due to early mortality.

- With regards to the MVA Fund, there are certain challenges with this Fund that could pose a threat to the sustainability of the system. In this regard, the Injury Grant or general damages benefits were identified as one of the major cost drivers of this Fund. The Injury Grant is money paid out to injured persons in respect of the pain and suffering endured as a result of a crash. This particular grant is susceptible to corruption where some people have tried to tamper with medical reports to benefit financially (Kojwang & Shindondola-Mote, 2012). This behaviour, which is fuelled by the injury grant, does not add any value to the long-term well-being of Namibians. For this reason, the Fund is considering, with the approval of Parliament, removing the Injury Grant from its list of benefits to concentrate fully on the medical rehabilitation of the injured.

Strategic Policy Interventions for Tackling Inequalities through Social Protection in Namibia

It is clear that social protection systems have been widely recognised as important economic and social stabilisers world-wide. We have argued that there is an emerging global consensus that social protection is a basic human right that can be affordable and implementable even in developing countries. It is also widely accepted that social protection cannot be restricted to formal sector workers, but must be extended to all, including workers in the informal economy and the rural communal economy (Jauch & Kaapama, 2011). In that regard, the following are some strategic policy interventions that can drive social protection to reduce inequalities in Namibia:

(a) Addressing historical structural rigidities in the current development paradigm

In Namibia, after independence, the colonial enclave economy was reinforced by the belief that the formal sector was the engine of growth and development. Foreign investment and aid packages have been key major sources of capital. In other words, the post-independence government inherited and embraced the structural enclave economies that largely depended on the extraction of natural resources such as diamonds with little beneficiation programmes, and hoped that the "trickle-down effect" from the formal sector would resolve unemployment. It is clear that successive government policies have had an implicitly formal sector bias and thus reinforced this structural enclavity. The enclave economies are largely characterised by a small formal sector with the majority of the population confined to subsistence agriculture and informal activities. The latest 2017 Namibia Statistics Agency/World Bank Report shows that the incidence of extreme poverty fell from 58.9% of individuals in 1993/94 to 15.3% in 2009/10. In addition, the country has made strides in upgrading its human development record by improving citizens' access to basic social conditions. However, the Report asserts that despite the progress made this far, overwhelming challenges with regards to poverty and inequality reduction remain. The Report affirms that over the past years, the economy's "steady growth has not generated enough jobs, resulting in sluggish reductions in poverty, inequality and unemployment" (Namibia Statistics Agency/World Bank Report, 2017, p. 37). The Report additionally alludes to the fact that though falling, poverty rates are relatively high for an upper middle-income country. World Bank calculations show that 16.9% of the population lived on less than USD1.90 a day in 2015. Inequality in Namibia is among the highest in the world. In 1993/94, the Gini coefficient stood at 0.646, declining to 0.60 in 2003/04 and 0.597 in 2009/10. Unemployment in the meanwhile has remained stubbornly high at 28.1% as at March 2017.

In this regard, social protection must be seen within the context where development is envisaged as not merely about economics. It includes human rights, community rights and the right to national self-determination. It also deals with issues of equity and fairness in the distribution of resources at local, national, regional and global levels. The provision of social services such as water, energy, health and education cannot be guaranteed for all if they are left to market forces. Social services are not matters to be privatised as they are part of basic human rights and States have the responsibility to secure them for all their people. The State in Namibia must therefore be developmental, as well as ethical, responsible and accountable to the people.

(b) Enhancing the role of non-State actors (trade unions and civil society)

Non-State actors such as trade unions in Namibia are recognised in the Namibian Constitution under Chapter 11 on Principals of State Policy. Under Article 95, Sub-section (c), it is stated that *'the State shall actively encourage the formation of independent trade unions to protect workers' rights and interests; and to promote sound labour relations and fair employment practices'.* Currently, Namibia has three trade union federations and close to 40 industrial sector unions with many others not affiliated to any federation. These three main trade union federations are the National Union of Namibian Workers (NUNW), Trade Union Congress of Namibia (TUCNA) and the Namibia National Labour Organisation (NANLO). The LFS of 2018 estimates that only 20.6% of the total employees in the country belong to trade unions. The highest rate of trade union membership is amongst females with 24% compared to their male counterparts with 17.9%. The rates for trade union membership are higher in urban areas (21.3%) than in rural areas (18.7%).

First, evidence from literature suggests that trade unions are represented on the board of the SSC which administers the Maternity Leave, Sick Leave and Death Benefits (MSD) Fund, the national pension fund and a national medical benefits fund, despite MSD being the only operational scheme. Nonetheless, the roles of trade unions need to be strengthened so that they can play a far more active and visible role if they want to push for more comprehensive social protection as instruments to fight inequality and poverty. Evidence further suggests that trade unions have already put in modalities in organising the informal workers through the Namibia Informal, Domestic and Allied Workers Union (NIDAWU). In light of this, it is recommended that these structures be strengthened.

Second, research evidence suggests that there is limited coverage of social protection in Namibia. Most recommendations also point to the need to extend coverage to the majority of the people that are currently excluded. A useful starting point would be to work with other stakeholders in developing specifically targeted programmes for the vulnerable groups in a comprehensive and coordinated fashion. Creating universal social benefits, for example, through universal health benefits, old-age pensions or child-support payments would be one such example of this avenue for the extension of social protection.

Third, trade unions and civil society should advocate for the extension of coverage to informal workers through new forms of organising and collective bargaining such as:

- Helping existing trade unions to reach out and establish specific branches for workers in informal economy occupations;
- Assisting associations for workers in specific informal economy occupations with collective bargaining expertise and backing to strengthen their lobby and participative capacity;
- Providing awareness raising and training on legal rights and responsibilities to workers; and
- Collaborating with organisations that work on labour rights to ensure legal representation and application.

(c) Enhancement of stakeholder empowerment

Our position is that economic policies and programmes should be seen as the first option for addressing empowerment before designing special programmes to address specific empowerment needs. Empowering women and the voiceless is therefore critical in the drive for a comprehensive social protection system in Namibia. Statistics show that women are an integral part of the informal economy in Namibia and they exceed men in terms of participation in informal activities in the country. This implies that special attention needs to be given to women and women groups such that they can be empowered to fight both structural and institutional discrimination. In many cases, access to resources and markets is constrained along gender lines. Also, in the context of families where culture unfairly treats women with limited rights, the women who are involved in the informal economy face double discrimination both from within the family and at the workplace. Representation of women in local government and institutions which seek to address social protection in the informal economy can ensure that women's concerns are recognised and addressed. It also gives women a seat at the table when it comes to political, local government or institutional reform measures. Whereas micro finance has enabled women to be empowered in their activities.

(d) Coalition building around occupational groups

There is also need to encourage and strengthen networks among occupational groups in the informal economy. This gives a group solidarity and social cohesion which encourages minority or discriminated groups to make their voice heard in policy and institutional reforms. In most cases, the divisions among these groups also lead to lower bargaining power. Hence, occupational groups and trade associations can be important channels of empowering the informal economy. These groups would be able to ensure that their rights and benefits are not infringed out of ignorance or through deliberate measures. In addition to representation at the national level, there is also a need at the international level to recognise the rights of informal sector groups such that their concerns can be addressed through international fora and indirectly put pressure on governments to address the needs of informal sector groups. Here organisations such as WIEGO, HomeNet and StreetNet are some examples of international networks which can provide a voice to informal sector groups at the national and international levels.

(e) Policy coherence and coordination: Inter-ministerial collaboration and coordination of all ministries and stakeholders

For a comprehensive social protection strategy to work, it will need to be anchored with an elaborate inter-ministerial collaboration and coordination plan of all the ministries and stakeholders involved in its implementation at the national level. This includes the ministries of labour, social welfare, health, education, gender, agriculture, finance and economic planning and others. An Inter-ministerial committee will provide the overall political guidance and support towards the implementation of a Social Policy Framework (SPF), including the legislative review.

(f) Review and development of a comprehensive legislative framework on social protection

It is clear that much of what the legislative framework recognises as social protection is restricted to the social insurance model, but this has limitations. There is need therefore, to advocate for the review of the legislative framework that gives residents an explicit right to social protection and facilitates the development of a national social protection system that addresses the country's peculiar situation determined by factors which include, among many, the proportion of persons who are poor, affected by HIV and AIDS, plagued with disability, weakened by old age, etc.

(g) Collection of disaggregated data for monitoring implementation and evaluating the impact and progress on social inclusion

In order to address the challenge of low effective coverage in relation to access to social protection, there is need for systems that would allow agencies to collect disaggregated data/information covering such variables as gender, age and other spatial dimensions for monitoring and evaluating the impact and progress on social inclusion. Research and information includes the identification of recipients and information gaps, and sponsoring research to fill these gaps, including human rights-based situation analyses that include causality, capacity and role pattern analysis, impact evaluations and economic analysis on the links between investment in social protection, poverty reduction and the attainment of the SDGs, as well as the development of three key inputs required to inform national strategies and programmes. These are namely: i) risk and vulnerability assessments; ii) an inventory of current social protection activities; ii) expenditure reviews and assessment of social protection spending.

In light of the above, digital-based systems can greatly facilitate the process. For instance, India's massive Aadhaar programme, which has so far enrolled over 830 million people, replaced the physical ID card altogether (World Bank, 2016). Other countries developing digital ID systems include Bangladesh, Kenya and Guinea. Digital IDs are in principle universal and thereby cover both formal and informal workers. In addition to facilitating service delivery, digital ID systems were effective in reducing leakages in benefits for social protection programmes, health insurance and pension schemes stemming from, for example, duplicate claims, ghost-workers, quasi-ghosts and corruption (World Bank, 2016). Digital technologies can also help improve coordination and consistency across concurrent social protection systems. Likewise, since 2005, the main social security institutions in the Philippines rely on a unified smart card that can store information and perform transactions in all these institutions. The system enables authorities to identify participants and facilitates and streamlines the implementation of procedures and monitoring (Duran-Valverde et al., 2013).

(h) Sustainable funding for social protection from both domestic and external resource mobilisation, in particular resources that can facilitate scaling up of effective interventions

A major challenge established in research relates to official government funding of social protection which has been found to be inadequate. In this respect, there is need to advocate for improved and sustainable funding for social protection from both domestic and external sources, in particular resources that can facilitate the scaling up of effective interventions.

Ideally, the current attempt in the national budget of cross-subsidisation through the tax system is an important redistributive tool when the tax system works. This will require a review of the existing Fiscal Policy Framework that ensures a more supportive framework towards the needs of the poor and vulnerable in the informal economy. The implementation of the national strategies should be measured in the short term through the incorporation of social protection assessment uptakes in national development plans, sector-wide approaches and medium-term expenditure frameworks. There is need for trade unions and civil society organisations to continue advocating for adequate budgetary allocations for social protection, support for regulatory standards and guidelines, and inclusion of monitoring and evaluation systems in social protection programmes that also need to be further strengthened.

(i) Governance of social protection systems

Research has shown that there are gaps in governance structures of existing formal social security/protection institutions in Namibia. There is need to call for more accountability of the management of formal social security/protection institutions. This will require significant funding support towards the development of skills and capacity for representatives on governance structures, as well as a code of good conduct that will guide the participation of its representatives on social security/protection governance structures.

(j) Developing appropriate monitoring and evaluation incidences and efficiency of social spending systems

The effectiveness of social protection programmes in reducing poverty depends on whether they cover a significant number of poor people and whether benefits are adequate. The key issues are: Do benefits go mostly to the poor? Are they adequate to significantly reduce the consumption gap? Cost effectiveness also depends on the efficiency of administration in terms of identifying beneficiaries and delivering benefits. This means that social protection systems need to be assessed with respect to performance on: (i) progressivity; (ii) coverage; (iii) targeting accuracy; (iv) the generosity of benefits; and (v) the impact on poverty. The 2017 Namibia Statistics Agency/World Bank Report revealed that Namibia exceeds the average spending on public transfers for Sub-Saharan African countries in overall spending on direct transfers. Namibia's spending on direct transfers is higher than the average for Sub-Sahara African countries (1.46%) but it is comparable to the average for developing countries (1.6%). The report also indicates that Namibia's spending level is comparable to that of Argentina and Poland, but it is significantly below that of South Africa (3.5%) and Mauritius (3.3%). The Old Age Pension (OAP) constitutes 59% of spending on direct transfers. Despite generous spending, the targeting efficiency of direct transfers is relatively low. International comparison suggests that Namibia is below the world average both in terms of coverage of the direct transfers going to the poorest population and in terms of grants' targeting efficiency. The coverage for the poorest quintile was 33% in Namibia, below the 43.1% world average. The targeting efficiency of direct transfers in Namibia was 16.9% compared to the 26.6% world average. In other words, despite generally high levels of Government spending on grants, both coverage and targeting efficiency are relatively low in Namibia in comparison to other countries. This will require that the civil society and trade unions develop their own goals, strategies and timeframes to achieve the implementation of a social protection floor. This will need clear indicators (with baseline and targets) which are required to monitor and measure the progress and results. They should argue for a national social protection evaluation framework that:

- Sets minimum standards of evaluation across government and social partners;
- Will improve the effectiveness and impact of social protection interventions that allow for reflection of what is working and what is not, and make the necessary interventions where required; and
- Provides for key elements such as regular determined periods of evaluation, allows for public scrutiny, improves plans where required, provides technical support and quality control and supports training and development in meeting set targets.

Conclusion

It has been argued and affirmed in this chapter that social protection is a critical driver for poverty reduction and economic growth, thereby reducing inequality and vulnerability. Over the past years, social spending has accounted for more than half of Government spending with Namibia spending 1.6% of its GDP on direct transfers, which is higher than the average for Sub-Saharan African countries (1.4%) and comparable to the 1.6% average for developing countries (Namibia Statistics Agency/World Bank Report, 2017). Namibia has an extensive social protection system, and it manages client applications, records and payments for more than 15% of the population. It also has a significant legal framework and a range of institutions, from public sector departments to public agencies and private sector firms. However, the depth of the debate and direction on how social protection has been able to address inequalities remains contested. It is essentially about the nature of the social contract between the State and its citizens, and the State's responsibility to provide a minimum level of well-being to its citizens, which remains contested as well.

In this chapter, we have also discussed the nexus of social protection and inequality in Namibia. The inherent benefits of how social protection can tackle inequalities were also presented in context. The current policy and legal framework governing social protection in Namibia in the context of bridging the inequality gap and challenges hitherto was assessed. Some broad strategic policy and specific interventions were proposed which border on deep structural transformation and reforms that require an understanding of the critical factors such as variations in the magnitude of need, the strength of national political commitment, donor interests and domestic economic and social conditions, that can influence the development and success of social protection to alleviate inequalities.

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Chapter Four

Politics and Social Protection in the Namibian and African Context

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Abstract

In its societal organising principles such as Ubuntu and African Communalism, the African traditional society provided for social protection. The colonial project and the capitalist state that was installed in Africa ignored the social protection systems of the African traditional society which are now termed by some scholars as "informal" schemes", while the "formal" western systems were adopted and made into law by the institutions of modernity. Although most pioneering African leaders introduced a series of social protection programmes at independence, the Structural Adjustment Programmes undermined this drive. The adoption of MDGs and their operationalisation in various African Union (AU) continental treaties and charters has rekindled the need for social protection as a development imperative. The present chapter discusses the leverage of political expedience that undermines the quest to achieve transformative social protection in Namibia. Drawing from literature review, this chapter argues that, although Namibia claims to be one of the countries with the most comprehensive social protection system in Africa, the country remains one of the most unequal nations in the world. This chapter also offers alternatives that underscore the need for transformative social protection in context.

Key words: Social Protection, African Communalism, Transformative Social Protection, Namibia

Introduction

There are several definitions of social protection. For Schade, La and Pick (2019, pp. 15-16), "social protection is a broad concept referring to measures that aim to reduce poverty, vulnerability and inequality… [comprising of] three pillars: social assistance, social insurance and active labour market programmes." Norton, Conway, and Foster (2001, p. 6) see social protection as "'the public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given polity or society." They add that social protection takes place in two forms; social assistance or social insurance. Social assistance refers to "public actions which are designed to transfer resources to groups deemed eligible due to deprivation" while social assistance refers to "social security that is financed by contributions and based on the insurance principle, that is, individuals or households protect themselves against risk by combining to pool resources with a larger number of similarly exposed individuals or households" (Norton, Conway, & Foster, 2001, p. 10). For Cirillo and Tebaldi (2016, p. 7), social protection has the following elements:

> (i) support individuals and families in dealing with vulnerabilities throughout their lifecycle; (ii) help especially the poor and vulnerable groups to become more resilient against crises and shocks; (iii) favour social inclusion and support families, particularly the most vulnerable to poverty, in building up their human and social capital through income and consumption smoothing and ensuring their access to basic goods and services; and (iv) stimulate productive inclusion through the development of capabilities, skills, rights and opportunities for the poor, marginalised and excluded groups, as well as low-income workers from the formal sector in order to guarantee that everyone benefits from the economic growth process and becomes engaged in it.

The understanding and approach of this chapter to social protection is built on the above definitions as per Schade, La and Pick (2019), Norton, Conway and Foster (2001), Cirillo and Tebaldi (2016) and also Devereux (2010) in that as a mainly publicly led and funded exercise, social protection essentially comprises of several components such as social assistance, social insurance, a developmental mechanism protecting and promoting livelihoods, and a transformative component that promotes social inclusion and social justice.

This chapter discusses how politics shapes social protection policy in Africa with specific reference to Namibia. As opposed to orthodox texts, the chapter firstly traces social protection within the African traditional society by scaning the environment and providing a philosophical perspective in which social protection operated in within pre-colonial and colonial Africa. The endeavour here is to avoid the 'Hegel disease', that is, a tendency by scholars to treat Africa as a place without history and no contribution to knowledge. The phrase 'Hegel Disease' refers to the philosopher Hegel, who referred to Africa as a place without history and that Africa has contributed nothing to world history. The chapter then proceeds to explain how this African perspective on social protection did not dominate State policy after independence and explains the description of the social protection journey in post-colonial Africa and concludes with a synopsis of social protection in Namibia.

Social Protection in the African Traditional Society

One of the arguments advanced by Afrocentric scholars in their critique of Eurocentric scholarship is what is seen as the tendency, by the latter, to treat and approach Africa through the lenses of Hegel – the German philosopher who characterised Africa as a place without history and which has made no contribution to knowledge (Sesanti, 2011). It is common occurrence for Eurocentric scholars to treat concepts such as social protection as a novelty in and to Africa. There is overwhelming evidence that most concepts such as social protection indeed existed in pre-colonial African society (Mudimbe, 1988: Mafeje, 1991). The philosophical basis of social protection in the African traditional society can be understood from ideas such as Ubuntu that is common in southern Africa. Defined in simple language, Ubuntu is an African outlook associated with common expressions such as, 'a person is a person through others' or 'I am because we are'. To the African, one's individualism can only be realised through other persons (Metz, 2016). What emerges from this outlook are two important aspects – identity and solidarity – which are explained by Metz (2016, p. 138) as follows:

> On one hand, there is a relationship of identity, a matter of considering oneself as part of the whole, being close, sharing a way of life, belonging and integrating with others. Part of this kind of relationship is psychological, for example, thinking of oneself as a 'we' and not so much an 'I', while another is behavioural, interacting with others on a cooperative basis. On the other hand, there is reference to a relationship of solidarity, achieving the good of all, being sympathetic, acting for the common good, serving others and being concerned for others' welfare. Here, too, there is a behavioural component, of doing what is likely to enable others to live better lives, as well as a psychological one, of doing so consequent to sympathy and for the sake of the other.

As such, individuals in society abided by this principle wherein each individual understood that they are part of the whole and carry a responsibility to each member of the whole. This is the basis on which African communalism was organised. Social protection, in the African traditional society, thus obtained its content and character from this philosophy. As Rodney (1982) submits, African communalism guaranteed every African access to resources, not on the basis of social position or economic status, but by the mere fact that they are a member of a community. Given that African communalism and *Ubuntu* are the organising principles on which the African traditional society was built, it was not necessary to have writen laws or policies on social protection. This way of life also existed in the domain of why ethics and values guided even basic societal components such as friendship, kinship, families and households. It is for this reason that Oduro (2010), in his study of social protection in Sub-Saharan Africa, made a distinction between formal and informal social protection. Oduro (2010) argues that "formal social protection is defined to include actions taken by the public sector … and private sector arrangements that have legal backing" (p. 3). Informal social protection, on the other hand, occurs outside public institutions and it has come as a result of social networks such as family, ethnicity, community and others that do not necessarily have legal backing. This distinction carries a deeper meaning beyond the legal validity and social morality issues. What is not stated by Oduro (2010) is that the colonial project introduced a new order in which African culture and tradition were regarded as informal, while European ways were formal. It is important to emphasise that although the Westphalian state that was established in Africa brought a new notion of social protection that is often legislated through State law, and the African social protection system remained – the one described by Oduro (2010) as informal.

In the late 1950s and early 1960s, African liberation leaders in countries such as Ghana, Tanzania, Kenya, Senegal, Mali, Guinea, Zambia and others that had won their independence followed a socialist path in the economic organisation of their newly independent States. Socialism, although ideologically inspired by communist countries, was seen by African leaders as similar or close to African communalism (Akyeampong, 2018; Losch, 1990). In these countries, the State adopted a series of social protection enabling policies such as free education and healthcare for all. Despite some level of failure, scholars such as Mkandawire (2001) have demonstrated the progress that African economies made in the early years of independence. Baah (2003, p. 2) describes the case of Ghana congruently:

> In Ghana, the number of primary schools increased from 154,360 in 1951 to 481,500 in 1961 (211.9%); middle schools increased from 66,175 to 160,000 (141.7%); secondary and technical schools increased from 3,559 to 19,143 (437.8%); teacher training colleges increased from 1,916 to 4,552 (137.5%). In 1951, there were only 208 university students in Ghana. In 1961 the number had increased to 1,204 (478.8% increase). In the health sector, the number of hospital beds increased from 2,368 in 1951 to 6,155 (160% increase); rural and urban clinics increased from 1 to 30; doctors and dentists from 156 to 500 (220.5% increase). There were similar investments in transport, communications and electricity. Tanzania, Zambia and other countries followed the same path after they achieved independence.

Evidently, many African countries set up several social protection systems at independence. It has been argued, even by the African leaders themselves, that their approach to economic policies and social protection takes cue from African communalism. Dr Kwame Nkrumah, the founding President of Ghana, was immaculate on the purpose of building socialism:

> In Ghana, we have embarked on the socialist path to progress. We want to see full employment, good housing and equal opportunity for education and cultural advancement for all the people up to the highest level possible. This means that prices of goods must not exceed wages; house rentals must be within the means of all groups; social welfare services must be open to all; educational and cultural amenities must be available to everyone. (Nkrumah, 1963, p. 119)

Unfortunately, the socialist economic experiement did not last long. Various factors such as political instability, that led to the overthrow of leaders, resulted in a fall in commodity prices that then shrunk State revenue and eventually global political economy factors, such as the structural adjustment programmes that ushered in a cruel capitalist order in Africa, and these brought the socialist experiment to an end (Akyeampong, 2018; Losch, 1990). In this regard, this meant that social protection significantly declined significantly, owing to the new capitalist order. The section below examines social protection under the capitalist order in post-colonial Africa.

Social Protection in Post-colonial Africa

During Africa's struggle for freedom and independence, it was mostly countries practicing communism or socialism that provided ideological and material support to Sub-Saharan

African liberation movements (Nkrumah, 1963). This became more pronounced in the 1970s and 1980s during the Cold War era, when there existed a global struggle between communist and capitalist superpowers, when the Soviet Union and the United States sought and supported African political organisations that would implement their form of government. For those countries that were not independent at the time, the economic systems followed after independence by a particular African State were contingent on whom they perceived had won the Cold War.

In post-colonial States which carried forward after independence in substance, African philosophies such as African communalism, albeit subordinate to new western forms of economic order, did not disappear. These philosophies continued shaping political and economic actions from the periphery. Hyden (2013, p. 58) captures this aptly as follows:

> The prevalence of a community-centred orientation in contemporary Africa can only be fully understood against the background of the embededness of its political economy… In societies where face-to-face relations and primary forms of reciprocity prevail, there is no need for external rules and impersonal authorities to enforce social action. Communities take it upon themselves to enforce rules. The second aspect is the tendency of politics to become centrifugal; there is little respect for the formal rules associated with higher authority such as the State. The abstract nature of the system underlying the ideal of a rational-legal type of bureaucracy is ignored in favour of the locale-specific pressures about interests associated with individual communities… Self-interest is mediated by considering what a particular choice means for others.

The Hyden (2013) arguments are in tandem with other scholars who analysed the political economy of Africa. Chabal and Daloz (1999) characterised this function in African politics as the respect of informal social relations over official and bureaucratic forms, as a form of ‘disorder’ that actually works for Africa and is used as a political instrument. African leaders took with them this orientation to the State. What Hyden (2013) and Chabal and Daloz (1999) grappled with in analysing relations to the political order is what Oduro (2010) analysed and resolved as discussed ealier with specific reference to social protection. There has always been social protection in the African traditional society inherent in the societal organising principles of African communalism. These forms of social protection, what Oduro (2010) terms ‘informal social protection’, thus also continued in post-colonial Africa albeit, as mentioned earlier, subordinate to those of the State.

It is evident that whenever eurocentric social development literature refers to social protection in Africa, it implies programmes by the State or formal social protection. It is one that is accomodated in State budgets and other official articulations of government programmes. In a study that looked at social protection programmes in Africa, Cirillo and Tebaldi (2016, p. 9) found that the number of social protection programmes in Africa rippled between 2000 and 2015 as illustrated in the Figure 4.1.

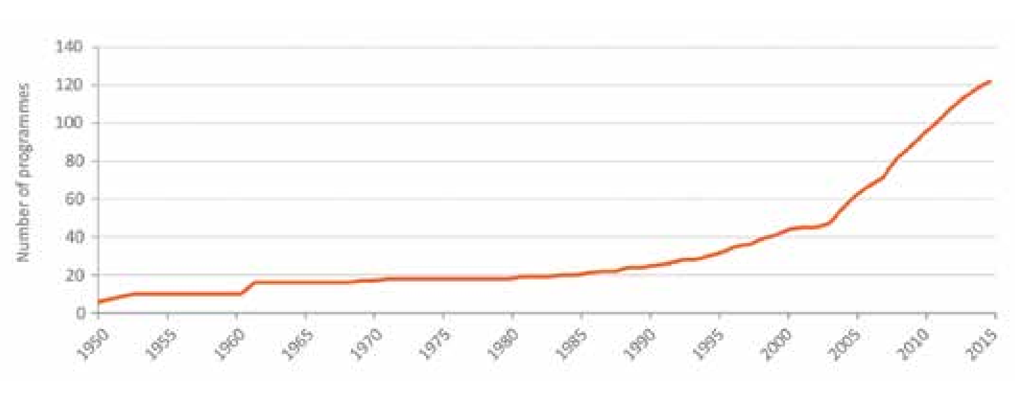

Figure 4.1: Africa non-contributory social protection programme

(Source: Tebaldi, 2016, p.9. - reproduced Figure 1)

It was found that most of the social protection programmes implemented in Africa included unconditional cash transfers, cash for work, conditional cash transfer, social support service, conditional in-kind transfers, training, subsidies, assets and input transfers, unconditional in-kind transfers, educational fee waivers, microfinance and food for work.

Although Cirillo and Tebaldi (2016) do not account for the increase in social protection in Africa after 2000, there are several explanations that are helpful. At indepedence, in the 1960s, independent African countries relied heavily on revenue generated from their natural resources. They used this revenue to fund social protection programmes such as free education, health care and other programmes. In the 1970s, Africa faced a challenge with the fall of commodity prices which resulted in lowered revenue for the States (Deaton, 1999). African countries then turned to the Bretton Woods Institutions, that is, the World Bank and the International Monetary Fund, to obtain loans for support. These loans came to be known as the Structural Adjustment Programmes (SAPs). One of the conditions of these loans, among others, was that Africa had to cut on social spending. By 1990, the Soviet Union, which used to be the global source and basis of communism and the anti-capitalist drive, had collapsed. Social protection was one of the flagships of the creation of a communist society. African countries could no longer therefore, rely on the Eastern countries to support any socialist or communist projects they desired to implement. The 'only economic game in town' for Africa was now one offered by the West through their capitalist instruments in the form of the SAPs. African economies became highly indebted, the SAPs failed, and State spending on the social sector declined. The local population then turned against the leaders as the economic situation worsened for them (Danso, 1990). Conflicts and war thus ensued with devastating effects on the continent. Between 1960 and 1990, 79 African leaders were either overthrown in coups, wars or invasions (Hyden, 2013). In short, it is instructive to state that social protection, that had blossomed during the early years of independence, declined or stagnated due to the fall in commodity prices and the subsequent adoption of the SAPs. Barrientos and Hulme (2009, p. 442), explain that:

> Current interest in social protection among policy-makers developed in the aftermath of the structural adjustment policies of the 1980s and 1990s, especially their failure to promote growth and reduce poverty. This led to a realisation that a globalised economy could produce dramatic downturns in human well-being, and to a better understanding of the human and developmental costs associated with not having adequate social protection policies and programmes in developing countries. More recently, the Millennium Development Goals (MDGs) have focused attention on poverty and vulnerability reduction. Several factors explain the rise of social protection on the policy agenda, but the effects of globalisation and rapid economic transformation are the most important as they raise the demand for social protection.

Our analysis of Figure 4.1, where a number of social protection programmes increased from the years 2000s, corroborates the assertion by Barrientos and Hulme (2009) above relating to the MDGs which were adopted by the United Nations in 2000, which has realigned the thinking that social protection should be the strategic focus of poverty reduction in Africa. As has been demostrated in several other continental instruments, clearly, African leaders have now reached a consensus that their governments can afford a sustainable basic package of social transfers (Tylor, 2008).

Tylor (2008) explored social protection in Africa by looking at the policy environment within the African Union (AU) and chronicled how the AU has dealt with the subject. Tylor located the social protection framework in the *Constitutive Act of the AU* that speaks to, in Articles 3 and 4, the need for promoting cooperation in all fields of human activity with an objective of raising the living standards of the African people. The *Ouagadogou Declaration and Plan of Action,* adopted by the AU Heads of States and Governments in 2004, also made mention of introducing social protection. A more explicit call was made by the AU again in 2006, which is known as the *Livingstone Call for Action on Social Protection in Africa.*

However, in a recent study, Seekings (2019) cautioned against the over celebration of these initiatives that African leaders acceded to, arguing that often African leaders hide behind phrases such as *'when circumstances permit'* which are often contained in the text of these legal instrument. Seeking (2019) sees this as dwarfing the effective implementation of social protection initiatives. Devereux and Sabates-Wheeler (2004) similarly warn against the over glorification of social protection without a critical analysis. They argue that some of the social protection interventions are and can be classified as 'economic' – protective, preventive and promotive – and not necessarily 'social' thereby playing a transformative role. They argue that for the developing world in general, and Africa in particular, there is a need to find a nexus between 'economic' and 'social' transformation. Devereux and Sabates-Wheeler (2004, p. 27) submit that:

> For positive social protection objectives to be achieved, the package of measures actually adopted must be carefully selected, prudently designed and effectively implemented. Nonetheless, the point remains that transformative social protection

can be affordable while contributing to the fundamental policy goals of pro-poor economic growth and improved social equity).

Social Protection in Namibia

Formed in 1960, at the height of nationalist resistance against the apartheid colonial regime, the South West Africa People's Organisation (SWAPO) went on to obtain the status of the 'sole and authentic' representatives of the Namibian people. This status was accorded to the liberation movement first by the Organisation of African Unity (OAU) and later by the United Nations (UN) (Wallace & Kinahan, 2011). In its struggle for freedom and independence, SWAPO always identified itself and postured as a leftist organisation promising to introduce a socialist order in post-colonial Namibia for the benefit of all the Namibian people, but in particular for the benefit of the poor and the dejected black masses (SWAPO, 1981). It aligned with communist and socialist countries such as the Soviet Union, China and Cuba amongst others (Melber, 2014). In its policy documents for independent Namibia, SWAPO stated the following (United Nations Institute for Namibia, 1986, p. 60):

> The basic mode of production set as a goal is socialist. "Bringing all the major means of production and exchange into the ownership of the people" and "planning and development will be governed by the principles of scientific socialism" are specifically set out as goals… The nationalisation of land, natural resources, finance, public services and transport would give the State the formal and economic means to pursue a transformation towards socialism.

None of these socialist rhetoric, however, ever saw the light of day in independent Namibia. The transition to independence brought new dynamics which SWAPO and its leaders perhaps did not anticipate. Not only did the Soviet Union collapse in 1989, but countries that came to form part of the UN sanctioned Western Contact Group (WCG), that participated in the drafting of the Namibian Constitution, were generally capitalist States who subsequently ensured that SWAPO socialist rhetoric never made it in the actual text of the Constitution of the independent State (Cliffe, 1994; Melber, 2014). Owing to geopolitical dynamics that characterised the negotiated settlement that delivered Namibia's independence, SWAPO capitulated and abandoned its socialist promises. As noted by Amupanda (2017, pp. 23-24):

> Westerners who played an important role in the crafting and designing of the national Constitution ensured that the supreme law is designed so that the economic fundamentals protecting white privilege remain intact; the former liberation movement (by its own admission) openly capitulated and embraced the capitalist neoliberal economic order in exchange for political power. In other words, the SWAPO leadership traded their revolutionary outfits for air-conditioned offices as opposed to the total transformation of society – a vision for which it fought for more than 20 years before independence… The inequality, poverty and underdevelopment that characterise the lives of the black majority are the results of SWAPO's politics in general and its capitulation at the negotiation tables in particular.

Despite SWAPO's capitulation, the profile of social protection in post-independent Namibia has not been vacuous. For example, Article 20 of the Namibian Constitution provides that primary education shall be compulsory and provided free of charge at government schools (Republic of Namibia, 1990). Although this constitutional provision was ignored and not implemented for 23 years after independence, it is one of the clearest demonstrations that the legal framework, in terms of intent, has not been void. Free primary education was finally implemented in 2013 during the presidency of President Hifikepunye Pohamba, while his successor, President Hage Geingob, introduced free secondary education in 2016 (Iikela, 2017).

The legal framework for social protection goes beyond the constitutional provisions of free primary education. Several legal instruments have been enacted providing for social protection in Namibia. These include the Children's Status Act (Act No 6 of 2006) which equalises the treatment of children born outside of marriage; the Veterans Act (Act No 2 of 2008) whereby the State provides benefits to veterans of the liberation struggle and their dependents; the National Pensions Act (Act No 10 of 1992) that provides national pensions to the aged, blind and disabled persons; and the Maintenance Act (Act No 9 of 2003) that deals with the payments of child maintenance amongst others. Other legal instruments include the Social Security Act (Act No 34 of 1994) that provides for the payment of employee maternity leave benefits, sick leave benefits, death benefits, medical benefits, pension benefits for retired employees and funding of training schemes for the disadvantaged. These legal frameworks have assisted and have provided social protection to many Namibians since independence. Karamata (2014, p. 86) made similar findings and submits that:

> Social protection has played a major role in improving the social welfare of hundreds of thousands of Namibians since independence. This has been achieved through various cash-transfer schemes as well as contributory funds administered by the SSC [Social Security Commission]…[These funds have] brought about substantial improvements in the social welfare of the Namibian working poor and their families, and have especially protected the poor against social and financial shocks that can result from sudden loss of income.

Social protection in Namibia is not only proclaimed by Namibia but has been widely acclaimed by many. Mario Pezzini, the Director of the OECD Development Centre and Special Advisor to the OECD Secretary-General on Development, congratulated Namibia for having "one of the most comprehensive social protection systems in Africa. It includes public and private arrangements that cover individuals at a range of income levels against a variety of risks. Equivalent to 13% of gross domestic product, annual spending on social protection matches the breadth and depth of provision" (Pezzini, 2019, p. 5). Schade, La, and Pick (2019, p. 10) similarly profile Namibia's achievements on social protection as follows:

> The Government of the Republic of Namibia (GRN) has placed social protection at the centre of the policy response to these challenges. Social assistance has scaled up dramatically since the early 2000s, in particular the proportion of children who receive some form of cash transfer and are covered by the school-feeding programme has risen significantly. Coverage of Namibia's universal old age grant has also grown in absolute terms at the same time as benefit values have increased in real terms. Overall, spending on social assistance increased from 1.3% of GDP in 2000/01 to 3.5% of GDP in 2015/16. As a proportion of public spending, it rose from 4.0% to 8.3% over the same period. In the 2017/18 fiscal year, some 170,386 individuals received the old age grant while 41,061 received the disability grant. The number of child grant beneficiaries stood at 344,055 at the end of 2017. A significant portion of Namibia's population of 2.6 million individuals thus benefits directly from social assistance, with the number of indirect beneficiaries (members of a recipient's household or family) higher still.

As stated by Schade, La, and Pick (2019) above, social protection programmes in Namibia increased in the 2000s and as mentioned earlier, social protection in Africa, as a whole, increased following the adoption of the MDGs in 2000 at the UN General Assembly. Namibia's MDGs were adopted by the then Namibia's Foreign Minister, Then-Ben Gurirab, under his leadership as the 54th President of the General Assembly of the United Nations and who went on to become Namibia's Prime Minister two years later (Melber, 2014; Nandi-Ndaitwah, 2020). On 21 March 2015, Hage Geingob was inaugurated as the 3rd President of Namibia and it is under President Geingob that Namibia saw a number of additional social protection measures, beyond what is provided for by the legal framework, being brought into play. The Ministry of Poverty Eradication and Social Welfare was introduced, headed by Bishop Zephania Kameeta, who was the chairperson of the Basic Income Grant (BIG) coalition that called for the introduction of a universal income grant for Namibians. There was euphoria and hope that President Geingob was likely to introduce the BIG as he had expressed support and made personal donations to the initiative. President Geingob also introduced Food Banks that assisted the poor in urban areas. By the end of 2019, close to 20,000 Namibians were receiving monthly food parcels worth N$550 (Schade, La, & Pick, 2019).

On face value, Namibia's social protection regime provides a rosy picture but on close inspection, these measures have failed to bring about the transformation of society. As Pezzini (2019, p. 5) argues, "social protection is currently not making sufficient progress in eliminating persistent and deep rooted poverty (especially amongst children), inequality and unemployment". Namibia remains one of the most unequal countries in the world with the country's UN Human Development Index (HDI), which is the measure of the statistic composite index of life expectancy, education and per capita income indicator of a country, standing at 0.647 in 2017, ranking Namibia at 129 out of 189 countries (Schade, La, & Pick, 2019).

On close inspection, it becomes clear that the political elite maintain social protection programmes for the purposes of political capital and advantage. They are not willing to go beyond economic social protection towards transformative social protection as argued by Devereux and Sabates-Wheeler (2004). Despite the appointment of Bishop Zephania Kameeta as the Poverty Eradication Minister and the previous support of the BIG Project by President Geingob, the BIG project was not introduced as widely expected. When President Geigob was re-elected for a second term, he abolished the poverty eradication ministry and consequently removed Bishop Kameeta, a social protection champion, from his cabinet. It is thus arguably evident that President Geingob's support for the BIG Project was merely an opportunistic strategy to garner votes in the 2015 elections. Elite interests have always been priority with SWAPO successive regimes. Figure 4.1 is reproduced from Schade, La and Pick (2019, p. 17), demonstrating how children grants are subordinate to veteran grants – who are SWAPO former fighters.

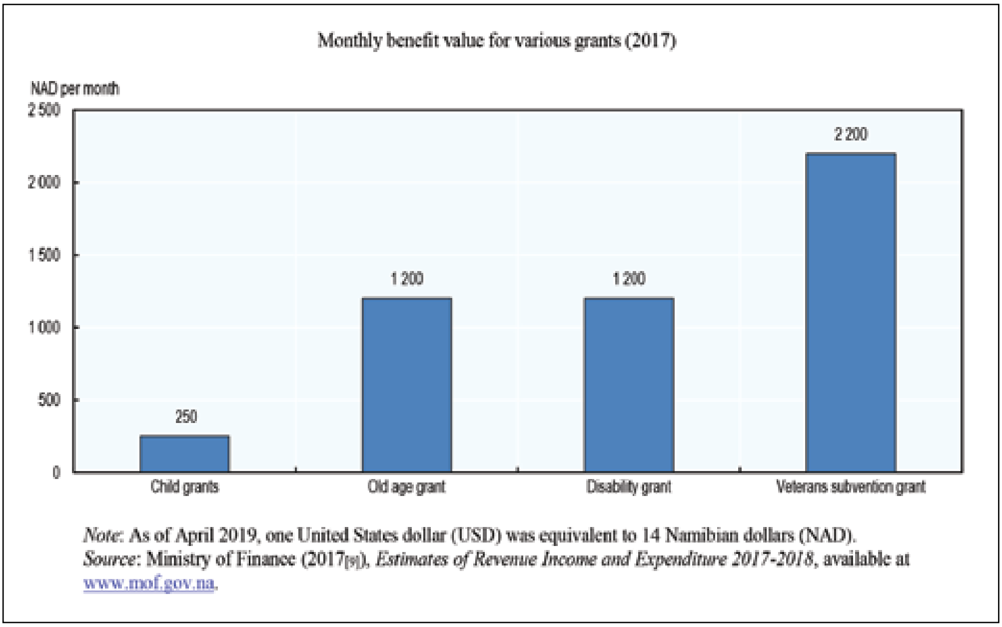

Figure 4.2 Social assistance benefits for veterans and children

(Schade, La & Pick, 2019, p. 17)

It is evident that while the Namibian political elite appears serious with social protection, when scrutinised closely, a hidden pattern of social protection elite bias emerges. Similar concerns were expressed by Seekings (2019, p. 153):

> In Namibia, the Government rejected proposals for a general child grant made by UNICEF and the ILO. In 2014, in the run-up to an election, the Government introduced a means-tested child grant (the Vulnerable Grant). As of 2018, however, this reached only about one-quarter of the country's children. Despite the appointment of Bishop Zephania Kameeta – the champion of the Basic Income Grant – as Minister of Poverty Eradication and Social Welfare following the election, no further reforms have ensued.

Conclusion

Although social protection can take place through both public and private programmes, it is the public actions that concern scholars in the development discourse. This chapter has demonstrated that the African traditional society, through societal organising principles such as Ubuntu and African communalism, provided for social protection. Since the colonial project dwarfed African practices and systems of the African traditional society, African social protection systems were not elevated to the State level. Many scholars attempt to account for the suppressed African social protection systems by making a distinction between "formal" and "informal" social protection – with the African social protection system taking the "informal" characterisation. At independence, African pioneering leaders introduced a series of formal social protection systems which were short-lived following declining State revenue and the African debt crisis brought about by the failed SAPs. This has had a negative impact on the ability of African States to provide social protection. In the 2000s, following the adoption of the MDGs, and as ascribed in AU charters and instruments, the social protection programmes on the continent increased. Namibia is generally heralded as one of the States with a comprehensive social protection system on the continent. While this is the case, a close analysis of the political dynamics indicates that the social protection systems have not been successful in transformative terms, as the country remains one of the most unequal nations with high levels of poverty and deprivations. It would also seem that the political elite are only interested in social protection where and when it maintains and offers political and electoral capital. There is thus a need for what Devereux and Sabates-Wheeler (2004) termed transformative social protection in Africa in general and Namibia in particular.

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Chapter Five

Implications of Fiscal Consolidation on Social Protection in Namibia

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Abstract

This chapter discusses how funding for social protection has come under pressure under the fiscal consolidation path embarked upon by the Government of Namibia. The chapter posits that with Namibia being elevated to a middle-upper income country, most development partners scaled back on their support to Namibia which has thus undermined the funding for social protection programmes. This has called for a critical analysis of financial alternatives and prioritisation while exploring other funding options to increase the fiscal space and put social protection funding on a sustainable path.

Key words: Social Protection, Public Policy, Fiscal Policy, Fiscal Consolidation, Social Protection Policy

Introduction

The Government of Namibia is responsible for ensuring the well-being of its citizens, particularly the well-being of the most vulnerable. To fulfil this role, it uses the National Budget as the main tool for allocating resources towards the funding of social protection programmes. The National Budget gives a good indication of how governments prioritise national objectives and aspirations (that is, economic, social, administrative, etc.). From the manner in which the Government formulates the National Budget, it is clear that Namibia accords a high degree of prominence to social protection. Social protection is thus an essential public core element in the drive to ensure the well-being of all Namibians alongside all other development endeavours. Given the socio-economic challenges in Namibia, the allocation towards social protection may need to be scaled up in order to continue providing social support to her citizens. This expenditure represents the single largest share of the National Budget. The fiscal consolidation path which the Government undertook in the 2016/17 fiscal year to curb and tame the budget deficit, has, however, placed a negative pressure on the funding allocated to social protection. In the financial year 2020/21, the Government allocated N$31.8 billion to the social sector, constituting 49.5% of the total expenditure, excluding statutory commitments. As a share of the total budget, the allocation to the social sector represented a decrease from 50.8% in 2018/19 to 49.5% in the 2020/21 financial year. The deteriorating fiscal position, and the subsequent consolidation that has led to the current weak macroeconomic environment has generated enormous socio-economic vulnerabilities. The fiscal consolidation, together with the onset of the COVID-19 pandemic, has compounded an already fragile situation which has for a long period been characterised by weak economic growth, recurrent droughts and rising poverty. The fiscal consolidation process which is inevitably crucial for the country to address macroeconomic imbalances and create the fiscal space needed for the funding of critical social protection programmes, has brought unintended negative effects, which has further worsened the situation. Social protection needs have no doubt increased. The World Bank estimates that USD950 million is required for 2020 alone to fund the entire social protection caseload worldwide. Preliminary figures for Namibia indicate that cereal production in 2019 is 53% lower than in 2018 and 42% lower than the 20-year average. According to the Consolidated Approach for Reporting Food Insecurity Indicators (CARI), 36% of the population, which represents nearly 290,000 people, are food insecure (21% moderately and 15% severely food insecure). Increasing food prices will therefore, further limit access. Unarguably, social protection needs are on the increase.

Namibia, despite challenging macroeconomic conditions, remains committed to funding social protection. As early as 1990, the Government of Namibia identified social protection as a critical pillar to fighting poverty. In line with this affirmation, social protection remains deeply embedded in the core of development planning and policies. This inclusion in the policy planning process reflects the Government's steadfastness to and constant assurance to citizens that it has the interests of the poor and vulnerable in the country at heart. The main emphasis of development plans in Namibia is embedded in the commitment to eradicate poverty, reduce inequality, uphold the dignity of all people and ultimately to ensure prosperity as a united nation. The allocated funds are spread across key ministries that constitute the Core Team on Social Protection in Namibia. These are ministries that house and implement these various social protection programmes. This Core Team (see Figure 5.1) has adopted a broad view of social protection composed of social assistance, social insurance, social welfare services and labour market policies, as well as a broad range of public, and sometimes private instruments, to eradicate poverty, address vulnerability and tackle social exclusion through managing related risks.

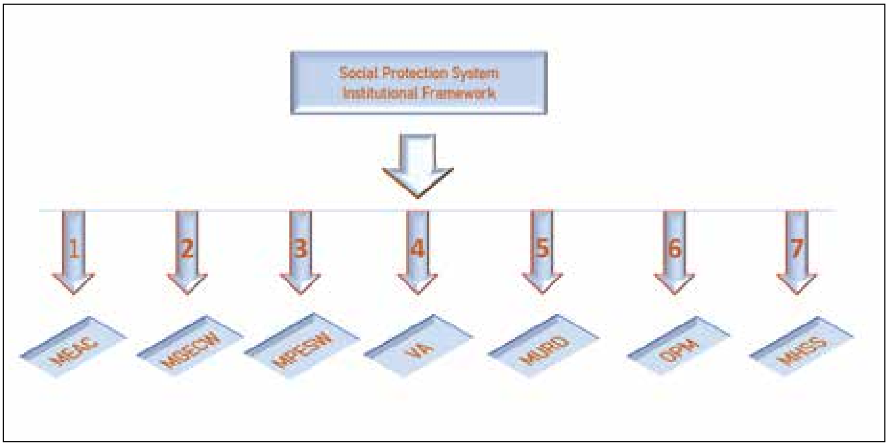

Figure 5.1: The Core Team on Social Protection in Namibia

Source: Developed by Author

It is important to establish that these various legal and policy frameworks guide and tie the work of the Core Team on social protection in Namibia. The implementation of social protection programmes in Namibia is well in line with Article 95 of the Constitution of Namibia which requires the State to actively promote equal opportunities and the welfare of all people. Furthermore, the State is bound by the national aspirations, enshrined in "Vision 2030", which is Namibia's long-term policy framework with a vision to elevate the country to a high-income, industrialised, politically stable, harmonious and prosperous nation with equity in incomes as well as equality of opportunity. In practice, this vision envisages that all Namibians who are able and willing to work should have employment or access to productive resources and earn an income to live well above the poverty level. Those that are at a disadvantage should also be afforded the social security that ensures a decent quality of life. Namibians should be healthy, empowered, innovative, confident and determined to succeed.

More recently, the Government adopted yet another pivotal policy known as the Harambee Prosperity Plan (HPP). In line with the principle of "inclusivity", the HPP has the goal of uniting all Namibians towards building an inclusive nation where all can meet their full potential and prosper. This policy envisages absence of hunger, elimination of the structural causes of poverty, expansion of vocational skills training, improved infrastructure as well as consolidation of social grants into more effective and coordinated social safety nets.

Another crucial policy document that also speaks of the importance of social protection in Namibia is the Fifth National Development Plan (NDP5). This plan outlines national outcomes to be achieved by 2022 which include social transformation through skills training, the promotion of entrepreneurship for women and the youth, and the strengthening of the social safety net to significantly reduce poverty and inequality. With regards to poverty, the Government identified the need to scale up the coordination of social protection programmes. Accordingly, in order to facilitate the coordination of social programmes, the Government adopted a policy known as the *"Blue Print on Wealth Redistribution and Poverty Eradication"* which sets out strategies to increase the coverage of social assistance, end hunger through food assistance and improved agricultural productivity, empowering women for equal opportunities, as well as better access to water, sanitation, housing, electricity, education, skills development and health services.

Defining Social Protection

Social protection, as an agenda primarily for reducing vulnerability and the risks of low-income households with regards to basic consumption and social services, has recently become an important part of the development discourse (Social Protection Task Force, 2002). However, it remains a term that is unfamiliar to many and it has a range of definitions, both in the literature and among policy-makers responsible for implementing social protection programmes. In the Namibian context, it is clear that the definition and boundaries of social protection are far from being agreed upon, and that different sets of stakeholders perceive social protection in very different ways. For example:

(i) Some stakeholders have adopted a very broad approach, including even Universal Primary Education (UPE), microcredit and job creation programmes, as well as safety nets for groups that may be vulnerable to shocks, but are not usually regarded as among the poorest strata of society;
(ii) Others see social protection narrowly, essentially as a new label for old-style social welfare provided to conventionally define 'vulnerable groups' such as people with disabilities, widows, orphans, etc.; and
(iii) A more 'political' or 'transformative' view extends social protection to arenas of equity, empowerment and 'social rights', rather than confining the definition to targeted income and consumption transfers.

Some current definitions of social protection from the policy literature are listed in Box 1.

Box 1. Agency Definitions of Social Protection
"Social protection refers to the public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given polity or society" ~ Overseas Development Institute (ODI)
"Social protection consists of public measures intended to assist individuals, households and communities in managing income risks in order to reduce vulnerability and downward fluctuations in incomes, improve consumption smoothing and enhancing equity" ~ World Bank
"Social protection is the provision of benefits to households and individuals through public or collective arrangements to protect against low or declining living standards" ~ ILO
"Social protection is a set of policies and programmes designed to promote efficient and effective labour markets, protect individuals from the risks inherent in earning a living either in the labour market or in small-scale agriculture and provide a floor of support beneath market-based incomes" ~ Asian Development Bank

Social Protection Schemes in Namibia

Social protection has been implemented in Namibia for many years through a variety of legislations that are supported by policy documents. Namibia has a comprehensive social protection when compared to other countries in the region. The system consists of non-contributory (social assistance), and contributory schemes (social insurance, including State managed and private systems) (Chiripanhura et al., 2010). The public sector social assistance also involves extensively professional social welfare services. It has a number of social protection measures, including housing and living expense allowances for vulnerable groups, means-tested cash transfers, food-for-work programmes and free access to primary healthcare and basic education. The structure of the social protection schemes is shown in Figure 5.2. Among contributory schemes, the GIPF and private pension funds are provident funds, while the rest are defined benefit funds.

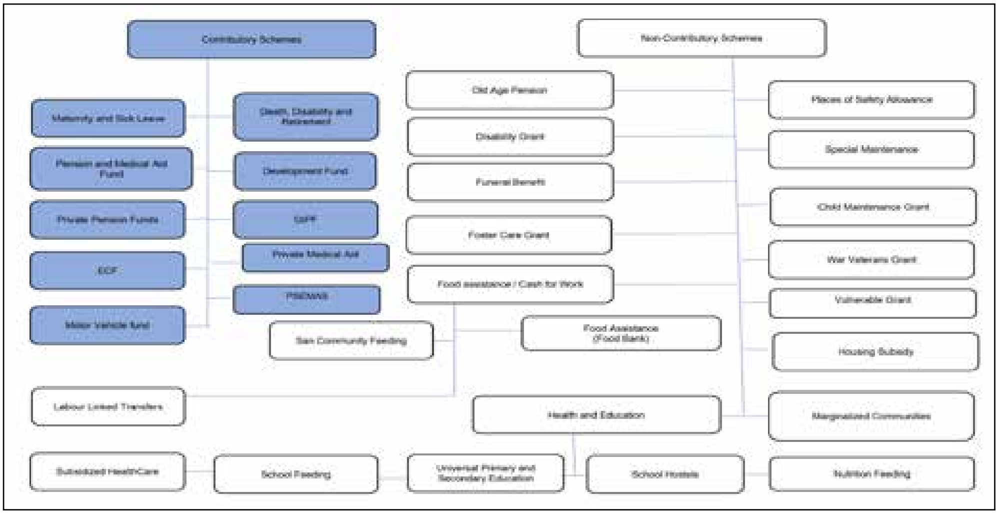

Figure 5.2: Structure of the Namibian Social Protection System

Developed by the Author

The Impact of Social Protection on the National Development Agenda

The Government of Namibia regards social protection as an investment and one of the most important aspects of its national social development agendas. It is for this reason that social protection enjoys prominence on the development agenda of the country as seen in Vision 2030, NDP5, HPP, as well as the most recent policy, the Blueprint on Wealth Redistribution and Poverty Eradication. The perceived positive social and economic impacts are immense as social protection remains a key element of national strategies for the promotion of human development, political stability and inclusive growth. It ensures that people enjoy income security, have effective access to health and other social services and are empowered to take advantage of economic opportunities. By raising household incomes, such policies play a key role in boosting domestic demand, supporting the structural transformation of national economies, promoting decent work, fostering inclusive and sustainable growth and they also create a conducive environment for the development of sustainable enterprises.

These developmental impacts are illustrated in Figure 5.3 and they are based on an extensive and growing body of literature (see summaries in ILO, 2014b; Global Partnership for Universal Social Protection, 2017). There are at least six different channels through which social protection has had a positive impact on those variables, including, among others, reduced poverty and inequality; increased consumption and aggregate demand leading to economic growth; better access to food, enhanced capacity to access healthcare and reduced barriers to schooling, thus increasing human capital.

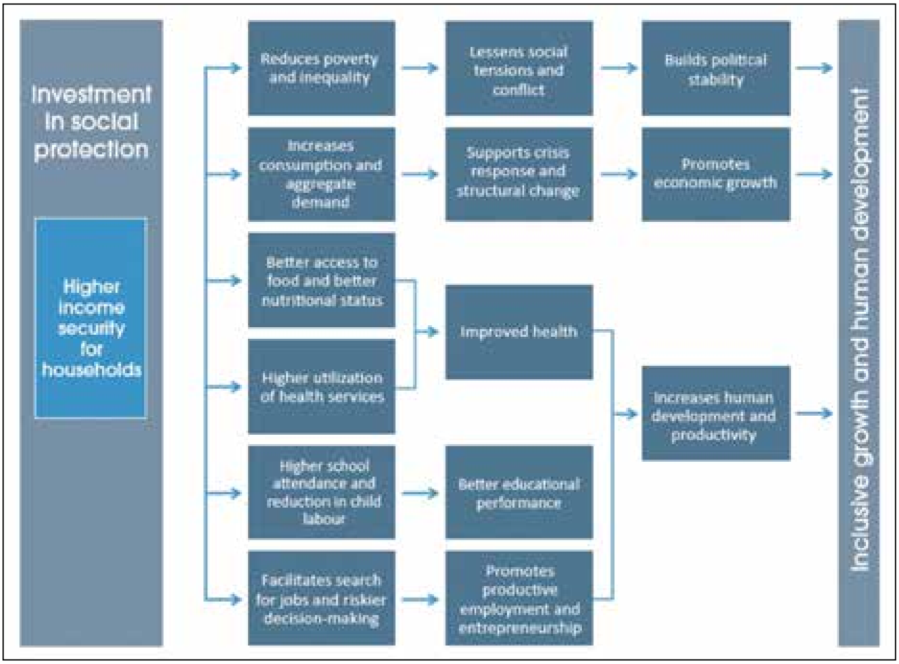

Figure 5.3 Positive impacts of the extension of social protection on sustainable development Source: ILO, 2016b

Understanding the National Budget

The national budget as a key instrument of implementing government policies remains a critical element in the implementation of social protection programmes. Apart from recording the government's expected revenues and expenditure plans for the fiscal year, it also reflects the government's social development priorities, and how it intends to achieve them. It is, therefore, an important tool to secure adequate funding for implementing development policies. Understanding the basic features of a national budget and the budgetary process is crucial for various stakeholders when it comes to deciding the allocations to the social sector. A broader understanding of the budget can help stakeholders to influence socio-economic development priorities as well as determine the effectiveness of government programmes.

Overview of National Budgets [2017/18; 2018/19; 2019/20]

The fiscal position deteriorated during the period under review, owing mainly to the fiscal consolidation induced recession. The fiscal environment was characterised by weak fiscal indices where revenue declined, expenditure increased, fiscal deficit widened and public debt rose. The observed trend was mainly due to a combination of macro-fiscal factors that dampened growth and drove imbalances in the local economy. To bring order to the deteriorating fiscal position and to place public finances on a sustainable path, the government embarked on a fiscal consolidation path in the 2016/17 fiscal year. The restoration of the fiscal position via fiscal consolidation was conducted to maintain fiscal support to the economy by retaining spending on items with high growth potential.

Unfortunately, the policy did not yield the desired outcomes in the first three years (2017/18; 2018/19; 2019/2020) of its implementation (see Table 5.1). The restoration was challenged by enduring deteriorating economic conditions experienced during the process. Throughout the period under review, the policy continued to display mixed results, with the budget deficit being relatively higher than anticipated and a build-up of the stock of spending arrears, thereby causing a further drag on economic activity and eroding the effectiveness of the fiscal consolidation effort. The most important goal, the steep expenditure correction, proved difficult to implement because it required recalibration to balance between the intended consolidation, impact on growth and the provision of basic services. Amongst the critical services that suffered heavily was the social protection expenditure.

Table 5.1: Fiscal Balance

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
GDP	158.6	183.5	188	196.8	205.4	214.7
Revenue	51.6	58.7	56.7	58.4	59.9	61.8
Percentage of GDP	34.3	32	30.2	29.7	29.2	28.8
Total Expenditure (Exc. Int)	**57.6**	**62.1**	**58.5**	**60.1**	**60.4**	**60.8**
Total Exp. (Incl. Intr.)	61.5	**67.5**	**64.3**	**66.5**	**67.1**	**67.8**
Budget Balance	-10	-8.9	-8.3	-8.2	-7.2	-6
Percentage of GDP	-6.3	-4.8	-4.4	-4.1	-3.5	-2.8
Total Debt	66.8	74.5	87	96.3	104.9	112.3
Percentage of GDP (RHS)	42.1	40.6	46.6	48.9	51.0	52.3

Source: MOF, MTEF

Main Developments in the Fiscal Position

The main developments of the fiscal positions are described below.

(a) Public finances are in a dire position

In the aftermath of the fiscal consolidation-induced recession, the state of public finances was left in a dire position. With the failure to hit the consolidation targets that Government set for itself and the subsequent growth of public debt, there is an increasingly growing consensus for the revisit or re-assessment of the fiscal consolidation policy. Revisiting the fiscal consolidation policy, without losing focus on restoring sustainable finances, will require that Namibia implements credible medium-term macroeconomic strategies and plans to boost economic capacity. This restoration may involve moderate but targeted expansion in public expenditure which could have an impact on social protection spending.

(b) Public finances have worsened considerably

Public debt, as a ratio of GDP, was 25.4% in 2014/15 before the fiscal consolidation and was expected to increase only slightly over the following three years but was anticipated to decrease substantially towards 2019/20 and beyond. However, public debt jumped to 51.0% in 2020/21 and it is expected to rise further to 52.1% in 2021/22. Huge public debts of this magnitude are clearly unsustainable, especially when future increases in service costs related to exchange rate fluctuations are taken into considerations.

This outturn has led to fiscal solvency concerns as manifesting in important interest rate hikes on sovereign bonds and downgrading by rating agencies. The biggest fear and concern is that higher long-term interest rates and debt levels could hamper future economic growth, increase the vulnerability of public finances to shifting market sentiments and reduce the scope for fiscal policies to counteract future economic downturns. In all cases, expenditure on social protection remains exposed and vulnerable.

(c) No easy trade-offs exist between short-term growth and consolidation

This position is critical and undesirable especially at a time when economic growth is still fragile and no easy trade-offs exist between short-term growth and the need to consolidate. The appropriate amount of fiscal consolidation for Namibia will depend on a number of factors, including the strength of its economy, the public debt and interest developments, the ease of financing debt, and political decisions concerning taxes and spending.

(d) Growth must be supported

The current growth is fragile and needs to be supported by stimulus packages. The goal of economic stimulus is to achieve this stimulus-response effect so that the private sector economy can do most of the work to fight off a recession and to avoid the various risks that might come with massive government deficits or extreme monetary policy. The envisaged fiscal stimulus should be well targeted in two ways. First, it should go to households or businesses most likely to raise spending in response to the stimulus and thus increase GDP in the short run. Second, it should provide the greatest benefit to the people most adversely affected by the slowdown. These two aspects of targeting are complementary.

The 2020/21 Budget

Domestic fiscal aggregate indicators weakened further in the 2020/21 fiscal year, due to the accumulated recessionary pressure on the economy over the past 3 years and partially as a result of fiscal consolidation. Despite the observed negative impact of fiscal consolidation to key budgetary components, the government has remained steadfast in upholding the consolidation stance. Thus although expenditure has somewhat smoothed out, Government debt remains on the upward trajectory. However, with GDP revisions in 2019, fiscal indices fell back and led to the targeted ratios being missed.

Composition of Social Protection Spending in the 2020/21 Budget

The 2020/21 Budget came at a time when the Government was facing renewed fiscal constraints due to weak revenue inflows and deteriorating macroeconomic conditions. Despite this, the Government still ensured that funds were allocated to the social sector. Like in 2019/20, the 2020/21 National Budget is built on the pillars of the NDP5 – social transformation - which focuses on reducing poverty, vulnerability and developmental inequalities. In 2020/21, the relative share of the Social Sector Budget to the National Budget decreased from 50.8% in 2018/19 to 49.5% in 2020/21. This reflects the overall impact of fiscal consolidation on key components of the Budget. However, in absolute terms, the allocation has actually increased from N$29.5 billion in 2018/19 to N$31.8 billion in 2020/21. Figure 5.4 below shows the trend in economic composition of the non-contributory social protection budget for the periods 2018/19 to 2020/21.

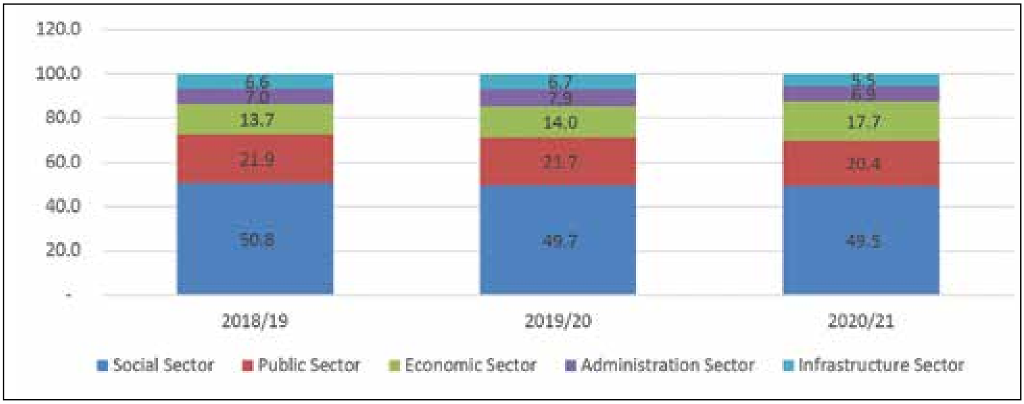

Figure 5.4: Evolution of Social Sector Allocation (N$, Billion)

(Source: MOF, Budget Estimates)

Financial Sustainability of Social Protection

Social protection funding has come under tremendous pressure during the past few years. Given the deteriorating macroeconomic condition, and recently, the Covid-19 pandemic, the need for increasing funding has grown. Government financing has increased considerably compared to the period prior to 2017/18 when it averaged approximately 32.0% of total social protection financing. The increase in budgetary allocation to the social sector is commendable, albeit inadequate, considering the growing social protection needs. This indicates the need for Namibia to step-up resource mobilisation as the provision of social protection in Namibia is gradually becoming unaffordable.

While the argument that social protection is unaffordable is becoming less common in international development forums (Ortiz et al., 2019), it is not the case for Namibia. This can be observed from the deteriorating fiscal position during the previous years that have aggravated the situation and made social protection less affordable. The quest for finding fiscal space for critical economic and social investments has thus become fiercer. For Namibia, finding fiscal space is necessitated by the need to achieving, not only universal social protection for Namibians, but also the SDGs for sustained human development of children and women, and for realising human rights, particularly during downtimes (natural crisis, Corona pandemic, etc.) (See Figure 5.5).

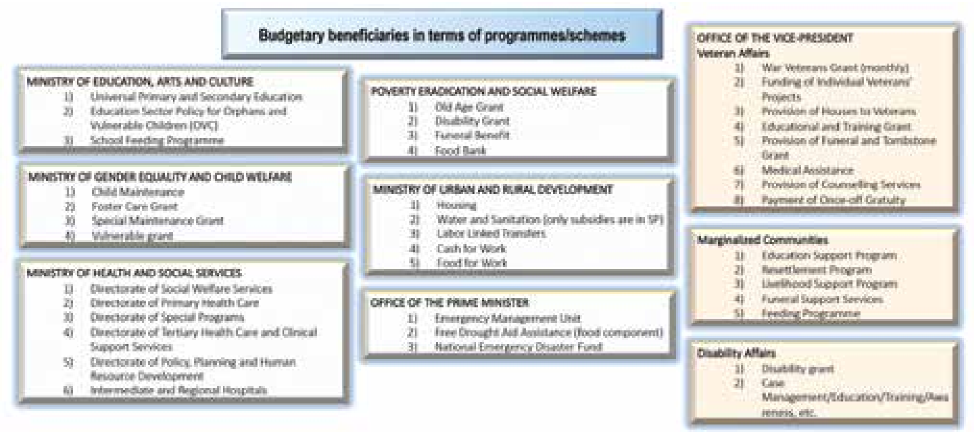

Figure 5.5: Budgetary Beneficiaries in terms of programmes/Schemes

Source: MOF, 2020

Namibia's GDP per capita has been averaging around USD5, 000 over the past five years with a large number of people depending on social protection programmes. This is why Namibia is still among the world's poorest countries. In 2015, approximately 6.1% of Namibians lived below the food poverty line of N$293.1 per adult equivalent per month and they could not afford the minimum calorific needs of 2,100 kilocalories (8,820 kilojoules) per day.

With a small revenue base, and such a large poverty problem, the fiscal resources available for redistribution to the poor and vulnerable groups are extremely limited, while the need for redistribution is extremely high. Clearly, a high proportion of spending on social protection programmes will need to be externally financed rather than funded out of direct contributions (self-financed insurance and pensions) or government revenues.

The periods from 2017/18, 2018/19 and 2019/20 witnessed slow economic growth and austerity, and with this, the need to create fiscal space has never been greater. It is imperative that the Namibian Government aggressively explores all possible alternatives to expand fiscal space to promote national socio-economic development with jobs and social protection. Namibia has to step-up resource mobilisation considering the fiscal shocks related to the Covid-19 outbreak, which will undoubtedly further strain the purses of all traditional donor countries globally. The funding gap in 2020 is likely to be widened as the State faces huge fiscal outlays in fighting Covid-19, thereby further reducing resources which are available for official development assistance.

Policy Options for Expanding Fiscal Space

This section discusses various options for financing social protection for developing countries. These options are suggested to governments that wish to generate additional resources for their social protection programmes. These options also follow a consensus among the international community, especially within the United Nations system and the International Financial Institutions (IFIs), to explore options to extend fiscal space for national development (Ortiz et al., 2019).

1. **Re-allocating public expenditures:** this is the most orthodox option, which includes assessing on-going budget allocations through Public Expenditure Reviews (PERs) and other types of thematic budget analyses, replacing high-cost, low-impact investments with those with larger socio-economic impacts, eliminating spending inefficiencies and/or tackling corruption.

2. **Increasing tax revenue:** this is the main channel which is achieved by altering different types of tax rates such as taxes on consumption, corporate profits, financial activities, personal income, property, imports or exports, natural resource extraction, etc. and/or by strengthening the efficiency of tax collection methods and overall compliance.

3. **Expanding social security coverage and contributory revenues:** in existing social security systems, increasing coverage and therefore collection of contributions is a reliable way to finance social protection, freeing fiscal space for other social expenditures; social protection benefits linked to employment-based contributions also encourage the formalisation of the informal economy.

4. **Lobbying for aid and transfers:** this requires either engaging with different donor governments or international organisations in order to ramp up North-South or South-South transfers.

5. **Eliminating illicit financial flows:** given the vast amount of resources that illegally flow out of developing countries each year, estimated at ten times the total aid received, policymakers should crack down on money laundering, bribery, tax evasion, trade mispricing and other financial crimes that are illegal and deprive governments of revenues needed for social and economic development.

6. **Using fiscal and central bank foreign exchange reserves:** this includes drawing down fiscal savings and other State revenues stored in special funds, such as sovereign wealth funds, and/or using excess foreign exchange reserves in the central bank for domestic and regional development.

7. **Managing debt – borrowing or restructuring existing debt:** this involves active exploration of domestic and foreign borrowing options at low cost, including concessional, following a careful assessment of debt sustainability. For countries under high debt distress, restructuring existing debt may be possible and justifiable if the legitimacy of the debt is questionable and/or the opportunity cost in terms of worsening deprivations of vulnerable groups is high.

8. **Adopting a more accommodating macroeconomic framework:** this entails allowing for higher budget deficit paths and/or higher levels of inflation without jeopardising macroeconomic stability

Conclusion

Namibia faces major challenges related to poverty, unemployment and inequality which adversely impact the current living conditions of many citizens, and also negatively impacting medium and long-term economic growth. This is why the fight against poverty and vulnerability is embedded in the prominent policy documents. For the past years, the Namibian government has used the national budgeting to allocate funding towards the social sector through ministries that are involved with delivering social protection programmes. Then due to the deteriorating fiscal indices, the Government embarked upon a fiscal consolidation path to bring order and restoration. However, this policy had unintended consequences and has exaggerated social hardship. The increase in hardship has equally led to the increase in financial needs of social protection. Unfortunately, fiscal consolidation has led to noticeable reduction of funding for social protection programmes. Namibia has to step-up resource mobilisation especially considering the fiscal shock related to the Covid-19 outbreak, which will undoubtedly strain the purses of all traditional donor countries globally. The funding gap in 2020 is likely to be widened, as the State faces huge fiscal outlays in fighting Covid-19 and thereby further reducing resources which are available for social protection.

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Chapter Six

Food Production and Supply During the Covid-19 Crisis: Lessons and Perspectives

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Namib Mills, Namibia

Abstract

This chapter analyses the impact of the Covid-19 pandemic on food production and supply in Namibia. Through detailed literature and document analysis, the chapter examines the volatile changes in supply and demand patterns from the onset of the pandemic and brings forth what policies and measures have emerged. It explains why the Covid-19 pandemic caused huge job and income losses and what impacts that has had on the demand, supply and overall economic growth of the country. The chapter examines what trade-offs among food, economic, health and bio-security can be made while trying to combat the pandemic and what impacts this has had on local industries, particularly on the supply of food. This chapter examines the vulnerability of Namibia and looks at the supply and demand shocks caused by Covid-19. Namibia's dependence on imports and the importation inputs to produce goods locally is also critically examined and measures to mitigate the impact are proffered. This chapter underscores and illustrates why it is important for Namibia to have these local industries in the food production value chain and become less dependent on imports. It also provides proof to the overarching theme of these solutions which are to guarantee food security and economic prosperity while simultaneously keeping all citizens healthy and providing them with the necessary protection against this and any other future pandemics.

Key words: Food Production, Food Supply, Food Demand, Covid-19, Namibia

Covid-19: Food and Economic Security vs. Health and Biosecurity

The Covid-19 pandemic has, in many ways, reminds one of the great migration of wildebeest between Tanzania and Kenya. This great migration involves the wildebeest having to cross the dangerous Mara River which is full of crocodiles. They do this to reach the other side where there is plentiful grazing for the next season. If they do not cross the River, the whole herd will starve to death, but if they cross it, the crocodiles will attack and there will be casualties.

This is where we are in terms of health, food and economic security, stuck between an almost impossible decision of food and economic security versus health and biosecurity.

If a persons' economic security is completely taken away, their food and health security will most certainly suffer as a result; and if a person's health is taken away, no amount of economic security can improve one's health. In order to ensure that both these primal needs are kept relatively intact, a fine balance between the two needs to be found, as one cannot exist without the other.

The functionality of the entire food value chain was, and still is being affected by the response mechanisms introduced by governments whose aim was to try and stem the spread of the Covid-19 pandemic across the globe. All links in the food value chain, from production, to distribution and all the way right up to where the product is on the shelves, have been affected in one way or another. This means that the availability of food, or the lack thereof, becomes a massive risk across the globe and even more so in developing countries which are already fighting food insecurity. The pandemic has also caused a major economic crunch which has spared no one and which has further amplified food and economic challenges which already existed.

Namibia is no exception and Covid-19 has caused unavoidable economic injury. The pandemic has threatened and affected two of the most basic needs, food and health. Without these needs being satisfied, life literally has no meaning. This is why as long as there is no cure, Covid-19 will continue to be a massive challenge. The Covid-19 pandemic, and more specifically the measures and policies introduced to contain it, have highlighted and amplified new and pre-existing flaws within the food production and supply sector. We need bold, clear and swift action to be taken that effectively addresses these defects, and if such action is not taken, it will absolutely lead to prolonged food and economic insecurity for the majority of the population.

Production and Supply

The Covid-19 pandemic and the ensuing lockdown restrictions rocked primary food production as it severely limited the movement of labour and goods. These are key elements in a successful food value chain and the lockdown restriction thereof has hampered production as well as delivery of products. With the movement of labour and goods being restricted, producers face challenges to harvest produce and then get it to markets. The restrictions have affected both the importation and exportation of goods globally.

Namibia is heavily dependent on imports to meet demand for both finished products as well as for inputs for the production of goods locally. In 2019, the value of total exports was estimated at N$91,766 million, whereas overall imports stood at N$111,253 million, resulting in a deficit of N$19,487 million as reflected in Figure 6.1.

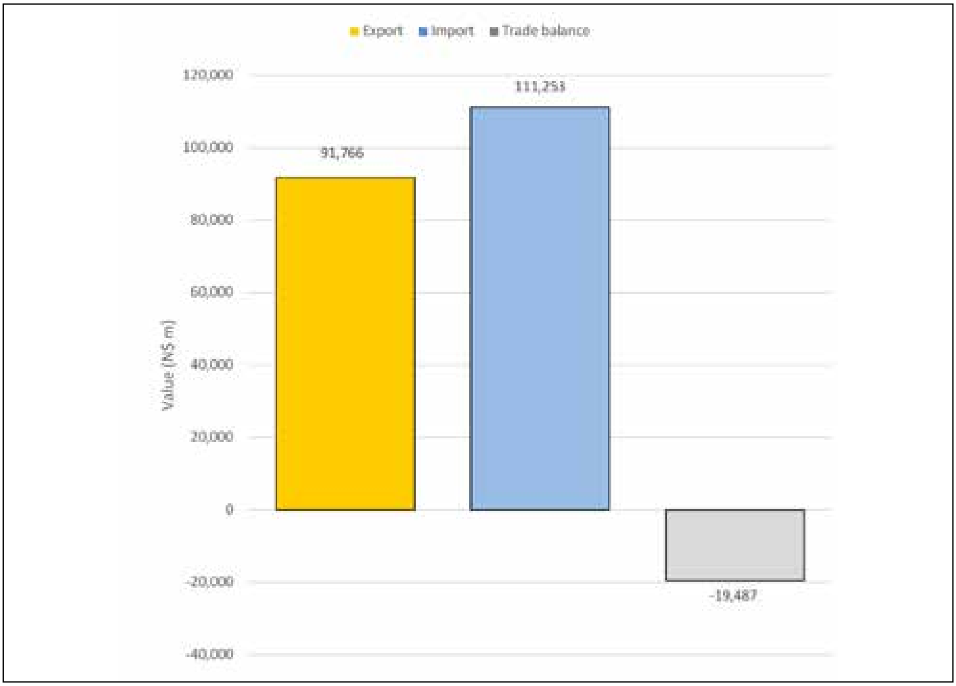

Figure 6.1: Trade flow and balance for 2019

Source: NSA, 2019

Due to the dependency on imports, Namibia is especially vulnerable to supply shock and changes in the trade environment. However, Namibia also faces a unique challenge as a lot of its products destined for export markets are also dependent on imports. Namibia does not manufacture the majority of inputs necessary to produce goods locally. To produce goods locally, Namibian producers still need to import inputs from outside the country. This means that if there is an issue with the supply of imported goods, as has happened during the Covid-19 pandemic, it will also cause an issue or a decrease in the local production of goods, be it for the export or local market. The bottom line is that a reduction of imports into Namibia will have a direct effect on its local supply and production.

Due to Covid-19 causing chaos on both the supply and demand patterns, Namibia had a major economic downturn. As Figure 6.2 illustrates, Namibia's real GDP contracted by 11.1% during the second quarter of 2020, compared to a negative growth rate of 3.6% in the same quarter of 2019.

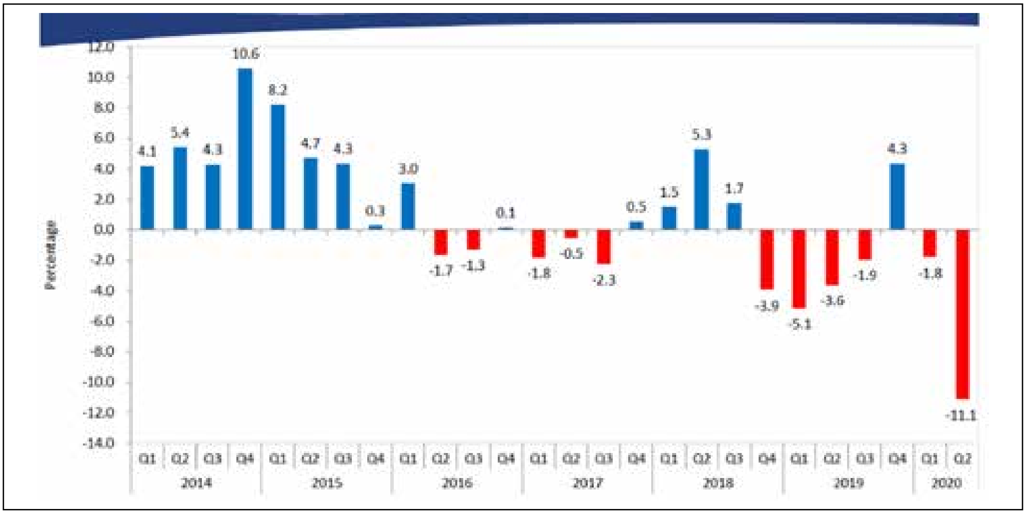

Figure 6.2: Real Quarterly GDP growth rate of Namibia 24/09/2020

Source: NSA, 2020

Covid-19 has caused the Namibian economy to plummet and the hospitality and tourism industries were hit the hardest. The 'Hotels and restaurants' sector recorded a contraction of 64.2% in real value, the most of any sector. This is a 76.5% year-on-year decrease when compared to the increase of 12.3% registered in the same quarter of 2019. The pandemic induced economic turmoil also caused numerous businesses to close down which resulted in major job losses and a massive decrease in overall income at a time when these issues were already problematic.

As Figure 2 illustrates, the Covid-19 pandemic came at a very inopportune time for Namibia. Not that there is ever an opportune time for a pandemic, but Namibia had just come out of one of the worst droughts in over a century and where only one of the last seven quarters had exhibited a positive GDP growth rate. Namibia was just starting to show signs of recovery in late 2019 but the country was still on its knees economically when the pandemic hit. Covid-19 erased any chance there was for GDP growth. This is evidenced by the negative GDP growth rates in Q1 and Q2 of 2020. Unfortunately, this is not a sovereign problem for Namibia alone as the entire world is experiencing an economic slowdown and a global recession is imminent. The global economic output is expected to shrink by at least USD8.5 trillion over the next two years.

The restrictions on human movement combined with social distancing caused wholesalers, and formal as well as informal traders, to operate at a reduced capacity or closing down completely during the Covid-19 lockdown. The closure of these businesses had an especially negative effect on the local producers who no longer had a market for their goods. Logistical challenges such as compulsory travel permits and restricted movement of trucks and other transportation services hampered the ability to deliver products. Agricultural processors, which include millers, abattoirs and processing plants, also experienced logistical and labour challenges caused by the pandemic. This led to major economic losses for food producers and this naturally had a negative impact on the supply of food. The decreased availability and increased cost of food, combined with job losses and decreased overall income, meant that food insecurity, famine and malnutrition were exacerbated among Namibians.

The key lesson for Namibia to learn from this pandemic is that it needs to decrease its dependency on imports and instead become more self-sustainable in food production. However, if Namibia truly has to become more self-sustainable, it must start producing more products that can save as inputs to production as well as the final goods. Namibia also needs to increase local production of retail-ready food products and rely less on imports. If Namibia stays dependent on imports, for both the inputs to production as well as final goods, then Namibia will remain vulnerable to supply shocks in the food value chain. The Covid-19 pandemic has exposed Namibia's over dependency on imports to meet demand. Disruptions to the supply of production inputs such as fertilisers, seeds and equipment left producers either unsure or unable to produce, while retailers who were completely dependent on imports were unable to meet demand for food. The pandemic has inadvertently highlighted the need for Namibia to increase local production for food and food related products.

Demand

Demand for food and other products shifted dramatically with Covid-19. Due to the lockdown restrictions which affected the movement of people and goods, the demand patterns changed immediately and erratically, and consumers were observed going through several phases of demand. Initially, panic buying gripped the public and demand for food products actually increased, especially for non-perishable goods. Once the lockdown restrictions were at a peak, a decline in both shop visits and the purchasing power of consumers was observed and this caused the demand for food and other products to shrink substantially.

Retailers and other stores that could not adjust to the volatile changes in demand patterns had to close down permanently. The retailers that were able to remain open sold fewer products however, and as a result of the lower income and profit, they too needed to reduce staff and the amount of products to procure. The closure and downsizing of businesses resulted in major job losses and reductions in overall spendable income. The end result was that a lot of people were, and still are, economically worse off than prior to the pandemic. This has led to a reluctance or inability to spend money, thus further suppressing demand for food products and goods in general.

Furthermore, the forced closure of restaurants, bars, shebeens, casinos and other leisure sites made it difficult for these institutions to operate and generate income, thus resulting in further job losses. Due to consumers being prohibited from visiting and spending money at these institutions, the products and services offered by these institutions also underwent a radical decline in demand.

A vicious chain reaction and a snowball effect followed. The less the consumers spent, the more businesses closed, the more job losses there were, the less consumers were able to spend, and so it went on. As if that was not enough, the closure of schools, the prohibition of public gatherings and the complete halt of the tourism industry, among others, sharply reduced the requirement for catering and other food services. The sudden drop in the demand for goods saw the Namibian Consumer Price Index (NCPI) reaching a 15-year low of 1.6% in April 2020. The 2.4% NCPI recorded in August 2020 also remains below the historical trend as shown in Figure 6.3.

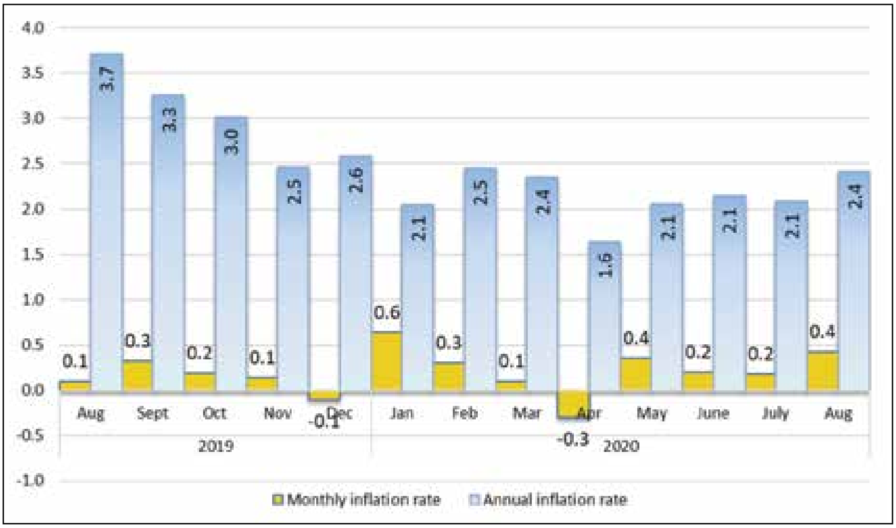

Figure 6.3: Monthly and annual NCPI percentage changes (%);
August 2020 (Dec 2012 = 100)

Source: NSA, 2020

It is clear that Covid-19 had an instant and unheralded effect on demand patterns across all sectors of the economy. The tourism and hospitality sector saw the biggest decline in demand for their products and service. People became either reluctant, were prohibited or unable to visit shops, restaurants and other stores and demand for goods dropped to an all-time low as a result. There were attempts by shops to try and mitigate the large decrease in demand by offering discounts and offering increased e-commerce solutions. The Government also attempted to assist in this matter by handing out an income grant of N$750 to persons who qualified as being affected by the pandemic. However, none of these efforts worked and sales in Namibia have not recovered to pre-Covid-19 levels as of yet and the demand patterns seem unlikely to ever be the same as before.

The Covid-19 pandemic had a major negative impact on retailers, consumers and the economy as a whole. It affected each and every person in Namibia. Some were affected more than others, but all were affected nonetheless. The decreased availability of products, major job and income losses along with lockdown measures prohibiting expenditure, all attributed to demand for goods decreasing substantially. The impact was so severe that even though people could not stop eating, they were eating less. As a consequence, the demand patterns for food are going to take a while to recover to pre-Covid-19 levels and there is a chance that the situation may never be the same.

Affordability versus Availability

A key take-away from both the production and demand patterns observed during the Covid-19 pandemic was that food security is dependent on two things: *Availability* as well as *Affordability* of basic foodstuff. One without the other, for example, if food is available but not affordable or vice versa, will still result in a country or region being food insecure. Therefore, even if a country has enough food, but no longer has enough money to purchase it, food security will remain an issue. During the peak of the lockdown regulations, the availability of food did not translate to it being affordable and accessible to those who most probably needed it most. The increased unemployment, along with the stagnant economy, will only exaggerate the decreased availability and affordability of food. This means that a lot of people will be even more dependent on grants and food banks in order to have food on the table. The increased dependency will ultimately place an extra burden on relief aid and government mass feeding schemes, thus making the government itself more dependent.

The cost of time for procuring goods has seen a sharp increase during the global pandemic. Due to the logistical challenges such as border closures, quarantine protocols and restricted air travel, there has been an increase in the lead time required to conduct the transportation of goods and people. As a result, transport costs, including local public transport, are on the rise. As previously stated, Namibia is dependent on imports and therefore this rise in the cost of transport will affect the procurement of goods even more as all goods imported have to be transported at some point when en route to the final destination. Even for local food production, we rely on the importation of seeds, fertilizers and equipment which all have to be transported. The constrained trade environment adversely effected both the cost (affordability), as well as the availability of goods in Namibia, a trend that is expected to continue in the short- and medium term.

The general reduction in income has seen people opting to eat at home and relying on e-commerce rather than spending money on eating out or unnecessarily going to the shops. The economic pressure, combined with the higher cost of some goods, have also had an adverse effect on people's nutritional diet. High-value commodities such as fruits, vegetables, meat, fish and milk, which have so far been readily available, are the most vulnerable to logistical problems and this will drive up the costs and reduce their availability in the long run. As a result, people are not eating as healthy as they used to due to either not being able to afford a balanced nutritional diet, or due to the nutritional products simply not being as readily available and accessible as they used to be.

Therefore, in order for a population, country or even region to be food secure, food needs to meet two criterion: being available and affordable. However, Covid-19 has taught us that two other factors also need to be present for true food security: Food needs to be accessible and production thereof needs to be sustainable. If even only one of these aspects is missing, then there cannot be true food security. Unfortunately, the pandemic has had an unfavourable effect on all of these factors and this has hence threatened the food security of Namibia. Going forward, a long-term food value chain strategy needs to be crafted and its aim should be to address all these aspects in a balanced and sustainable manner. Only if such a strategy is implemented and food in available, affordable, accessible, and produced in a sustainable manner with the majority of it not being imported, only then will there be a long-term and practical food security.

Lessons and Perspectives

For a good while now, the world, and especially developing countries, have relied heavily on first world countries, specifically the USA and China, as their main trade partners. Developing countries are even more dependent on them for assistance structures to combat various social and economic challenges. The USA and China have been some of the countries worst affected by the pandemic and as a result the supply shock was greater for countries which are reliant on them. For countries to avoid suffering from supply shocks, they need to become independent both economically and in terms of food security.

For increased food security and ultimately sustainable self-sufficiency, countries like Namibia have to move away from depending on imports and globalisation to meet local demand. Effort needs to be made to move towards increased local food production and being self-sufficient. A move towards sustainable local production will accomplish two things. Firstly, it will make Namibia less dependent on imports to meet local food demand. At present, Namibia is over-reliant on the importation of retail ready food as well as the importation of inputs for local production. Secondly, an increase in local production capacity and an increase of consumption of these products will create additional jobs in Namibia, for Namibians. This will make Namibia not only to be less dependent economically but will create jobs which will in turn lead to increased GDP and overall economic growth. Namibia, and other developing countries in general, are importing food and other products and subsequently they are exporting jobs and economic growth. It is for this reason that Namibia is vulnerable to supply shocks in global markets, exactly like the one caused by the Covid-19 pandemic. Namibia needs to alter the status quo and become less reliant on imports and focus on creating sustainable jobs and economic growth by producing and consuming more local products.

Namibia imports goods to the value of more than N$110 billion each year and the country has a Balance of Payments (BOP) deficit of more than N$19 billion. A lot of the goods that are imported are final food products, but a lot of them are also the inputs which are needed for Namibia to produce food locally as well. This is why the increased cost of logistics and transport will have an effect on imported as well as locally produced goods. Reduced demand and increased logistical costs for perishable products has seen an increase in prices and a decrease in the availability of such products. This will have a serious impact on the sustainability of local small-scale producers who will be forced to produce less but pay more for market access, which will inevitably have a major impact on their profitability as well as income. In addition, the pandemic will ultimately mean that greater emphasis will now be placed on mechanisation and fewer workers. This shift in production techniques could see small scale famers being even less competitive and more vulnerable in the future which will only enhance job and income losses.

Local industries are vital for sovereign food and economic security. Without local industries, Namibia will become completely reliant on imports to meet food and product demands in general. This will be completely unsustainable and hence policies need to be put in place to prevent this from happening. However, for local production to be viable and remain sustainable, the policies and measures supporting this should recognise and plan for economic, climatic/environmental and exchange rate fluctuations that can impact the capacity and cost of production. The overarching strategy should aim to decrease dependency on imports from other countries and by doing so mitigate the impact that these factors would have on local supply. Decreased dependency on imported, final food products and import substitution of these should also be a key objective. For the imported products that cannot be completely substituted, then at least value addition needs to take place within the country. This will improve local job creation which will lead to increased economic independence and decreased inequality.

There are already numerous indications that food insecurity could grow rapidly across the world and even more so in developing countries. Prices of basic foods have begun to rise in countries at a time when people have less income and are trying to reduce expenditure. Some good news is that Namibia, and Southern Africa in general, had good harvests for staple grains and thus the market remains robust and shielded against extreme price hikes on basic foods for now. However, in the long run, increased costs of transport, production and utilities may see the prices of these foods increasing. Furthermore, these challenges will also be experienced in perishable goods' production, and due to the nature of these products, these products may have the most substantial cost increase. For now, the market for staple food remains steadfast, and due to less demand and low inflation, prices will remain reasonably stable for the main staple foods. This highlights why sustainable local food production will be a natural shield against global market supply shocks.

The lesson Namibia needs to learn from Covid-19 and should aim to improve on, is that from our dependence on imports and assistance from the world market, any supply shock or market turmoil will affect and amplify the already existing issues. Reasons for this high-level of dependence needs to be identified and addressed through a long-term and sustainable strategy where no one is worse off. For true progress to be made in arresting poverty, food insecurity and inequality, there has to be support across the entire spectrum of the food value chain. Possible solutions include increasing incentives for food production and manufacturing locally rather than importing. In addition to monetary assistance, producers need to be assisted in terms of policies, knowledge sharing and the transfer of skills, thus ensuring a continuous availability of products. If such programmes are effectively implemented, it will also uplift the consumers through more jobs being created and increased economic independence and ensuring that consumers can afford food. If properly executed, such a model will increase local production, create additional income and decrease Namibia's dependence on imports. Economic prosperity and food security can be achieved by making food and food production, *available, affordable* and *sustainable.*

To put it into perspective, even though the Covid-19 pandemic wreaked havoc on the importation, production, transport, retail and demand for food, Namibia still has the means to combat the long-term effects it may have. In many ways, it served as a wake-up call for Namibia. It revealed the heavy dependence we have on imports as well as the few fundamental, pre-existing flaws in the food value chain. However, Namibia still has a chance to rectify these flaws as well as mitigate the effects of Covid-19 and make sure that the challenges are not permanent. To do so, Namibia needs sound polices and measures that are promptly implemented to ensure increased local food production, job creation and inequality reduction.

Conclusion

Covid-19 caused governments around the world to make a trade-off between the prosperity of their economies and the health and wellbeing of their citizens. Now, after the initial trade-off, countries are stuck between a rock and a hard place. There needs to be a balance between food and economic security and health and biosecurity. All over the world, governments and institutions are now struggling to find policies and measures that address all of these needs equally. This is why Covid-19 is a massive challenge; trying to find a balance in respect of food, economic, health and biosecurity is next to impossible. It is also evident that one of these cannot exist without the other. In the food production and demand value chain, this clearly came to the fore. It is impossible to continue production at the same cost and capacity if the producers need to comply and adjust to all the regulations aimed at reducing the spread of Covid-19. This is precisely why the cost of food went up and the availability of food went down.

In terms of food production, Namibia needs to become more self-sufficient and independent. To do so, it will have to start producing more products that can serve as inputs to food production as well as producing the final goods. Namibia is, at present, almost completely reliant on imported inputs for production, which is why Namibia continues to remain vulnerable to supply shocks in the food value chain even if it has the capacity and means to produce the final products. Namibia relies on the importation of fertilisers, seeds, equipment, and even specialised experts in some cases, to produce local goods, especially food. Covid-19 not only highlighted Namibia's dependence on imported, retail-ready food products to meet demand, but also, its dependence on the importation of inputs to produce goods locally.

Even though there wasn't a food shortage immediately after the initial lockdown, panic buying saw a large demand within a short period. Therefore, the demand for food items actually increased initially, before a huge decline set in. As the lockdown measures started to settle, people were either reluctant or prohibited to visit shops, restaurants and other stores, and the demand for goods dropped to an all-time low. Sales today have still not recovered to pre-Covid-19 levels. Namibia has a high Gini Coefficient, which is a measure of distribution of income across a population, and a low-level rural development, which fact was amplified by the pandemic and hence even the demand for basic staple foods such as maize meal decreased.

Food security in Namibia has been threatened by the shocks in both the supply and demand patterns during the Covid-19 pandemic. However, food security is dependent on more than just food being available. True food security is when food is available and affordable, especially to those who need it most, as well as the supply of food being sustainable. One without the other, for example, where food is available but not affordable or vice versa, will still render a country or region food insecure.

Covid-19 affected every single country on the globe in one way or another. The difference will lie on how countries handle the inevitable fallout from the pandemic. Namibia needs to take note of key lessons that Covid-19 taught and take the opportunity to improve on those areas. Namibia has to reduce its dependence on the world markets for goods, especially food, and economic security. However, its dependency needs to be addressed in a manner that will provide a long-term and sustainable solution which causes no party to be worse off. Eroding poverty, food insecurity and inequality needs to happen with a top-down approach. What this means is that the government and other policy makers need to create an environment where it is comprehensively more worthwhile to produce locally than to import. Possible solutions include special permutations, such as tax breaks, subsidies, market share promotion schemes and increased assistance measures for local producers. Such a model will be sustainable if the additional GDP created covers the assistance costs. In order to achieve that fine balance between food and economic security, food needs to be available, affordable and sustainably produced. Increasing these factors simultaneously in the food value chain will not only guarantee food security, reduce unemployment and increase economic prosperity, but will also be key to keeping all citizens healthy and safe against any future invisible killers such as Covid-19.

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Theme 2

Social Protection and Informality

Chapter Seven

Formalisation of the Informal Economy? A Namibian Policy Perspective

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Abstract

This chapter explores the agenda around the formalisation of the informal economy in Namibia. The apparent gap of requisite policy interventions at the macro, meso and micro levels in the development of the informal economy are discussed. Priority areas that require the State to play an enabling role in providing public goods and effective delivery of services to facilitate the growth of the sector are examined. The chapter highlights key benefits of considering indirect formalisation approaches and underscores the fact that the formalisation agenda can best be advanced through the adoption of a national policy on the informal economy in Namibia.

Key words: Informal Economy, Informalisation, Formalisation, Namibia

Introduction

The informal economy is critical in providing livelihoods across the world economies, but more so in developing countries. On average, it is estimated that the informal economy accounts for 43% of Africa's Gross Domestic Product (GDP); 38.9% of Latin America' GDP and 35.9% of Asia's GDP (Schneider & Ernste, 2000). The informal economy provides employment opportunities, ensures social cohesion and where feasible, even market dynamisms in economically repressed hinterlands through the provision of essential services. Despite this, the informal economy, due to its unregulated nature, is often reflected in a negative light pertaining to tax evasion and regulatory avoidance, and this has even led to socially undesirable outcomes. A widely promoted and accepted measure to counter the negative effects of these informal economies would be the promotion of a formalisation agenda. The idea has gained so much currency that in June 2015, at the 104th Session of the General Conference of the International Labour Organisation (ILO), the conference ended with the adoption of the historic Recommendation 204 which explicitly states that, *'…urgent and appropriate measures to enable the transition of workers and economic units from the informal to the formal economy' are highly called for.'*

This chapter examines the formalisation agenda of the informal economy within the

Namibian context. The discussion begins with an overview of the concept of the informal economy. This is followed by the discussions around the Formalisation Agenda. Thereafter, we proffer key guidelines on how Namibia can approach the development of the informal economy, including formalisation.

Informal Economy: Definitions and Extensions

The term informal economy came into the development lexicon based on studies carried out on Ghanaian urban labour markets in 1973 by Keith Hart (Gershan, 2004). It consequently gained more prominence through urbanisation and poverty studies undertaken by the World Bank in developing countries. As it gained prominence, the concept also became more useful for scholars to situate the dualistic structural configurations of developing economies. This especially has proven useful in examining aspects pertaining to equity, social development and economic opportunities.

In terms of definitions, the informal economy has been marred by the dichotomy of how it is understood or viewed by different interest groups. Godfrey (2011) and OECD (2008a; b) postulate that each country's understanding and definition of the informal economy greatly influences the policies and strategies adopted by it to address issues related to it. This is close to what Andrews et al. (2011) assert. The informal economy definition is useful depending on the policy concerns that motivate a specific study. For example, if one is assessing the informal economy's contribution to GDP, one is most likely to take a broader definition of informality as opposed to a study that is purely looking at potential tax revenue losses from the informal economy. In the latter, one is most likely to be more concerned with profiling the types of businesses that are more likely to evade tax.

The work by Chen (2005), however, provided the most succinct pathway of ensuring that one arrives at a more cogent definition of the informal economy. A clear delineation between the informal economy, informal sector and informal employment was thus made. The informal sector refers to the production and employment taking place in unincorporated and unregistered small businesses, while informal employment pertains to employment without legal and social protection and that which interfaces both the formal and informal sectors. The informal economy is thus a broader dimension referring to all units, activities and workers so defined, and the output from that together form the broad-base of the workforce and economy.

The prominence of the term informal economy, as opposed to informal sector, also implored scholars, policymakers and practitioners to focus on the beneficial economic contribution, rather than apportioning negative connotations to the label of 'Informal Sector'. The informal economy is therefore promoted as a vital component of a country's economic architecture and thus an equal partner in economic development and overall productivity growth (Chen, 2016). Given this outlook, it can therefore be cautiously observed that a dynamic informal economy has the potential to ensure diversified income opportunities, sustain livelihoods and promote overall societal welfare.

The Formalisation Agenda

As the term informal economy replaced the informal sector, to ensure adequate attention on its ability to generate both macroeconomic and distributional benefits, so did the need or awareness to formalise it gain ground. The Formalisation Agenda or the 'Formalisation of the Informal' by governments across the world gained much credence through the support of international institutions such as the ILO. The ILO Recommendation 204 aims to; (a) facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship; (b) promote the creation, preservation and sustainability of decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and (c) prevent the informalisation of the formal economy jobs. The main objective is to ensure that these economic activities in the informal economy are absorbed into the formal, regulated and tax-compliant segments of the economy. De Soto (2000) argues that much of the formalisation agenda centres on whether and how to reduce the fees and costs associated with registration procedures for informal enterprises. However, recently the Formalisation Agenda has shifted focus. Whereas the conventional approach is direct, that is, the government deals directly with the informal economy agents to provide formalisation interventions such as constructing work places, simplifying regulations and enforcing regulations, significant rethinking of formalisation is becoming more dominant. These ideas by Chen (2016) mostly centre on:

- The recognition of the need to increase the benefits as well as reduce the costs of regulatory compliance. In other words, reduce the punitive notion around formalisation;
- Recognition that the benefits of formalisation should include the following and should be extended through an incremental process:
    - o Legal and social protection
    - o Right to organisation and representation
    - o Adequate government support, especially on public goods, market space and services provision, procurement opportunities and economic incentives.

Recent work by Olomi and Charles (2016), covering Tanzania, Rwanda and Ghana in depth, whilst also cursorily reviewing Nigeria and South Africa's dynamics, provides a coherent treatment of such new thinking. The study's findings reveal that an indirect approach, through business associations and cooperative set-ups, would be the most effective way to formalise the informal economy. In this approach, the State empowers business associations and cooperatives to collaborate with it to ensure the realisation of the Formalisation Agenda. The partnership between the State and the informal economy associations/cooperatives would improve traceability, control and access to resources and services that informal businesses need, such as capacity building, financial services, premises and markets. In essence, the new thinking of indirect formalisation implies self-regulation mechanisms through associations and cooperatives. Interestingly, the study also found that most informal entrepreneurs were willing to pay taxes, if it was at an affordable rate and if more convenient payment modalities were put in place. The study's findings thus encouraged governments to rather ensure full support for formation, through associations and cooperatives, as a rational approach to ensure appropriate appreciation of both direct and indirect formalisation approaches. The two approaches are summarised in Table 7.1 (Olomi & Charles, 2016).

Table 7.1: Direct and Indirect Formalisation Approaches

Direct Formalisation Initiatives	Indirect Formalisation Initiatives
Simplification of business regulations	Working with associations/cooperatives to support self-regulation
Voluntary pension schemes for individuals	Group registration/registration certificate by local public authority
Training on technical or business skills	Local public authority performance contracts with associations/cooperatives
Construction and management of markets and business complexes	Health insurance schemes through associations/ cooperatives or registered groups
Capacity building including provision of credit	Subsidies for construction of offices
Enforcement of regulations	Free office space for associations/cooperatives
	Issue of credit to associations/cooperatives for further lending to members
	Government guarantee of association/cooperatives loans
	Training on technical or business skills through associations/cooperatives

Source: Olomi & Charles (2016)

A second major recommendation of the study is that governments must consider dedicated policy and regulatory frameworks for the informal economy agents and consider the promotion of facilitation of indirect formalisation.

Way Forward for Namibia

The evolution of the Formalisation Agenda offers a few lessons for Namibia. In Namibia, the informal economy plays a significant role despite data limitations regarding its significance to the national economy.

In 2016, the Labour Resource and Research Institute (LaRRI), on behalf of the Ministry of

Labour, Industrial Relations and Employment Creation (MLIREC) and the Social Security Commission (SSC), conducted a case study on the informal economy sector. The study reflected on the character of informality from a labour context in the country. The study revealed, amongst other issues, that informality is very high in Namibia and provided employment for many of those who are unemployed in the formal sector. The 2016 study recorded 5,884 workers in the informal economy which included self-employment and work for wages (LaRRI, 2016). Earlier studies such as the 2001 Informal Economy Survey showed that, out of the 50,000 employers and own-account workers who operated in Namibia at that time, 70% were classified as informal (MIREC, 2001). In 2006, another LaRRI study indicated an informal economy that provided income for at least 133,000 people, most of whom were self-employed. The Namibian informal economy was structured in such a way that it had more operators (82,302) than workers (47,305). In terms of sectoral focus, most agents in the informal sector concentrated on the wholesale and retail sectors and mostly operated in open spaces. There are also, according to the study's findings, both youth and gender dimensions. Young Namibians between the ages of 19 and 29 accounted for 64% of the informal economy, while women on the other hand accounted for 53%. For both groups, requisite social protection and associated benefits were absent. The LaRRI work was dovetailed with the earlier 2001 survey of the informal economy by the Ministry of Labour, Industrial Relations and Employment Creation.

The World Bank (2015) Report indicates that the structure of the Namibian economy has remained fundamentally unchanged since 1990. Labour-intensive manufacturing, which in many countries absorbed unskilled labour exiting traditional agriculture, has not developed adequately in Namibia. Consequently, the economy structure reveals it to have a small number of medium-to large-sized, technologically sophisticated firms, and a much larger number of informal micro-enterprises. The Ministry of Industrialisation, Trade and SME Development, in 2009, undertook a National Enterprise/Establishment Census, which recorded 56,185 firms of which 43,553 (77%) were unregistered.

In assessing Namibia's approach to the informal economy and the Formalisation Agenda, a holistic approach encompassing the macro, meso and micro is important. Table 7.2 depicts a situation whereby Namibia has not formulated a comprehensive and coordinated approach to the informal economy and its development.

Table 7.2: Assessing Namibia's Approach to the Formalisation Agenda

Level	Exposition	Comment
Macro	Policy Architecture	There is no official National Policy for the informal economy. The Micro, Small and Medium Enterprises (MSME) National Policy of 2016-2021 explicitly states that its policy applies only to formally registered entities. The NDP5 also does not make explicit reference to the informal economy, however, under the theme of 'Increase productivity in agriculture, especially for smallholder farmers', there exists a provision to ensure access to credit, inputs and implements, as well as supporting cooperative models for unorganised smallholders, many of whom are informal.
Meso	Institutional Architecture	There is no formally coordinated and coherent institutional framework to ensure integrated coordination for ensuring a formalisation of the informal sector. There is, therefore, no explicit strategic thrust pertaining to direct or indirect formalisation.
Micro	Economic Agent Level	There is little evidence of governmental and informal economy partnership within the commerce and trade level. A draft 2012 Memorandum of Understanding (MOU) is now finally imminent for signature though. The publishing of the Growth at Home Execution Plan for Industrial Policy led to the creation of 10 Sector Growth Strategies. Most of these sectors have both formal and informal components such as Metal Fabrication and Cosmetics. All sectors have identified the need to establish Sector Associations for effective support and lobbying. Invariably some of these sectors have larger components that are informal whilst others will not be effective lobbying platforms for the informal economy. Important economic levers though, such as the Public Procurement frameworks, are silent on creating opportunities for the informal economy. Minimum wages legislation is, however, present in some sectors that have both formal and informal components.

Source: Author, 2020

Chen (2016) postulates key principles that are important for economies to consider to help enable an inclusive approach to the informal economy. These principles are as follows:

- Recognise that most informal activities are *legitimate efforts by the urban poor* to forge a livelihood in often hostile policy environments;
- Recognise the *rights of informal workers to public resources and services;*
- Integrate informal livelihoods into *local and national economic planning;*
- Regulate *access to public space and natural resources for informal livelihood activities;*
- Extend the *right to bid for government procurement contracts of organisations of informal workers;*
- Target *coverage of basic infrastructure and transport services* to informal settlements and informal work places;
- Fully measure the size, composition and contribution of the informal *economy in official statistics; and finally*
- Recognise *organisations of informal workers and their right to a seat at the policy table.*

Hardwiring the Informal Economy in Namibia

The adoption of a National Policy on the informal economy will pivot Namibia towards the recognition that such economic activities have the potential to yield macroeconomic and distributional benefits. The introduction of the National Policy, along with the secretariat to house the policy and administer any subsequent legislation will help reduce the current administrative inertia that has marked the nascent initiatives thus far.

In addition, the adoption of a National Policy will foster an indirect formalisation approach by recognising different levels of formalisation such as those that are 'traceable' through registration with a recognised informal economy association, a local government single business permit and operating from a recognised workspace and traceable through normal registrations modes as those done through the Business and Intellectual Property Agency (BIPA).

Last but not least, the adoption of a National Policy will also help to ensure that public goods and services, which are essential to help ensure the growth of the informal economy, will reach the informal economy whilst also ensuring financial access and inclusion for all players in the informal economy. Relevant public goods will focus on ensuring the creation and design of appropriate marketplace platforms that can be used as benchmarks for all local authorities, which would aid in addressing the collection of market vendor fees and ensuring the development of market linkage programmes between informal entrepreneurs and the larger public agents.

As can be gleaned from Table 7.3, the provision of key public goods such as industrial stalls will provide requisite policy support to the informal economy. The Covid-19 epidemic has shown the immediate need for the provisions of such infrastructures in light of the expected negative impact on the livelihoods of the informal economy agents. The Bank of Namibia (BON) recently estimated that the Namibian economy is to contract by 6% because of the current effects of Covid-19. The Namibian informal economy, which sustains the majority of the Namibian population, is expected to bear the heaviest brunt of the economic depressive state.

Table 7.3: Indicative Public Goods and Services

Indicative Public Goods	Indicative Public Services
● Industrial stalls / Market places ● Agricultural, research and marketing facilities ● Law and order ● Urban and regional planning regulations	● Transport, urban and regional planning ● Active policing of industrial stalls ● Public representation and lobbying ● Education, training and extension ● Consumer protection ● Financial literacy campaigns ● National audit of all informal economic activity

Source (Adapted by Author)

An important outcome of the adoption of the National Policy would be the development of an informal economy data strategy. The key objective is to improve the government's information analytics of the informal economy for better planning purposes. Early partnership by the governments with the informal economy could foster the development of data strategy sooner than waiting in anticipation for the passing of the National Policy that could still take a while to implement.

The finalisation and signing of a MOU within the trade and commerce sphere (as alluded to in Table 7.2) can be further developed by ensuring the fostering or mimicking of a chamber of the informal economy that could be operated at the local, regional and national levels. Fostering this approach would also signal the intent by governments to facilitate the Formalisation Agenda through the indirect approach.

The Financial Sector Council also intends to study and examine the financial capacity of informal economy agents, explore other innovative products, such as micro insurance, and is also intent to have the Credit Agreements Act of 1981 revised comprehensively to allow for newer forms of collateral to be accepted (especially movables) in order to better accommodate the Formalisation Agenda. In 2020, the Credit Agreements Act was in the process of being revised with the aim of introducing a National Consumer Credit Finance Act. The Council also plans to continue exploring the banking sector, both commercial and development banks, to try and get the banking sector to roll out innovative services such as more basic bank accounts, mobile finance and other innovations in branchless banking. Much of this work is congruent with early research output by the Council, however, a re-examination with a special focus on the informal economy, has been advised.

Conclusion

The Formalisation Agenda has evolved to a point where narrow approaches such as simply ensuring simpler regulations, is welcomed but this is far from being effective to ensure large-scale formalisation. Today the Formalisation Agenda is thrust along two mutually reinforcing paths:

- One is designing a specific policy and regulatory framework for the informal economy, and the other is
- Promoting pooled formalisation, through working with associations and cooperatives, that is, indirect formalisation.

In an attempt to help ensure the development of the scale and output of the informal economy, Namibia should adopt a strategy that is closely aligned to the two mutually reinforcing paths mentioned above.

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Chapter Eight

Impact of Covid-19 on Informal Economy Activities in Namibia: On the Ground Experiences

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Abstract

Namibia as a country was not spared by misfortunes created by Covid-19. As a result, and in conformity with global standards, the Namibian Head of State declared a state of emergency. Accordingly, regulations were devised to enforce this state of emergency. This chapter therefore, explores how the state of emergency, Regulation 4.9 regarding a 21-day[1] lockdown, affected actors in the informal economy. It transpired that except for citizens that benefitted from the Emergency Income Grant, the same cannot be said for actors in the informal economy. Informal traders that own shebeens, fresh produce stalls and operated from open markets did not benefit from this economic stimulus plan created by the government. Employees in the informal economy could also not benefit from the same programme devised by the Social Security Commission (SSC) as they were not registered according to the Social Security Act as at stipulated date before the pandemic. It is argued that the exclusion of organised informal economy formations from consultations that pertain to mitigation and the combating of Covid-19 resulted in neglect and suffering of actors in the informal economy. There is need therefore, to recognise informal economy activities and distinguish them from small and medium enterprises as they are of different standards.

Key words: Informal Economy, Informal Associations, Covid-19, Social Security

Introduction

The WHO[2] declared the novel corona virus disease (Covid-19) a global pandemic on 11 March 2020. The disease was first identified in Wuhan City, China, during December 2019 and it has since been detected in over 185 countries. At the time of writing this chapter

1 Regulation 4.9 was a 21-day lockdown regulation that stated that, "all open markets, informal trading activities, shebeens, bars, pubs and nightclubs [were]l not be permitted to operate during the lockdown period"

2 https://www.who.int/emergencies/diseases/novel-coronavirus-2019

(May, 2021), cases in Namibia had soared to 51,390, with 723 deaths.[3] The numbers of cases continue to rise in various regions of the country with Khomas and Erongo region having been earlier declared the epicentres of the disease.

Several economic and financial entities such as the International Monetary Fund (IMF)[4] and the African Development Bank (AfDB)[5] including the United Nations Economic Commission for Africa (UNECA)[6] estimated that growth on the continent will slow drastically due to Covid-19. The economic slowdown is attributed to various emergency lockdown strategies that many countries implemented in order to mitigate possible Covid-19 consequences.

On 17 March 2020, President Hage Geingob declared a state of emergency. On 28 March 2020, a partial lockdown of 21 days was effected for Erongo and Khomas regions respectively. At the time, only 7 cases of Covid-19 were recorded. Two weeks later the whole country was effectively put under lockdown. The lockdown was characterised by stages of regulations that were to guide the emergency period. The national lockdown regulations only allowed for certain economic activities and essential services to take place. In the meantime, the Government introduced stimulus strategies that would help to mitigate the impact of Covid-19. These stimulus strategies broadly covered socio-economic aspects with specific focus on critically affected sectors of the economy namely tourism and construction. In the same context, it is worth noting that a significant number of Namibians are employed in the service sector. Respectively, the Government also reiterated that an "all-out effort was being made to ensure that core economic activities, formal and informal, would be supported [7]". The support for informal economy activities it seems, was inherently located within relief measures for the business sector as indicated by 7(d) of the *non-agricultural small business loan scheme and emergency income grant respectively.*

This chapter focuses on regulations that pertain to *businesses and services* and how the informal economy activities were affected accordingly. In this particular theme, it was stated that: *all open markets, informal trading activities, shebeens, bars, pubs and nightclubs will not be permitted to operate during the lockdown.* Successive enquiries specifically explore whether operators exploited the programme in the Development Bank of Namibia (DBN) in the absence of a dedicated Small and Medium Enterprise Bank to cater for small and unregistered operators. In the absence of improved measures to accommodate the informal economy operators and patrons at markets country-wide, extensive losses of income and reduced provisions of affordable merchandise were the order of the day. The chapter also examines how the once off emergency income grant mitigated the loss of income and joblessness in the informal economy during the lockdown period.

3 http://www.mhss.gov.na/documents/119527/775250/Covid-19+update+28.07.2020+bis.pdf/0bdaf305-75af-4c6f-a396-f64780f15a43
4 https://www.imf.org/en/Countries/NAM
5 https://www.afdb.org/en/documents/2020-2024-republic-namibia-country-strategy-paper-csp
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7 Ministry of Finance, Launching of the Economic Stimulus and relief package to mitigate the impact of Covid-19, 01 April 2020.

Context of the Informal Economy in Namibia

A significant number of actors in the informal economy are own-account workers. The recent report published by the Ministry of Labour, Industrial Relations and Employment Creation (MLIREC)[8] in 2017 shows that about 76% of operators are based in urban centres although there are some regional variations. The majority of businesses are sole proprietorships (92%) and about 7% are in partnerships. About 70% of business owners have not received any kind of training in business operations, while, 8.5% have received training in crafts, repair and machinery operations. Close to 85% of operators owned a cellular phone. The report further posits that 85% of businesses were in the non-agricultural sector and that more than 60% of businesses operated from homes. Only 20% of business operators had a fixed operational address separate from place of residence. At the time of publication, about 88.9% of informal enterprises were not registered with the SSC and accordingly, 84.3% of employees in informal enterprises were also not registered with the SSC. Equally, employees in the informal enterprises had no formal employment contracts.

In addition, the National Statistics Agency's (NSA)[9] Labour Force Survey of 2018 reports that 57.7% of the total labour force are informally employed. When disaggregated, it became evident that more females were informally employed with a total of 61.2% compared to males at 54.1%. Higher levels of informal employment were recorded in Kavango West and Ohangwena with 90.5% and 82.7% respectively. //Kharas region recorded the least informal employment levels during the reference period.

There are some entities that represent the interests of informal traders and workers alike. The Namibia Informal Sector Organisation (NISO) largely advocates for the interests of informal traders in municipal areas. A new union, the Namibia Informal Traders and Shebeen Workers Union (NITSWU) was registered in 2019 to also advocate for the interests of both traders and workers in the informal economy. Several mainstream trade unions in umbrella federations such as NUNW, TUCNA and NANLO, also advocate for the rights of workers that are informally employed.

The Covid-19 Moment

The initial news of the Covid-19 outbreak was received with ambivalence, as Wuhan where the virus was first detected, was considered and perceived as being very far away. The Namibian Government like many in the region declared a state of emergency, including a regulatory framework in response to Covid-19. Amongst the key regulatory characters was the closure of national entry points, suspension of gatherings and a movement curfew including the closure of open markets and liquor outlets. Only formal enterprises such as Shoprite, Pick and Pay and similar other enterprises, including established entities

8 Namibia Informal Economy Case Study Report 2016-2017, Ministry of Labour, Industrial Relations and Employment Creation 2018.

9 Namibia Statistics Agency Labour Force Survey available at: https://d3rp5jatom3eyn.cloudfront.net/cms/assets/documents/Labour_Force_Survey_final_-_2018.pdf

like Woermann Brock and Spar, were allowed to operate during the state of emergency. Other bigger stores that satisfied the requirements were also permitted to operate. In the following paragraphs, we address the effects the movement curfews and closure of open markets and liquor outlets had on the informal economy.

Movement limitations and the closure of markets had a significant impact on citizens who made a living from selling merchandise and working informally. The preparations and respective decree of the state of emergency did not seem to have been inclusive of the whole society. The Government seems to have only focused on formal activities that could be regulated through the accompanying regulations. This component to deal with Covid-19 by the Government excluded informal traders and workers alike from consultations on how to deal with their situation.

For instance, the closure of markets ignored important community networks that enabled support for pre-existing social conditions. These social networks are operationally complex and multifaceted. Through these networks, communities are able to support each other in difficult and joyous moments. The networks also have a financial component that enables participants to acquire some services they may not necessarily obtain from banking institutions. In essence, it is a community that not only operates informally, but also on a cash basis.

The closure of markets was experienced variably in local communities. The result of market closures meant that certain communities had to abandon their stock at markets or defer perishables to be consumed in households. The anticipated income was thus not realised as a result. The ban on alcohol sales also resulted in job and income losses for shebeen owners and workers. Likewise, the effects of jobs losses were also experienced in the agriculture sector which supplied vegetables and meat to informal vendors.

The effects of market closures and movement restrictions resulted in the loss of income for the many workers that are employed by vendors. Many employees in the informal economy do not only work within demarcated areas but also embraced mobility in search of clients. These numerous employees are concentrated in light industrial work, construction, mechanical activities, vending and domestic work. It is reported that domestic workers were significantly affected during the Covid-19 as they could not go to work and also as many had no secure employment contracts.

Noted Challenges

Significantly, the reported challenges immediately focused on construction and tourism as sectors that were hard hit by the pandemic. However, challenges and impacts as a result of the state of emergency in the informal economy were realised almost instantly. Challenges during the state of emergency pertain to especially regulation 4.9, the 21-day lockdown, which stated that *"All open markets, informal trading activities, shebeens, bars, pubs and nightclubs will not be permitted to operate during the lockdown period".* The following listed challenges were reported by various local authorities/communities during the first stage of the state of emergency:

- The majority of employers and employees in the informal economy are not registered with the SSC;
- Lack of considerations and consultations with informal economy actors and associations as key stakeholders in combating Covid-19;
- Illegal trading at undeveloped sites around local authorities and cities/towns;
- Lack of ablution facilities posed significant risks to the spread of the virus;
- Insufficient resources in local authorities to speedily improve and adjust facilities to be commensurate with Covid-19 measures;
- Non-adherence to social distancing as per regulations;
- Lack of personal protective equipment;
- Lack of hand sanitisers;
- Insufficient markets to accommodate all traders; and
- Intensified law enforcement without considerations of the specific context.

These challenges were experienced in various regions when regulations of the first emergency lockdown were enforced. For a period of thirty days, actors in the informal economy attempted to reach out to authorities so that mitigating avenues could be explored. Key in the advocacy agenda of informal economy actors was for a space in which they could engage and consult with authorities.

National Interventions to Mitigate Covid-19 Impacts

The Government successively announced a response plan to the unprecedented economic hardship. The first phase of the economic stimulus and relief package amounted to N$8.1 billion, with a specific focus to direct business support and accelerated payments for services rendered to the Government and households. Specifically, the package[10] was directed at both formal and informal businesses in sectors that were directly affected by lockdown measures. The package also sought to address household and related labour market aspects such as job retention to mitigate the negative impacts on income.

The emergency income grant was to support employees that lost their jobs due to the pandemic. The N$750 once off payment was paid to people that had lost jobs either in the formal or informal economy to stave off the looming vulnerabilities. The payments were processed through cellular wallets and withdrawn at various automated teller machines. The Ministry of Finance reported high disbursement success as beneficiary records were obtained through cellular devices.

The SSC also devised a stimulus package to mitigate circumstances of workers that may have lost their employment during the pandemic. Employers in the construction, tourism and

10 Ministry of Finance, Launching of the Economic Stimulus and relief package to mitigate the impact of Covid-19, 01 April 2020

hospitality and aviation sectors could apply to the wage subsidy programme for a period of three months. The employers had to apply on behalf of their employees. Accordingly, the stimulus programme also aimed to provide a safety net for employees that earned less than N$50,000 per annum. In this instance, the majority of employers and employees in the informal economy were not registered with the SSC as at the 1st February 2020, which was the deadline for eligibility. The fact that the majority of actors in the informal economy were not registered with the SSC meant that they were excluded from this stimulus programme.

A key relief measure that focused on businesses in general in the informal economy activities specifically was Point 7(d) of the economic stimulus and relief package to mitigate the impact of Covid-19 themed, *"non-agricultural small business loan scheme".* In this scheme, the Government would facilitate a N$500 million loan scheme for non-agricultural small businesses guaranteed through the DBN. The facility would be extended to cash flow strained small businesses that experienced a significant loss of revenue. However, there seemed to have been challenges to roll out this measure on time due to a lack of sufficient data and the required modalities for the targeted group. The roll out programme was announced on 9 April 2020 in the media by the DBN[11] when two financial institutions applied to participate in this roll-out stimulus programme so that prospective beneficiaries could apply. The bank announced that at the time it had approved 8 out of 60 Small and Medium Enterprise (SME) applications for a skills-based loan facility. Strict requirements such as collateral and equity components were relaxed to enable applicants to access the facility.

Given the informal economy framework, it meant that only those enterprises that had graduated to SME status would be eligible to this stimulus programme. Largely, actors in the informal economy operate in the service sector and not significantly in the targeted economic sectors. And if they were available in the targeted sectors, the actors would not be registered as SMEs. At the same time, over 70% of the informal enterprise owners have not had any sort of training. Except for an unconfirmed number of informal economy actors that received the emergency income grant, it cannot be independently verified what the percentage was. It can thus be deduced that the informal economy actors have not as yet, and are likely to benefit from this "non-agricultural small business loan scheme".

Local authorities and municipalities also embarked on finding ways to deal with Covid-19 challenges even though they already were faced with challenges of market space prior to the advent of Covid-19. Historically, authorities have struggled to cater for sufficient infrastructure development in order to create spaces and thereby accommodate informal economy markets. The implementation of by-laws that are colonial in nature has led to the exclusion of citizens from the mainstream economy as informal undertakings are criminalised within the legal instruments. For instance, while municipalities do not provide sufficient space for informal vending, enforcement agencies continue to arrest informal

11 The Namibian newspaper available at: https://www.namibian.com.na/201705/archive-read/Banks-on-board-to-fund-DBN-stimulus-package

economy actors that embrace mobile merchandise and those who are not operating within designated limited spaces. When designated markets were re-opened, municipalities embarked on a basic hygiene and social distancing advocacy drive. Advocacy constituted training on how to behave during the Covid-19 pandemic and this was promoted to all informal economy traders, employees and market visitors respectively.

Informal Economy Actors' Experiences of Covid-19

Like everyone else, informal economy actors were caught unprepared when Covid-19 hit. The informal economy formations[12] and actors were excluded during deliberations that pertained to their existence even when they, time and again, have emphasised their readiness to be part of the solution. Instead, attention was directed to mostly SMEs, an economic level to which the informal economy actors aspire to graduate to. In other words, SMEs have attained certain administrative requirements that have enabled them to access the government stimulus programme and other benefits.

The Namibia Informal Sector Organisation (NISO), Namibia Traders of Fresh Produce (NTFP) and the National Alliance for Informal Sector Upgrading (NAISU) attempted to engage authorities on various instances when its members experienced setbacks during the Covid-19 moment. For instance, the National Fresh Produce Business Hubs lost about 32% of product absorption from informal traders as they could no longer trade. This intervention became a threat to food security in communities that do not patronise retail markets due to higher prices. The informal economy formations advocated for the resumption of business activities within Covid-19 prevention measures in order to ease economic pressures.

Members to these associations reported several impediments to their effective participation in combating the Covid-19 pandemic and the problems they were exposed to:

- Firstly, the informal economy formations felt ignored and neglected as important partners in the fight and prevention of the Covid-19 pandemic as they were not active participants in the processes that were made to be abided by.
- Secondly, advocacy from NISO and NAISU focused on *Regulation 4.9* on the 21-day lockdown period which stipulated that: *"All open markets, informal trading activities, shebeens, bars, pubs and nightclubs will not be permitted to operate during the lockdown period."* Again, a lack of consultation left members with no alternative to provide an income for themselves.
- Thirdly, the regulation(s) stalled various components of the informal economy activities.
- Fourthly, informal economy actors were unable to access the Government stimulus programme as they are not registered with relevant authorities.
- Lastly, the enforcement of the by-laws, from the state of emergency, were not humane, reasonable nor consistent with the Covid-19 situation.

12 Media by NISO release dated 16 April 2020

The informal economy formation continued to lobby with authorities[13], including the Head of State[14], during the state of emergency in order to minimise stringent regulatory regimes that sought to not only confiscate properties but also imprison operators and workers even after regulations were eased during the second and third stage. A lot of the informal economy vendors and workers lost their jobs and income due to the severely strict measurements taken to contain the pandemic. Similarly, the NITSWU also reported similar challenges as those dealt with by NISO and its alliances. For instance, their members too who work in shebeens could not access the SSC stimulus programme as their employers had not registered them as at 01 February 2020's deadline.

Response from authorities to the above efforts by informal economy associations and related formations never came through and the status quo in terms of consultations prevails. Despite various communications to related authority agencies, minimal engagement emanated from either the City of Windhoek nor from the Ministry of Trade, SME Development and Industrialisation in terms of information sharing and the necessarily consultations.

Lessons to be Learnt for the Future and Tentative Conclusion

The informal economy is an integral part of the Namibian economy. It exists in all sectors of the economy and should be considered significantly important as it contributes to national growth. It constitutes raw and rough actors in the local economy. This particular economy creates employment for over 55% of Namibians with the majority being the young and women. Respectively, these are economic sectors that need to be developed and harnessed accordingly. The latter, however, may only be realised through continued intelligence gathering and research.

During the Covid-19 pandemic, it became more apparent how the informal economy is perceived and understood by both the public sphere and by authorities in general. The informal economy does not constitute economic activities, which in terms of policy, are referred to collectively as small and medium size enterprises. Significant informal economy activities and actors alike try to graduate from being unregistered entities to becoming formal SMEs. The informal economy character and nature are different from economic activities categorised as small and medium sized activities. Since the majority of these informal economy enterprises are not registered with authorities as SMEs, actors in the informal economy were not able to access stimulus programmes as they did not meet the required qualification standards. Consequently, all attempts that were initiated by the government and agencies to combat the effects of the pandemic only targeted entities that were classified as SMEs as they met the requirements to access assistance, but left out the informal sectors. Therefore, one can see that there is a need to define the informal economy more clearly and in accordance to the local context so that necessary programmes of inclusion are invented.

13 Letter by NISO dated 27 March 2020 to Ministry of Trade and Industry
14 Letter by NISO dated 22 June 2020 to the Head of State, Hage Geingob

It also transpired during this period that the continued exclusion of organised informal economy formations will continue to stall the total inclusion of Namibians in the mainstream economy. Organised formations in the informal economy should be considered as development partners as advocated for by various United Nations agencies such as the ILO. The ILO Recommendation 204 calls for governments to advocate for the formalisation of the informal economy so that adherence to international standards can be realised. Such a realisation will create a conducive environment for decent work and enhanced productivity for all.

Future emergencies should create space for and encourage consultations with especially available organised entities. Efforts for inclusion as stakeholders to combat and mitigate the Covid-19 impact by organised formations during the state of emergency fell through the cracks. As a result, efforts to address challenges posed by Covid-19 still left many stranded, especially in economic terms.

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Chapter Nine

Social Protection and Women Working in the Informal Economy in Namibia

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Abstract

Women in the informal economy are the most vulnerable and they often lack social protection. This economic precariousness and deepening of poverty among women necessitates a discussion of the reality of women working in the informal economy of Namibia. This chapter therefore, discusses the complex situation in which women are placed to survive, focusing on how the opaqueness of social protection systems in Namibia such as the current format of maternity benefits, deepens social inequalities. Special attention is further directed at the often-uncoordinated social policies that often violate the reproductive health and rights of women and the need for a multi-dimensional and holistic approach to social protection in Namibia. The chapter argues that the informality of employment, housing and living is a daily reality for many people, particularly women in Namibia. It underscores the fact that women face peculiar contingencies which threaten the security of their income for which they require protection. It further posits that the Covid-19 pandemic has reminded us that social protection, including access to adequate health care, nutrition and shelter, needs to include the informal workers as a matter of urgency. Changes in policy making strategies, which include the realm of social protection systems, are recommended; particularly to level the playing ground between male and female actors.

Key words: Women, Informal Economy, Social Protection, Labour Market

Introduction

The informal economy is a major source of employment and livelihood for many people, not only in Namibia, but also in many parts of the world. People working in the informal economy are however the most vulnerable and they often lack social protection. Although not everyone working in the informal economy is necessarily vulnerable and poor, it is the case that most workers in this sector are invariably disadvantaged with regards to social security, employment contracts, decent wages and working conditions. Furthermore, these workers differ widely in terms of income level, age, educational level, status in employment, sector, type and size of enterprise, location of workplace (rural or urban, private or public areas), social protection coverage rate and employment protection (ILO, 2018). Notwithstanding that the face of the informal economy is mostly female, and it is often characterised by women working in low skills and low paying jobs. This also means that women are more exposed to the insecurities that follow the limited or lack of social protection in its many forms within the informal economy. The common workplace for most women is often the street, the sidewalk or the home. For example, people likely to be seen around the corners of construction buildings and at universities' main entrances, are women selling kapana (street barbequing and food preparations). As street vendors or hawkers, women put their physical safety and health at risk. It is also common for women to take their children to their work places when support from family members or neighbours is not available. The lack of access to formal childcare due to its cost exacerbates female informal workers' work burdens. Women also spend long hours in unpaid household work. Quite often, they juggle household work with job searches and at the same time street vending (Namupala, 2020). Lack of employment and social protection that characterise the informal economy make it more difficult to raise a child when one is faced with inconsistent income.

The consequences of the gender disparity manifest themselves in various aspects of Namibia's labour market. Even in situations where women have educational capabilities to get jobs in the labour market, it is not always reflected in the employment statistics. For instance, in 2019 about 4,401 students graduated from UNAM and 68 percent of them were women compared to 32 percent men. In 2018, the overall employment figures showed that 52 percent of men were employed whilst employed women were 48 percent (NSA, 2019). The gender division in the Namibian labour market is further reflected in men accounting for 56 percent of permanent jobs while women hold 52 percent of the casual/temporary/seasonal jobs (NSA, 2015). Various Namibia Labour Force Surveys (NLFSs) have consistently shown that women are less likely to be in the labour force than males. For instance, in the last four years, the labour force participation rates for women has been 70 percent (72 percent male) in 2013; 67 percent (72 percent male) in 2014; 67 percent (73 percent male) in 2016 and 69 percent (74 percent male) in 2018 (NSA, 2014-2019). Although female employment is much lower than male employment generally, informal employment is predominantly female. About 61 percent of women are informally employed compared to 54 percent of their male counterparts (NSA, 2018). The increase of female participation in low income employment and their dominance in the informal sector activities evidences that social protection, which includes women working in the informal economy, is more needed than ever, particularly for young women if they are to have dignity and security for their future. This chapter therefore, is an attempt to interrogate social protection and women working in the informal economy in Namibia.

Understanding Women's Multi-dimensional Disadvantage in the Informal Economy

The concept of informality is understood differently, particularly in relation to the economy and employment. According to the ILO, employment in the informal sector is an enterprise-based concept and it is defined in terms of the characteristics of the place of work of the worker. By contrast, informal employment is a job-based concept and it is defined in terms of the employment relationship and protection associated with the job of the worker (ILO, 2018). The formal/informal sector definition is based on characteristics of the enterprise, while the formal/informal employment definition is based on characteristics of the job (NSA, 2018). Informal workers, by definition, do not have secure employment contracts, usually do not enjoy workers' benefits and social protection, and they also have limited workers' representation. They are among the groups most at risk of losing their job and income. The informal economy refers to all units, activities, and workers so defined and the output from them. Together, they form the broad base of the workforce and economy, both nationally and globally (Chen & Carre, 2020). Crucial to any discussion of women working in the informal economy is recognising that women's work - both reproductive and productive - contributes significantly to poverty reduction. Traditional gender roles dictate that women carry the double burden of paid work and care responsibilities in the home. Despite women's immense contribution to their families and communities, they are particularly vulnerable to the effects of poverty which threatens their lives. This is attributed to gender disparities in rights and access to resources including lack of access to social protection.

Labour market discrimination is evident in Namibia. It goes along with not only gender but class and racial lines. For instance, white men are dominating at higher management levels in the private sector while black women form the majority in temporary, insecure and informal jobs. In Namibia, 61 percent of employed women are in the informal employment. The comparative figure for men is 54 percent. Women are often forced to work part-time due to childcare responsibilities. Despite the disadvantages they face, informal workers contribute to poverty reduction and to economic growth through their economic activities (Chen & Carre, 2020). Most of the valuable work women perform often goes unnoticed and unaccounted for in the economic statistics. This reflects the patriarchal structure and traditional gender roles not only of the Namibian society but many parts of the world. Women are at the lower end of the employment strata, particularly those from economically disadvantaged families, and they are often victims of exploitative labour practices. It is argued, moreover, that job losses have affected more females than males, which contributes to the increase of poverty and vulnerability among female households. This is exacerbated by the outbreak of the Covid-19 pandemic. The early measures to curb the spread of the virus first hit the informal economy workers and jobs held predominantly by women such as street vending and domestic work. Women also make up a large portion of the health and social care workforce, which are essential but often poorly paid jobs that put them at greater risk from Covid-19. At the onset of the pandemic, women had been more likely than men to drop out of the workforce or reduce their hours during the pandemic, largely due to the burden of unpaid care work, which is disproportionately carried by women. The unpaid work that women do is indispensable to the survival of the house, yet they are limited in accessing essential resources such as land, monetary income, political participation and decision making powers.

Globally, it is estimated that approximately two billion people are employed in the informal economy, of whom just over 740 million are women (ILO, 2018). Across most countries in all regions, women work more than men. Women are estimated to contribute 52 percent of global work whereas men contribute about 48 percent (ILO, 2013). However, even when women carry more than half of the burden, they are disadvantaged in both realms of work whether paid or unpaid work, in patterns that reinforce each other (ILO, 2013). It is estimated that informal employment accounts for 77 percent of non-agricultural employment in sub-Saharan Africa, with self-employment accounting for about 70 percent of this figure and representing a greater share of the sector. In Southern Africa, the estimates are about 36 percent of non-agricultural employment. Informal wage employment (covering casual labourers, domestic workers, undeclared workers and part-time or temporary workers) represents between 30 percent and 40 percent of non-agricultural employment. Home based workers and street vendors are two of the largest sub groups of the informal workers representing between 10 to 25 percent of the non-agricultural workers. Women make up the largest numbers in the informal sector, representing 79 percent of the non-agricultural workers (ILO, 2018).

Income security is essential to enable women to take care of themselves and their families. Social security benefits such as paid sick and maternity leave, and quality healthcare are critical elements of a social protection system. The impact of Covid-19 saw women juggling multiple tasks of home schooling, taking care of the sick and hustling for economic survival. People working in the informal economy often do not have a regular income and so it is difficult for them to keep up with social security payments. Others are too poor to afford even small payments towards a social security scheme (Namupala, 2020). The formal social security system in Namibia depends on employees and employers contributing on a monthly basis. As a result, the unemployed and the informally employed are not contributing or contribute irregularly. Accessing credit from financial institutions such as banks is also difficult for the informally employed since banks usually demand documents such as payslips and/or employment letters to ascertain the regularity of incomes as well as to decide the level of credit to be approved for the applicant. For most women in informal employment, this is problematic as they do not have such documents.

The Situation of Women Informal Workers in Namibia

Reliable and up to date information on women informal workers in Namibia is scanty. However, the Namibia Labour Force Survey (NLFS) indicates that about 58 per cent of the employed population are in informal employment (NSA, 2018). This comprises 54.1 percent of males and 61.2 percent females. This means women dominate the informal economy. Within the informal economy, women are concentrated in work associated with low and unstable earnings. Industries with the highest level of informal employment were private households and agriculture, forestry and fishing with 91.0 and 87.6 percent respectively (NSA, 2018). These industries which are predominantly occupied by women and often with low income employment, also have limited or no social protection coverage. In terms of wage and salaries, the wages of women are also lower than those of men. The disparities in the gender wage gap in Namibia has also increased to 16 percent (Ministry of Labour, 2014). Considering that nearly half (47 percent) of all households in Namibia depend on wages and salaries as the main source of income (NSA, 2018), reducing employment inequalities between men and women is paramount in alleviating women's poverty. This is particularly important because most households in Namibia are female headed. This means that they are the only household income earners. Yet despite, women doing unpaid work, in most cases they carry the responsibility of ensuring that the household survives. In the rural areas for instance, the "working poor" are the subsistence/communal farmer with unpaid employees and unpaid family workers. Namibia classifies subsistence farming activities as employment, something many countries do not do. And as such, about 40 percent of Namibian women compared to 42 percent of men are employed as subsistence/communal farmers. Vulnerable workers are 39 percent men and 61 percent women (NSA, 2018). The increase of female participation in low income employment and their dominance in the informal sector activities evidences the feminization of poverty. Women's poverty that ensues from lack of control over resources is intricately linked to high levels of Gender-Based Violence (GBV) experienced by women including those infected and affected by HIV/AIDS. Namibia has one of the highest HIV infection rates in the world, and it can be argued that women have become the face of HIV in the country. Women's poverty that ensues from lack of control over resources is intricately linked to high levels of gender-based violence (GBV) which is experienced by women including those infected and affected by HIV/AIDS. GBV is attributed to poverty - women in Namibia like elsewhere in the world are the majority of victims of GBV and the abuse they suffer perpetuates their economic struggles. Women's economic dependence on men exacerbates abuse as they tend to tolerate it and fail to report same. Their fear of the economic consequences for themselves and their children also makes it harder for women to leave abusive partners. Moreover, women are more exposed to insecurity in the absence of effective access to social protection in the informal economy.

It is also important to pay attention to age aspects as the youth is the second largest group of people employed in the informal economy (Alfers, 2019). Teenage pregnancies are high in Namibia, with about 3,500 pupils having fallen pregnant between 2017 and 2018 (Iikela et al., 2019) and this is even high in regions which are largely rural such as Kavango (545), which is yet another manifestation of poverty. The majority of the young girls and women do not always return to school after dropping out owing to having gotten pregnant. With not much education, many of these young women resort to some forms of informality for survival. The poor require access to high quality education to improve their chances of securing formal employment to break the poverty cycle. However, the Ministry of Education's no-repeat policy pertaining to grades 10 and 12 leaners creates disparities in access to education, particularly for young girls from poor socio-economic backgrounds (Namupala, 2020). For example, a young girl who is about to write her grade 10 or 12 exams is left to care for her sick parent or relative and incidentally, who may die during the exam time. Her exam performance is therefore, likely to be negatively affected. This means that she has to put up with the bureaucratic process of applying for special exams, provided that she is aware of it (Namupala, 2020). In addition, NAMCOL might not be an option for her due to possible financial constraints. Consequently, the long term impact is that the rest of her academic life is affected, resulting in feelings of inferiority and lack of confidence to participate in educational activities.

Outside of agriculture, women are more likely than men to be own account workers, domestic workers, unpaid contributing workers in family enterprises and industrial outworkers or homeworkers. A significant proportion of women working in agriculture is also unpaid contributing workers on the family farm. According to NLFS (2018), the lowest level of informal employment was found in public administration and defence, which are predominantly occupied by men, and these have compulsory social protection systems such as social security. The 2016/17 Namibia Informal Economy Case Study Report indicates that a total number of 4,506 own account workers were interviewed. The most important finding is that nearly 70 percent of the own account workers were female and only 31 percent were male (Namibia Informal Economy Case Report, 2017/8). This finding is consistent with the NLFS findings. The majority of employees were female (59.2 percent), while males constituted 40.8 percent. There were more female employees (70.0 percent), compared to males (51.0 percent) in those businesses employing only one employee (Namibia Informal Economy Case Study Report, 2017/8).

Women are also the majority in vulnerable employment. Namibia categorises vulnerable employment into own account workers, subsistence/communal farmers and contributing (unpaid) family workers. The rate of vulnerability is calculated as the sum of subsistence/ communal farmers, own-account workers and contributing family workers, taken as the proportion of total employment. As such, about 61 percent of Namibian women compared to 39 percent of men are in vulnerable employment (NSA, 2018).

Moreover, job losses have affected more females than males, which contributes to the increase of poverty and vulnerability among female households. Poorer people, including informal workers, pay N$4 to N$15 for a visit to a government health facility, and this is much less than they would pay for private health care. However, those with no money are not turned away as they are entitled to be treated at state health facilities. In as much as women are mothers, homemakers, income earners and community members, they are overloaded with reproductive work whose value is not economically recognised. Single mothers are common in Namibia, and so are irresponsible fathers, and consequently the cost of taking care of children falls on the woman. Traditional gender roles dictate that women and girls are expected to perform the majority of household chores and take sole responsibility of caring for children and the elderly. Consequently, this reduces women's capacity to participate in socio-economic activities outside the home. At the same time, the unpaid work that women do is indispensable to the survival of the house, yet they are limited in accessing essential resources such as social protection, land, monetary income, political participation and decision making powers. Unlike other employees, most women informal workers have no formal working agreements with their employers. Their working environment is also not always protected by health and safety regulations. Some do not have access to worker benefits such as paid vacation, pension, and sick leave, and they do not receive overtime payment. In addition to that, they do not get a minimum wage, medical aid, maternity benefits and parental leave. This leaves them particularly vulnerable. They are vulnerable to various forms of exploitation by employers as they often work without written contracts. Some lose their jobs once they become pregnant (Namupala, 2020).

Although the law is clear that women may not be dismissed during pregnancy or maternity leave, including any kind of disadvantage due to their pregnancy, women informal workers often lose their jobs as a result of pregnancy (Namupala, 2020).

Maternity protection is essential to promote the health and well-being of mothers and their children. New mothers are expected to breastfeed for at least six months, but this makes it difficult for women who do not have maternity protection. Maternity leave is only three months, with one month taken before the birth of the child. As such, encouraging mothers to give their babies nothing but breast milk for the first six months of life is one of the strategies which the Government is using to circumvent child malnutrition. However, the viability of a six-months maternity leave for women informal workers requires the Social Security Commission and employers to institute other measures to facilitate continued breastfeeding. Without maternity protection, women may shift to lower-paid and more insecure work in order to breastfeed and care for their infants. While they initially consider it a temporary coping strategy, women with children are likely to stay in the informal economy as they juggle childcare and earning an income.

The need for a Multi-dimensional and Holistic Approach to Social Protection in Namibia

Although Namibia has one of the most comprehensive social protection systems in Africa, the Namibian government is currently developing its first-ever national social protection policy. The new draft National Social Protection Policy is said to broaden its view of social protection to include social assistance, social insurance, social welfare services and labour market policies. Considering that nearly half (49.2 percent) of all households in Namibia depend on wages and salaries as the main source of income, reducing employment inequalities between men and woman is paramount in alleviating women's poverty.

Informality of employment, housing and living is a daily reality for many people in Namibia. Most importantly, informality in Namibia has a female character. Informality also denotes lack of access to social protection. Social protection in its multifaceted forms is understood to help people meet their immediate basic needs. It can help them build human capital, empower women and girls and improve livelihoods. The question is, how do we ensure that meme kapana sitting opposite UNAM's main gate is covered? What happens when she is chased away from that space? What about women who are in informal employment but are operating from 'formal spaces'. Even though Namibia is hailed for her best policies and programmes in Africa, however, moving from policy to practice is still a significant problem. Notwithstanding legislative achievements, some policies and laws are inadequate, uncoordinated and gender insensitive, thus threatening women's reproductive health and rights. The contributory maternity leave benefit scheme of the Social Security Commission currently provides for a maximum basic wage of about N$ 13 000 to be paid by the Commission during maternity leave, thus disadvantaging those who earn above this ceiling. In addition, employers have to provide the fringe benefits in full during that period. Women may not be dismissed during maternity leave or suffer any kind of disadvantage due to their pregnancy. However, there is a number of challenges with this law. A new mother and her baby's needs increase and become costlier during the infancy stage of the baby, and the income that she loses during maternity leave is crucial during that period – and yet this is the time she needs it most. This situation is hard for a single mother who often has to contend with an absent father who either denies paternity and/or fails to take responsibility for the child. The consequence is that the financial burden then falls solely on the mother.

On the other hand, the Ministry of Health and Social Services has been advocating for six months compulsory breastfeeding. However, this health policy is not discussed in relation to other social policies such as the Social Security Commission's maternity benefit policy. Although legislation is put in place, implementation and enforcement still remain a challenge. The complex situation in which women informal workers are to survive reminds us that there is a need for a gendered approach to social protection in Namibia. This requires a careful assessment of the obstacles that women informal workers face in accessing social protection. There is, therefore, an urgent need to progressively integrate the women employed informally into a safety net framework such as a basic income grant. The provision of childcare services should be highlighted when discussing social protection particularly because it impacts women's income in the informal economy. How do we incorporate informal workers into the existing social protection system such as the maternity benefit, healthcare, better working conditions, pensions, etc.? How do we design appropriate contributory social security schemes that are suited to the needs of informal workers? To address some of these questions, there is a need for a comprehensive approach to social protection that is anchored on the recognition of the role women play in both the paid and unpaid economy. A social protection system capable of generating synergies requires a policy and legislative strategy if it is to effectively address the current and future risks and vulnerabilities of women informal workers as they too are workers.

Extending Social Protection to Informal Workers with a Specific Focus on Women

Evidence shows that about 55 percent of the world's population is not covered by social protection and informal workers specifically are inadequately covered (ILO, 2018). The registration of workers with the Social Security Commission (SSC) is a legal requirement in Namibia. However, there are some women, particularly those working in the informal economy, who are not registered with SSC and do not have access to social security benefits and other social protection schemes. Social grants are essential in providing social protection against adversities among members of the society. Although Namibia offers the universal old age pension grant to persons aged 60 and above, as well as child welfare grants for OVCs and the Veterans grant for the liberation struggle veterans, there still remains social groups that are left out of the non-contributory social protection system in the country.

Currently the opaqueness of social protection policies in Namibia interacts with social inequalities. Everyday observations raise concerns about the relevance of social protection benefits to groups such as the woman sitting at the entrance of UNAM gate, for example. What about those operating alongside the construction sites, public roads, in a shebeen, inside their homes, at the masala and other open markets? What about the women who are seasonally employed in subsistence farming sector? How do we ensure adequate social protection for women working in the informal economy? Answers to these questions require a gendered approach to social protection, demanding for flexible schemes which are adjusted to the particular needs of women working in the informal economy. There is therefore, a need to devise social protection policies and plans which are women centred, and also to implement such programmes with transparency.

Conclusion

The informality of employment, housing and living is a daily reality for many people in Namibia. Informality often denotes a lack of access to social protection. Workers face contingencies which threaten the security of their income for which they require protection. The Covid-19 pandemic has reminded us that the provision of social protection, including access to adequate health care and other public goods and services such as nutrition and shelter needs to be done with the informal workers in mind. Women working in the informal economy depict a complex situation in which they are forced to survive. In as much as informality in Namibia has a female character, it is more complex considering that women are a heterogeneous mass, which means that their experiences of informality differ from person to person or group to group. It encompasses different dimensions, inclusive of the rural/urban divide, social class and race. We conclude by arguing that when social institutions fail to provide essential services, the burden falls on women, both in terms of productive and reproductive services. For instance, if there are resource constraints in a household, or a hospital is not able to care for a sick person, whenever social protection systems fail to provide the necessary safety nets, the responsibility falls on a woman's shoulder. The Covid-19 pandemic and efforts to contain it have led to major job and income losses, particularly in the informal economy. The income of informal workers like these have dropped drastically. Poor women face additional hardships on top of the barriers they face to access learning and decent work opportunities. With all these challenges, new inequalities will widen, most likely affecting vulnerable women, particularly young women. Without alternative sources of income, informal workers and their families will have no way to survive. This situation has also shown us that women's responsibilities tripled. Women faced an increasingly double burden to manage both paid work and unpaid care and household work due to widespread school closures.

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Theme 3

Social Protection and Labour / Employment

Chapter Ten

Labour Market Interventions and Social Protection in Namibia

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Abstract

This chapter examines the nexus of the labour market and social protection landscape in the context of youth unemployment in Namibia. It interrogates labour market interventions employed to address youth unemployment in Namibia. The chapter uses a qualitative research approach based on respondents from the Namibia Integrated Employment Information System (NIEIS) database to unravel youth unemployment challenges in the context of the interplay between the labour market and social protection. Focused groups of unemployed youths from Windhoek registered on the NIEIS were used to gain a deeper understanding of how they experience unemployment, how it affects them, how the absence of a dedicated social protection scheme impacts them and what coping strategies they use. Empirical findings and the literature reviewed on labour market issues and economic and social protection in Namibia since independence, confirms that the type of unemployment Namibia experiences is predominantly structural and points to a disconnect between the unemployment type experienced and the strategies used to address it, suggesting this to be one of the key reasons unemployment remains untamed. Furthermore, it indicates that job search assistance, education and skills development, micro-finance, public works and employment schemes are among the strategies used to address unemployment in Namibia. Ironically, these strategies have not managed to reduce unemployment due to conceptual and delivery deficiencies, as there continues to be a weak link between labour demand and supply. The chapter recommends that modernising and popularising the subsistence agricultural sector holds the key to the creation of decent rural jobs and self-employment opportunities, thus improving labour market outcomes and enhancing access to social protection.

Key words: Unemployment, Social Protection, Labour Market, Labour Market Policies, NIEIS.

Introduction

Labour markets have become dynamic, which is in sync with the changing pace of economies. Young persons under the age of 35, have a competitive advantage as they are more agile and can adjust to change better, given their age and their possession of tremendous transformative potential (Girard, 2017). However, many youths are removed from the labour market (ILO, 2016; NSA, 2017; du Doit, 2003). This denies them an opportunity to develop and use their skills, grow their wealth and take up leadership positions as and when senior employees exit the labour market or as these positions become available, which are some of the benefits of employment advanced by Jahoda, Creed and Bartrum (2006). Often, the problem of (youth) unemployment is attributed to the development and implementation of policies that do not address the actual problem being experienced (Mwinga, 2012). Thus, the determinants of unemployment require a thorough analysis if employment policies developed are to combat unemployment (du Doit, 2003).

Although the Namibian youth makes up the bulk of the people who are either unemployed or employed in the informal economy, the State has not yet adopted integrated and comprehensive policies aimed at affording unemployed persons in general the required social benefits and amenities as enshrined in Article 95 of the Namibian Constitution. Neither access to social security nor gainful employment is an explicit Constitutional right in Namibia (ILO, 2014c; The Republic of Namibia, 1990; Namupala, 2016).

Defining the Labour Market and Social Protection Context

In this chapter, the working definitions adopted are presented below:

(a) **Social Protection -** The world has not yet converged to a universal definition of Social Protection with some entities interchangeably using it as Social Security. However, there is some general consensus that the former represents the broader overarching system encompassing State driven interventions aimed at addressing poverty, social exclusion, vulnerability and unemployment, while the latter is one of the three components that make up a system of Social Protection. The other two components being Social Assistance and Labour Market Interventions.

(b) **Labour Markets** are avenues through which labour demand and supply interact in order to allocate labour. They are characterised by workers oscillating between stocks of employment, unemployment as well as into and out of the labour force. The ILO (2014) defines the labour force as a country's working-age population which engages actively in the labour market by working or looking for a job. A key feature of the labour market is the search for a match, on the one hand by employers and on the other hand by the employed and unemployed job-seekers, which process ought to result in the flow of filled vacancies (Van Ours, 1991). Active labour market instruments focus on the interaction between employers and employees, and their success hinges on an inverse relationship between unemployment and job creation, that is, unemployment drops as job creation rises. In this relationship, low productivity levels dampen job creation which increases unemployment and vice versa (Hornstein et al., 2005).

Labour markets are not perfect and frictions prevent the job seeker and employer from converging to secure a match or job placement. These frictions are caused by factors such as information asymmetry and spatial considerations which separately or jointly exacerbate the unemployment problem. Targeted interventions are therefore necessary to bring equity into the playing field by assisting the unemployed to access jobs as quickly as possible. They aid vulnerable groups like the long- term unemployed and those with a weak social capital who would otherwise be excluded from consuming such services (ILO, 2017). These interventions therefore act as one dimension of a safety net (Burgess, 2003).

(c) **Labour Market Policies** or Interventions fall into two broad categories, namely, the Active Labour Market Policies (ALMP) and Passive Labour Market Policies (PLMP). **Passive Labour Market Policies** seek to address labour market inequalities through labour laws that inter alia protect workers and the provision of income replacement through unemployment insurance and/or unemployment assistance. When administered in isolation, PLMP, particularly the cash transfers (which are currently absent in Namibia), are inherently not effective tools in addressing unemployment and they need to operate hand-in-glove with the ALMP. **Active Labour Market Policies** (ALMPs) consist of employment services, training, entrepreneurship support, employment subsidies and public works programmes which directly employ people (ILO, 2017). They are implemented to reduce structural unemployment because of their positive effect on matching jobs with job-seekers, on productivity and labour mobility (Altavilla & Caroleo, 2006). Well-designed and executed ALMPs reduce unemployment (Sianesi, 2003). ALMPs aspire to have unemployed persons permanently reintegrated into the labour market as quickly as possible, enrolled in further education or employability programmes or marshalled into entrepreneurship (Caliendo et al., 2008; Caliendo et al., 2011).

A Labour Market-Social Protection Survey: 1990-2018

In 1990, right at the end of the colonial regime, Namibia experienced economic growth of nearly 3%, propelled by a strong increase in fishing activities. Inflation stood at 10% and unemployment at 30%. This was in contrast with -0.6% growth of the previous year, in 1989.

In 2000, 65% of the population lived in rural areas (Ministry of Labour, 2001), while in 2014 this dropped to 53% (NSA, 2015a), and many relied on subsistence agriculture as was the case in 1990 (BoN, 1991; 1992). The agricultural sector still has the dual character it had then – commercial farming is more productive than communal farming, but employs less people than the latter as a result of mechanisation. The total labour force in Namibia was estimated at 550,000 in 1990 (BoN, 1991), which increased to 1,026,268 in 2016 (NSA, 2017), and one remains eager to juxtapose these figures with the number of job openings in the country. It was estimated that in 1990, 43% of the labour force was employed formally, mostly by the Government, with the rest informally employed or not employed. The size of the unemployed population at the time was estimated at 30%, mostly unskilled persons, although statistical data at the time was weak and the methodology used to account for unemployment is different from what is currently in use. The latest statistics indicate that 47% of the labour force is employed informally, and that the unemployment rate is 27.1% (BoN, 1991; 1992; NSA, 2015a).

In 1990, the labour force was expected to grow by 3% annually, necessitating the creation of 15,000 jobs each year, but only 4,500 jobs were created in 1991. Currently, there is a need to create new jobs for the 349,383 unemployed persons of which 246,262 are the youth (NSA, 2017). This makes unemployment a difficult challenge to address. Prior to 1990, the rise in unemployment was attributed to either negative growth or stagnation of the economy and later on to the large number of laid off freedom fighters and repatriated exiled Namibians (BoN, 1991). At the moment, although the economy is experiencing some growth, it however has not translated into job creation (BoN, 2017).

It was already known by 1990 that rapid employment creation would come from the expansion of sectors such as manufacturing, boosting the informal economy (BoN, 1991), subsistence agriculture, fishing or manufacturing; and not from the already large public service, the capital-intensive commercial agricultural sector or mining and tourism sectors (NPC, 1994) (though tourism has proven otherwise). It is important to mention that at that time, there were conflicting views with regards to the informal sector. The Central Bank was of the view that if the informal sector is boosted, rapid job growth would be realised within this sector, while the Government, on the other hand, was more in favour of rapid job growth within the formal labour force in order to dampen growth in the informal sector (BoN, 1992; NPC, 1994).

Since 1990, the drive to tackle high unemployment commenced. The intention was to tackle unemployment as a whole, as it affected the majority of Namibians who suffered injustice at the hands of the colonial regime. The conversation about youth unemployment would only start in the later years, despite the fact that at that time, 50% of the population was below the age of 21 (BoN, 1992).

The Ministry of Labour is mandated to promote employment creation in Namibia (Harambee Prosperity Plan, 2016), although there are other sections of the State which also implement a number of Active Labour Market Policies (ALMPs) which directly or indirectly address unemployment. With regards to the youth, the Ministry of Youth, National Service, Sport and Culture and its associated structures have several programmes for employment creation and entrepreneurship. Evidently, the combined efforts of these entities have not yet succeeded in having a positive impact on youth unemployment as it continues to be high and keeps rising. General unemployment rose from 28% in 2014 and 34% in 2016, while youth unemployment rose from 39% in 2014 to 43.4% in 2016 (NSA, 2015a; 2017).

The need to harness the demographic opportunities cannot be overemphasised. There is a growing number of child-headed households (Mwinga, 2012; HPP, 2016; UNICEF, 2017) which makes it even more important for the youth to be gainfully employed. The ramifications of having a high youth unemployment rate are well documented, ranging from high suicide incidences, psychological and medical problems, substance abuse, crime to risky sexual activities, vandalism of public facilities and social unrest (Coenjaerts et al., 2009; Young, 2012).

Today's youth are more adaptable when it comes to dealing with technological advancements and adjusting to labour market changes. They are considered to have better communication skills, an ability to learn quickly and to be more flexible (Hofman & Steijn, 2003). However, allowing them to remain unproductive is detrimental to the individual, businesses, society and the country (ILO, 2013; NPC, 2008). The majority of these young job-seekers are school drop-outs and persons without a post-high school qualification (NSA, 2015a). Ironically, statistics from African countries suggest higher youth unemployment rates among the educated than the less or uneducated as the latter tend to settle for low wages and precarious employment (Baah-Boateng, 2013; du Doit, 2003). The absence of unemployment benefits and a lack of a focused and targeted approach to the fight against youth unemployment will make the youth more vulnerable and despondent, and this could lead to unstable homes and fuel intergenerational poverty. Scarce job opportunities and limited entrepreneurship support give the youth a bleak future. Unemployment also is a threat to peace and security (Namupala, 2016; OECD, 2009) as was demonstrated through occurrences such as the Arab Spring.

Namibia is investing an enormous amount of time, energy, funds and other resources to reduce the rate of youth unemployment. These efforts may have yielded positive labour market outcomes for some Namibians, especially during the difficult period of transitioning from the colonial regime. However, the youth of today remain on the periphery of the labour market, as evidenced by the high youth unemployment rate.

A programme to redress past imbalances was embarked on and Namibians now occupy positions of influence in the Government and its organs, which they could not before 1990 (NPC, 1994). Study opportunities became more accessible to the locals and this enabled the country to produce more graduates than in the preceding decades. These developments were supposed to make employees more productive in order to aid growth and create more employment opportunities. In 1992, youth unemployment was declared a crisis and probably the country's most fundamental problem (Diers, 1992) and this is undoubtedly still a crisis in 2017 (NSA, 2017).

Social Protection Trends in Namibia

Social protection has risen rapidly on the political agenda of countries and it is being used as a key tool to address poverty, exclusion, inequality, vulnerability and unemployment (DFID, 2013; ILO, 2015). This is a significant development as it plays a vital role in the realisation of social security as a universal human right. However, only 27% of the global population enjoys access to comprehensive social security, whereas 73% of people globally are either partially covered or not covered at all (ILO, 2015).

While cash transfers have had positive impacts on livelihoods, poverty reduction and human development indices, cash alone cannot be enough and countries are increasingly moving from just "safety nets" and/or cash transfers to more "transformative social protection (Devereux & Sabates-Wheeler, 2003; 2012), which makes individuals more independent and resilient. It is also pleasing to observe how countries are beginning to include Labour Market Interventions as a key component of their Social Protection system. Namibia is also following this trend, and has LMIs included in its definition of Social Protection in the draft National Social Protection Policy. The Namibian Social Protection system has expanded from a racially differentiated old age pension and workmen's compensation scheme at independence, to a more diverse system that includes a number of the branches of social security contemplated in the ILO Convention 102. However, there remains room to improve coverage, especially to the informal economy, and to expand on the range of products and enhance the quality of benefits. The social protection landscape in Namibia is fragmented, and institutions work in isolation and with limited communication and coordination. This is a challenge for coverage extension and benefit enhancements as the wastage of resources and the duplication of efforts make systems inefficient and ineffective.

Labour Market Trends in Namibia

Unemployment decreases with age, that is, the older one gets the less likely it is for one to be unemployed. This trend holds for a country such as Namibia where experience aids labour market entry. It is also easier to get a job in Namibia if one is already employed (Petrongolo & Pissarides, 2000; van Our, 1991). In labour markets such as Namibia, where job opportunities are limited, this trend has the potential to push unemployed job seekers to the end of the queue, thus making the playing field uneven. Economies that are less able to adapt rapidly and innovatively to a world of rapid structural change necessitated by technology and globalisation experience a disconnect between labour demand and supply (Larsen, 2003; Mwinga, 2012).

Structural unemployment fuels long term unemployment, in order words, unemployment lasting longer than twelve months. This needs to be guarded against as global trends indicate that the longer one remains outside employment, the more irrelevant their skills become (Baah-Boateng, 2013; Burrows, 2009; Covizzi, 2008) and the more likely they are to remain unemployed. If spells of unemployment persist too long, one becomes detached from society, gets marginalised and more exposed to poverty and other adverse experiences (Isengard, 2003). Appropriate schemes of social protection for unemployed job seekers are vital because they ease the burden of being unemployed and facilitate (re)integration into the world of work (Ifeoma, 2016; Namupala, 2016; ILO, 2017).

The Namibian Employment Landscape

Almost all the necessary means of a person's livelihood can be accessed with money, from cradle to grave (Namupala, 2016; Bay & Blekesaune, 2002; ILO, 2017). Money can be accessed through various methods including running a business, being employed, selling assets and receiving government transfers. However, to access these methods also requires income. It is argued that not everyone can run a business, or can be an entrepreneur. A method for accessing money which is applicable to the majority of the people, is gainful employment (ILO, 2017), but one pays to be employed, through an education and training investment, these being the key to employment. Inadequate business opportunities and start-up support, and a limited number of people with business acumen, render gainful employment a crucial method of gaining access to the money needed to provide for one's needs (du Doit, 2003) and offers a route out of poverty (ILO, 2004). Gainful employment is a powerful instrument which contributes massively towards ending the vicious cycle of poverty (Baah-Boateng, 2013). It gives an individual a sense of purpose and belonging, a feeling of mastery as well as a sense of importance attached to earning 'one's living' (Creed & Bartrum, 2006; du Doit, 2003). As Bay and Blekesaune (2002) put it, paid employment not only represents the admission ticket to a number of consumer goods, but it also develops one's skills, capabilities and social standing.

Continuous spells of economic downturns and dwindling State funds render contributory social protection schemes more sustainable than social assistance schemes (ILO, 2017). However, contributory schemes are only accessed by those in (formal) employment. This supports the contestation that gainful employment is the most valuable asset in the hands of a person living in poverty and an important route out of poverty (ILO, 2004). Gainful employment gives an employee options and choices. The Namibian government realised from the onset that the only way to sustainably eradicate poverty is through the creation of productive employment opportunities (NPC, 1994). However, decades after this realisation, unemployment in general, and youth unemployment in particular, remain huge challenges (NSA, 2015a; ILO, 2014c; Namupala, 2016). Evidently, there is growing working poverty – whereby one can be employed, but still struggles to exit poverty (NSA, 2015a; Namupala, 2016).

Governments may have good employment promotion policies, but if they crowd out the youth as is the case in many countries, they may be ineffective as employment capabilities will not be widely developed in the emerging labour force. Such 'crowding out' effects may be realised if years of experience are demanded by employers of the youth or if skills development is workplace-based and for the benefit of current employees (du Doit, 2003; Larsen, 2003). Employment promotion programmes have to be closely aligned with the actual problem they are addressing (du Doit, 2003). They need to be focused and where possible, targeted (Mwinga, 2012). Judging by the persistently high unemployment rates, one can argue that the generic and fragmented approach to addressing unemployment in Namibia has proven to be ineffective as it is not reaching those in great need of employment, namely the youth and women (NSA, 2015a).

The private sector is the biggest employer in Namibia, employing 42.9% of working people followed by the public sector with 20% of the employees (NSA, 2015). There are concerns that the public service is large and has been growing at the expense of more productive sectors, which means that rapid job growth should be stimulated in the more productive sectors and the informal economy (NPC, 1994; Mwinga, 2012; BoN, 1992). The current reality is that job growth in these sectors is not occurring at the desired pace. Full employment, that is, an unemployment rate of 5%, was envisioned by 2020 (Harambee Prosperity Plan, 2016), amidst growing private sector concerns that the business climate is not conducive for investment, growth and job creation (NEF, 2017). Unless drastic measures are taken to improve the business climate in Namibia, job growth will not occur.

Colonialism made it hard for the majority of the citizens of Namibia to occupy positions of influence as they were denied access to education. Upper-end positions were predominantly reserved for those who spoke Afrikaans and European languages. The majority of the black population was less educated and resided mostly in rural areas. The country therefore inherited a high unemployment rate of 20.1% (Ministry of Labour, 1994; NPC, 1994) with a limited skills base. The pathways for those with some education was towards teaching, nursing and the police force. Those without an education had to make peace with working in manufacturing, construction, private households, on commercial farms and as contract workers in the mines and the fishing industry - almost half (48%) of the employed persons were engaged in the agriculture sector (Ministry of Labour, 1994).

On the other hand, those who left the country before or just after independence for studies also had better and wider options and they returned home better trained and/or qualified; which enabled them to occupy senior positions in the government and in the private sector (NPC, 1994). However, at independence, only 1.8% of the total employed persons were university graduates. The rest were illiterate (28%), had vocational or teacher training qualifications (3.8%) or either had primary or junior secondary education. Only a small number had senior secondary education (Ministry of Labour, 1994).

Right after independence, the youth were already bearing the brunt of unemployment, with almost a 50% unemployment rate (NPC, 1994). However, graduate unemployment did not manifest itself in Namibia right after independence as unemployment was high among the illiterate and those with primary and junior secondary education (Ministry of Labour, 1994). With the dawn of independence, several reforms took place, career paths were expanded and opportunities created (NPC, 1994). While positive, these achievements can obfuscate the hardships of the current unemployed youth. These reforms and achievements might have benefited some but clearly not the current day youth, as they have the highest unemployment rate (NSA, 2017; ILO, 2017).

Through these reforms, programmes such as the National Vocational Training System, Labour Market Information System, the Development Fund, and the Employment Promotion Fund, to mention a few, were introduced to reduce the school dropout and repeat rates, improve literacy levels, ease access to tertiary education in all fields of study and develop technical skills at non-academic training centres, as well as transition people into the labour market (NPC, 1994a; Diers, 1992; Ministry of Labour, 1994). However, technical subjects were gradually removed from the school curriculum in favour of academic subjects. This naturally increased the school dropout rates and was thus counter-productive as not every learner is academically inclined. A limited number of schools were left to offer vocational subjects as their core teaching, with the aim to re-integrate some learners into the mainstream of education. However, this does not go without stigmatisation for these learners. Through the most recent re-reforms, technical subjects are expected to find their way back into the school curriculum. The national apprenticeship programme was also abolished after independence (ILO, 2017) which might have fuelled skills mismatch. The private sector, realising this bottleneck, is currently working on re-introducing this measure (NEF, 2018).

The Social Protection Labour Market – Economy Nexus

Social protection and the labour market are intrinsically connected. While on one hand, social protection seeks to address poverty, social exclusion, vulnerability and inequality, on the other hand, labour market inefficiencies result in high levels of unemployment, which in turn challenges the very issues social protections systems seek to address. A key labour market deficiency is the inability to create adequate jobs to absorb job seekers, especially the youth. Youth unemployment is a harsh, everyday reality experienced by at least every one in three young people in Namibia, aged 15 to 34.

Namibia inherited a high unemployment rate of 30% and a low skills base at independence in 1990 (Ministry of Labour, 1994). The country has over the past three decades introduced a wide array of instruments aimed at reducing unemployment. However, unemployment in general, and youth unemployment in particular continue to rise unabated. These instruments have not been effective at dampening unemployment rates. Ironically, economic growth, though below national targets, has continued to co-exist with persistently high levels of unemployment. The same co-existence is noted between high inflation and unemployment levels in Namibia, whilst the Phillips curve suggests an inverse relationship between the two. These anomalies point to structural deficiencies in both the economy and labour market (Katjiuongua, 2017).

Social protection in Namibia is either tax or contribution funded. Namibia has made positive strides in expanding its system of social protection and extending coverage, although a lot still needs to be done in terms of improving coverage and the quality and range of benefits. There is also need to ensure the shock responsiveness of social protection schemes, as Covid-19 continues to threaten the resilience of schemes and systems. Limited fiscal space is another challenge, threatening the sustainability of tax-funded social protection schemes and the introduction of new contributory schemes such as an Unemployment Insurance, because the Government still remains an employer from whom a contribution is expected. This notwithstanding, the expansion of contribution-funded social protection schemes remains more tenable, albeit with caution lest rising employment costs render the country uncompetitive for foreign direct investment. However, rising unemployment again threatens the existence and sustainability of contributory social protection, making it ineffective at protecting people against adverse labour market events, thereby exposing them to poverty. In the same vein, gainful employment stimulates aggregate demand (for goods and services), which raises the tax base as the country needs to fund tax based social protection programmes. These intricacies are a further portrayal of the symbiotic relationship between social protection, the labour market and the economy at large.

Labour market instruments, employers and job seekers alike all have a role to play in improving the interaction between labour demand and supply, in order to ensure the effective allocation of labour. This means having each party taking full responsibility for its role in the labour market and proactively working towards improving labour market outcomes, which is beneficial to all involved. However, there are currently strategic gaps in the way this interaction is managed, and this continues to affect positive labour market outcomes.

Namibia experiences predominantly structural unemployment (Mwinga, 2012; Katjiuongua, 2017) and there is no clear link between the unemployment type experienced in the country and the strategies addressing it. This is one of the key factors perpetuating unemployment. Namibia does experience other types of unemployment as well, namely, cyclical, seasonal and frictional, which are a usual and normal occurrence in any economy and can be addressed over a relatively shorter period of time and with less sophisticated approaches. It is structural unemployment which is complex in nature, takes longer to address and requires in-depth diagnostics to understand its exact causes in order to inform policy responses.

A comprehensive, well-integrated, consolidated or coordinated strategy is needed to effectively manage the labour demand and supply interaction. This should include income replacement schemes, tightly linked to active labour market instruments such as skilling, re-skilling and up-skilling programmes, job search assistance, entrepreneurship support, employment schemes and public works programmes. All these need to be well conceptualised, cautiously designed and effectively executed. Furthermore, a targeted approach in job rich sectors but which are currently hard to penetrate, is needed. Modernising, commercialising and glamorising the subsistence agricultural sector holds the key to the creation of decent rural jobs and self-employment opportunities especially for young entrepreneurs and more so for graduates of agriculture (Katjiuongua, 2017).

Economically active individuals who are on social grants should be integrated into the labour market by offering budget-balancing subsidies to employers to offset their cost of in-service training. Such subsidies are viable as they will not cost the government more than the resulting fall in the government's expenditure on the grant it would have paid to the individual over time. Income support to unemployed job seekers should be considered to facilitate their labour market integration, considering the high cost associated with job search activities which affects search intensity. The absence of unemployment benefits perpetuates long term unemployment. There should nonetheless be built-in mechanisms in every cash transfer scheme in order to guard against unintended consequences and moral hazards.

Social Protection and Job-seekers

Two social protection schemes are at the disposal of unemployed persons which are provided for by international legal instruments (ILO, 1952; 2012). Unemployment insurance is a contributory scheme which benefits unemployed persons who were employed before and contributed to the scheme. An unemployment benefits scheme is a non-contributory general tax-funded scheme which benefits unemployed persons who meet the requirements of the scheme. Interestingly, social protection (for example, an old age pension) in a household reduces cash constraints, aiding job search intensity and/or self-employment (Kingdon & Knight, 2007; Ardington, 2012; Posel et al., 2006) and thus acting as an “unemployment insurance/benefit”. Namibia has a relatively robust system of social protection, but has neither of these schemes (ILO, 2014; 2017; Namupala, 2016), despite the Constitution making provisions for the latter (Constitution of the Republic of Namibia, 1990). Thus, the job-search efforts of job-seekers on the NIEIS are privately financed, although there are subsidised services offered by the Bureau act as a limited “safety net” (Burgess, 2003).

On their own, unemployment insurance or unemployment benefits will not reduce unemployment as these are only passive labour market policies (ILO, 2017). However, they do provide a shield against poverty and finance the job-search efforts of the beneficiaries. It is the combination of active and passive labour market policies which yields better labour market outcomes, provided they were correctly conceptualised and effectively implemented (ILO, 2017). Such an integrated strategy can reduce the duration of unemployment and increase job-search intensity on the one hand, and bridge the labour demand and supply gap as well as reduce long-term unemployment on the other hand (Altavilla & Caroleo, 2006).

Unemployed and without Social Protection

Unemployment fuels poverty, which shakes the fundamental ideals which social protection seeks to address. The absence of a social protection scheme that targets unemployed persons further exacerbates the problem in Namibia (Namupala, 2016; ILO, 2017). This absence is attributed to limited fiscal space and persistent economic hardships. Stiglitz (2009) however argues that economic downturns should instead be responded to with increased spending on social protection and unemployment schemes to get the economy back on a growth trajectory. Stiglitz (2009) argues that this has the dual effect of protecting economic demand while also protecting individuals and families from hardships.

Ifeoma (2016), by way of contrast, argues that the greater the financial hardship for job-seekers without social protection, the greater should be the zeal to find a job. Therefore, in the case of Namibia where there are no social protection schemes for unemployed persons, one would expect jobseekers to be vigorous in seeking employment. The accuracy of this position is however contradicted by the evidence – as seen by the stubbornly high rates of unemployment.

In her research on job-seeking behaviour of the unemployed youth in Nigeria, Ifeoma (2016) argues in favour of the social support to be given to job-seekers by employment offices to alleviate the hardships associated with being unemployed. This is because her research found that the perceived support from friends and family positively influences the job-seekers' job-search behaviour. This takes into account the reality that looking for and finding a job is hard, irrespective of the state of the economy.

ALMPS in Namibia – the NIEIS

Addressing structural unemployment, and youth unemployment in particular, requires focused, well-executed and intensively applied active labour market policies. However, there are no deliberate linkages between the NIEIS or the Public Employment Service (PES) as a whole and ALMPs (ILO, 2017), thereby rendering the NIEIS an unsuitable intervention to address structural unemployment.

The NIEIS was introduced to reduce unemployment. However, for as long as there are no tactical interventions to enhance the employability of the 'hard-to-employ' job-seekers (who are in the majority), through skilling, reskilling and upskilling, the efforts of the NIEIS will at best result in 'dead weight' (Burgess, 2003). This implies that the majority of job-seekers that the NIEIS will place in available vacancies will be those who would have been employed without the intervention of the NIEIS.

Cyclical unemployment is experienced by all countries as they respond to booms and slumps in the global economy (Mwinga, 2012). Namibia is currently going through financial hardships and companies are retrenching employees (before and during the Covid-19 pandemic). This type of unemployment is addressed through fiscal policies as these are necessary to stimulate aggregate demand which then translates into the expansion of the economy and job growth. There are no deliberate efforts and thus no established active protocols between the Ministry of Labour and that of trade (ILO, 2017) to ensure appropriate incentives to stimulate job growth particularly at a time when the country is experiencing financial hardships. Therefore, there continues to be a disjoint between labour demand and supply in that the number of job-seekers far outstrips the available job openings. On the other hand, the skills mismatch implies that job openings and unemployment continue to co-exist as job-seekers do not meet job specifications (Katjiuongua, 2017).

There is no formal social protection for unemployed persons either in the form of a contributory scheme or social assistance or both. This makes unemployment a burden, and job search a costly exercise on the unemployed job-seekers (Namupala, 2016; ILO, 2017), because looking for a job is associated with the cost of transport, photocopies and attending interviews. While job search intensity is determined by the job-seeker's access to money, the lack of funds dampens search activities.

The Youth and the Importance of Employment

Young people are an asset to any nation because of their high energy levels and long-term vision for the future. They are more adjustable to change compared to their older contemporaries. This makes them critical ingredients in the process of socio-economic development. However, the youth can hinder progress if this energy is not properly utilised (Ministry of Youth & Culture, 1993a; Namupala, 2016).

The National Youth Policy introduced in 1993 cemented the youth's right to access opportunities for education, training and employment, in accordance with the Constitution (Ministry of Youth and Culture, 1993a). However, the state of youth unemployment is a clear sign that this right is either not known or it is not forcefully exercised. The assumption of the 1993 National Youth Policy was that the acquisition of skills would lead to employment as it tasks the youth to participate in national development by acquiring skills.

Whilst soon after independence, the youth could not find employment due to a lack of relevant skills (Ministry of Youth and Culture, 1993a), today's youth cannot find work because of 'wrong' skills or being unskilled (NSA, 2015a; ILO, 2017).

The Value of Employment

In Namibia, some job-seekers prefer to be employed as they associate employment with productivity, a structured lifestyle, stability and independence. It gives people a status in society and commands respect. Being employed is an opportunity to gain skills, master one's career, study further, save money and/or venture into entrepreneurship. It is a springboard to self-employment (Katjiuongua, 2017). Bay and Blekesaune (2002) refer to paid employment as an admission ticket to a number of consumer goods, further contesting that it develops a person's skills, capability and social standing.

On the other end, unemployment is associated with only a few positives, like learning to survive with little resources, unlimited time for oneself and family and freedom. The negative effects of and challenges associated with unemployment are astronomical and can be so severe that they can lead to murder and suicide. Job-seekers aspire to be employed in order for them to have access to money. Paradoxically, money is required in order to look for a job, namely to cover the cost of transport to employers, photocopies and to attend interviews. This introduces multiple barriers to entering the labour market, in addition to education, skills, experience and attitudes (Katjiuongua, 2017).

Observations about Employers

Employers tend to be sceptical of the ability of first-time employees to apply their skills to real life situations (Young, 2012). The general preference is thus to employ highly skilled workers (Burrows, 2009), who will hit the ground running, as supervising and grooming rookies is seen as costly and burdensome (ILO, 2017; Katjiuongua, 2017). The typical employer would not want to invest in portable skills as these improve employee mobility and young employees inherently move in and out of employment in search of where their passion lies and a job that suits them (Mlatsheni & Rospabé, 2002; Orszag & Snower, 1999). A change of mind set at top management is required to give rookies the benefit of the doubt and entrusting the youth with greater responsibilities (Katjiuongua, 2017).

Observations about Job Seekers

Today's youth are more educated than prior generations (Coenjaerts et al., 2009; Girard, 2017). The rational job seeker would settle for any job than be unemployed, but this can potentially result in underemployment and crowd out the less skilled job seekers. The youth also lack soft and work skills, which are best acquired at the workplace (Katjiuongua, 2017). In the absence of income support, job seekers soon become discouraged as job searches yield no positive results (Dawson, 2014). At the same time, young job seekers do not want to start low and grow into a job but demand senior roles and high wages, while a lack of discipline and commitment to go the extra mile is observed among the youth (Katjiuongua, 2017).

Key Labour Market Issues

i. Job search assistance without ALMP will not address structural unemployment; it will result in **"dead weight"** effect or under-employment;
ii. Skills development/education without close ties with the world of work will continue to result in **skills mismatch;**
iii. Skills supply without adequate, tactical **stimulation of labour demand** will not yield positive labour market outcomes;
iv. Employment promotion programmes need **alignment** with the actual problem they are addressing (du Doit, 2003). Programmes are currently neither **focused** nor **targeted** (Mwinga, 2012);
v. The current **generic and fragmented approach** is ineffective and not reaching those who are in great need of employment, specifically the youth, women, those who are NOT in Education, Employment or Training (NEET) and the long term unemployed. This **perpetuates structural unemployment** (NSA, 2015).

Proposed Interventions:

In order to deal with youth employment, several policy instruments can be introduced. These are proposed and discussed below:

a. Skilling, Reskilling and Upskilling

i. A **continuous** cycle of *skilling, reskilling* and *upskilling* at work places to curb unemployment;
ii. It makes employees both **versatile** and **mobile, thereby tackling skills mismatch;**
iii. It increases **productivity** and **arouses demand** for labour;
iv. It is a key intervention for job-seekers who are **'not employment ready'** and those who are **'hard to employ'** (ILO, 2017);

v. It gives the country a pool of **skilled workers,** thus attracting foreign direct investment; and
vi. Some 'job readiness' skills are **quick to acquire, for example,** basic computer skills, language courses, driver's license, operating cash tills and switchboards, soft skills and general world of work readiness.

b. Glamorise Agribusiness/Agri-preneurship

i. Unemployed youth are predominantly in rural areas (**51.4%** with **60%** being females) (NSA, 2017) but they have fallen out of love with agriculture, seeing it as dirty and undesirable;
ii. As population **grows,** consumption **increases,** making a case for local production;
iii. **Value addition and food processing** have great potential for local markets;
iv. The modernisation of **production methods** is needed to bring efficiency in production and thus higher profits;
v. **Diversification** of production with better marketing and processing from the simplest to more complex products (Gerard, 2017);
vi. There is a need for **support** with policy, inputs, basic services, technology, SMART TECHNOLOGY to ensure better job prospects while preserving the environment;
vii. A fierce campaign is needed to give agri-business a **Positive image –** this can be done at schools, through the media and by using role models who are successful fulltime agri-preneurs;
viii. Support the **rural areas to** unleash their potential to **feed the metropolises.**

c. School-to-Work Transition through Work Integrated Learning

i. Introduce national incentivised Apprenticeships and Internships for job seekers to gain experience in a real work scenario thus addressing the "wrong skills issue";
ii. In Namibia, apprenticeships were abolished after 1990 and they are thus not widely adopted (ILO, 2017) although there are pockets of occupational interventions, for example, Global Apprenticeship Network (GAN) and nascent attempts by government owned entities (the Namibian Newspaper, 2017a, 2017b; NTA, 2017);
iii. Learn from, for example, the German education system which has linkages with the world of work through apprenticeships as this keeps unemployment rates low;
iv. Have **built-in mechanisms** to minimise **moral hazards** or **unintended consequences;**
v. Test this on low hanging fruits, like unemployed persons on grants for vulnerable children, by giving budget-balancing subsidies (Orszag & Snower, 1999);
vi. Consider a subsidy to employers of, for example, the youth to help off-set the cost of in-service training (Yu, 2013) and then to other vulnerable groups like the long term unemployed;
vii. **Tie any cash transfers to ALMP.** The stronger the ALMP, the cheaper the cost of administering PLMP in the long run.

d. Unemployment Social Protection Schemes

i. Introduce a scalable, **affordable** unemployment insurance and a conditional unemployment assistance scheme;

ii. Have effective, efficient, integrated, consolidated or very well coordinated **targeted** ALMP to ensure quick [re]integration into the labour market;
iii. Ensure close linkages with and targeted incentives for employers to continuously stimulate labour demand and address skills mismatch;
iv. Ensure well designed and executed interventions that produce well prepared entrepreneurs and employees who improve productivity, thus offsetting the cost of interventions in the long run; and
v. The world is not too poor to afford some basic level of Social Protection (ILO, 2011).

Conclusion

Youth unemployment is a harsh everyday reality experienced by at least every one in three young people in Namibia, aged 15 to 34. Namibia inherited a high unemployment rate and a low skills base at independence in 1990. It has since introduced instruments to reduce unemployment. However, almost three decades later, unemployment in general, and youth unemployment in particular, remain high and keeps rising. In the end, improved access to gainful employment or self-employment would mean better access to social protection, which in turn translates into improved productivity. This then allows for business expansion and the creation of new jobs. All workers, irrespective of location/sector/sex/age should be captured by the Social Protection system as it is their right. (Self-)Employment is key to a sustainable Social Protection system and coverage should be sped up. Unemployment fuels poverty and threatens what social protection seeks to address. The lack of social protection schemes targeting the unemployed exacerbates the problem further in Namibia (Namupala, 2016; ILO, 2017). Although there is no explicit right to Social Protection in the Constitution, international legal instruments in place can be used to cater for schemes such as unemployment benefits. The lessons learnt during the responses to Covid-19 should be used to ensure that such schemes are established. Undoubtedly, there is and ought to be a symbiotic relationship between social protection and the labour market.

Lastly, to create employment for about 349,383 unemployed Namibians, or 246,262 young persons in order to heed the presidential aspiration of full employment, there is a need to develop and promote just a handful of strategic, well targeted concepts which can deliver massive sustainable employment. As the country selects key sectors to focus on to deliver massive jobs, tourism is one of the sectors to be included because it is labour intensive. It is estimated that every eleven tourists visiting Namibia create one job. There is therefore, a need to strike a balance between attracting tourist numbers and guarding against becoming a mass tourism destination. Focus on developing strategic products such as a state-of-the-art International Conference Centre, and not forgetting lessons learnt during the ongoing pandemic.

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Chapter Eleven

Is Unemployment Insurance of Value for Namibia?

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Abstract

This contribution engages with the possible introduction of an Unemployment Insurance (UI) scheme into the Namibian social security landscape. This may be called for to help ameliorate unemployment among workers who have not only lost their jobs, but also to make some contribution to unemployment prevention and employment promotion objectives. Comparative experiences and international and regional standards support the establishment of such a scheme. It is possible to develop a model that complies with the requirements of the International Labour Organisation (ILO) Social Security (Minimum Standards) Convention (Convention 102 of 1952). It is suggested that an UI scheme for Namibia is affordable and Namibia should incrementally expand its coverage as there is a need to implement a system of automatic stabilisers to contributions and benefits. The scheme should be informed by an appropriate legal and policy framework, and has to bear in mind international standards and comparative good practice. Links with unemployment prevention, especially in respect of youth unemployment and in particular, labour market integration of clients of the scheme, should also be provided for. It should include government employees as well as make special arrangements to accommodate informal (economy) workers.

Key words: Unemployment Insurance; Unemployment Prevention; Employment Promotion; Contributory Social Security

Conceptual and contextual overview

Unemployment insurance (UI) describes a scheme, usually on a national level, that provides a form of financial benefit to members should they become unemployed. The cost of these benefits is usually met by requiring members, and their employers, to make a regular (equal) contribution to a fund, typically called the Unemployment Insurance Fund. In some cases, a State subsidy may also be available (Olivier et al., 2015).

There is a crucial conceptual distinction between "contributions-based" unemployment insurance and "unemployment assistance" activities attempted using general revenue, that is, non-contributory, for the broader group of unemployed persons who have, for example, never contributed to an existing UI scheme as a result of long-standing unemployment. As indicated below, the UI scheme frequently has goals outside of the payment of a benefit, such as providing assistance to job-seekers or supporting initiatives aimed at creating employment (Olivier et al., 2015).

Unemployment benefits, paid for on an insurance basis, are typically meant to support workers who have become unemployed for a limited period of time. Only a few countries in Africa have established such schemes, among others Mauritius and South Africa. Those who are meant to benefit usually have to register as unemployed and they are often subject to the requirement that they must be seeking work. Traditionally, the primary purpose of an UI scheme is to pay benefits in the event of involuntary unemployment. Ideally, however, such schemes should also support the reintegration of affected workers into the labour market. By way of comparison, this dimension has not yet fully developed in the South African case, in contrast with the experience in Mauritius. UI schemes can also fulfil an important preventive function in that they can contribute to the combating of unemployment, amongst others through supporting employment-creation schemes. Yet, an unemployment insurance scheme cannot alone carry the burden of employment creation, skilling and other associated interventions. From a macro perspective, these remain primarily State obligations (Olivier et al., 2015).

A successful UI scheme requires careful actuarial forecasting and regular review to ensure that the contributions are set at a level likely to satisfy the liabilities of the scheme. It also requires an effective institutional and organisational regime which is able to deliver services to the beneficiary population and the public at large in an efficient manner (Olivier et al., 2015).

A range of factors and variables, including those mentioned above, need to be considered when an UI scheme is contemplated and, if decided on, actually set up. Whether such a scheme will meaningfully contribute to poverty alleviation, or will be able to carry the likely burden it has to bear, depends among others, on the reason(s) for as well as the inherent nature, frequency and extent of unemployment in a given country, and in particular who are most likely to be affected thereby. In Namibia, the nature of unemployment in the country is commonly considered to be one of frictional, cyclical or structural unemployment. This might have an impact on the selection of appropriate active labour market policies/ interventions, as well as the design of the scheme in the broader sense of the word. The high and apparently increasing unemployment rate and the higher prevalence of female unemployment and youth unemployment also needs to be considered for purposes of a potential scheme design (Olivier et al., 2015).

Comparative Experiences: International and Regional Standards

A recent International Labour Organisation (ILO) report comments as follows on the state globally of UI schemes provided for by statute (ILO, 2019):

> According to the data contained in the *World Social Protection Report 2017–19,* over 48% of countries around the world have statutory schemes providing unemployment benefits. In the majority of these countries (84%), the benefits are provided through social insurance schemes, while in a considerable number of countries (around 30%) social assistance measures are the sole, or a supplementary, source of unemployment benefits.

Concerning Namibia, an ILO report of a few years ago noted that there are no (proper) social protection mechanisms for supporting the unemployed in Namibia in respect of both formal and informal workers (ILO, 2014, p. xi).

International law instruments are an important source in relation to unemployment insurance. The Namibian Constitution of 1990 confirms the importance of international law for Namibia and adopts an international law-friendly approach. Article 144 stipulates:

> Unless otherwise provided by this Constitution or Act of Parliament, the general rules of public international law and international agreements binding upon Namibia under this Constitution shall form part of the law of Namibia.

Article 95, on the Promotion of the Welfare of the People, requires of the Namibian State to actively promote and maintain the welfare of the people by adopting, inter alia, policies aimed at membership of the ILO and, where possible, *adherence to and action in accordance with the international Conventions and Recommendations of the ILO.*[1] Similarly, Article 96 on Foreign Relations, expects of the State to endeavour to ensure that in its international relations, it fosters respect for international law and treaty obligations.[2] These are important considerations and intentions, even though Namibia has not formally ratified any of the ILO Conventions in relation to unemployment.

ILO Convention 102 on Social Security (*Minimum Standards*) (1952) is the core Convention of the ILO dealing with social security, and should inform the introduction of UI in Namibia. The minimum standards provided by the Convention are defined with regards to the scope of protection and the benefits, including their amount, covering four areas:

a) minimum percentage of personal coverage;
b) minimum level of benefits: 45% of previous earnings;
c) maximum qualifying period for the entitlement to benefit, but also the waiting period; and
d) minimum duration of benefits: (At least) 12 weeks per annum should be available.

ILO *Employment Promotion and Protection against Un-employment Convention 168* (1988), besides offering protection against full unemployment, also protects against loss of earnings owing to partial unemployment and temporary suspension of work and calls on ILO Member States to promote additional job opportunities for identified categories

1 Namibian Constitution, Article 95(d) (emphasis added)
2 Article 96(d)

of disadvantaged persons and to extend protection progressively to new applicants for employment. For purposes of this contribution, Convention 168 is of particular importance in the area of unemployment prevention and integration of UI beneficiaries into the labour market.

ILO Recommendation 202 of 2012, that is, the *Recommendation concerning National Floors of Social Protection,* supports the introduction of a minimum package and level of support for those who are unable to earn sufficient income as a result of, among others, unemployment. This is in particular, relevant to low-income earners, such as informal workers and employed workers in marginalised enterprises. The Recommendation indicates that basic social security guarantees should include basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, *unemployment,* maternity and disability[3]. More recently, the ILO adopted *Recommendation on the Transition from the Informal to the Formal Economy,* 2015 (Recommendation 204 of 2015). The Recommendation suggests that countries should progressively extend, in law and practice, to all workers in the informal economy, social security, maternity protection, decent working conditions and a minimum wage[4].

Note should also be taken of relevant targets set under the UN *Sustainable Development Goals* (SDGs). Target 1.3 envisions social protection for all, while Target 8.5 emphasises full and productive employment and decent work for all women and men, including for young people.

At the continental level, two instruments deserve special mention. Article 6 of the Draft AU Protocol on the Rights of Citizens to Social Security and Social Protection (2020) enjoins AU Member States to:

- Progressively provide for unemployment benefits for all citizens, in particular by taking steps to establish UI schemes;
- Consider public employment schemes and employment guarantee schemes in order to engage those who can work but are not employed; and
- Afford preferential employment opportunities for vulnerable groups.

Furthermore, AU Agenda 2063 (2020) indicates the importance of the demographic dividend; and sets the goal of 2% reduction annually of women and youth unemployment. At the SADC level, one of the pertinent provisions is Article 11 of the SADC Code on Social Security (2007). It requires, among others, adequate provision against loss of employment, through UI and/or other means.

3 Recommendation 202 of 2012, ILO Recommendation concerning National Floors of Social Protection, par 5(c)

4 Recommendation on the Transition from the Informal to the Formal Economy Recommendation, 2015 (ILO Recommendation 204 of 2014), par 18

Constitutional and Policy Context

Under the chapter dealing with Principles of State Policy (Chapter 11), Article 96 of the Constitution focuses on the promotion of the welfare of the people of Namibia. It appears to provide a constitutional basis in support of the introduction of legislation directed towards the unemployed. It stipulates that the State shall actively promote and maintain the welfare of the people, inter alia, through the adoption of policies aimed at the following:

> *(g) Enactment of legislation to ensure that the unemployed, the incapacitated, the indigent and the disadvantaged are accorded such social benefits and amenities as are determined by Parliament to be just and affordable with due regard to the resources of the State.*

At the policy level, the *Harambee Prosperity Plan 2016/2017 – 2019/2021* (2016) foresees the establishment of a Youth Enterprise Development Fund, and the involvement of unemployed youth in managing Food Banks and the construction of (50 000) rural toilets. More recently, the new *Draft Namibia Social Protection Policy 2019-2024* (2019) emphasizes the need for universal transfers, such as, piloting a Basic Income Grant for unemployed persons. It also foresees a National Pension Fund comprising, among others, a Social Protection Fund with compulsory contributions for all, by all employers and employees, and from which benefit payments are made in the event of, among others, unemployment.

Labour Market, Fiscal and Economic Considerations

The potential value of introducing an UI scheme has to be critically investigated in the light of the labour market, fiscal and economic realities and consequences. Based on data obtained from the 2018 *Namibia Labour Force Survey,* Namibia grapples with considerably high unemployment and related figures. Based on the broad definition of unemployment, 33.4% of Namibians were unemployed (19.8% in accordance with the narrow or strict definition of unemployment)[5]. In addition to major regional differences, gender- and age-related, as well as other vulnerabilities are also apparent:

- 32.5% of males as opposed to 34.3% of females were unemployed;
- 46.1% of youth (15-34 years) were unemployed, again with a marked gender differentiation: 43.7% among male youth and 48.5% among female youth; the overall youth unemployment rate is particularly high for younger age groups – 70.4% for those between 15 and 19 years of age, and 54.9% for those between 20 and 24 years of age; the severity of the youth unemployment rate becomes clear when considering the rate of 34.9% of youth who are not in education, employment or

5 According to the strict (ILO) definition, the unemployed population consists of all persons (15 years and above) who are not in employment, are available for work and actively looked for work during the reference period (the week preceding the interview). The broad unemployment definition drops the requirement of the person actively looking for work – *Namibia Labour Force Survey 2018 Report* 59.

training (the so-called NEET rate), with a particularly alarming NEET rate of 45.2% for the 20-24 age cohort; and

- 31.6% of those who are employed are deemed to be in vulnerable employment and are more at risk to the effect of economic cycles.

In addition to this is the reality of the structural nature of unemployment in Namibia. Structural unemployment results from a long-term mismatch between the demand for labour and its supply. It results from a difference, at a given level of wages, between the number of men and women who wish to work and the number of jobs available to be filled. This in turn suggests that comprehensive coverage for all unemployed Namibians, in an unemployment protection arrangement, is unlikely to be feasible for some time given the likelihood that numbers of such unemployed will at best decrease slowly.

It is, therefore, clear that an UI scheme providing comprehensive coverage for all unemployed Namibians is unlikely to be feasible in the short- and medium-term. However, an UI scheme could be strongly redistributive to a segment of the population, such as, to workers who lose their jobs. As such, the labour markets effects of an UI scheme are expected to be, on balance, positive, as provision is thereby made for increased income security and labour productivity, improved prospects of reemployment and assisted efforts to reduce unemployment. As noted in a recent ILO report (ILO. 2019: par 463): “The Committee notes that unemployment benefits can effectively reduce household vulnerability by cushioning the impact of loss of employment and it emphasises that they can also play an important role in preventing unemployed workers from slipping into informality.”

Furthermore, an UI scheme is envisaged to have a minimal impact on government revenue. A model earlier suggested and indicated later in this contribution is calculated to be below 0.2% of government expenditure and well below 0.1% of the annual GDP (Olivier et al., 2015). Tangible economic benefits are also expected to be generated by an UI scheme, which is expected to provide counter-cyclical improvements to the economy arising from unemployment expenditure over periods of economic hardship. Yet, the marginal costs to employers cannot be ignored, as employers would have to pay a (rather) minimal contribution towards such a scheme. Finally, significant socio-economic benefits are foreseen, including improvements to socio-economic conditions from the improved standing of households and improvements to the skills base of workers. Workers are also expected to be better able to maintain consumption while spending more time searching for a job that fits their skills.

Actuarial Evaluation and Proposed Benefit Set

Long-term financial modelling is essential to determine the feasibility and parameters of an UI scheme because it is affected by economic and demographic factors and because contri¬bution inflows and benefit outflows are typically separated by a significant time period. With a likely benefit structure in mind, modelling ideally would need to be supported with longitudinal employment data that is not available in the Namibian context. The modelling therefore has to resort to the experience of an UI arrangement with a number of similar features, such as the UI Fund in South Africa, with necessary adjustments. Simultaneously, the proposed benefits set and the associated conditions were mindful of the minimum requirements set in ILO Convention 102 of 1952, in relation to unemployment benefits. The following benefits set has accordingly been suggested in figure 11.1 (Olivier et al., 2015):

Waiting period	The term of unemployment below which no benefits are payable.	**7 days**
Qualifying period	The contribution term at which eligibility for benefits commences and before which no unemplyment benefits are payable. The qualifying period need not be a single continuous period.	**4 months**
Credit formula	The number of days of contributions that must be paid for each day of benefit due.	**6 days**
Benefit term max	The longest period over which benefits may be paid.	**238 days**
Benefit term min	The shortest period, for each calendar year, of benefit payments, even where the accumulation through the credit formula is shorter.	**13 days**
Income definition	Income used for the purposes of calculating benefits. **This is the same as the corresponding income used for determining contributions, averaged over the last six months of employment in instances of variable earnings**, or shorter earnings history if the entire contribution history spans less than six months.	
Income cap	The maximum income that applies both to contributions and benefits, periodically increased. **This is generally set at the level of a skilled manual worker.** It needs to be determined, but is probably of the order of N$150 000 anually.	
Benefit formula	The (capped) income payable on unemployment expressed as a proportion of the corresponding (capped) income used to determine contributions.	**50 percent**

Figure 11.1: Proposed UI Benefits Set
(Olivier et al., 2015)

To realise the above benefits set, the proposed contribution rate, as percentage of income, is indicated as follows:

- Employer: 0.7%
- Employee: 0.7%

A set of automatic stabilizers to contributions and benefits is proposed, that both: (i) force changes in the face of sufficient evidence of unsustainability; and (ii) share the benefits of unexpectedly good performance in a manner seen as fair to all parties (see Olivier et al., 2015: Appendix 4 for details).

Of course, expected operational efficiency is key to the successful implementation of an UI scheme, in view of the additional administrative burden that will flow from an expected sizeable number of beneficiaries and system adjustments.

Unemployment Prevention

An UI scheme is not an appropriate instrument for all forms of broader unemployment protection. In fact, it is unlikely that an UI scheme can have a meaningful impact on those with a long-term unemployment profile. An UI scheme typically provides benefits for a limited time period, and focuses on *contributors* and, if provided for, their survivors. Unemployment prevention therefore ideally require the adoption of active labour market policies (ALMPs) in combination with an UI scheme. ALMPs can form part of a comprehensive unemployment protection system comprising unemployment insurance and unemployment assistance initiatives, and may be linked to both unemployment insurance and unemployment assistance benefits so that participation in, for example, skills development or public works programmes, becomes a pre-condition for the receipt of available unemployment benefits. The main aim of activation policies is to bring jobless people from unemployment or inactivity into work, or, at the very least, to influence the employment prospects of the unemployed positively through activities such as training, including on-the-job training, private sector incentive programmes, including wage subsidies and job-search efficiency services that provide job-search assistance, vocational guidance and placement services (Govindjee et al., 2011; OECD, 2014, p. 17).

International law supports the adoption of unemployment prevention policies, including policies that work in combination with social security-related unemployment schemes, such as an UI scheme. Two ILO instruments are particularly helpful in this regard: *ILO Employment Promotion and Protection against Un¬employment Convention* (Convention 168 of 1988) and *ILO Employment and Decent Work for Peace and Resilience Recommendation* (Recommendation 205 of 2017). From a comparative perspective indicating the links between an UI scheme and broader prevention objectives, mention can be made of the South African design and approach to a "Training Layoff Scheme", funded by surplus funds of the South African UI scheme. Apart from linking UI scheme to preventing unemployment, it also facilitates the enhancement of employees' skills.

A recent ILO report contains valuable comparative and principled perspectives in this regard. The report notes (ILO, 2019 par 469):

> The Committee is pleased to note that a considerable number of countries are implementing active measures, such as employment support schemes, employment guarantees and public employment schemes, often in combination with cash benefits, and particularly unemployment, sickness and disability benefits. The Committee invites Member States to seek the most effective and efficient combination of benefits and schemes in the national context, and refers to the various principles set out in the Recommendation, which are to be taken into account when designing and implementing social protection measures, including employment activation measures, with particular reference to the principles respecting tripartite participation and the rights and dignity of the persons protected (par 469) and (par 476):

The Committee welcomes the implementation of social security schemes in coordination with education or vocational training, skills development and retraining measures. Such integrated policies strengthen employability and therefore offer the potential of having a long-term effect and facilitating the return to employment.

Nevertheless, a balance needs to be struck and caution must be taken not to unduly penalise UI beneficiaries (ILO, 2019, par 482):

> In giving effect to the Recommendation, the Committee emphasises that combinations of employment policies and social security benefits should be based on the appropriate balance between activation measures, on the one hand, and the provision of benefits and services, on the other. With a view to identifying the most efficient combination of measures in the national context, the Committee encourages Member States to monitor this balance carefully and to avoid the erosion of effective social protection by a tightening of entitlement conditions or the strengthening of sanctions. The Committee recalls in this respect that any coercion to perform labour under the menace of the withdrawal of unemployment benefit in the event of refusal to accept unsuitable work, or to participate in an unsuitable labour market programme, is not admissible.

Similarly, it is suggested that from a broader system level perspective, it could be considered to use surplus funds of the potential Namibian UI scheme to contribute to unemployment prevention. In this regard, the Development Fund may have a crucial role to play, to help link the said scheme to selected ALMPs.

Coverage Considerations: Government Employees and Informal Economy Workers

Increasingly, there is a tendency to include public servants in general unemployment insurance legislation. Several countries have done so, including some developing countries like Canada, Malta, Cyprus, the United States of America, United Kingdom, Switzerland, Norway and Belgium (ILO (1987, p. 38). France has created a special system for public servants. It would appear that one of the reasons prompting this development is the fact that job security in the public service is often no longer guaranteed. For example, in Belgium a 1991 Act extended unemployment benefits to civil servants and other public sector employees in an innovative fashion. Van Langendonck (1996, par 433) explains:

> To this end, an obligation is put on the public authority which employs these persons, in the event of termination of the public employment for any reason, to register the former civil servant or public sector employee retroactively with the social security institution of the wage earners, and to pay the contributions for the unemployment and sickness benefit branches for as long as necessary to qualify for benefits[6].

6 The arrangement does not apply when the public servant is retired. Compensation or an allowance to which the public servant is entitled after termination, may be deducted

From an international law perspective, the various ILO conventions and recommendations are clearly aimed at the inclusion of public servants in unemployment insurance systems in keeping with the aim of total and uniform cover. For example, ILO Convention 168 of 1988 concerning *Employment Promotion and Protection against Unemployment* provides that such a scheme should cover not less than 85% of all employees, including public servants. The only exception which is allowed, that is when it is not necessary to count public servants in, is where the employment of public servants is guaranteed up to retirement age[7]. The position is in principle the same in the Council of Europe. The *European Code of Social Security stipulates* that civil servants enjoying prescribed guarantees of employment security may be excluded from the general unemployment insurance system (Nagel (1994): par 193).

When reviewing the justifiability of the exclusion from an equality perspective, the issue of job security is indeed an important consideration. Although one would agree with the view that public servants do, as a matter of fact, enjoy relative security of employment, it is by no means a sufficient answer. There are still large numbers of public servants whose services are terminated, and are effectively without the same unemployment protection available to other formal sector employees. In other words, those who are dismissed are in need of protection (Van Langendonck,1997, p. 33).

It would also appear that by excluding government employees (constituting 21.6% of the employed population in Namibia) from the envisaged UI scheme, specific forms or categories of vulnerability are created. Those public servants so affected constitute a particularly vulnerable group, and their inclusion or coverage, in terms of the UI scheme, should, therefore, be given priority, as stipulated in the principles of international law[8].

Informal employment constitutes a significant 57.7% of the Namibian employed population, affecting in particular females (61.2% as opposed to a figure of 54.1% for males) and rural areas (78.9% as opposed to 41.8% in urban areas) (Namibia Statistics Agency (2019): 53-54). Regarding the extension of social security, and in particular unemployment protection to these workers, including workers in the informal economy, a recent ILO report notes that (ILO, 2019, par 463):

> In accordance with the guidance contained in the Recommendation, measures may be considered to extend the coverage of contributory social insurance schemes to a broader group of workers, including those in non-standard forms of employment and at risk of exclusion from coverage due to the nature of their occupation. Such measures may include: the adjustment of thresholds for entitlement to benefits; the extension of contributory periods to allow for breaks in labour market activity; flexibility in the payment of contributions; subsidies for contributions; and the simplification of administrative procedures.

7 ILO Convention 168 of 1988 Article 11.2

8 See the provisions of the ICESCR of 1966, and the comments made by the body monitoring compliance with the Covenant, from the perspective of including vulnerable workers

> In countries in which a large proportion of the workforce is outside the formal economy, it is crucial to supplement social insurance unemployment benefits with non-contributory schemes and active labour market policies financed from general taxation to fill these gaps and ensure at least a basic level of income security in the event of unemployment.

Lately, international instruments at the global level have been providing a normative framework. Key standards and principles, flowing from instruments such as ILO Recommendation on National Floors of Social Protection, 2012 (Recommendation 202) and ILO Recommendation on the Transition from the Informal to the Formal Economy, 2015 (Recommendation 204), can be summarised as follows:

- International (UN; ILO) and regional standards confirm the right of all persons and all workers, including informal economy workers, to social security protection;

- The adoption of an appropriate policy and legal foundation to inform, support and mandate the extension of (contributory) social security to informal (economy) workers is advised;

- Coverage extension should occur progressively via any one or through a combination of a non-exclusive list of modalities, including contributory and non-contributory arrangements; and

- Recent ILO instruments emphasise that contributory arrangements should be sensitive to the context and contributory capacity of these workers.

Comparative experiences provide helpful pointers to inform coverage extension: A wide range of measures have been adopted by countries to extend social security coverage to informal economy/informal workers. Some of the key developments in this regard are the following (Olivier, 2019):

- Innovative and at times extensive conceptualisation has been introduced to widen the application of social security, so as to also include those in the informal economy (for example, such as those found in India, Tanzania) through revisions to social security and labour laws;

- Non-contributory schemes have been adapted to ensure inclusion of these workers for example, through the introduction of universal pension arrangements (for example, in Namibia, Nepal);

- Contributory schemes have been extended to achieve inclusion, at times even on a compulsory basis (for example, the domestic workers in South Africa), and are increasingly supported through incentives, including government subsidies; the introduction of national health insurance schemes also serves this purpose (for example, in Thailand, Viet Nam);

- Some governments have introduced comprehensive arrangements to cover the whole of the informal economy. Examples include China, India, Indonesia, Ghana and Rwanda;

- Some countries have included informal economy workers sector by sector, usually on the basis of separate or dedicated schemes. Examples include Ecuador, Tunisia and the Indian welfare funds modality;

- Tailor-made design modalities have also been introduced, including:

  - ❖ Specialised contribution modalities (for example, flexible contribution options allowing workers to contribute according to their ability and at a frequency that reflects the reality of their income-generation, such as in the case of seasonal workers (Ghana, Philippines, Viet Nam); the setting of realistic income baselines as a basis upon which contributions are calculated (Tunisia); and, importantly, the increasing tendency of government subsidies to support or even replace the contributions of poor informal economy workers (for example, in India (proposed), Myanmar, Rwanda, Tanzania, Viet Nam);

  - ❖ Relaxed entitlement criteria. In order words, accessing benefits without complying with lengthy contribution periods or other onerous conditions; and

  - ❖ Dedicated, context-sensitive benefit arrangements addressing the key short- and long-term needs of informal workers (for example, in Ghana, Rwanda).

- Supporting arrangements, including:

  - ❖ Stakeholder consultation, undertaken preferably by a high-level consultative team;

  - ❖ Recognising the importance to engage with representatives of informal economy workers;

  - ❖ Carefully-coordinated communication;

  - ❖ An enabling environment, enhancing the ability to contribute to and access the new system;

  - ❖ Involving cooperatives or unions to achieve coverage inclusion (for example, in Dominican Republic);

  - ❖ Adopting a unified tax package, which includes both the payment of social security contributions and the payment of taxes; and

  - ❖ Providing monetary and/or other incentives.

Currently, with the exception of domestic workers in particular, many of the categories of workers indicated as informal workers, and in particular workers in the informal economy, are not covered by the mainline social security law in Namibia, the Social Security Act (SSA) (1994). Even as far as self-employed persons are concerned, there are inadequacies:

- Firstly, self-employed persons are only covered if they do not employ any other person[9].

- In the second place, the SSA provides little incentive for self-employed persons to be covered. There are at least three reasons why this is so: (i) the voluntary nature of membership (self-employed persons are not compelled to register)[10]; (ii) the obligation on self-employed persons to pay a double contribution (employer and employee contribution)[11]; and (iii) the absence of specialised or targeted arrangements for self-employed persons. The combination of these factors, linked also to the fact that they would lose coverage under the Act if they were to employ somebody even on a temporary basis, leads to their continued exclusion.

It is, therefore, recommended that coverage of informal and self-employed workers in a potential Namibian UI scheme, should be guided by a range of factors, including:

- Evidence-based policy development and option-formulation, informed by a consultative approach;

- Careful consideration of a range of options that best suit the extension of coverage to these groups;

- Removal of the double contribution obligation; and

- Suitable funding arrangements, tailor-made eligibility criteria and contribution packages and a specified benefit package.

Youth Unemployment

As alluded to in the earlier discussion, youth unemployment in Namibia is a major challenge as has been the case for many years (ILO, 2014, p. 32). Youth unemployment remains stubbornly high, affecting in particular the younger age cohorts, and it has decisive gender and rural dimensions. There seems to be some correlation between the (lack of) sufficient/appropriate education/skills training and youth unemployment in the country. This is of course a problem which is widespread in the rest of the continent too. Several continental and regional responses have emerged in Africa, including global partnerships, in an attempt to address this challenge.

9 SSA Section 20(2)
10 Section 20(2)
11 Section 21(5)

In Namibia, a raft of institutional and programme initiatives has been developed in response to this and other challenges facing the youth in Namibia. These include various active labour market-related interventions, such as (ILO, 2014, pp. 100-102):

- Vocational training centres, operating under the auspices of the Namibia Training Authority (NTA);

- Establishment of a VET/Training Levy, part of which may be used by compliant employers to reimburse the costs of training;

- Registration of job seekers and related job-search functions performed by the Employment Services Division of the Ministry of Labour, Industrial Relations and Employment Creation (MoLIREC); and

- Functions performed by the Development Fund of the Social Security Commission (SSC). These include conducting training and employment schemes approved by the President of the Republic of Namibia for the benefit of socio-economically disadvantaged persons who are unemployed and granting bursaries, loans and other forms of financial aid to students).

In addition, some provision is also made for public works programmes in Namibia.

Within the framework of an UI scheme, the Development Fund (DF) of the SSC has an important linking role to play. The DF links UI beneficiaries to employment creation and training initiatives, using finances of the UI scheme, in addition to providing broader assistance to the unemployed population. The DF is also mandated to collaborate with Ministries and other agencies involved in labour market activation, such as the MoLIREC, which would allow for the linking of UI with youth-focused interventions outside of SSC-DF framework. It is further suggested that the DF should link with the Integrated Employment Information System of the MoLIREC, so that workers undergoing training, including those drawing UI benefits, can be recorded on the system and be notified in case of a job opportunity arising.

Additionally, it should be considered that youth employed on public work programmes in Namibia be permitted to contribute to the UI scheme so as to enjoy the range of benefits being developed.

Legal, Policy and Institutional Framework

The current SSA does not explicitly provide for the establishment of an UI scheme. Legislative amendment would be required to allow for the introduction of such a scheme. Also, in view of the existence of maternity, sickness and survivors' benefits separately, under the auspices of the Maternity, Sickness and Death Fund (MSDF), it is recommended that UI benefit be restricted to contributors to the envisaged UI scheme and that the MSD

Fund to continue as is. Furthermore, legislative amendment may be required to enable the DF to receive funding from the UI scheme in order to execute the functions of the DF discussed above. Additionally, a legislative mandate would be required to enable an UI scheme to contribute towards broader unemployment prevention and employment promotion objectives.

The SSC does not have a policy making mandate even though it supports policy development. Its role is to implement existing laws. It may be that the establishment of a national social protection coordinating structure would be best suited to execute policy-making powers in relation to, not only the envisaged UI scheme, but also existing social security funds.

Administratively and institutionally, the SSC appears to be the best option to implement an UI scheme. The SSC has an existing (social security) governance structure, as well as operational infrastructure and experience. This also applies to contribution collection and benefit payment responsibilities. However, given the significant additional human and physical resources that would be required, the skills and capacity of the SSC will require further development.

Conclusion

An UI scheme for Namibia is affordable (0.7% contribution on the part of both the employer and employee is proposed) and should incrementally expand its coverage. There is need to implement a system of automatic stabilizers to contributions and benefits. The scheme should be informed by an appropriate legal and policy framework, and it has to bear in mind international standards and comparative good practice. Links with unemployment prevention (especially in respect of youth unemployment) and, in particular, labour market integration of clients of the scheme should also be provided for. An UI scheme should include government employees as well as, make special arrangements to accommodate informal (economy) workers.

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Chapter Twelve

The ILO's Future of Work Project in the Namibian Context

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Abstract

The ILO's Global Commission on the Future of Work proposed to deliver economic security, equal opportunity and social justice through a re-invigorated social contract which places people at the centre of economic and social policy. The Commission proposed three core pillars, including investments in people's capabilities, investments in the institutions of work and investments in decent and sustainable work. Since independence, Namibia has embarked on various initiatives to create additional jobs. These include the creation of Export Processing Zones in 1995, the National Employment Policies of 1997 as well as sectoral interventions such as the Targeted Intervention Programme for Employment and Economic Growth in 2011. None of these interventions, however, created a significant number of permanent, decent jobs and thus the second National Employment Policy of 2013 was designed with the vision to create over 90,000 additional jobs in various key sectors of the economy. Its implementation was hampered by a lack of cooperation between state agencies, poor coordination, a lack of monitoring, gaps in skills training and development, limited social dialogue and poor labour market information. The Covid-19 pandemic severely worsened Namibia's unemployment crisis. Prior to the pandemic, Namibia's unemployment rate stood at 33% and 32% of all employed persons were vulnerable in precarious working conditions. Almost 60% of all employed persons were either partially or just not covered by social protection and the economic sectors that accounted for most employment were amongst those hardest hit by the pandemic. Officially, about 11,000 retrenchments were reported between January and September 2020 but the real figure could be much higher and the overall unemployment rate is likely to have reached around 50% by end of 2020. The transformation of the world of work as envisaged by the ILO has hardly occurred in Namibia. There are no signs of an emerging social contract, and the education system did not yield the expected results in terms of skills while substantive gender equality in the workplace is yet to be achieved. Namibia has the opportunity to set up a comprehensive social protection system by adding to the non-contributory schemes, a universal child grant and a universal basic income grant to the existing social pensions. Overall, Namibia's future of work is a scenario of great uncertainty as the country will have to fundamentally restructure its economy to move beyond the limitations of the enclave economy. This will be a precondition for the creation of a large number of decent jobs in the years to come.

Key words: Job Creation, Employment Policy, Unemployment, Covid-19 Pandemic

Introduction

The question of mass unemployment and job creation has been a central feature in Namibia since independence. This chapter traces various interventions since the formulation of the first National Employment Policy in 1997 to the interventions under the Targeted Intervention for Employment Creation and Economic Growth (TIPEEG) and the second national employment policy. The outcomes of the policy interventions are critically assessed as they failed to make a significant dent in Namibia's overall unemployment rate. The crisis of mass unemployment was worsened during the Covid-19 pandemic of 2020 which severely endangered the livelihoods of many Namibians. Faced with such a multitude of crises, Namibia urgently needs to rethink its development strategy and the role of the State in directing development towards particular outcomes. This will be highlighted in the concluding sections of this chapter.

The current realities of Namibia and the challenges regarding the future of work are compared with the report of the ILO's Global Commission on the Future of Work. The report, published in 2019, outlines several interventions that the Commission proposed to ensure a better future with decent working conditions and living standards for all. The concluding section of this chapter assesses Namibia's current realities and compares them with the ILO's proposed interventions to secure decent work for all in the years to come.

The ILO's Future of Work Project

The ILO set up a Global Commission on the Future of Work, headed by South African President Cyril Ramaphosa and the Swedish Prime Minister Stefan Löfven. The Commission brought together participants from all over the world with different backgrounds and perspectives. Work on the project started in October 2017 and their last meeting was held in November 2018 before launching their report in March 2019 (ILO, 2019a).

The report reflects on the imminent changes in the world of work and provides proposals on how to manage them, driven by the belief that "if everyone is included and works together to find solutions, there is a brighter future to our world of work" (ILO, 2019, p. 6). However, the report also noted that "without decisive action we will be heading into a world that widens existing inequalities and uncertainties". While technological advances will create new jobs, they will also lead to job losses and those affected might be least equipped to seize the new opportunities. The report also warned that the skills of today might not match the future jobs as some of the current skills may become obsolete. This trend will affect different industries as new jobs around the greening of the economy will emerge while those in the carbon- and resource-intensive industries will decline (ILO, 2019, p. 10).

The report proposes to use the envisaged transformative changes "to create a brighter future and deliver economic security, equal opportunity and social justice". These long-held ILO ideals are to be achieved through a re-invigorated social contract between governments, employers and workers' organisations. The report proposes "a human-centred agenda for the future of work that strengthens the social contract by placing people at the centre of economic and social policy and business practice" (ILO, 2019, pp. 10-11).

The report further proposes that this agenda can be advanced through three pillars. The first pillar is increasing investments in people's capabilities, which entails a universal entitlement to lifelong learning to continuously improve and adapt skills levels. Another aspect of this pillar is to increase investments in institutions and strategies to support people in work-related transitions, such as school-to-work transitions, expanded public employment services and pro-active labour market policies. The pillar further includes measurable steps to achieve gender equality such as a sharing of unpaid care work and strengthening women's voice and leadership. Lastly, the pillar points to the need to provide universal social protection from birth to old age based on the principles of solidarity and risk sharing (ILO, 2019, pp, 11-12).

The second pillar consists of "increasing Investment in the institutions of work", including regulations, employment contracts, collective agreements and labour inspection systems. The pillar proposes the establishment of a "universal labour guarantee" that will ensure that all workers enjoy fundamental workers' rights, an "adequate living wage", limits to working hours and safety and health at work. The pillar further proposes to expand "time sovereignty" to give workers greater autonomy over their working time. The report suggests that technology can be harnessed to achieve a balance between work and personal life, and can be attained for example by setting maximum limits on working time "alongside measure to improve productivity" (ILO, 2019, p. 12).

The pillar further proposes tripartite social dialogue to be treated "as a public good, actively promoted through public policies". This entails freedom of association and the right to collective bargaining for all, guaranteed by the State. Furthermore, the pillar urges "harnessing and managing technology for decent work". Artificial intelligence should be directed by humans and an international governance system should be established to secure minimum rights and protections (ILO, 2019, p. 12-13).

The third pillar calls for "increasing investment in decent and sustainable work" in line with the UN 2030 Agenda for Sustainable Development. This entails investments to promote gender equality and new jobs as well as opportunities for micro, small and medium enterprises. Priority should be given to the rural economy and investments should be directed towards high quality physical and digital infrastructure "to close the divides and support high value services" (ILO, 2019, p. 13).

The third pillar further calls for "reshaping business incentive structures for longer-term investment approaches and exploring supplementary indicators of human development and well-being". This includes "fair fiscal policies, revised corporate accounting structures, enhanced stakeholder participation and changes in reporting practices". The new measures to assess progress must go beyond the GDP and assess the distributional aspect of growth, the value of unpaid work in households and communities and also consider "externalities of economic activity, such as environmental degradation" (ILO, 2019, p.13).

Overall, the Commission's report calls on national strategies on the future of work to be developed between the tripartite stakeholders (government, business and labour) and further calls on multilateral organisations (WTO, IMF, World Bank and ILO) to strengthen their contributions to the future of work agenda. The report suggests that success will depend on coherence across trade, financial, economic and social policies and that the ILO can become the focal point for social dialogue and the future of work agenda (ILO, 2019, pp. 13-14).

The Namibian Context: Efforts to Address Unemployment after Independence

Since Namibia attained political independence in 1990, the Namibian Government has tried to implement various strategies simultaneously to address the persistent problem of mass unemployment. These included the establishment of medium and large export-oriented manufacturing industries to increase and diversify exports and to overcome the limitations of a small domestic market. The first National Employment Policy of 1997 also proposed the development of historically-neglected sectors like subsistence farming, small enterprises and the informal economy as well as the promotion of tourism and labour-based works in all sectors of the economy (Ministry of Labour, 1997).

The major focus of the economic policy has been the promotion of export production within a framework of economic liberalisation. The passing of a Foreign Investment Act, shortly after Independence, and the Export Processing Zones Act of 1995 bear testimony to Namibia's efforts to encourage foreign investments. The National Employment Policies of 1997 stated that *"since Namibia has a small population and a limited domestic market, export-led growth will be the only viable strategy for sustainable economic development and massive job creation"* (Ministry of Labour, 1997, p. 17). The policy document called for "explicit, well-defined and targeted" interventions to achieve job creation and identified the high levels of un- and under employment as a major threat: "They will create class, racial, regional and social tensions; and ultimately political instability. They are a social time bomb ticking away" (Ministry of Labour, 1997, p. vi).

The objectives of the Namibian Government's employment policies were thus twofold, namely, *"to create adequate jobs to absorb the annual entrants to the labour market in order to reduce the current high levels of unemployment and underemployment; and to promote the protection of the working population"* (Ministry of Labour, 1997, p. xxiv). These objectives are still relevant today but the experiences over the past 30 years have provided Namibia with the opportunity to learn from past practices. The hope to achieve export-led industrialisation and employment, in particular, has shown to be an illusion given the cut-throat competition of a ruthless global economy and the particular conditions in Namibia. Thus, the expected 25,000 jobs in the Export Processing Zones (EPZs) which were to be created within 5 years never materialised despite the generous incentives offered to EPZ investors.

On the other hand, interventions like the introduction of quotas for local agricultural goods in retail shops have shown very positive results in terms of encouraging local production and employment opportunities.

Sectoral Interventions

In August 2010, the National Planning Commission (NPC) presented the "Targeted Intervention Programme for Employment Creation" (TIPEEG) to address unemployment in the short to medium-term. The document acknowledged the need for faster economic growth and for another type of economic growth that would result in job creation and proposed to pay "more attention to economic sectors with high potential for growth and job creation". These were identified as tourism, transport and livestock production (NPC, 2010, p. 2). Furthermore, the NPC also proposed "broad reforms enhancing Namibia's long-term competitiveness" (NPC, 2010, p. 4).

The NPC advocated for a strategy of "unbalanced growth" for rapid job creation by targeting specific regions or sectors. It suggested that this "approach is advisable where resources are limited and where there are strong back and forward linkages for the identified economic sectors" It also argued that economies of scale are important to become internationally competitive and that an unbalanced growth strategy will be helpful to achieve economies of scale (NPC, 2010, p. 5). In order to finance TIPEEG, the NPC proposed to increase the budget deficit from 3% to 7% over a five-year period.

The document pointed out that in the past many government policies and programmes did not yield the desired results due to poor implementation. The NPC, therefore, called for consistency in the implementation of TIPEEG with Ministerial action plans approved by Cabinet and monitored by the NPC. The document concluded that "it is of utmost importance that if we agree to an increased Government targeted economic intervention; we must also agree to commit ourselves to implement our plans in the most judicious manner, lest we waste scarce public financial resources" (NPC, 2010, pp.13-14).

TIPEEG

Based on the NPC's proposal, the Namibian government announced a Targeted Intervention Programme for Employment and Economic Growth (TIPEEG) in 2011. Its stated target was to create 104,000 direct and indirect jobs between 2011 and 2014. The initial budget allocation amounted to N$9,1 billion and rose to N$14,7 billion when the expenditure on public works programmes was added. State-Owned Enterprise (SOE) investments during that period were envisaged to amount to another N$4 billion (NPC, 2011).

TIPEEG's priority sectors were agriculture (N$3.6 billion was to be invested and 26,171 jobs were to be created); transport (N$3,1 billion was planned investment for 33,276 jobs); housing and sanitation (N$1,8 billion was proposed investment for 35,076 jobs), tourism (N$649 million proposed investment for 10,000 jobs) and public works (N$5,5 billion was proposed investment for 82,000 jobs). The agricultural projects targeted crop production, enhanced livestock productivity, forest management and water resources infrastructure. Transport investments targeted road construction and rehabilitation as well as rail network development and a port development in Walvis Bay. The tourism investments aimed to increase the number of tourists by 10% through tourism development and wildlife management programmes while the housing and sanitation programmes targeted the servicing of land, the construction of low-cost houses and the creation and upliftment of urban and rural sanitation ((NPC, 2011).

The TIPEEG document itself acknowledged that TIPEEG would not provide the solution to unemployment and pointed out that reducing the unemployment rate “to a more acceptable level will require more strategic and long-term thinking and efforts”. The document admitted that since many TIPEEG jobs will be temporary, “we might not see a rapid decline in the unemployment rate over the next 3 years” ((NPC, 2011). This was indeed the case as TIPEEG only created about 15,000 permanent jobs.

The Second National Employment Policy (NEP) of 2013

The National Employment Policy (NEP) of 2013 was expected to create a much larger number of additional jobs. It presented several strategies to promote employment and decent work. The NEP was not limited to conventional labour market policies but aimed at providing an integrated policy framework which covered macroeconomic and sectoral aspects as well as the institutional aspects and expected to create 90,000 additional jobs (Ministry of Labour and Social Welfare, 2013).

The NEP was built on the following principles:

Decent Work: The principle of decent work promotes access by all Namibians to quality/ productive and freely chosen employment that adheres to acceptable labour standards in an effort to ensure conducive working environment which is a core requirement for job satisfaction, job security and dignity. The principle is based on four core values which includes rights at work, employment (productive and freely chosen), social protection and social dialogue. These principles are also contained in the Namibian Decent Work Country Programme (2010-14) which focuses on three priority areas namely, employment promotion, enhanced social protection and strengthened social dialogue and tripartism which also forms part of the national employment policy.

Gender Equality: The policy adheres to the principle of non-discrimination in employment and occupation in the national employment policy. Gender disparities are reflected in income disparities as well as in terms of representation in management positions. Further disparities were also identified in the level of skills and business opportunities as well as control of productive resources.

Focus on the Youth: The policy attaches strong emphasis on youth employment with a holistic approach focusing on both the supply and demand side of the labour market, the quantity and quality of jobs as well as the rights of the young workers.

Sustainable Development: Greening the economy and green jobs: The policy promotes the principle of greening the economy and hence places an emphasis on green jobs. The policy therefore targets the creation of decent jobs that contribute substantially to preserve or restore environmental quality, including jobs that help to protect ecosystems and biodiversity, reduce energy, material and water consumption through high efficiency strategies.

Conducive Economic Environment: The private sector was identified as a key player in the economy that has a crucial role to play in creating jobs. The policy called on government to address bureaucratic hindrances relating to starting a business, registering property, trading across borders, complex tax systems, etc. Moreover, the policy called for the easing of access to finance and ensuring financial inclusion for SMEs (both formal or informal).

Value addition: Value addition was mentioned as the underlying principle in all economic activities. The NEP called for a more forceful and deliberate approach to add value to local raw materials by converting raw materials into semi-processed and final products. The policy called for strategies such as imposing export levies on raw materials and promoting value addition industrialisation (Ministry of Labour and Social Welfare, 2013, pp. 12-14).

Priority Areas and Strategies

The NEP tried to make employment creation, as well as the reduction of inequality, a central, deliberate focus, rather than merely an anticipated outcome of market-oriented macro-economic policies. A particular focus on women and the youth as those worst affected by poverty and unemployment was seen as central in all areas of intervention. The NEP further identified the key economic sectors in which new jobs could be generated and identified the key interventions. It acknowledged that the conventional macro-economic framework that Namibia had implemented had achieved a degree of macro-economic stability and growth, but did not deliver on the social front as indicated by the continued high levels of unemployment, poverty and inequality. The policy thus urged that in the years ahead all benefits accrued from the various initiatives need to equally benefit all previously disadvantaged segments of society (women, youth and people living with disabilities).

The NEP identified targeted public investments as the driving force of economic growth and job creation. The policy highlighted the need for public infrastructure assets to be maintained and upgraded while neglected sectors such as agriculture should be prioritised and imports should, where feasible, be substituted by local investments and production.

The immediate key investment priorities were outlined as follows:

- Agriculture (crops, livestock and agri-based industries),
- Electricity (moving towards self-sufficiency and renewable energy sources),
- Housing and water (including sanitation),
- Mineral beneficiation,
- Tourism infrastructure, and
- Transport and logistics.

In addition, the government was encouraged to continue with budgetary allocations to those sectors which were already contributing to employment growth. Increased public expenditure was expected to lead to increased private investments and production in the short and medium term. The reduction of poverty and income inequality was meant to be at the centre of Namibia's economic growth strategy with particular emphasis on its gender disaggregation. The NEP aimed to "place emphasis on bringing development to the people through utilisation of labour of the poor and the unemployed, using appropriate technologies, production of goods and services consumed by Namibians and locating production and expanding markets in rural areas where most people reside" (Ministry of Labour and Social Welfare, 2013, pp. 14-16).

What was Really Achieved?

At the end of 2019, Namibia's Ministry of Labour, Industrial Relations and Employment Creation (MLIREC) and the ILO commissioned an independent evaluation of the achievements and shortcomings of the NEP. The findings were presented in early 2020 and they were discussed by the tripartite stakeholders. The evaluation's key findings pointed to severe weaknesses in the policy implementation including the following (ILO 2019b, pp. 9-10):

- There was a "silo-mentality" in the operations of the Government, which resulted in operational inefficiencies. This "silo-mentality" arose from a lack of appreciation of horizontal synergies and thus resources were directed towards achieving the agency's/ministry's own mandate to the exclusion of collaborative options that may have improved overall performance. The evaluators observed that "there are power dynamics within and between ministries that are inimical to cooperation and shared resourcing of common issues". Also, employment was generally seen as an issue of the MLIREC rather than as a cross-cutting theme.

- There were also weaknesses in the implementation of the NEP2 because of a lack of a central coordinating and enforcing authority. The policy was seen as the responsibility of the MLIREC and it had inadequate support from other ministries, some of which had little knowledge about the content of the NEP2. In addition, the implementation committee had no power to lead and to direct the implementation process.

- The establishment of the Labour Market Information System (LMIS) was a big achievement, but its effectiveness has been hampered by a lack of coordination between state institutions sharing the necessary information for the database.

- Despite the existence of comprehensive implementation and monitoring and evaluation frameworks, and there was no interim monitoring and evaluation mechanism. The lack of an adequately resourced monitoring and evaluation team in the MLIREC meant that little or no evaluation took place. In addition, there were no feedback loops for stakeholders to evaluate their performance against the interim outcomes of the policy. The effectiveness of the implementation process was hampered by lack of support from key ministries that had employment creation activities as part of their mandate or that were tasked with implementing components of the policy while some employers' associations did not participate in social dialogue.

- There were gaps and limitations in skills training and development, which adversely impacted the implementation of the policy. The introduction of austerity measures in the middle of the NEP2 period (2015/16) and the subsequent freeze on government recruitment left some Government Offices, Ministries and Agencies (OMAs) inadequately staffed.

- State agencies stick rigidly to their mandates, resulting in poor prioritisation and inefficient resource use. Cross-ministerial meetings are often little more than talk shows which produce no tangible results.

- The social protection system is an important safety net preventing old age poverty, but there remain some inadequacies especially in the coverage of child benefits. The uptake of child grants increased significantly from 2004 onwards but over time the real value of the grant has deteriorated and the registration process of the grants has become cumbersome. Some children lack the documents for registration, and some places are too remote for the registration of beneficiaries.

- There was a general lack of systematic and rigorous analysis of the NEP and thus there was no reflection and learning to improve the effectiveness of the policy.
  Based on these findings, the evaluation report made 8 specific recommendations to enhance future employment policies in Namibia (ILO, 2019b: 9-12):

1. The employment policy implementation requires a dedicated institutional setup for effective coordination and supervision of activities. The institution must have the power to hold stakeholders to account.

2. Government policies and programmes require interim monitoring and final evaluation at the end. This will help to improve and fine-tune the implementation process. Monitoring and evaluation needs to be engrained in all government programmes as a good practice.

3. Many of Namibia's good policies and programmes have not been implemented effectively due to the "silo mentality" which can be changed through a political decision. The leadership in government needs to make a conscious decision to confront this problem.

4. Namibia has not realised the power of tripartism and social dialogue, and outside the MLIREC, there is little to no consideration of tripartism within the government, and to build the foundation for social dialogue for the future, the key stakeholders need to build trust with each other and cooperate to solve national problems.

5. Namibia has an impressive social protection system, but there is still room for improvement. The high level of poverty, unemployment and inequality calls for greater social protection. However, an expanded social protection system can be costly. Namibia needs to seriously consider the future sustainability of current and future social protection expenditures.

6. The future of Namibia's agricultural employment hinges on the country's ability to effectively adapt to climate change. The frequency and severity of droughts will cause reduced production and productivity, and job losses. The expansion of green schemes, and the involvement of local communities in the schemes is critical for food and employment security.

7. In order to tackle the lack of coordination resulting in duplication and waste of resources, the report called for the introduction of systems-thinking and a cooperative approach to economic management which will result in efficiency in resource allocation and savings.

8. The quality of labour market information in Namibia falls short of what the country requires and the report recommended greater publicity and discussions about the content of the national human resources plan by training institutions, employers and government ministries.

The Employment Consequences of the Covid-19 Pandemic

(a) The pre-Covid-19 unemployment crisis

Given these continuous challenges of employment creation, it is hardly surprising that the Namibian labour market has been in a state of crisis long before the Covid-19 pandemic hit the country. It is worth recalling that historically, Namibia's colonial economy was primarily a resource/extraction-based economy, with agrarian features and a tiny manufacturing sector. Colonial Namibia essentially served as a captive market for South African consumer goods and thus Namibia's manufacturing sector at Independence was underdeveloped, contributed a negligible share to the GDP (4-5%) and only employed about 9,000 people which represented about 5% of those in formal employment. About 70% of all goods produced in Namibia were food products while the rest consisted of wood products, textiles, furniture and transport equipment (Sparks & Green, 1992).

This has, however, hardly changed since independence. Despite pursuing a host of investor-friendly economic reform policies after independence - as exemplified by the Foreign Investment Act of 1991 and the Export Processing Zones Act of 1995 – Namibia, like most of its African neighbours, did not achieve any meaningful structural economic changes. This is demonstrated by the very small manufacturing base and the resultant high levels of unemployment, as reflected in Table 12.1. The broad definition of unemployment includes all those without work who are available for work while the strict definition covers only those who are actively seeking work. The figures show that women and young people are the ones most severely affected.

Table 12.1: Unemployment rates (2000-2018)

Broad unemployment rate (15-64 years), in %	**2000**	**2004**	**2008**	**2012**	**2018**
Total	**33.8**	**40.6**	**51.4**	**28.5**	**33.4**
Male	28.3	33.8	43.6	23.6	32.5
Female	39.0	47.6	58.6	33.2	34.3
Urban areas	31.3	?	65.3	28.5	33.4
Rural areas	35.9	-	36.5	28.4	33.5
15-19 years	67.0	72.0	83.6	56.4	69.6
20-24 years	59.1	61.3	67.4	48.5	57.0
25-29 years	42.8	45.1	53.3	33.6	42.3
30-34 years	31.3	36.6	46.0	24.9	32.5
Strict unemployment rate (15-64 years), in %	**2000**	**2004**	**2008**	**2012**	**2018**
Total	**20.2**	**25.3**	**37.8**	**17.5**	**19.8**
Male	19.0	22.4	32.8	15.2	21.1
Female	21.5	28.8	43.3	20.0	18.5
Urban areas	24.0	-	30.8	20.6	23.4
Rural areas	16.6	-	47.0	12.7	14.4
15-19 years	49.4	53.1	67.3	33.2	36.6
20-24 years	42.0	45.2	56.6	34.6	38.0
25-29 years	29.9	32.1	43.3	23.0	28.8
30-34 years	19.7	23.0	34.6	15.8	22.9

Source: Labour Force Surveys

Table 12.1 suggests a significant drop in unemployment between 2008 and 2012 but in reality, this was not the case. Instead, the drop in unemployment can largely be attributed to several methodological changes which were made over the years. The Namibia Statistics Agency (NSA), which took over the execution of the Labour Force Survey (LFS) in 2012 from the Ministry of Labour and Social Welfare, implemented several changes to the survey questionnaire. While still using the international standard definition of one hour's work for profit, pay or family gain in the seven-day reference period ahead of the interview, it probed the question of family gain further with several new questions. This included work done for at least one hour on one's own household farm, plot, garden or cattle post; growing farm produce; looking after animals; fetching water; collecting wood; producing any goods for household use; doing repairs at one's home, plot or cattle post; catching fish, prawns or other wild animals for household consumption, etc. (Jauch & Tjirera, 2016). Thus, a large number of people in rural areas were classified as employed unlike in the 2008 survey.

Table 12.2 shows the sectoral distribution of employment in Namibia between 2000 and 2018 in rounded figures.

Table 12.2: Employment by economic sector (2000-2018)

Industry sector of employed. 15-64 years, in %	2000	2004	2008	2012	2018
Total	**100**	**100**	**100**	**100**	**100**
Agriculture & fishing	31	23	16	24	23
Mining & quarrying	2	3	3	2	2
Manufacturing	5	9	6	5	6
Utilities (water, sewerage, waste)	1	0	2	1	1
Construction	5	1	7	7	6
Trade (wholesale and retail)	9	5	15	13	11
Transport, storage & communications	3	18*	5	7	5
Accommodation & food services	2	4	3	5	11
Financial services	1	2	3	2	2

Real estate & business	9	19*	4	6	0.1
Public admin, education, social work, health, defence	16	4	21	15	13
Other services	17	11	14	13	3
Services rendered by household employees	-	-	-	-	10
Arts, entertainment and recreation	-	-	-	-	1
Unspecified	1	1	0	0	0

Source: Labour Force Surveys

The available data highlights the key characteristics of the Namibian labour market. The latest Labour Force Survey of 2018 found that out of Namibia's 1,090,153 economically active people, 725,742 were employed (66.6%). As mentioned above, the definition of employment includes "those persons of working age who worked at least one hour during the reference period as contributing family members (formerly referred to as unpaid family members) working in a family business" (NSA 2019: 38). The majority of employed persons (71.9%) have schooling as the highest level of formal education, either primary (20.1%), junior secondary (31.6%) or senior secondary (20.2%) (NSA, 2019, p. 56).

The main sectors in terms of employment are agriculture, fishing and forestry (accounting for 23% of the employed), followed by accommodation and food services (11.4%), wholesale and retail trade (11.1%), private households (9.9%), education (6.5%) and construction (6.2%). More than half of all employed persons are employees (55.4%) while 13.9% are own-account workers and 13% are subsistence farmers (NSA, 2019, pp. 59-61).

The Labour Force Survey of 2018 reveals that 31.6% of all employed persons are vulnerable and are faced by precarious working conditions. These include the subsistence farmers, own-account workers and contributing family workers (NSA, 2019 p. 72). However, vulnerability even reaches a significant part of those classified as employees. Over half of them are on permanent contracts (53.8%), while 32.7% are on "unspecified duration contracts" and 13.5% are on "limited duration employment contracts". Only 39.3% receive paid annual leave while 36.9% receive paid sick leave (NSA, 2019, pp. 64-65).

Formal employment is defined by some form of social protection (pension scheme, medical aid of social security) but in the Namibian case, 57.7% of the employed population are not covered by social protection and are thus in informal employment. The highest levels of informal employment are found in private households (91%), agriculture, forestry and fishing (87.6%), accommodation and food services (68.6%) and construction (65.3%) (NSA

2019, pp. 69-71). These are amongst the sectors currently hardest hit by the Covid-19 pandemic as outlined below.

The high levels of precariousness in the Namibian labour market are further confirmed by a closer analysis of sectors of employment and average monthly incomes. As stated above, agriculture, forestry and fishing, accommodation and food services, wholesale and retail trade, private households and construction combined account for the majority of the employed (61.8%). Employees in these sectors earn far below the national average of N$7,935 per month, namely N$3,393 in agriculture, forestry and fishing; N$2,819 in accommodation and food services; N$4,019 in wholesale and retail; N$5,441 in construction and N$1,387 in private households (NSA, 2019, pp. 67-68).

Sectoral minimum wages are negotiated between employers' organisations and trade unions for farm workers, security guards and workers in the construction industry. The lowest of these minimum wages applies to farm workers (N$4.62 per hour), while the highest minimum wage exists in the construction industry (N$16.04 per hour). Following the recommendations of the Wage Commission, the first minimum wage for domestic workers came into effect in April 2015 and it was set at N$7.80 per hour. In September 2017, the minimum wage was increased to N$8.67 per hour and later to N$9.03 in October 2018 (Jauch, 2019).

Another important aspect to consider is that the average monthly wages are lowest for young employees who have average monthly incomes of only N$1,113 when they are between 15 and 19 years of age. Those between 20 and 24 years of age earn N$2,507 and those between 25 and 29 years of age earn an average of N$5,188 per month (NSA, 2019, p. 61).

(b) The impact of Covid-19

Taking into account these labour market characteristics, it is possible to sketch an image of the impact of Covid-19 and the lockdown on jobs and livelihoods in Namibia. During Stage 1 of the lockdown, virtually all sectors of the economy were affected albeit to different degrees. The least affected sectors in terms of loss of income and employment were the public sector (civil service and SOEs), the financial sector, agriculture and the larger food chain supply stores. However, even some of the latter, such as Pick 'n Pay, resorted to retrenchments (The Namibian, 19 June 2020).

Although the Government has guaranteed the continued payment for public sector employees, this might change in the years to come due to the increasing levels of indebtedness that the Government is experiencing. The banking and insurance companies had enough reserves though and they are likely to remain profitable during the Covid-19 pandemic while food stores were allowed to remain open and agricultural activities continued. Food stores might have experienced a drop in turnover due to reduced consumer spending but this is unlikely to have been substantial.

The scenario is fundamentally different in other sectors such as hospitality and tourism, construction, work in private households and informal trading where the effects of the lockdown were immediately visible. Namibia's 72,000 employees, working in private households (commonly known as domestic workers), were unable to travel from home to work during the Stage 1 lockdown and most are likely to have experienced a partial or complete loss of income during that period despite the lack of accurate data. Also, some of the workers in the sector are likely to have lost their jobs during 2020.

Likewise, the aviation, hospitality and tourism sectors were severely affected as hotels, restaurants, tour operators and airlines either had to suspend activities partially or in total. These sectors combined provide for around 100,000 jobs of which a significant number of these jobs have already been lost or are in danger of being lost in the months to come. Similarly, construction which employed about 45,000 people in 2018 was severely affected by the lockdown as construction projects came to a halt and fewer new projects will be implemented due to financial constraints which hamper the state's ability to commission infrastructure projects. In the absence of an unemployment insurance, construction workers experienced a severe drop in incomes immediately.

Equally dire were the consequences for the informal traders and retailers of alcohol, both in the form of shebeens and bottle stores. During Stage 1 of the lockdown, these informal traders and retailers were not allowed to operate at all. During Stage 2, however, some informal traders were allowed to resume business. Alcohol sales were only permitted as from Stage 3 of lockdown onwards, with limitations on the trading hours from 12h00 until 18h00. This reduced incomes and thus is likely to result in some retrenchments. On the other hand, the informal traders are faced with an immediate threat to their survival as they can hardly afford to resort to savings to make up for a loss of income. When informal traders were removed by the police from the Windhoek city centre, some stated that they would not die of Covid-19 but of hunger as they rely on their income from street trading for their daily survival. Some reported a drop in daily incomes from N$300 to N$50 (New Era, 7 May & 5 June 2020; The Namibian, 12 May 2020; Namibian Sun, 7 May 2020).

A preliminary calculation of job losses and unemployment indicates that thousands of jobs have been lost in the transportation, accommodation, food services, aviation and construction industries, while the wholesale and retail sector also experienced a slow down with some job losses. The ripple effects of the economic crisis have also reached other sectors such as the media which resorted to reduced working hours, and a reduction in wages and benefits and retrenchments (The Namibian, 3 June 2020).

Accurate figures are not yet available as the official figures released by the MLIREC only cover the retrenchments that were reported to the Office of the Labour Commissioner. The figures do not include workers in informal employment conditions who constitute the majority of employed Namibians. The officially reported retrenchments stand at 11,009 people as from 1 January until 21 September 2020 (The Namibian, 16 October 2020), however, the actual figures are likely to be much higher. Namibia's overall unemployment rate is bound to soar as about 40,000 – 50,000 new labour market entrants from schools, universities, vocational training centres, etc. enter the labour market annually in search for jobs. Thus, Namibia's unemployment rate could rise to 40-50% - or even higher - in the course of 2020.

This will exaggerate an already severe problem of long-term systemic unemployment as 72.5% of Namibia's unemployed were without work for 12 months or more in 2018. Almost half of Namibian households rely on wages and salaries as their main source of household income and this figure stands as high as 63.3% in urban areas (NSA 2019: 43, 83). This raises an urgent question of survival: how will Namibians survive in the post-Covid-19 era when almost half of them will be without jobs and many are in highly precarious forms of employment?

Conclusion: Where does Namibia's Future of Work Lie?

Despite the stated commitment by the Namibian Government to achieve socio-economic development and the reduction of inequality and poverty, the actions taken were often contradictory. On the one hand, social pensions were increased and extended to all and social security and labour rights were improved, but on the other hand, large amounts of public resources were spent on huge packages for politicians and SOE managers, on luxury government buildings, prestige roads and expensive vehicles (Jauch & Tjirera, 2016). Also, the benefits from national resources like fish were privatised, creating wealth for a small elite and depriving the vast majority from any benefits. The recent "fishrot scandal" represents merely the proverbial tip of the iceberg.

The Namibian Government has thus far limited itself to regulating markets without taking steps to decisively shape and direct them towards particular outcomes. As outlined above, the various attempts to create tens of thousands of much needed additional jobs had very little success and unemployment remains at high levels as compared to pre-Covid-19 pandemic times.

The limited transformational role of the State was acknowledged by the former Minister of Economic Planning and Director General of the National Planning Commission, Tom Alweendo, who emphasised the need to transform the country's economy through measures that go beyond "minor tweaking of the status quo… What we need is State-led economic development where the state does much more than just provide a conducive environment for the private sector" (New Era, 29 March 2016, quoted in Jauch & Tjizera, 2016). The urgency of such interventions has never been greater than in the post-Covid-19 era.

In terms of the recommendations of the ILO's Future of Work Commission, Namibia's vast majority of working people seem to be living in a different reality. The fourth industrial revolution with artificial intelligence may affect some high-tech operations and financial corporations, possibly also some mining operations, but hardly the sectors where the vast majority of Namibians are employed. The transformations of the world of work, as envisaged by the ILO, will only affect Namibia in marginal ways at present but this may change in the years to come.

Regarding the anticipated changes in the world of work in pro-employment and pro-labour ways, the ILO suggests that everyone should work together for a brighter future but there is little evidence of this happening in Namibia. During the Covid-19 pandemic, many employers turned towards unilateral employment decisions and resorted to retrenchments without exploring alternatives. Employers' organisations even took Government to court over the prohibition of retrenchments during the Covid-19 lockdown (New Era, 24 June 2020; The Namibian, 7 July 2020). Such actions clearly contradict the ILO's proposed social contract to manage the changes underway. Instead, Namibia might be faced with widening inequalities and uncertainties as alluded to in the report.

The ILO's proposed human-centred development agenda with a universal entitlement to lifelong learning and ongoing skills development, as well as concrete measures to achieve gender equality and universal social protection from birth to old age, are achievable in Namibia. As pointed out repeatedly by the Namibian government, the financial investments in education have not been matched by the anticipated outcomes and thus an improvement of the education system as a whole is required to ensure firstly a strong educational foundation for all and secondly the development of the required skills for social and economic development. Substantive gender equality at the workplace requires targeted interventions in addition to the existing affirmative action measures which target women as one of the groups of beneficiaries.

Regarding social protection, the draft national Social Protection Policy of 2019 envisages the introduction of a universal child grant which would cover all Namibian children until the age of 18. The universal old age pension is already in force and covers everybody from 60 years and older. A broad coalition of churches, trade unions, NGOs and community organisations has called for the additional introduction of a universal Basic Income Grant (BIG) for all since 2004 and in a revised declaration (BIG Coalition, 2020), called for a BIG for those in the age group of 19-59. This would provide Namibians with universal social protection as called for by the ILO report.

The ILO's call for increasing investments in the institutions of work, including a universal labour guarantee to secure fundamental works, rights, an adequate living wage, health and safety at work is partly covered through Namibia's legal provisions as well as gazetted minimum wages. These are, however, far below what could be considered a living wage and therefore leaves many workers in precarious working conditions. The findings of the Namibia Labour Force Surveys that around 60% of Namibians are "informally employed" is a further indication that some of the legal provisions and protections for workers are simply ignored in practice.

There are no indications that the ILO's proposed greater workers' autonomy over their working time to achieve a balance between work and personal life has entered the debates in Namibia as not even trade unions have placed this proposal on the collective bargaining agenda. Likewise, negotiations over the design of work between workers and managers are virtually unheard of.

Collective representation and social dialogue as a public good are still a minority experience in Namibia as collective bargaining is limited to only a few well-organised industrial sectors such as the public sector, mining, fishing and construction while most Namibian workers are not members of trade unions.

The ILO report proposed increasing investment in decent and sustainable work, with a focus on the rural economy and the reshaping of business incentives for longer-term investment approaches. This could certainly be done in Namibia but would require a more targeted approach to investments instead of the "open door policy" that seems to be guided by the assumption that any investment is a good investment.

In terms of assessing progress, the ILO report proposed to include the distributional dimension of economic growth, the value of unpaid work and the externalities of economic activities such as environmental degradation. This could certainly be achieved in Namibia but will require the political will to move beyond the outdated and insufficient measure of the Gross Domestic Product (GDP) as the indicator of economic progress.

Overall, Namibia's future of work is a scenario of great uncertainty. Besides lagging behind in several key areas, as identified by the ILO report, Namibia faces the urgent task of fundamentally restructuring its economy which was only partly geared towards and integrated into the global economy (mining, fishing, financial sector), while under-developed in terms of the local production of basic goods and services. Such a structure, described as a classical neo-colonial "enclave economy" (Mhone, 2007), has persisted in Namibia since independence and has never been challenged systematically by the government or local mainstream economists. Its limitations have become apparent during the Covid-19 pandemic and it would be tragic if Namibia failed to initiate structural economic changes now.

Instead of hoping for a return to the pre-Covid-19 scenario of mass tourism, growing retailing and service industries alongside export-oriented mining and fishing, Namibia needs to implement local value chains and local manufacturing based on available raw materials such as zinc, invader bush biomass, fish, land and others to build a fundamentally different economy that will be able to create tens of thousands of new jobs. Key focus areas for Namibia have to be housing and sanitation, which have a backlog of 300,000 housing units and 5,000 classrooms, as well as renewable energy initiatives to eliminate the dependency on energy imports from South Africa.

Based on the premise that housing and access to water are critical human rights, the State has an obligation to translate these rights into reality. The lack of adequate housing has been a challenge for many years and in a state of the nation address, on 4 June 2020, President Geingob even acknowledged that Namibia has a backlog of 300,000 housing units. As noted by Jauch and Tjizera (2016, p. 190), the construction of houses "should not only have a significant impact on the creation of many thousands of new and decent jobs, but would also lead to the establishment of local supply chains from which building materials should be sourced. Furthermore, the housing project should be accompanied by a roll-out of solar panels which in turn should be locally manufactured to optimise the multiplier effect" of job creation.

At the same time, Namibia needs to become a pioneer of guaranteeing comprehensive social protection from birth to old age through the introduction of the universal child grant and the universal basic income grant. Given the rising levels of unemployment and the lack of any unemployment insurance, the post-Covid-19 era will be characterised by struggles for survival. Many Namibians will rely on family members for support as wage labour will simply be unavailable for many Namibians. In this context, the State will have to intervene to secure livelihoods and to ensure a basic level of economic demands.

Over the years, various interventions were carried out to reduce poverty such as food for work programmes and the food banks. However, none of them reached a substantial number of people nor did they have the developmental impact of the universal basic income grant (BIG) as piloted in Otjivero (Haarmann et al., 2009). The introduction of a universal basic income grant as an economic right of citizens could be a significant first step to break the shackles of poverty and to kick-start local economic and social development processes as witnessed during the BIG pilot project in Otjivero. Moreover, a BIG is simple to administer and does not incur significant administrative costs. Although the initial costs of a BIG will be substantial (about 7% of the current National Budget at a level of N$500 per person per month), the economic and social benefits of such an intervention will justify the expense.

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Theme 4

Social Protection and Regional / Continental / Global Dimensions

Chapter Thirteen

The ILO into the Second Century: Selected African Perspectives on the Quest for and Impact of Social Justice through Social Protection

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Abstract

The ongoing and still unfolding Covid-19 pandemic has highlighted and reinforced the need for social justice. Despite its global reach, the impact of the pandemic is bound to be disproportionate not only adversely affecting poor countries, many of them in Africa, but also the most disadvantaged and vulnerable in those countries. The need for comprehensive social protection in the quest for social justice has, therefore, never been greater. The pandemic comes in the wake of the recent Centenary of the International Labour Organisation (ILO), the foremost institution in the international system charged with the task of pursuing peace through social justice. This chapter briefly reflects on some of the historical and philosophical foundations of the ILO mission in the search for universal social justice over the last century and contemporary times. Using selected African experiences, we highlight the impact of the ILO's efforts in terms of the struggle against poverty and search for adequate basic needs through social protection, using a variety of instruments and tools. In each context, some of the instruments are highlighted. They include international labour standards, national legislation and policies, in particular labour and social security law. Such efforts are examined in both historical and contemporary terms. They are measured against some of the challenges that have been and continue to be encountered. In the face of such challenges and obstacles, we, in passing, look at recent ILO efforts to renew its mission and seize new prospects through innovation. We also refer to the current and likely impact brought about by the changes in the world of work and what those changes entail for social policy and protection in Namibia and other Africa countries, including South Africa and Mauritius.

Key words: Africa, Social Protection, Social Justice, ILO Centenary, Covid-19, Poverty, Vulnerability

Introduction

The International Labour Organisation (ILO) has just celebrated its Centenary. At 100 years old, it is the oldest specialised agency of the United Nations system. It was established in 1919 under the terms of the Versailles Peace Treaty of 28 June at the end of the First World War. Its vision has been driven by the need to deal with the problems of labour and working conditions reflected in the "injustice, hardship and privation" on the basis of social justice support of sustainable world peace (Refer to preamble, ILO Constitution, para. 2). The 1944 ILO Declaration of Philadelphia broadened the ILO's mandate to include social policy and human and civil rights, thus reinforcing social justice. Along with a revolutionary and unique feature in the form of tripartism, embracing governments, employers' and workers' representatives in the formulation and implementation of universal standards of decent work in the workplace, social justice, which social protection evokes, has been the cardinal basis of its work. The ILO has achieved a lot, including improved working conditions and alleviation of adverse situations, such as exploitation, child labour and discrimination.

However, many challenges remain and they are now worsened by the apparent decline in ILO's influence and uncertainty in the international environment. This was brought about (some will say inadvertently) by such factors as innovation and technological developments in industry, the changing nature of work and the breakdown in multilateral consensus. The most critical challenge now is to seek new ways to pursue ILO ideals, and to renew its vision and mission. This chapter briefly explores ILO prospects in the quest for social justice through social protection as a major tool as it enters its second century. The attempt in that respect is pursued in the shadow of the unfolding Covid-19 pandemic and changes that are defining the future of work. We focus of the experiences of some countries in the Southern African Development Community (SADC) as proxies of what is generally happening in the rest of the African continent.

The ILO Century: The Beginnings

It could be said that the 20th century was in some important respects 'the ILO century'. The recognition of the importance of the work of the ILO was clearly apparent from the award of the Nobel Peace Prize on its 50th anniversary in 1969. The ILO was a product of conflict and the first industrial revolution. It came of age in the second industrial revolution of mass production, the Fordism era, but then started to decline with the coming of the third industrial digital revolution, and now the ILO is in crisis mode.

As noted above, the ILO rose out of the ashes of World War I, after Germany's defeat as part of the Versailles settlement, thus remarkably its constitution is an article of that Treaty. The rationale of its establishment was driven by progressive French and British industrialists, with Americans initially on the side lines, and supported by their governments. It was argued that social justice was key to the sustainability of peace, and that Germany would have had less reason to resort to war if there had been fair and inclusive social justice.

Thus, the unique idea of tripartism, embracing "social partners" in employers and workers to join governments in the formulation and implementation of labour standards was born. The ILO became the first specialised agency in the era of the League of Nations and it outlived it to later be formally part of the United Nations. The USA never joined the League of Nations in spite of President Wilson being a major driver. While the Treaty of Versailles is the corner stone of the ILO, the Versailles Settlement was considered by some to have harsh terms that demoralised Germany which led to enduring resentment of the ILO, but that is another story. What is of important concern for us here is the ILO and its quest for social justice in Africa and other developing countries (Kalula & Chungu, 2020).

After the ILO Century: The End of History?

As we have posited above, the 20th Century was substantially the 'ILO century', when great progress was made towards the realisation of the social justice vision. ILO's influence and positive impact on the easing of, if not abolition of exploitation in the world of work and other related social aspects, thus helped in the support of the struggle against decolonisation in Africa and other colonial dependent countries.

In Africa, the ILO's influence was particularly significant throughout the continent, from Algeria, Namibia, Zimbabwe to South Africa. International labour standards were used as the basis of advocacy to campaign for freedom of association, collective bargaining, trade union rights and decent work, and additionally to fight against discrimination, exploitation and other human rights infringements.

The influence of the ILO has been profound. Before looking at the nature of that influence and impact, it is useful to briefly review the nature and scope of social protection as it is understood and applied in the context of Namibia and other SADC countries. The ILO defines social security (cf. social protection) as the "protection that society provides for its members, through a series of public measures, against the economic and social distress that otherwise will be caused by the stoppage of or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age, and death. It also includes the provision of medical care and provision of subsidies for families with children" (ILO, 1989, p. 3). Several major elements stand out in the definition, its contingency, or risk based and implied employment in the formal sector and through its public measures. There are nine contingencies which are usually associated with the scope of the definition, namely sickness, maternity, workplace injury, unemployment, invalidity, old age, death, medical care and subsidising families with children.

These are, in fact, the critical risks identified in the *ILO Convention 102* and *Recommendation 202,* the two major standard setting instruments on social justice. While these contingencies have been embraced by SADC countries, they have severe limitations in scope and application to the circumstances of African and other developing economies. The first apparent limitation is the implied association with employment in the formal sector. As indicated, formal employment is no longer the norm in the SADC region and the rest of sub-Sahara Africa. It is, indeed, argued that unlike developed Western nations, many developing countries, especially in Africa, 'never had much of a formal employment scene' (Hansen, 2015, p. 70).

Some have blamed 'a lack of formal employment, high unemployment or widespread underemployment' on high wages and excessive regulation, but such arguments have limited relevance for most African countries. There are also those who believe that formal employment may be slowed down by labour market regulations, which are, therefore, regarded as fully responsible for the existence of unemployment or informal employment in African countries (Heintz, 2010, p. 205). This argument has been dismissed on the grounds that there is, indeed, a small size of the regulated workforce in these countries (Heintz & Pollin, 2008, p. 8). However, those labour market institutions have the potential to have a large-scale impact on employment dynamics in countries where a large proportion of wage employment is regulated, as is the case in South Africa (Heintz, 2010, p. 205).

Secondly, the scope of contingency is too limited as it does not fully take into account the basic needs, which evokes social protection. The third observation is that social security and social protection go beyond public measures, as will be evident from some jurisdictions, such as in South Africa where private pension funds are extensive.

This leads us to differentiate between social security, as narrowly conceived by the ILO, and social protection. The latter concept of social protection is a wider concept, which embraces "policies and practices that promote and protect the livelihoods and welfare of people suffering from critical levels of poverty and deprivation and/or are vulnerable to risks and shocks" (Chungu et al., 2020, p. 3).

Many countries in the SADC region and throughout the African continent are now embracing the wider elements of social protection, moving beyond the social security confines inherited at independence. This has involved what Seekings (2018, p. ix) refers to as the global discourse being "vernacularised", both at the continent level through the African Union and by international agencies, including the ILO, and national policies and legislation.

There are indications that the unfolding experience is also inching towards rights-based approaches, with constitutional entrenchment in at least one country, South Africa (see Constitution of the Republic of South Africa, 1996 [section 27]). It is worth specifying that while it does not refer purely to the 'right to social security', the Constitution of South Africa promotes and protects the right to have access to social security. This right is backed by a number of other social security related fundamental rights, such as the right to have access to health care services (Section 27(1)(a)); the right to sufficient food and water (Section 27(1)(b)); the right to adequate housing (Section 26(1)); the right to education (Section 29(1)); as well as the right of children to basic nutrition, shelter, basic health care services and social services (Section 28(1)(c)). In addition, several other basic rights clearly play an active role in the country's social security arrangements, including the right to equality

(Section 9), the right to respect for and protection of everyone's inherent dignity (Section 10), the right to privacy (Section 14), the right to property (Section 25) and the right to administrative justice (Section 33) (Van Rensburg & Lamarche, 2005, p. 233).

It may be argued that the South African Constitution restricts the scope of the right to social security to social assistance and social insurance on three grounds. First, social security is closely related to, but distinct, from the broader concept of social protection. This line of reasoning seems to suggest that 'social security' as set out in Section 27 of the Constitution should be viewed as referring to only social assistance and social insurance, because that is how the term has been understood (Du Plessis, 2017, p. 196).

Secondly, it is believed that the scope of social security has been limited because the Government understands the term in this way and has planned on this basis, as it draws its authority from the Constitution and must comply with the Bill of Rights. In the South African constitutional framework, the courts have the authority to interpret and rule on what constitutional rights are required of the Government. A court expanding the concept of social security as it is enshrined in the Constitution, would, therefore, not compel the government to carry out activities that it is not already undertaking (Du Plessis, 2017, p. 196).

Thirdly, a further possible rationale for a limited approach to social security is that the ILO draws a distinction between social protection and social security, and *Convention 102* only makes provision for specific risks (Du Plessis, 2017, p. 196).

As the UN Special Rapporteur on extreme poverty and human rights, Philip Alston points out, 'social protection is a human right, enshrined in multiple sources of international law' (Special Rapporteur, 2014. para. 34; Morlachetti, 2016, pp. 11-12). In fact, the Report regards the 'right to social protection' as 'no more than a combination of the right to social security and the right to an adequate standard of living'. The UN's stance has, therefore, settled the question as to whether the 'right to social protection' should be considered an existing human right, or a new one, given the fact that none of the relevant international and regional human rights instruments refers specifically to it (Special Rapporteur, 2014. para. 34). In fact, these instruments recognise social security as a human right and specifically refer to the 'right to social security' (Hujo et al., 2017, p. 5-6).

The rights-based approach is further emphasised by ILO and UN instruments, which commit States to recognising and fulfilling the right to social protection. As mentioned previously, this right is also articulated in the prominent instruments among them, notably the UN Covenant on Social and Cultural Rights and the ILO Social Security Conventions and Recommendation 202 concerning National Floors of social protection. The States that have ratified these instruments would have their commitment translated into law 'through treaties, customary international law, general principles, regional agreements, and domestic law that express and guarantee human rights' (Mitchell, 2017, p. 5; Singh, 2014; Willems, 2010, p. 865).

Although they are not all binding, such commitments, nevertheless, define the norms and standards to guide Member States; those that are soft and nonbinding can be evoked in securing the commitment of governments to social protection (Coll-Black et al., 2018: 190-91; Frey & MacNaughton, 2018, p. 188; Dupper, 2013, pp. 63-73; Kaltenborn, 2013, pp. 53-62; Kalula, 2020). It is worth pointing out that the adoption of *Social Protection Floor Recommendation* in 2012 by the International Labour Conference marked a new phase in the history of global social policy. A comparison between the Recommendations with General Comment No. 19 reveals the connection existing between that ILO law (including ILO-soft law) and human rights in the field of social protection (Kaltenborn, 2020, p. 37; Plagerson, 2017, p. 457).

In terms of international human rights, instruments pertaining to social protection and social security include the *Universal Declaration of Human Rights* (Article 22); the *International Covenant on Economic, Social and Cultural Rights* (Article 9); *the Convention on the Rights of the Child* (Article 26); *the Convention on the Elimination of all forms of Discrimination against Women* (Articles 11, para. 1(e) & 14, para. 2(c)); *the International Convention on the Elimination of All Forms of Racial Discrimination* (Article 5(e)(iv)); *the International Convention for the Protection of Migrant Workers and their Families* (Article 27); General Comment No. 19 by the supervisory UN organ, tasked with supervising compliance with and interpreting the ICESCR, also affirms the right to social security (UN Committee on Economic, Social and Cultural Rights (CESCR), General Comment No. 19: The right to social security (Article 9 of the Covenant), 4 February 2008).

In terms of international labour standards, the relevant instruments include ILO Convention, 1952 (No. 102) and *ILO Recommendation No. 202* (preamble, paras. 2 & 4).

With regards to regional human rights standards, it is worth mentioning the *Constitutive Act of the African Union* (Articles 3 & 4); the *Ouagadougou Declaration and Plan of Action on Employment Promotion and Poverty Alleviation,* 2004; the *Livingstone Call for Action (2006); the Social Policy Framework for Africa* (2008); the *Yaoundé Declaration* (2011); and the *AU Social Policy Framework, 2008.*

From a sub-regional perspective, the relevant instruments include the Charter of Fundamental Social Rights in SADC, 2003 (Article 19); the Code on Social Security in the SADC (Article 4(1)); and the SADC Protocol on Employment and Labour, 2014 (Olivier, 2009, pp. 89-92; Srinivasan et al., 2016. p. 56; Davis D et al, 1997, p. 356).

Although these human rights provisions are translated into constitutions and national legislation of most African States, as previously pointed out, many countries in the SADC region find it difficult to effectively provide social protection and human rights (ILO, 2011, pp. 33-34). In this regard, two main arguments are put forward to explain why SADC constitutional frameworks extend little social security protection to non-citizens. First, the constitutions established in some SADC countries refer to social security in general terms and do not create directly enforceable social security or broader social protection rights.

Secondly, anti-discrimination provisions enshrined in these constitutions are rarely made applicable to non-citizens. As previously pointed out, the South African Constitution is a notable exception in this respect (Olivier, 2011, p. 131).

In other jurisdictions, such as Namibia (see Constitution of the Republic of Namibia, 1990, Act No. 1 of 1990, Section 95), Lesotho (Constitution of Lesotho, 1993, No. 5, Section 30) and Mauritius (Constitution of the Republic of Mauritius 1968, Section 94), social protection is a 'guiding constitutional principle', obliging the State to progressively implement social security within parameters of available resources. As Zamuee (2019, p. 99) indicates, Namibia has taken steps to enact legislation to implement social security through occupational pensions and social safety nets. This is regarded as a positive development towards the ratification of important international social security instruments, such as the *ILO Convention 102,* which Namibia has not yet ratified (Namibia, 2015/16).

According to the report on the Namibia Social Protection Floor Assessment, Namibia has a comprehensive social protection system compared to the rest of sub-Saharan Africa and large parts of the developing world (ILO, 2014, p. 51). In this regard, it is worth pointing out that Namibia has been significantly influenced by South Africa in terms of the legal environment in general, including in the area of pension funds and social security. The two countries share many similarities regarding pension schemes, especially as both have non-contributory pensions. This means that other than through the earnings of government employees, the social pension is funded directly from the national budget and financed through tax revenue and other sources of governmental income (Cha & Ramesh, 2017, p. 22; Devereux, 2010).

In addition to South Africa, Namibia, along with Mauritius, has the most rights-driven social protection in the region (Zamuee, 2019, p. 100). Mauritius has been hailed as having implemented an exemplary social protection system which involves a model three-tier occupational social protection scheme. This system is vertically integrated and aligned to universal and comprehensive coverage of both the informal and the formal sectors (Zamuee, 2019, p. 101; Stiglitz, 2011; Midgley, 2020, p. 92).

Furthermore, Mauritius is regarded as one example where the overall social protection system is residence-based, whereas in most of the SADC countries, the social security and social assistance systems are basically territorial- and nationality-based. It appears, in fact, that the lack of protection granted to migrant workers in the field of social security is one of the root causes of social exclusion in the SADC region (Olivier, 2003, p. 110; Olivier et al., 2002, p. 47). This is certainly a challenge that must be taken up, for a bright future not only for the SADC region, but also for the sub-Saharan African continent as a whole.

The Changing World of Work: Enduring Challenges and Limitations

There are a few factors, essentially embedded in the changing nature of geopolitics and work itself that account for the current uncertainty and apparent decline in the ILO's original vision. The ILO and its social justice vision is a product of 'Multilateral Consensus', the Wilsonian search for more equitable relations within societies and countries, and with each other. Successful as it has been in many respects, this consensus has been a bruising experience and seems to be overtaken by both ideological and technical developments.

There are two principal developments on the ideological level, both of which are global. First, contrary to earlier optimism about globalisation, it did not bring along the hoped-for economic convergence let alone the equity that some idealists had hoped for. Instead, it polarised the 'global village' into an individualistic self-interest, with the powerful economies increasingly wanting to go it alone, for example the USA. Globalisation actually widened the North-South divide, not to mention internal disparities within countries and societies.

Secondly, there has been an ideological shift by one of ILO's principal constituencies and social partners, the Employers' Group, who now see that the 'Pendulum of Social Justice' has swung too far in favour of workers. Simply put, the argument is that enterprise and the creation of wealth upon which social justice depends on is not being given adequate space. These two ideological factors, reinforced by the changing nature of work itself, led by technological innovation, have called into question the whole idea of 'collectivism' on which current labour law and policy is still based.

Of immediate relevance to Africa and other developing countries is the fact that current labour law, which is supposed to drive equality and equity, is still based on an apparent assumption of large formal sector employment. This of course is no longer the case, as informal settings and smaller workplaces are increasingly the norm globally. In Africa, the narrative is even more drastic given the fact that in sub Saharan Africa, as in most SADC and eastern African countries, for instance, formal employment accounts for less than 10% of working people. Even in Africa's most industrialised country, South Africa, the percentage stands at about 40% and it is declining. And yet legislation and policy, not to mention trade unions, are still preoccupied with the status quo of the second industrial revolution at best (Goldblatt, 2016, p. 106; Kibble, 2004, p. 10; Suruma, 2014, p. 85; Peeters et al., 2009, p. 41; Marais, 2001, p. 194).

The figures and challenges of this reality are staggering and frightening. The ILO Global Commission on the Future of Work said the following: 344 million jobs need to be created by 2030, in addition to the 190 million jobs needed to address current unemployment; 190 million people are unemployed, with 64.8 million being the youth; 2 billion people are in informal employment in the informal economy; 300 million people are working poor, subsisting on less than USD1.90 per day; 2.78 billion people suffer work-related injuries and illnesses with 278 million fatalities as a result of occupational accidents or work related illnesses; 36.1% work excessive hours of more than 48 hours per week; 1.8% wage growth declined from 2.4% to 1.8%; inequality has increased with 1% of the richest receiving 27% of global income, whereas 50% of the poorest received only 12%; and to crown it all in terms of digital expose, only 53.6% of all households have access to the internet, with the figure for the so called emerging economies like South Africa being at only 15% (ILO, 2019, p. 20).

The Quest for Renewal: New Opportunities?

The ILO's response to both has been to pitch for the necessity of social justice in search of its relevancy or as some might say its survival. The appointment of the Global Commission on the Future of Work was a first step. It focused on three areas in what it dabbed "Seizing the moment", namely: Technology; transition to sustainable development; and demographic changes (namely population growth ageing populations). The Commission Report came up with a "Human-Centred agenda for the Future of Work", consisting of "investing in people's capabilities", "investing in decent sustainable work", and "investing in the institutions of work".

It is needless to say that the ILO Centenary Declaration for the Future of Work is an attempt to harness current and anticipated changes in the world of work to renew and enhance social justice. The Declaration seeks to tackle challenges brought about by transformative changes driven by technological innovations, demographic shifts, environmental and climate change and globalisation, which have led to adverse inequalities and have lessened people's dignity.

Moreover, the human-centred approach, which puts social justice, workers' rights and needs at the centre of the world of work through the promotion of the acquisition of skills, addresses existing and anticipated skills gaps, ensures that education and training systems are responsive to labour market needs and not least, mainstreaming gender equality.

The major modus operandi is to increase the capacity to make use of Decent Work opportunities, formulating policies, in particular macroeconomic, trade, industrial, sectoral, investment and infrastructure and so forth that support the goals. Also significant are privacy and security of personal data relating to the digital transformation of work.

Impact of Covid-19 on Employment and Social Protection

The onset of Covid-19 globally is one of the biggest challenges and constraints to attaining social justice and social protection. It has had and continues to have an enormous impact on livelihoods, affecting millions of vulnerable workers and enterprises. As of June 2020, the UN and the ILO Monitor estimates suggest that there has been a drop of 14% in working hours globally, equal to a loss of 400 million full time jobs. A total of 93% of most workers have been affected by lockdowns. The ILO further warns that as the job crisis deepens, labour market recovery at best will be uncertain and incomplete (ILO, 2020, p. 5; UN, 2020).

The unfolding situation inevitably raises serious implications for social protection. Such implications are already apparent in the SADC region, with documented troubling developments in some countries such as Namibia and South Africa. There are two notable cases that have had to do with the impact of lockdown and subsequent consequences that relate to enterprises and livelihoods. The first is the Namibian case of the Namibian Employers Federation versus the President of Namibia, which was decided by the High

Court and is currently on appeal *(Namibian Employers' Federation v President of the Republic of Namibia, 2020).* This case essentially turned on the power of the government to prohibit retrenchments during the Covid-19 in a bid to protect livelihoods. In response to that regulation, the employers contended that it was unconstitutional, and the High Court ruled in their favour. The court rejected the Government's arguments, which essentially turned-on the livelihoods and social protection needs of workers, to mitigate the adverse effects of the pandemic (See Judgment, para. 96).

The second case, which is a South African case, challenged the constitutionality of the 'lockdown-regulations' or the 'Covid-19 regulations' imposed by the Government on South Africa, its citizens and inhabitants in terms of Section 27(2) of the *Disaster Management* Act 57 of 2002 *(De Beer and Others v Minister of Cooperative Governance and Traditional Affairs, 2020).* The applicants, Mr De Beer and the Liberty Fighters Network (LFN) challenged the regulations on the grounds that they infringed on and limited their rights as contained in the Bill of Rights in the Constitution. In response, the Pretoria High Court declared those regulations as unconstitutional and invalid (Judgment, para. 11.).

Conclusion

In this brief reflection, we have sought to show how social protection is a prominent instrument of social justice and that this has been at the centre of the ILO mission since it was established. During its 100 years of existence, much progress was made towards the realisation of that objective. In Africa, that progress has been apparent in many ways, underpinned by the acceptance and implementation of various international instruments, including internationals labour standards. Despite these efforts, much still needs to be done and many challenges remain.

As we observed, the progress that the ILO made in the first century of its existence justifies the appellation of the 20th century being an 'ILO century'. It was well placed to make the progress it made. It benefitted from the post-World War II consensus for a multilateral global system that put the needs for social justice in support of world peace on a pedestal. That consensus was also largely matched by the willingness not only to commit resources but also to find ways of implementing programmes committed to social justice.

Although Africa continued to be on the margins of that vision, there was some progress as is apparent from the policies and programmes of some African countries that have been devoted to the eradication of poverty through what in effect are, or have the effect of social projection.

As the 21st Century dawned, a few factors have adversely affected both commitment and posed new challenges. Such challenges include a breakdown in the multilateral system and challenges brought about as the 4th Industrial Revolution beckons.

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Chapter Fourteen

Mapping Social Protection and Sustainable Development Goals (SDGs) in Namibia

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Abstract

This chapter critically examines the extent to which social protection can be mapped in the context of the Sustainable Development Goals (SDGs) in reducing poverty and inequality in Namibia. Through detailed document analysis, the chapter shows the centrality expression of social protection in furthering inclusion and sustainable development. It argues that the enshrinement of social protection in several international, continental, and regional legal instruments and placing it at the centre of human rights should be the predominant occupation of any State, particularly Namibia. The chapter also posits that achieving universal social protection is part of a country's Sustainable Development Goals (SDGs) and this is clearly expressed through several goals classified as either primary or secondary. As a result, each UN/ILO member State is required to nationally define and provide a context to the national social protection floors and SDG targets. Drawing from several statistics, this chapter shows that although Namibia is providing several social protection programmes, there is inherently no significant positive impact on the reduction of poverty and inequality. In that regard, the social protection schemes offered in Namibia can be said to have performed poorly in the three efficiency and effectiveness indicators, namely: coverage, target accuracy and generosity in terms of the implementation of the social protection guarantees. It is recommended that Namibia should 'decommodify' access to social protection by adopting the universality approach that covers all of the social protection floors, thus ensuring that beneficiaries receive close to 100% of the intended benefits as opposed to means-testing, which ensures less than 70% while the rest goes to fund top heavy administration.

Key words: Social Protection, Social Protection Floors, Social Security, Sustainable Development Goals (SDGs)

What is Social Protection?

Social protection finds expression in the ancient African way of life as enshrined in the African concept of "Ubuntu'' as derived from the proverb "Umuntu Ngamuntu Ngabantu", loosely translated as "I am because you are". This expression speaks to the concept of social justice which connects all people and demonstrates the fact that one can only grow and progress through the growth and progression of others. In contemporary understanding, social protection refers to the socio-economic and environmental measures aimed at drawing the most vulnerable and excluded part of the population into the space created by the haves. Social protection is part of a broader concept of welfare. Welfare implies the provision, accessing and enjoying the right to social services. These can be in the form of universal transfers in cash or in kind aimed to provide a minimum income and livelihood.

States, by virtue of their social contract, have the role of ensuring that social protection is realised. Accordingly, States must put in place labour market policies and institutions that guarantee social security and social insurance. This would ensure that such regimes replace incomes lost due to sickness, maternity, unemployment, invalidity, loss of bread winners and old age. States should invariably also guarantee access to essential goods and services such as health, water, housing, sanitation, education, energy and social work for all. According to Uhuru (2016), quoting Devereux and Sabates-Wheeler (2004), social protection by its very nature also provides four crucial functions which are:

- **Protective:** Providing relief from deprivation (for example, income benefits, State pensions);
- **Preventative:** Averting deprivation (for example, savings clubs, social insurance);
- **Promotive:** Enhancing incomes and capabilities (for example, inputs); and
- **Transformative:** Social equity and inclusion, empowerment, and rights (for example, labour laws).

The International Labour Conference (ILC) 101st Session held on the 14th June 2012, adopted recommendations that underlined these aspects of social protection as a guiding instrument for Member States and these were based on the basic National Social Protection Floors (NSPF) which have a direct link to a number of SDGs which are the 2030 Global Agenda.

This recommendation urges all Member States to establish as quickly as possible and maintain their social protection floors comprising of basic social security guarantees. The guarantees are to ensure that all those in need have minimum access to essential health care and basic income security which by extension assists in effective access to goods and services as can be defined in the Namibian context.

Table 14.1 unpacks the 4 National Social Protection Floors as stated in the recommendation and aspects that the Namibian Government needs to provide legislatively or otherwise.

Table 14.1: Social Protection Floors

NSP – Floors:	Meant for:	Description
1) Goods and services	Health care and maternity	Should meet these criteria: Availability Accessibility Acceptability Quality
2) Basic income security	Children	To assist in: Nutrition Education Care and any other necessary goods and services
3) Basic income security	Sick Unemployed Maternity Disability	For: Active age persons who are unable to earn sufficient income
4) Basic income security	Old age pensioners	Universal

Source: Author compiled from ILO Recommendation 202

Social Protection in the International Policy Framework

Social protection is not a fundamental human right as affirmed in Article 22 of the Universal Declaration of Human Rights of the United Nations (UN). It is however an enabling right with direct impact on the realisation of all other human rights including economic, social and cultural rights which are indispensable for dignity and the free development of a personality.

As per the UN, social protection should guarantee the full life cycle of a human being, the minimum access to essential health care, basic income security, education, housing, food, water and sanitation, which together secure effective access to essential goods and services among others, including fair administration of justice. Subsequent to the global declaration, various regional, continental and international institutions developed a widespread agreement in the form of guiding principle tools on social protection. Social protection is now being observed across the spectrum as a human right as it is entrenched in several interactive and regional instruments. Below are the various main instruments on social security and related floors adopted by both the UN and the ILO. The ILO is one of its specialised agencies with a unique charter of tripartitism in carrying out its mandate. The UN has two Declarations and four Conventions while the ILO, since 1944, has adopted nine Recommendations and eight Conventions, all geared towards amplifying the quest for a comprehensive social protection coverage for all as presented in Table 14.2.

Table 14.2: UN – General Assembly Resolution (R)

Instrument	R - 2 number / Year	Article / section	Description
1) Universal Declaration of Human Rights	R-217A (iii) of 10 December 1948	122	Every member of society has the right to social security
2) Convention on the rights of persons with disabilities	R-A/RES/61/106 of 13 December 2006	28 (2) (b)	To ensure access to social protection and poverty reduction programme to person with disabilities.
3) Convention on the rights of the child	R-44/25 of 20 December 1989	26 (1)	……shall recognise for every child the right to benefit from social insurance.
4) Declaration of commitment on HIV / AIDS	R-S-26/2 of 27 June 2001	Section 68	……adopt economic and social development policies including social protection policies for people living with HIV/AIDS
5) International Convention on the Protection of the Rights of all Migrant Workers & members of their families	R – 45/158 of 18 December 1990	27 (1) and 61 (3)	With regards to social security, migrant workers and members of their families shall enjoy some treatment granted to nationals.... Project-tied workers…. adequately protected by the social security systems.

International Convention on Economic, Social and Cultural Rights	R-200 A (XXI) of 16 December 1966	9	…recognise the right of everyone to social security including social insurance

Source: Author compiled from UN legal instrument

Table 14.3 explains and shows that elements of social protection originate from different historical periods and diverse understandings. In fact, the genesis of social protection systems in Namibia are found in the South African (SA) pension system, which dates back to 1928, way before the adoption of the United Nations Universal Declaration of Human Rights. The main social protection system then was the Old Age Pension (OAP) which was extended to Namibia in 1949, a year after the UN Human Rights Declaration, for the white population only but gradually extended to universal coverage to all with time. In 1965, the OAP was extended to include coloured people, and in 1973 it finally covered black people as well.

Table 14.3: ILO Conventions and Recommendations that have Relevance to Social Protection

Convention				Recommendation		
	Tittle	Year	Number	Title	Year	Number
1	Socia Security (minimum standards)	1952	102	1) Income Security	1944	67
2	Equality of Treatment (social security)	1962	118	2) Medical Care	1944	69
3	Employment Injury Benefits	1964 (and amended in 1980)	121	3) Employment Injury Benefit	1964	121
4	Invalidity, Old – Age and Survivors Benefits	1967	128	4) Invalidity, Old Age and Survivors Benefit	1967	131
5	Medical Care and Sickness Benefits	1969	130	5) Medical Care and Sick Benefit	1969	134
6	Employment Promotion and Protection against Unemployment	1988	168	6) Maintenance of Social Security Rights	1983	167
7	Maternity Protection	2000	183	7) Employment Promotion and Protection Against Unemployment	1988	176
				8) Maternity Protection	2000	183
				9) Social Protection Floors	2012	202

Source: Author, compiled from ILO International Instruments

In addition to this, the African Union (AU) also has a Charter on Human and People's Rights, and together with Agenda 2063, both pursue the goals of high standard of living, quality of life and the wellbeing for all citizens, *"through the priorities of affordable social security and protection for all".* It is important to underline the fact that after the adoption of Agenda 2063, the Protocol to the African Charter on Human and People's Rights on the Rights of

Citizens to Social Protection and Social Security was developed, as well as Social Agenda 2063. The latter illuminates the social development investments required, including those to do with social protection so as to achieve the social development outcomes of Agenda 2063. In addition to being human rights-based, prioritising inclusion (leaving no one behind) towards combating poverty and inequality, Social Agenda 2063 is premised on 9 social policy pillars. The AU social policy framework recognises that social protection should be a State obligation. It also highlights a number of key priority pillars which constitute elements of social protection such as increased incomes and the provision of decent jobs for the working age, healthy and well-nourished citizens and affordable and sustainable access to quality basic necessities of life, among others.

At the regional level, the SADC has a Charter on Fundamental Social Rights, which among its objects is Article 2 that explicitly aims to promote the establishment and harmonisation of social security schemes among Member States. The same Charter affirms in Article 10 the need for social protection where it directs the creation of an enabling environment where every worker shall enjoy a right to adequate social protection while entitling them to receive sufficient resources and social assistance to those who have been unable to either enter or re-enter the labour market.

In expanding the operationalisation of the Charter, SADC has further developed several instruments, among others, the Code on Social Security (2007), the Labour Migration Policy Framework (2016), and the Portability of Accrued Social Security Policy Framework (2016).

Social Protection in the Context of Global Compact – Sustainable Development Agenda (SDGs)

On the 25 September 2015, 193 Member States of the UN General Assembly adopted a new global development compact entitled, *“Transforming our World”.* The 2030 Agenda for Sustainable Development Goals (SDGs) came into force on the 1st January 2016 (Office International Labour, 2012). This new global compact, better referred to as SDGs, was preceded by another Global Development Framework which was known as the Millennium Development Goals (MDGs), adopted at the Millennium Summit in the year 2000. The MDGs had 8 goals which were aimed to be realised over a 15-year period that is from 2000 through to 2015. The successor of the MDGs, which is the current Sustainable Development Goals (SDGs), has 17 goals accompanied by 169 targets which are detailed through a set of indicators focused on measurable outcomes.

According to the International Training Centre of the ILO, (ITC, ILO, 2017), the SDGs framework goes beyond the MDGs, so besides addressing the basic development objectives like ending poverty and hunger, it sets out a wide range of economic, social and environmental objectives in an integrated approach based on human rights. SDGs in a nutshell, balance the 3 dimensions of sustainable development which are social, environmental and economic (people, plants and prosperity).

World leaders from the very outset on adopting the SDGs recognised and reaffirmed the importance of the Universal Declaration of Human Rights, as well as other international instruments relating to human rights and international laws as stated earlier. They emphasised the responsibilities of all States, in conformity with the Charter of the United Nations, which are to respect, protect and promote human rights and fundamental freedom for all.

SDGs recognise that the achievement of full human potential is not possible if two thirds of humanity continue to be denied their full human rights and opportunities by individualistic and neo-capitalist systems. This is the gist of social protection for all and it plays a pivotal role in reducing poverty and inequality, and guaranteeing decent life by ensuring, across the human life cycle, access to goods and services which comprise of essential health care and maternity, and basic income security for children, the sick, unemployed, disabled and older persons, which are the floors of national social protection. Universal social protection is part of the SDGs and it is clearly expressed through several different, but interrelated goals and targets, some having primary expression and others having secondary linkages. Table 14.4 summarises the SDGs based on whether they are a primary or secondary expression of social protection.

Table 14.4: SDGs: Primary or secondary expressions of social protection

Goals	Primary	Secondary
1	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage for the poor and the vulnerable	By 2030, eradicate extreme poverty for all people everywhere…
	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
	By 2030, building the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	

2		By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year-round
3	Achieve universal health coverage, including financial risk protection, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	
	By 2030, substantially reduce the number of deaths and illness from hazardous chemicals and air, water and soil pollution and contamination	
4	By 2030, ensure that all girls and boys have access to a completely free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	
5	Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate	
6		By 2030, achieve universal and equitable access to safe and affordable drinking water for all
7		By 2030, ensure universal access to affordable, reliable and modern energy services

8	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including access to financial services	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through focus on high-value and labour-intensive sectors
	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value	By 2030, substantially reduce the proportion of youth not in employment, education or training
		Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst of child labour, including the recruitment and use of child soldiers, and by 2025 end child labour in all its forms
		Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
		By 2020, develop and operationalise a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organisation
10	By 2030, progressively achieve and sustain the income growth of the bottom 40% of the population at a rate higher than the national average	
	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	

	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	
11	By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
		By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
16		End abuse, exploitation, trafficking and all forms of violence against and torture of children
17		Enhance global macroeconomic stability, including through policy coordination and policy coherence
		Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development Multi–stakeholder partnerships
		Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Source: Author compiled from SDGs

The primary expression of social protection in the SDGs is the recognition that people should enjoy basic standards of living and they should have access to basic services such as universal health coverage and care which reduces the number of deaths and illnesses. It also provides for the provision of free, equitable and quality education at all levels, access to housing and income growth which would ensure social, economic and political inclusion. These SDGs acknowledge and value the unpaid care and domestic work, which by all material means, includes the whole informal sector which must enjoy equal provisions of public services, infrastructure and social protection.

The secondary social protection targets of SDGs are those elements of human development attained as a direct result of the substantial implementation of social protection as required by the relevant instruments. If everyone in society has access to the social protection floors, then poverty will be reduced and eventually eradicated as will hunger. If children are ensured access to quality education and training, as envisaged by the floors, then the full potential of every person in terms of productivity and the observance of rights, both at work and in the society, then social dialogue will be the order of the day. There has been some underestimation in recognising the impact of access to energy and public transport by the vulnerable as enablers for the utilisation and full enjoyment of what social protection is providing.

It is instructive to single out Goal 8 as this *goal seeks to promote sustained and inclusive economic growth coupled with full and productive employment and decent work for prosperity of all.* Goal 8 further seeks to promote the building of dynamic, innovative and people centred economies that take care of youth employment and women's economic empowerment, and which embrace decent work for all. This goal rejects jobless and/or salaries stagnant economic growth as it is widely established that this might be necessary but insufficient for both poverty and inequity reduction.

Clearly, to achieve the envisaged economic growth that results prosperity for all requires that decent work is placed at the heart of macro-economic policies alongside fiscal and monetary policies (International Training Centre of the International Labour Organisation, 2017). Goal 8 also makes it clear that the *"creation of decent jobs cannot be seen simply as a by-product of growth but must rather be one of the central concerns in the design of the economic growth strategy".* This implies that sound economic governance which places emphasis on decent work, employment, redistribution, wage-led economic growth and a sustained fiscal commitment to social protection constitutes some of the elements that can assist countries to confront social challenges.

The ILO Decent Work agenda has 4 pillars, namely employment, rights at work, *social protection* and social dialogue, which find expression in several SDG targets. For example, rights at work are found in SDGs Targets 8.7 and 8.8. This deals with the protection of labour rights and the promotion of a safe and secure working environment, and taking measures that can eradicate forced labour. Social dialogue is found in Target 17.17 while the other two, namely, employment and social protection, are clearly spelt out.

Unveiling Social Protection in the Context of SDGs in Namibia

Namibia is one of the countries with a high inequality (SDG 9) rate in the world and if this inequality persists and grows, the aspirations of the 2030 Agenda for Sustainable Development will remain unfulfilled. According to the United Nations Development Programme (UNDP) 2019, inequalities hurt societies and weaken social cohesion and people's trust in the government, institutions and each other. It hurts economies and prevents people from reaching their full potential at work and in life. It also makes it harder for political decisions to reflect the aspirations of the whole society and also fails to protect our planet as a whole.

Economic inequality together with other forms of inequality in key sectors of human development such as health, education, dignity and respect for human rights continue to haunt Namibia in its desire to achieve the 2030 Agenda for Sustainable Development. As a result, Namibia in relation to its neighbours is ranked at number 130 in the Human Development Index (HDI) as opposed to South Africa and Botswana who are at positions 113 and 94 respectively. Namibia's HDI value for 2018 is 0.645, which puts the country in the Medium Human Development category, while neighbouring SA and Botswana are in the High Human Development category (UNDP, 2019). The HDI looks at 3 basic dimensions of human development which are long and healthy life, access to knowledge, and a decent standard of life. All these form part of the social protection floors, namely, health care and maternity, education and income security, which the SDGs are designed to address.

There is now, however, widespread acceptance that social protection serves as a social and economic stabiliser in times of crisis (Trade Union Congress of Namibia, 2017). Social protection is the economic necessity to unlock the full economic potential and it is a powerful policy instrument to combat poverty, insecurity and inequality (ILO, 2014). Thus, for instance, Namibia's response to the Covid-19 pandemic should have been better if it had defined both its social protection floors and social security benefits in line with all the international policy frameworks and SDGs to which it is anyway a member and signatory to as well.

All social protection/security benefits introduced in Namibia after independence were commodified (pay the price to benefit) except for the Old Age Pension (OAP), which was introduced way before independence as a no means-test benefit. The OAP in Namibia, from the outset was introduced on the principle of universality, except in payments whereby the white communities were receiving higher monthly payments than their black counterparts as part of the apartheid system. What the new Government at independence did to the OAP was to equalise the benefits (pay-out) for both white and black beneficiaries. However, it is an undeniable fact from various analysis that Namibia, since independence in 1990, has placed a high premium on public resources to address poverty, inequality and other social policy objectives with an average of 5% of total share, and 2% of GDP compared to 1.6% of other developing countries and 2.9% of the OECD (World Bank, 2016). Despite this generous spending, the target efficiency of the direct transfer is relatively low. This is because of Namibia's failure five years into the implementation period of SDGs, in defining the national guarantees of social protection floors as required by ILO Recommendation 202, together with SDG targets and indicators. The second contributing factor to this persistent high poverty and inequality is the wrong qualification criteria which led the country to perform poorly in terms of coverage, target efficiency and generosity as indicators of the effectiveness and efficiency of social assistance to the population. Table 14.5 shows the effectiveness of the social protection programmes in reducing poverty and inequality in terms of performance indicators as received by both direct and indirect beneficiaries in Namibia.

Table 14.5: Impact of social protection programmes in reducing poverty in Namibia

Social Protection Benefits	Distribution as per GDP share in percentage	Coverage of the population Total 27.2	Indicators as per the Quintiles in percentage					
			Q1 - Poorest			Q5 – Top		
			C	T	G	C	T	G
Old Age Pension	59	17.2	22.2	19.2	70.9	6.8	14.0	10.2
Children Grant	11	6.3	6.6	12.2	26.0	2.6	16.9	8.4
Veteran Grant	6	1.2	2.0	22.4	51.2	1.0	24.0	11.2
Foster Parent Grant	6	2	2.3	14.4	26.1	2.0	28.2	6.1
Disability Grant (Adult)	12	4.2	6.3	19.7	39.1	1.1	13.7	13.2
Disability Grant (children)	6	1.3	0.7	1.9	27.1	2.2	71.8	22.6

Source: (Author adapted from the World Bank 2016 Report)

There are a number of other social protection benefits that have not formed part of the above statistic such as funeral benefits, food banks, maintenance grants, special maintenance grants, place of safety allowances and other in-kind guarantees (Uhuru, 2019). Irrespective of the fact that they have not been cited here, their overall performance in terms of effectiveness and efficiency will not differ from the ones in the Table.

The OAP is the biggest recipient of the total GDP share with 59% of social grants and it is the grant that is most appreciated by the poorer sector of the population of elders with 70.9% compared to the 10.2% of the rich quintile. What is interesting is that the disability grant for children is being mostly enjoyed by the top quintile families than the bottom poor quintile which has a target efficiency of only 1.9% compared to 71.8% for the rich people. This demonstrates that most children with disabilities from poor families are not enjoying this benefit. The overall coverage of the benefits is a worrisome situation across the benefits except for the Old Age pensioners who at least have 22.2% of coverage, which is close to a quarter of the targeted group.

As shown in Table 5, it is clear that the effectiveness of the social protection programmes in Namibia is misplaced. This is why programmers are and have been unable to reduce both poverty and inequality to acceptable levels even with the considerably high fiscal share that goes towards the social sector. In order for social protection programmes to have a positive impact in reducing the level of poverty and inequality, this depends on whether they are adequate to reduce the consumption gap together with the administration gap which involves both the identification of beneficiaries and the delivery of benefits (World Bank, 2016). Table 5 above suggests that Namibia has a long way to go if it is serious in wanting to confront the social and economic challenges head on.

The provision of social protection adds value to both the micro-economic and monitory regimes as it increases the buying power, which in turn contributes to the national revenue through taxes and other consumable enablers such as credits. According to the Ministry of Finance (2020), taxes in Namibia in 2019 came mainly from personal and profit income tax, consumption tax (value added tax) and international tax. In 2019, Value Added Tax (VAT) accounted for close to a quarter of the Government's total revenue at 23%, while corporate tax accounted for 14%, personal income tax 25% and SACU 35%. From this information, it is clear that if income is secured for all through social protection mechanisms, the buying power will increase, which will push the VAT from the latest recorded revenue proportion of 23% to a higher percentage.

Ultimately this will improve overall Government revenue which can be re-used to re-finance social protection programmes and will create more consumption, which in turn will generate more demand resulting in higher resources circulation within the economy.

Conclusion and Recommendations

The effectiveness of social protection programmes in changing the lives of the population as it is envisaged, depends on whether these programmes cover a significant number of the victims (poor) and whether they are adequate to meet the daily demands of the population's basic needs. This could be assessed through monitoring the efficiency indicators about coverage, target accuracy and generosity.

The international legal and SDG policy frameworks provide space for all national social protection stakeholders to initiate dialogue on determining the direction of social protection in Namibia as required. This space needs to be used for maintaining the social protection and the SDG debates with the aim of providing the national context, as well monitoring and contributing to the national SDG reports. The key is to capacitate by providing training to the right stakeholders.

Namibia exceeds the average spending on public transfers for sub-Sahara African countries with overall fiscal spending, and thus its efficiency can be significantly improved if Namibia wants to effectively reduce poverty and inequality. If this has to happen, there is a need, without further delay, to decommodify access to social protection by adopting the universality approach as the best tested coverage of social protection floors in the contemporary systems. The universality approach ensures that the beneficiary receives close to 100% of the intended benefit as opposed to means-testing, which ensures that approximately less than 70% of benefits are received by the beneficiary while the rest goes towards administration.

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Chapter Fifteen

Portability of Social Security Benefits in the SADC Region – Right to Access to Social Security by Migrant Workers in the SADC

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Abstract

The SADC Labour Migration Policy Framework provides for the right to transfer one's earnings and for migrant workers to enjoy equal treatment as nationals in matters concerning their past employment[1]. National laws must thus be adjusted to enable access to migrants. However, the new corona virus (Covid-19) has brought forth new challenges. Social security systems and access to prescribed benefits to workers and their families are now under more severe threats. For migrant workers, these challenges are even more and policies need to be adapted to accommodate the right of access to social security and social protection by these workers. This chapter contains an assessment of the barriers to access and the portability of social security benefits for migrant workers in the region by looking at gaps in the existing regional and national instruments/legislations and making recommendations on addressing these. It recommends policy options and appropriate instruments that can assist in promoting and protecting the rights of migrant workers for them to access social security in the SADC region.

Key words: Portability of Social Security, Social Security Systems, Labour Migration, SADC

Introduction

The right to social security is regarded as a basic human right by international, regional and some national frameworks in Africa. Many instruments have been developed to regulate standards relating to access, protection and enforcement of social security rights with the aim of achieving the targets set in the Sustainable Development Goals (SDGs). Goal number 8 (8.8) makes reference to social protection for all workers and also the need to secure decent work for all workers in the world[2].

1 Paper by Lawyers for Human rights, titled "Critique of the 1964 bilateral agreement between South Africa and Portugal (now Mozambique)"

2 https://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-8-decent-work-and-economic-growth.html

One significant gap in the realisation of the above goals is the lack of access to or coverage of migrant workers by national social protection schemes, and when covered, the lack of portability of social security benefits for the migrant workers who usually are employed under different conditions than nationals. The mining and agricultural sectors were identified as two key employing sectors for migrant workers in the Southern Development Community (SADC), where inadequate access to and the portability of social security benefits have posed serious problems. South Africa was identified as one country that attracted many migrant workers from its neighbours who had to work in its mines over many years. This chapter thus makes reference to this country in its analysis of this topic.
The chapter aims to assess barriers to access and the portability of social security benefits to migrant workers in the mining industry by looking at gaps in existing regional and national legal instruments and to provide recommendations on how to address those portability gaps. The aim of the chapter is to inform policy makers and other actors in the economy to adopt policies and appropriate instruments that can assist in promoting and protecting the rights of migrant workers to social security in the SADC region.

The SADC Ministers of the Employment and Labour Sector (ELS) adopted a non-binding framework on “Portability of Accrued Social Security Benefits” in May 2016. This was an important development in the subject matter given the slow progress in the execution of other existing frameworks[3] that would help the migrant workers to access their social security benefits in the region. The ELS Ministers and Social Partners agreed to advance and make progress towards the coordination, harmonisation and integration of social protection in the region. This would be done through the realisation and implementation of international standards applicable to migrants and non-citizens. There is thus need to address the impediments to the effective implementation of regional social protection frameworks, as well as strengthening SADC’s capacity and policy instruments.

It is important to recognise the portability challenges faced by migrant workers all over Africa and to learn from other Regional Economic Communities in Africa and beyond, how issues of the portability of social security benefits can be implemented in the SADC region, by making reference to the agricultural and mining sectors’ research work which was carried out by the present author in 2018 under the auspices of the ILO[4].

Background to Portability of Social Security Benefits to Migrant Workers in SADC

The SADC’s social protection schemes offer various benefits to members and their dependents. The national social protection schemes in the region differ significantly both in scope, nature and rules that make the coordination and harmonisation impractical in many instances. There is rich literature about this topic and several workshops and meetings were held in the region, during which critical and useful information was shared.

3 Other SADC instruments and policies include, among others, SADC Treaty, SADC Protocol on Employment and Labour, SADC Code on Social Security (2007)

4 Extending social security protection access and portability of benefits to migrant workers and their families in selected REC’s in Africa project on the Agricultural and Mining sectors in SADC, by two ILO External Collaborators, Dr H.C. Chikova and D.A. Keendjele was carried out during 2018

Social protection for migrants consists of a number of components, of which two important ones relate to access to social protection in both the host and countries of origin, and the portability of vested social security rights between same.

Over many years, the Republic of South Africa (RSA) sourced its migrant workers from its neighbours, and these workers had to work mainly in its mines, and as such much focus is on the exportability of accrued social security benefits from RSA to its neighbours than the opposite. However, there is now a circular movement of migrant mineworkers in the region, thus necessitating the full consideration of the portability of social security benefits among these nations.

Access by migrants to social security is essentially a matter of national law and practice. The host country regulates what benefits migrants have access to and under what conditions. Additionally, it defines what benefits can be received after leaving the country. However, even where national laws dictate that the law must apply equally, the protection for migrant workers may be limited by the fact that a high proportion of migrants return to their countries of origin after retiring or at the end of their work contracts. It is therefore necessary to review national legislation to see whether and to what extent migrants are disenfranchised from accessing their accrued social security benefits.

One observed trend in the realisation of the portability of accrued social security benefits among African States was the conclusion of bilateral and multilateral agreements between nations that guide how migrant workers will be treated by national social security schemes and how these migrants will benefit from such schemes during and after the termination of their services in the host country. A number of regional instruments have provisions that can guide a possible portability agreement.

The SADC Labour Migration Policy framework[5] states in section 5.1.5.iii a number of human rights considerations that States ought to take into account when formulating such a policy. These include the right to transfer one's earnings and for migrant workers to enjoy equal treatment with nationals in matters concerning their past employment[6].

Migration Context and the Social Protection Perspective

International Context

The number of international migrants worldwide has continued to grow, rapidly reaching 244 million in 2015, up from 222 million in 2010 and 173 million in 2000. While nearly two thirds of all international migrants worldwide live in Europe or Asia, about a tenth live in Africa (United Nations, 2016). According to UNDESA, about 30 million Africans moved out of their countries of origin in 2013 but more than half of them stayed in Africa[7]. Of those

5 SADC Ministers of Employment and Labour adopted framework, Cape Town SA, 2016
6 Paper by Lawyers for Human rights, titled "Critique of the 1964 bilateral agreement between South Africa and Portugal (now Mozambique)"
7 See http://www.ilo.org/addisababa/media-centre/pr/WCMS_402369/lang--en/index.htm

who stayed in Africa, 65% of sub-Saharan Africans moved within the region and 80% of West Africans stayed in West Africa. The Africa-to-Africa migration corridor, with about 19 million international migrants in 2017, represented the fifth largest in the world. Between 2010 and 2017, the number of African migrants residing in Africa increased faster than any other regional corridor, except for the Asia-to-Asia corridor (United Nations, 2017). In 2015, 5% of the population in Southern Africa was migrant (United Nations, 2016).

African Union Context

Extending social security access and portability to migrant workers and their families would realise numerous continental policy frameworks' priorities, including the 2016 African Union Migration Policy Framework, which recommends the need to "Provide social protection and social security benefits, particularly unemployment insurance, compensation for employment injury and old age pension for labour migrants while working abroad and/or upon their return".

Establishing and strengthening social protection floors in host and sending countries that extend social pensions and other non-contributory or partially subsidised benefits to all, including migrant workers, in line with Recommendation No. 202, will enhance the social protection coverage of migrants and their families, including families left behind. Moreover, it can facilitate the return and reintegration of migrant workers and encourage regular migration and mobility mechanisms.

SADC Context

Historically, informal and rural employment and livelihoods in agriculture, forestry, fishing, mining and domestic work are common sectors of work for migrants. In addition to limited coverage and access to social protection, these categories of workers face employment related risks. In the agricultural sector, for example, employment or contractual arrangements range from permanent formal jobs to more informal forms of work, including temporary, casual and seasonal labour. Employment is largely driven by the agricultural seasonal calendar, with more work during peak seasons. Migrant workers in this sector face high levels of job insecurity, low and variable wage levels, poor working conditions and lack of many or all of the employment and social security benefits available to formal workers.

Moreover, financial services/arrangements available for the portability of benefits was highlighted as an important area of study by the SADC. These arrangements may or may not facilitate the effective payment of benefits to beneficiaries. It is thus important to examine the role, opportunities and obstacles for the effective engagement of the financial services sector in expanding access and portability for migrant workers in the sub-region.

The majority of migrants in the SADC originate from within the region. Table 15.1 shows the migration patterns among the top five sending and receiving countries within the SADC. The table confirms that the SADC-to-SADC migration corridor is strong, with South Africa as the most preferred destination.

Table 15.1: Migration patterns within selected SADC countries (2013)[8]

Country	Percentage received from within SADC	Percentage to SADC	Percentage to (SA)
Lesotho	89.0	99.8	96.5
Malawi	100.0	93.9	26.2
South Africa	80.5	0.0	-
Swaziland	98.0	97.4	96.7
Zimbabwe	95.0	74.0	62.6

The 2011 South African population census reported that more than 75% of foreign-born migrants living in South Africa came from the African continent and of these, 68% were from SADC countries[9]. Zimbabwe, Mozambique, Lesotho, Malawi, Swaziland and Namibia were among the top 10 "sending countries" (countries of origin of migrants) in 2016, with almost half of working age Basotho (Lesotho) men working in South Africa[10].

Conclusion

The number of migrants within the SADC region has not been matched by a corresponding intra-regional portable social security system. SADC does not have a multilateral arrangement to regulate the coordination and portability[11] of social security benefits within the region. As a result, countries have had to rely on bilateral arrangements. Not many such arrangements are in place, and where they are, they are mere labour agreements and not conventional social security bilateral arrangements (Olivier, 2009).

Social Security Schemes in the SADC Region

A brief summary of the social security schemes in nine SADC countries is presented below. This is followed by a discussion of how the portability of social security benefits can be implemented in the diverse regimes prevalent in the region.

8 https://esa.un.org/miggmgprofiles/indicators/files/Zimbabwe.pdf;
https://esa.un.org/miggmgprofiles/indicators/files/Swaziland.pdf;
https://esa.un.org/miggmgprofiles/indicators/files/Lesotho.pdf;
https://esa.un.org/miggmgprofiles/indicators/files/Malawi.pdf;
https://esa.un.org/miggmgprofiles/indicators/files/South Africa.pdf.

9 https://africacheck.org/factsheets/geography-migration/

10 Community Survey 2016, Statistical Release P0301/Statistics South Africa. Pretoria. Statistics South Africa, 2016.

11 "the ability to preserve, maintain and transfer vested social security rights or rights in the process of being vested, independent of nationality and country of residence": Avato, Johanna/Koettl, Johannes/Sabates-Wheeler, Rachel 2009: Social Security Regimes, Global Estimates and Good Practices: The Status of Social Protection for International Migrants, in: World Development 38: 4, pp. 455-466.

Botswana

Pensions and Provident Funds - regulated by the Pensions and Provident Act (CAP27:03) of 1987.

There are more than 94 Pension and Provident Funds registered, including a Fund for miners covered by the Debswana Pension Fund[12]. Membership of this Fund reached about 11,957 workers in 2016. Of these, 5,809 were active members, 2,405 were deferred members, 3,628 were pensioners and 115 were beneficiaries (Debswana Pension Fund, 2016). The Fund was later to pay out severance to all workers after every five years of employment, back dated to 1992, irrespective of their current employment status.

The 2016 Annual Report of the Debswana Pension Fund neither contained information on migrant mine workers covered by the scheme nor of former migrant mine workers who receive pensions from the Fund. Since the Fund operates as a defined contribution scheme, all workers (including migrants) who contributed to the Fund should have their credits recognised and paid out to them if they met the Fund rules either while in Botswana or in their home countries after leaving Botswana.

Employment Act (CAP 47:01) of 1984 (repealed and replaced the Employment Act No 29 of 1982)

The Act was further amended in 2004 to provide protection to employees should the employers become insolvent. This provision may be unfairly applied to the migrant mine workers who need protection from labour exploitation and lack of coverage by social security schemes. There needs to be an assessment done on how this provision aids or inhibits access to social security benefits by migrant workers.

The Act was further amended in 2010 to provide for payment of severance pay when and if an employment contract is terminated before it reaches a continuous employment period of 60 months. The amount to be paid varied according to the length of service and the salary earned during the employment period. Migrant workers who qualify for this benefit are usually paid out before they leave Botswana at the end of their employment contract.

Workmen's Compensation Bill

The Bill intends to provide protection to workers injured or in the event of occupational diseases contracted in the course of their employment or for death as a result of such injuries and or diseases. The 1998 Act places the liability to compensate such an employee on his/her employer. In order to mitigate this burden, the employer liability system operates through a private insurance. Casual workers, family labour and self-employed persons are excluded from coverage[13]. This is not consistent with the social insurance principles in other

12 Joint agreement between the Government of Botswana and De Beers mining giant that operates diamond mines in Botswana.

13 SSPTW: Africa, 2017

countries in regions like South Africa, Namibia, Mauritius, Zambia and Zimbabwe, where a fund exists for paying compensation to these workers.

Motor Vehicle Accident (MVA) Fund Act, 15 of 2007

This Fund provides for compensation for certain losses or damages suffered as a result of a motor vehicle accident. The Fund operates on a no-fault principle and the claimant must prove the driver's negligence for the claim to succeed and third-party liability to be assumed by the MVA Fund. Since the Fund operates in a non-contributory fashion, the portability principles to be applied will be based on generic principles regarding Funds of the same design.

Eswatini

The Swaziland National Provident Fund (SNPF) Fund

This Fund is open to all employed persons in Swaziland, with voluntary coverage for employees not compulsorily covered and for members of religious organisations. However, self-employed persons, persons employed in households, casual employees and non-citizens are excluded. The Fund pays out retirement, disability and survivors' benefits. A retirement benefit is paid from the age of 50 years, although an employee is eligible for old-age benefits at the age of 45 years if the member's employment terminates. The benefit is paid at any age if a member is emigrating permanently. A disability benefit is paid if the member is assessed with at least a partial permanent physical or mental disability (SNPF, 1974). A survivor's benefit is paid to dependants (a spouse and if there is no spouse, other dependants or persons named by the Fund member) upon his/her death before retirement.

Public Service Pensions Fund

This Fund covers public service employees and it provides retirement, survivors', disability and withdrawal benefits, as well as funeral cover for members and their dependants (Swaziland Public Service Pensions Fund, 2018). The retirement benefit is in the form of a retirement annuity. It is fully administered in-house and financed through employer and employee contributions of 15% and 5% of the basic monthly salary respectively.

Occupational Injury Compensation

This is an employer-liability system, involving compulsory insurance with a private carrier[14]. Access is open to public- and private-sector employees, trainees and apprentices, but self-employed persons, household workers, certain types of contract workers, family labour and casual workers are excluded. Benefits are for temporary and permanent disability. A constant-attendance allowance is also paid to a permanent disability benefit recipient if he/she requires the constant attendance of others to perform daily functions. Medical benefits include medical care, surgery, hospitalisation, medicine, dental and eye care, transportation, appliances and medical care abroad, if necessary. Survivors' benefits and a funeral grant are also paid.

14 Social Security Administration Social Security Programmes Throughout the World: Africa, 2015.

Lesotho

National social insurance: No national social insurance is in place.

Occupational Civil Servants' Retirement Schemes

Until 2008, this had been a defined benefit scheme. The new scheme is governed by the Public Officers' Defined Contribution Pension Fund Act (2008) and the Public Service Regulations (2008). The Scheme is managed by the pension fund secretariat and covers all public service officers. Eligibility for the pension fund is after the age of 55 or 45 and after completion of 10 years of service or more. Both the Government and its employees contribute to the scheme.

Voluntary Occupational and Private Pension Schemes

Voluntary and private pension schemes cover a very small proportion of the population in Lesotho and they are only offered by a handful of insurance companies. These schemes are for people in formal employment.

Workers Compensation Scheme

This is an employer liability scheme. However, there is no separate fund, but a general disability benefit framework applies.

Malawi

Government Public Pensions Scheme (GPPS)

Every long-serving employee of the Government of Malawi is entitled to a retirement benefit in the form of either a pension or gratuity. It is a mixture of a non-contributory, pay-as-you-go (unfunded) and a contributory system. A pension is paid to the employee at the mandatory retirement age of 60 years after 10 years of service or at an earlier age following 20 years of service. The GPPS covers only civil servants. Entitlement to the Fund is based on attaining the mandatory retirement age of 60 years with a minimum service of 10 years, or by voluntary retirement after 20 years of pensionable service, or with the consent of the Minister of the Public Service with a minimum of 10 years' service and having attained 45 years of age. Early retirement is also granted on special terms for those who retire early on grounds of redundancy or ill health. Two main contingencies are covered: old age and death gratuity.

Workers' Compensation Scheme

This is an employer liability scheme, where the employer insures against work-related injuries and diseases with a private insurer or with own resources. Benefits are lump sum payments, paid for permanent disability. Currently occupational diseases are not being covered although the Act provides for it. There is no rehabilitation and return to work components and medical cover is not paid.

Mozambique

National Institute of Social Security (INSS)

This is a public entity created by the Social Protection Law (Law 4/2007) and governed by the Basic Social Security Regulation (Decree No 85/2009)[15]. It was created to provide cover to workers against risks of partial or total reduction of income from work by granting old-age, disability and survivors' benefits, sickness, maternity and death benefits. The civil service is covered by another scheme in the Ministry of Finance, called the National Department of Social Protection (DNPS).

There is no employment injury and unemployment scheme law in place[16].

The Constitution of the Republic of Mozambique, in Articles 35, 88, 89, 91 and 95, states that all citizens have the right to education, health and housing, without any kind of discrimination, as well as protection in their incapacity and old age, although non-nationals are in a way not fully protected. The law further establishes the right to the social protection for citizens, regardless of colour, race, sex, ethnic origin, place of birth, religion, level of education, social position, marital status of their parents or profession[17].

Mozambique has in the past posted many migrant workers to SA mines. Since the country is Portuguese speaking, surrounded by many English-speaking countries, migration was more inbound than out-bound, with the majority of migrants returning from South African mines. The challenges experienced by migrant mine workers included lack of access to social protection by mine workers, lack of collective bargaining on equal footing with the SA nationals and lack of information about their rights and entitlement to social security, which formed the basis for developing recommendations for improving access to social security benefits by the migrant workers.

Namibia

The current context of social protection in Namibia is based largely on the social insurance model and it is limited to provisions of protection against the loss or reduction of income resulting from maternity, sickness, retirement, disability and/or death. Holistically viewed within this context, coverage is restricted to workers in the formal sector and less in favour of the informal sector workers.

Labour Act, 2007

The statutory framework for social protection is contained in the Labour Act 11 of 2007. The Labour Act leaves an impression that the informal sector is excluded and is not legalised entirely. This may affect the rights of many workers including migrants.

15 ILO: Social Protection: Building social protection floors and comprehensive social security systems. Article accessed on social-protection.org

16 Ibid

17 National Basic Social Security Strategy (ENSSB) for 2016-2024

The Labour Act covers issues which affect the workers' right to the Maternity, Sick leave and Death (MSD) Fund which is managed by the Social Security Commission (SSC). This Act tasks the SSC to pay a portion of an affected employee's basic wage during the period he/she is on maternity or sick leave. It however, does not make provision for cross border transfers of social security benefits.

Employees Compensation Act, 1941

The purpose of this Act is to provide compensation for disability caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment. It provides for a system of compensation which differs substantially from the rights of an employee to claim damages at common law.

This Act clearly, by way of definition, excludes those who are self-employed or informal sector workers. Compliance with the provision of this law is however not as ideal as one wishes to see it[18].

Social Security Act, 1994

The Social Security Act was passed with the objective to lessen insecurity as a result of illness, pregnancy, retirement and death. It is hailed as affording protection against the loss of income due to unemployment, old age and the death of the breadwinner. This Act provides for several identified benefits to employees, such as sick leave, maternity leave, death benefits, pension benefits and medical benefits. The Act is strictly limited to employees and employers and excludes employees above the age of 65 from being regarded as employees.

Migrant workers take active part in the informal sector, for example, in small scale mining, trading, farming, domestic work, etc. and they are thus left uncovered. Under this Act, self-employed persons are to be registered on a voluntary basis and no enforcement of this provision is possible in the current legal framework.

Although these sick leave, maternity leave, medical benefits and death benefits are exportable by qualifying members, there are little to no administrative arrangements put in place to effect this entitlement and some workers eventually give up claiming for these benefits once they return to their home countries. Cross border payments are regulated by the central bank and for transactions involving individuals, the process is tedious. The same could be said about returning Namibians who wish to have access to accrued benefits to which they were entitled by having contributed to a social insurance scheme in another country during their working life.

Other relevant laws covering social protection include the Motor Vehicle Accident Fund, Pension Funds and Medical Aid Funds. These are to be considered in a similar fashion with their counterparts in other countries. What is lacking in both laws are adequate provisions for the portability of accrued benefits to migrants.

18 LaRRI and SSC Informal sector report, 2015

South Africa

The South African legal framework is complex, having many laws on its statutes that provide protection in different areas of social assistance, social insurance and private insurance. In some cases, eligibility for social security benefits is influenced by both employment status and gender.

Civil Service Occupational Schemes

All Government employees are covered by the Government Employees Pension Fund (GEPF), which is currently the largest pension fund in South Africa. The normal retirement age under the Fund is age 60.

Private Occupational Schemes and Voluntary Schemes

Occupational or voluntary retirement funds take a number of forms in South Africa and these include pension funds, provident funds, umbrella funds, segregated funds, retirement annuity, preservation funds, approved and unapproved funds. The regulatory framework is fragmented with many occupational and voluntary arrangements not regulated, overseen by government departments, or the Registrar of Pension Funds. The Pension Fund Act of 1956 is useful in the portability context because of its regulatory roles for all pension funds in the country to which some members were migrant workers and it guides how the Fund rules are to be applied including the payment of accrued benefits to members.

Compensation Fund: Compensation for Industrial Accidents and Diseases Act (COIDA), 1993

All employers must register with the Compensation Fund in terms of the COIDA Act (Act, No. 130 of 1993). The revenue of the Compensation Fund consists mainly of annual assessments paid by registered employers on the basis of a percentage of the annual earnings of their employees. The premium is based on the risk rating of the industry and it is wholly financed by the employer. Benefits are paid to employees, employers (refunds), dependents and medical providers. Benefits are for both occupational injuries and diseases.

Occupational Diseases in Mines and Works Act (ODMWA), 1973

Lung diseases in the mining sector are covered in terms of the Occupational Diseases in Mines and Works Act 78 of 1973 (ODMWA). This Act provides a unique situation from other SADC States where the compensation for industrial diseases is covered by the workers' compensation scheme. In addition, the law provides the right to the workers to sue the employers for industrial diseases. Two of such class actions have been before SA courts in the past few years.

Unemployment Insurance Amendment Act, 2016

The Unemployment Insurance Fund (UIF) administers benefits for workers who become unemployed and funds the retention of contributors in employment as well as the re-entry of contributors into employment, and any other scheme aimed at vulnerable workers (Unemployment Insurance Act, 2016). Until February 2018, access to benefits under this UIF were limited to nationals to the exclusion of foreign migrant workers. The migrant workers were (until recently, February 2018) excluded from cover by the UIF as they were not regarded as contributors to and could not benefit from the UIF.

The UIF was not open to migrant workers in the mining sector until March 2018. However, modalities have to be put in place to enable them to benefit because once they lose employment, they are not expected to stay on in South Africa. The requirement by the UIF is that the workers have to prove that they are not working and that they are ready to work once a vacancy is available. However, once migrant workers go back to their home countries, it becomes difficult to trace them and to get confirmation that they are still unemployed.

Some associations of former migrant workers were created in the region to look after the social safety nets of the former migrant workers. They have a desk that assists former workers who have not claimed their benefits to do so. These bodies also help with tracing ex-mine workers in sending countries in order to assist them to get their pensions from the Pension Funds in SA.

Zambia

National Pension Scheme Act and the Pension Scheme Regulation Act

The National Pension Scheme Authority (NAPSA) and the Local Superannuation Fund are the lead institutions that provide social security benefits. The old-age pension is paid by NAPSA to a person aged 55 with at least 180 months of contributions whose employment has ended. An early pension can be paid at the age of 50 with at least 180 months of contributions.

A retirement lump sum is paid to a person who is 55 years old and has less than 180 months of contributions. NAPSA also pays survivors' pension where the deceased breadwinner receives or is entitled to receive an old-age or disability pension, or has at least 60 months of contributions.

Workers Compensation Fund (WCF)

This is a statutory scheme for the provision of compensation to formal sector workers who are disabled or die in an accident at work or who contract an occupational disease. It is an employer-liability social insurance system, involving compulsory insurance with a public carrier. It is open to all employed persons, casual workers, household workers and apprentices; self-employed persons; and public sector employees not covered under the special system for public sector employees.

Pension benefits portability was introduced among pension schemes operating in the country since 2000 when NAPSA was introduced. There is however, no provision for portability of pension benefits to expatriate workers who emigrate from Zambia back to their home countries or to other States. There are nearly 200 registered occupational schemes covering about 30% of the formal sector workers (Chenda, 2005). The extent to which some of these occupational schemes cover migrant workers and issues of portability of their benefits need to be examined to aid recommending a suitable model for access by migrant mine workers.

More work needs to be done in the area of coordination of social security schemes within the country and in the region. Zambia also did not ratify all the core conventions regarding migrant workers' rights. There is however, a bilateral agreement between Zambia and Malawi regarding the portability of social security benefits, which is hailed as a model for the region.

Zimbabwe

Pension and Other Benefits scheme (POBS)

The scheme is mandatory and covers all employed persons (excluding self-employed individuals and domestic workers) between 16 and 64 years of age who are "citizens of or ordinarily residents in Zimbabwe". The scheme is financed from employer and employee contributions at rates, and up to an income level, as determined by the Minister in a Gazette.

Accident Prevention and Workers Compensation scheme (APWCS)

The APWCS is an insurance scheme against occupational injuries and diseases. It covers all employers in Zimbabwe. The scheme pays temporary disability benefits and long-term benefits based on permanent injury. It also has a rehabilitation and vocational training component. Benefits are also paid to survivors of workers who die as a result of occupational injuries and diseases.

Civil Service Occupational Schemes

Retirement pensions for the civil service are offered under the Local Authorities Employees (Pension Schemes) Act 30 of 1971, Parliamentary Pensions Act (11 of 1978) and the State Service (Pensions) Act (7 of 1989). Pension contributions of civil servants are treated as general government revenue and expenses are disbursed from the Government's Consolidated Revenue Fund under Constitutional and Statutory Appropriations. The schemes are funded on a pay-as-you-go basis and benefits are defined. However, a process is under way to reform the scheme into a funded scheme. Pensions are indexed to serving members' salaries.

Occupational Pension schemes

The Pension and Provident Funds Act (1976) provides for the registration of either pension, provident or retirement annuity funds which could be an insurance company scheme or a self-administered scheme. Funds are financed from voluntary employee and employer contributions and investment income. The rules of a pension fund require compulsory contributions from employees and employers. Contributions are a percentage of a salary, including any regular commission or bonus and any other allowances. Benefits include a lump sum and an annuity (see summary in Table 15.2)

Table 15.2: Summary of Social Security Schemes in SADC

Country	Name of Fund	Responsible Agency
Angola	National Social Security Fund	National Institute of Social Security
Botswana	No National Retirement Insurance	
DRC	National Social Security Institute	
Lesotho	No National Retirement Insurance	
Madagascar	Caisse National de la Preyovance Sociale	
Malawi	No National Retirement Insurance	
Mauritius 1 (Pension)	National Pension Fund	Ministry of Social Security
Mauritius 2 (Pension)	National Savings Fund	Ministry of Social Security
Mozambique	National Social Security Fund (Mandatory Social Protection)	National Social Security Institute
Namibia	No National Retirement Insurance	
Seychelles	Seychelles Social Security Fund / Seychelles Pension Fund	Ministry of Finance (Soc Sec Fund) / Seychelles Pension Fund
South Africa	No National Retirement Insurance	
Swaziland	Swaziland National Provident Fund	Swaziland National Provident Fund
Tanzania	National Social Security Fund	Ministry of Labour
Zambia	National Pension Scheme	National Pension Scheme Authority
Zimbabwe	Pension and other Benefits Fund	National Social Security Authority

Analysis: What are the gaps and differences in the cover provided by the social security schemes in the SADC region?

It is clear that not all Member States offer social security schemes envisaged in the portability framework. Old age/retirement and survivors' benefits are most common and they are offered in four out of nine countries (Mozambique, Eswatini, Zambia and Zimbabwe). Access to the similar benefits in some instances (Botswana, Lesotho, Namibia, South Africa and partly in Zambia), are offered by private arrangements[19].

The next common scheme is the occupational injuries and diseases or workers'

19 The provision of non-contributory social protection falls outside the scope of this chapter and is not covered.

compensation scheme that is offered in four countries (Namibia, South Africa, Zambia and Zimbabwe) while in other countries these are provided through an employer liability scheme aided by private insurance. These schemes are supervised by public bodies.

The absence of a formal portability regime makes portability impractical to adopt across these borders. There are observable differences in how these schemes are designed and operationalised.

South Africa is the only country in the region with a statutory Unemployment Insurance scheme and this makes portability challenging as systems may not be compatible.

International Standards of Social Security Coordination

The Philadelphia Declaration of the ILO (1944) set the tone for the comprehensive coverage of social security. It puts emphasis on the extension of social security measures to provide a basic income to all (including agricultural workers[20]) in need of such protection and comprehensive medical care. The following ILO Conventions support the rights of migrant workers to social security:

(i) *Social Security Minimum Standards:* ILO Convention 102 of 1952, which is considered the flagship convention on social security, contains explicitly non-discrimination articles, where all non-residents must have the same rights as national residents through bilateral and multilateral cooperation – except in situations where benefits are paid from public funds and transitional schemes[21].

(ii) *Social Protection Floor Recommendations R202 of 2012:* Ensuring support for disadvantaged groups and persons both in the formal and informal economy, and extending social security coverage to all, including migrants.

(iii) *Equality of Treatment (Social Security) Convention 118 of 1962:* Member States to grant nationals of any other State for which the convention is in force, equality of treatment under its national social security legislation.

(iv) *Maintenance of Migrant Rights Convention 48 of 1935:* Addresses the maintenance of social security rights and proposes international mechanisms for the coordination of old-age, invalidity and survivors' pension.

(v) *Maintenance of Social Security Rights Convention 157 of 1982:* Together with accompanying Recommendation No. 167 of 1983, to promote the development of and access to social services, particularly for migrants.

(vi) *Universal Access to Health Care: Medical Care and Sickness Benefits Convention 130 of 1969:* Assuring to non-nationals who normally reside and work on the territory of the signing Member State, equality of treatment.

20 The author's addition
21 Part XI, Article 68

(vii) *Maternity Protection Convention 183 of 2000:* Maternity Convention (Revised) 103 of 1952: Applies to all employed women, including in atypical forms of dependent work, to which migrant domestic workers belong.

There are also ILO Instruments specific to migrant workers:

(i) *Migrant Workers (Supplementary Provisions) Convention 143 of 1975:* Migrant workers to enjoy equality of treatment in respect of rights arising out of past employment as regards remuneration, social security and other benefits, even in cases when the position cannot be regularised in the host country.

(ii) *The Migrant Workers Recommendation 151 of 1975:* Recalls the clauses of Convention 143, and reiterates the equality of opportunity and treatment of migrant workers and members of their families as regards remuneration, social security and other benefits both in the case of lawful residence on the territory of a Member State, as well as in the case where their position has not been or could not be regularised.

(iii) *The Migration for Employment Convention (Revised) 97 of 1945:* Relevant clauses regarding the acquisition of social security by non-national workers, that is to say, legal provisions in respect of employment and family responsibilities and any other contingency covered by national laws concerning social security.

Regional Legal, Regulatory and Institutional Framework

The SADC-wide legal, regulatory and envisaged institutional framework pertinent to the (ex) portability of social security benefits is contained in several SADC instruments. These instruments are the SADC Treaty (1992), SADC Charter of Fundamental Social Rights (2003), SADC Protocol on Employment and Labour and the Portability of Accrued Social Security Benefits within the Region (Draft Policy Framework) as well as the Code on Social Security in the SADC region.

SADC Legal and Regulatory Framework

SADC Treaty

The SADC Treaty is a key instrument for the portability of social security benefits as it highlights regional integration as one of the key objectives of SADC[22]. This is to be achieved through, inter alia, the development of policies directed at the progressive elimination of obstacles to the free movement of capital and labour, goods and services, and people of the region among Member States[23].

22 Article 5(1)(a) of the SADC Treaty
23 Article (5)(2)(d) of the SADC Treaty

SADC Charter of Fundamental Social Rights

The objectives of this Charter are pertinent to the coordination of social security principles, particularly the portability of social security benefits. They include the formulation and harmonisation of legal, economic and social policies and programmes, the provision of a framework for regional co-operation in the collection and dissemination of labour market information and the promotion of the establishment and harmonisation of social security schemes[24]. The Charter obliges Member States to create an environment that would enhance information, consultation and participation of workers.

SADC Protocol on Employment and Labour

The SADC Protocol on Employment and Labour endeavours, amongst other objectives, to ensure the achievement of social protection, promote the development of social security, policies, measures and providing practices, which facilitates labour mobility and support the establishment of inclusive social security schemes in Member States by providing income maintenance and minimum income protection and facilitating labour market integration. It imposes a duty on Member States to make sure that its objectives are implemented at the national level and that minimum requirements are complied with.

In addition, they have a duty to ensure the full implementation of regional and international obligations pertaining to social protection extension. The Protocol recognises adequate social protection as a right, which should be enjoyed by every worker in the region and his/her dependants. It bestows every worker and his or her dependants with the right to adequate benefits. This right extends to every worker irrespective of status and type of employment. Member States are required to establish, maintain and progressively raise their social security systems to the level consistent with international and regional instruments. They are required to strive towards developing integrated and comprehensive social protection systems.

The Protocol further directs Member States to encourage and regulate private and public participation in the provision and management of social insurance, as well as the payment of social insurance benefits. It obliges Member States to strive towards the adoption of measures to facilitate the coordination and portability of social security benefits. This should be realised through the adoption of suitable bilateral and multilateral agreements. Such agreements should make provisions or equality of treatment of non-citizens, aggregation of insurance benefits, maintenance of acquired rights and benefits, exportability of benefits and institutional cooperation.

Code on Social Security in the SADC, 2007

The Code of Social Security in the SADC recognises social security as a human right. One of its purposes is to provide the SADC and its member countries with “an effective instrument for the coordination, convergence and harmonisation of social security systems in the region”. It directs Member States to strive towards the free movement of persons and productive reduction of immigration controls. Furthermore, it requires Member States to

24 Article 2(1) of the Charter of Fundamental Social Rights in SADC

guarantee that all lawfully employed immigrants are protected through the promotion of core principles. Such core principles, which should be contained in national laws as well as in bi- or multilateral arrangements between SADC member countries, include the following:

- affording migrant workers an opportunity to participate in the social security schemes of the host country;
- equality of treatment of migrant workers alongside citizens with respect to the social security system of the host country;
- aggregation of insurance periods and the maintenance of acquired rights and benefits;
- guaranteeing the facilitation of exportability of benefits, inclusive of the payment of social security benefits in the host country; and
- identifying applicable law for the goal of implementing the core principles.

Portability of Accrued Social Security Benefits within the Region

The Portability of Accrued Social Security Benefits within the Region (Draft Policy Framework) has four main objectives. First, it aims to provide mechanisms to enable workers moving within the region and outside the SADC region to keep the social security rights which they have acquired under the legislation of one Member State. Secondly, it seeks to ensure equality of treatment of workers in the SADC region under social security legislation. Furthermore, it strives to provide a regional framework for the progressive coordination and integration of social security systems in the SADC. Lastly, it endeavours to contribute towards the improvement of the standard of living and conditions of employment of persons in the SADC region. It requires competent institutions in charge of policy formulation, administration and regulatory oversight of social security systems to maintain relations and cooperate with their regional peers. In addition, it requires such institutions to exchange information on their efforts to implement the framework. Furthermore, the Framework obliges competent authorities of Member States to institute the necessary administrative measures for the application of the provisions of the Framework. The institutional arrangement pertaining to the implementation of the Framework is to be facilitated by the SADC institutions established in accordance with Article 9 of the SADC Treaty.

Agreements on Portability of Social Security Rights - General Comments

According to Hirose et al. (2011), two important features of social security agreements are that they coordinate social security schemes of two or more countries on a reciprocal basis, in a way that deals with barriers to portability, and that they ensure that migrant workers will not have to contribute to the social security systems of two or more countries for the same work.

The Equality of Treatment (Social Security) Convention, 1962 (No. 118) sets out *five objectives* of social security agreements covering all the branches of social security. The objectives however, do not apply to special schemes for civil servants and war victims or to public assistance schemes. The objectives are:

- Equality of treatment (between nationals and non-nationals);
- Payment of benefits abroad (exportability of benefits);
- Determination of applicable legislation, that is, the social security of a migrant worker is governed at any one time by legislation of one country only;
- Maintenance of rights in the course of acquisition. Totalisation of contribution periods; and
- Administrative assistance for ensuring that beneficiaries who acquired rights in other countries receive their benefits.

In order to achieve the objectives stated above, a country has to decide whether to enter a multilateral or a bilateral agreement. While a multilateral agreement can ease the administration burden as it covers many countries in one document, it requires all parties to agree to the terms and conditions which may take time to conclude. On the other hand, bilateral agreements can be cumbersome in that the procedures and forms vary from agreement to agreement, but they can provide the basis for developing a fully-fledged multilateral agreement.

Thus, to build a complete agreement that seeks to address all the five objectives:

- a country can elect to start with a limited agreement on objectives only mutually acceptable between the parties;
- parties may choose to include, in an agreement, only certain branches of social security;
- countries need to define who will be covered in the agreement. The most common approach on this has been to cover nationals of the participating countries including other persons who derive rights from them such as dependants of an insured person, and persons who are entitled to survivor benefits on the death of an insured person;
- countries will have to agree on a common position regarding the treatment of "overlapping benefits" which arise when a person is simultaneously entitled to two (or more) benefits, each arising from a different contingency, under a country's social security system; and
- Where voluntary insurance requires prior mandatory affiliation, it may be necessary to totalise so as to meet conditions regarding prior mandatory affiliation.

Coordination between social insurance and social insurance funds must be considered on top of the above approaches. Different designs of provident and social insurance funds make it difficult to apply the principle of totalisation.

Operational and administration capacity to drive the agreements should be ensured by involving social security institutions.

Finally, parties have to include migrant workers in their design of Social Protection Floors for them to access cash transfers and other social protection services.

Conclusion and Recommendations

Although the work that informed this chapter covered workers in the agricultural and mining sectors, the recommendations made hereunder can be generalised to any other migrant worker as they are deemed vulnerable, falling outside these two sectors.

Conclusion

The present delivery mechanisms aimed at (ex)porting social security benefits for migrant workers engaged in the agricultural and mining sectors are deficient. This is largely due to the following factors:

- *For the agricultural sector:* Migrant workers employed in the agricultural sector are generally excluded and marginalised from participating in the social security schemes of the host countries due to the residence requirement. The temporary nature of their employment excludes them from social security coverage. Accordingly, they are invariably left without any social security benefits to export to their country of origin. There are also no labour agreements regulating their recruitment.
- *For the mining sector:* On the contrary, the recruitment of mineworkers is more organised. However, the labour agreements concluded many years ago are now outdated and need to be replaced with new contemporary bilateral agreements that are guided by portability principles discussed above.
- There are different models which are used for the cross-border payment of benefits in the SADC which makes compatibility a challenge. This situation is compounded by a lack of a coherent system in the region.
- The administrative coordination of the (ex)portability of social security benefits by national institutions is dealt with on an ad hoc basis and this is not effective. A regional structure envisaged in the portability framework needs to be put in place as a matter of urgency to deal with coordination among SADC States.
- *Data sharing practices:* The social security data sharing measures are embryonic in SADC countries and they are not ideal for the efficient (ex)portability of social security benefits. The SADC Secretariat is best placed to advance this project so that Member States are able to share regional social security data on a shared platform. This will enable countries to monitor the portability of social security benefits effectively and enforce the principles of portability according to set norms.
- *Integration milestones:* SADC is yet to reach its integration milestones which include the (ex)portability of social security benefits, crucial indicators such as monetary union and the single currency. The lack of a common currency like the one that is in the EU or some regional communities makes it difficult and costly to implement the portability of social security benefits in the region and to the benefit of the affected migrant workers.

Recommendations

In light of the preceding discussions and analysis, it is recommended that:

- *Unilateral, bilateral and multilateral efforts:* SADC countries should conclude bilateral and multilateral social security agreements as found in North America and Europe and ensure that migrant workers have access to social security despite the temporary nature of their employment. In addition, they need to consider introducing unilateral measures such as those eliminating legislative barriers in their jurisdictions that hinder cross-border portability of social security benefits.
- SADC Member States should contemplate establishing a Regional Labour Bureau for Agricultural Workers to facilitate the recruitment of agricultural workers. Such reforms should be implemented in a sensible manner and with due regard for the labour migrant system's impact on involved countries and individuals.
- *Reforming the labour migrant system:* The labour migrant system used in the mining sector needs to be reformed with the view of developing a coherent system that promotes comprehensive access to the hosts' social security schemes and, most importantly, easy access to benefits through simple and yet effective social security (ex)portability mechanisms.
- *Lowering the costs of remitting money:* The SADC should develop a coherent regional system and an enabling framework that will facilitate the (ex)portability of social security benefits for former migrant workers.
- *Establishing an autonomous regional agency:* Member States need to establish an autonomous regional agency as envisaged by the SADC Protocol on Employment and Labour to deal with practical matters which are essential for the cross-border payment of social security benefits such as life proof certificates, tracing of beneficiaries and information and communication to beneficiaries. This will enhance the administrative coordination of the (ex)portability of social security benefits in the region.
- *Developing the data sharing measures:* SADC must learn from the EU's Electronic Exchange of Social Security Information. This is an IT system that enables the social security institutions throughout the region to exchange information more promptly and securely.
- *A monetary union and single currency* are essential for the facilitation of cross-border payments of social security benefits. These have the potential of reducing the cost of cross-border payment of benefits and mitigating challenges such as the fluctuation of currency exchange rates, respectively.
- *An incremental approach to implement the SADC portability framework* should start with current schemes and be extended to new and reviewed legal frameworks that support and increase access to these schemes by migrant workers.
- *Bilateral/multilateral social security agreements should be entered into* as labour agreements have not adequately provided access to migrant workers since they lack reciprocity and national laws did not create such a right.

- *Regional instruments for portability should be adopted* and incorporated into national laws for the SADC region to move forward with better coordination and uniformity. The region must then adopt the portability framework that will be coordinated by national task teams under the coordination of the SADC Secretariat to assist and guide the implementation of the framework.

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Chapter Sixteen

African Union Agenda 2063 and Social Protection

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Abstract

This chapter begins by alluding to social protection provisions espoused in the legal and policy instruments of the African Union (AU) which are also echoed in AU Agenda 2063, the strategic framework for the socio-economic transformation of the continent over the next few decades. At the request of the highest AU policy organs, shortly after the adoption of Agenda 2063, the Protocol to the African Charter on Human and People's Rights on the Rights of Citizens to Social Protection and Social Security was developed, as well as Social Agenda 2063. The latter illuminates the social development investments required, including social protection, to achieve the social development outcomes of Agenda 2063. In addition to being human rights based, prioritising inclusion (leaving no one behind) towards combating poverty and inequality, Social Agenda 2063 is premised on nine social policy pillars: Family policy as a cross-cutting social policy issue; gender equality as a cross-cutting goal; social protection; universal access to basic societal utilities/services (water, sanitation, energy, housing and transportation), quality and inclusive education; access to good and inclusive health and wellness; access to sufficient and nutritious food; formal labour markets and entrepreneurship; and informal and rural economies. The separate social policy pillar for social protection provides for basic social protection over the life cycle, and also for addressing vulnerability (protection and services for targets groups of people who are at high risk of falling into poverty), through safety nets - social assistance and social services. Social Agenda 2063 has already been used as a framework upon which Member States could base their response upon to mitigate the secondary social and economic impacts and vulnerabilities resulting from the Covid-19 pandemic. The implementation of Social Agenda 2063 by Member States will be monitored and evaluated by the AU Commission for onward reporting to the AU Heads of States and Governments.

Key words: Social Protection, Agenda 2063, Africa Union

Social Protection Provisions in AU Instruments before and after the Adoption of Agenda 2063

Policy organs of the Organisation of African Unity (OAU)/African Union (AU) have over the years accentuated the need to protect the rights of the vulnerable in African societies. In its legal and policy instruments, the AU also provides for social protection measures in the broader sense, that is, for the rights of access of all citizens to essential societal amenities and care services to support a minimum standard of living and livelihoods. These rights are enshrined in Articles 15 to 17 of the African Charter on Human and Peoples' Rights (ACHPR) regarding rights to work, health and education, respectively. Article 18 of the Charter particularly indicates special means of protection for the aged and disabled, protection of the rights of women and children and that the family should be protected by the State that should take care of the physical and moral health of families (ACHPR, 1981). Legal instruments adopted by the AU containing clear provisions in relation to social protection are: the OAU Convention Governing the Specific Aspects of Refugee Problems in Africa (1969); The African Charter on Human and Peoples' Rights (1981); the African Charter on the Rights and Welfare of the Child (1990), the Protocol to the ACHPR on the Rights of Women in Africa (2003); the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa (2009); Protocol to the ACHPR on the Rights of Older Persons in Africa (2015); the African Charter on Maritime Security and Safety and Development in Africa (2016); Protocol to the ACHPR on the Rights of Persons with Disabilities in Africa (2018); and the upcoming Draft Protocol to the African Charter on the Rights of Citizens to Social Protection and Social Security, which is expected to be adopted in January 2021, outlining the target groups for social protection as well as the nature of social protection measures for effective coverage.

The AU furthermore adopted a number of declarations, conventions, policies and plans of action that include social protection measures, e.g. the Declaration of the Assembly of Heads of States and Governments on Social Development (1994); the African Common Position on Human and Social Development in Africa (1994); the Livingstone Call for Action (2006); the AU Social Policy Framework for Africa (2009); the Yaoundé Tripartite Declaration on the Implementation of the Social Protection Floors (2010); the Principles and Guidelines on the Interpretation of Economic, Social and Cultural Rights in the African Charter on Human and Peoples' Rights (2010); the Social Protection Plan for Informal Economy and Rural Workers (SPIREWORK) (2012); the revised Ouagadougou Plan of Action on Employment, Poverty Eradication and Inclusive Development (2015); and the Social Agenda 2063 (2020).

Relevance of Social Protection to Achieving the Aspirations of Agenda 2063

While celebrating the 50th Anniversary of the OAU/AU, the Assembly of Heads of States and Governments called upon the AU Commission, supported by the African Union Development/New Partnership for Africa's Development Agency (AUDA/NEPAD), the African Development Bank (AfDB) and the UN Economic Commission for Africa (UNECA), to prepare a 50-year continental agenda through a people-driven process (AU, 2013). Agenda 2063 was adopted a year later, containing a clear vision with aspirations, goals and priority areas, and providing a strategic framework for the socio-economic transformation of the continent and using Africa's resources optimally for the benefit of all Africans (AU, 2015a). The framework is based upon continental initiatives and policy instruments for growth and sustainable development adopted earlier, with additions and amendments following extensive consolations with continental stakeholders, including the youth, women, Civil Society Organisations, the Diaspora, African Think Tanks and Research Institutions, Government planners, Private Sector, the African media, inter-faith leaders etc. Ideas were also captured from continent-wide sector ministerial meetings and meetings with the Regional Economic Communities (RECs). An action plan was subsequently developed for accelerated implementation of Agenda 2063.

Agenda 2063 encapsulates the AU policy organs' assertion that concerted inputs in social development would be critical to realise the Pan-African vision of, "An integrated, prosperous and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena" (AU, 2015a, p. 11). Indeed, the key to achieving the ambitions and aspirations for the "Africa We Want" by 2063 will neither be the continent's natural resources, nor trade volumes, but her citizens. Consequently, Agenda 2063 contains clear social development objectives in its seven aspirations, twenty goals and thirty-eight priority areas of which social protection is explicitly listed as a priority area in goal 1, towards "A high standard of living, quality of life and wellbeing for all citizens" of Aspiration 1, "A prosperous Africa, based on inclusive growth and sustainable development" (AU, 2015a, p. 15). In addition to social protection, other priority areas indicated to achieve goal 1 are income, jobs and decent work; poverty, inequality and hunger; modern, affordable and liveable habitats, and quality basic services.

Two more Agenda 2063 Aspirations have direct bearing on social protection. Aspiration 5 aims at "Africa with a strong cultural identity, common heritage, values and ethics", with among others, "values and ideals of Pan-Africanism" as priority area (AU, 2015a, p. 16). This clearly alludes to harnessing solidarity for social protection. More so, Aspiration 5, "An Africa whose development is people-driven, relying on the potential offered by African people, especially its women and youth, and caring for children" explicitly depicts social protection interventions, aiming at full gender equality in all spheres of life, and engaged and empowered youth and children. Priority areas here are women and girls' empowerment, and countering violence and discrimination against women and girls (AU, 2015a, p. 16).

The remaining four Agenda 2063 aspirations not only speak directly to the preconditions for Member States to provide sustainable social protection to their citizens, but also to social protection governance, that is, effective delivery systems for social protection measures to citizens and non-citizens. These aspirations are: "An integrated continent, politically united based on the ideals of Pan Africanism and the vision of Africa's Cultural Renaissance"; "An Africa of good governance, democracy, respect for human rights, justice and the rule of law"; and "A peaceful and secure Africa." (AU, 2015a, pp. 15-16).

Agenda 2063 Narrows the Focus on Social Protection

One year after the adoption of Agenda 2063, the AU Executive Council requested the AU Commission, in collaboration with the African Commission on Human and Peoples' Rights (ACHPR), to develop an additional Protocol to the African Charter on Human and Peoples'

Rights on the Rights of Citizens to Social Protection and Social Security, and, "…to elaborate a Social Agenda for the AU Agenda 2063…" (AU, 2015b, p. 2).

Protocol to the African Charter on Human and Peoples' Rights on the Rights of Citizens to Social Protection and Social Security

In June 2016, the AU Commission convened a Roundtable in Gaborone, Botswana, with continental and international experts to discuss the imminent content of the Protocol on the Rights of Citizens on Social Protection and Social Security, as well as that of Social Agenda 2063. Drafting of the Protocol commenced soon thereafter with the understanding that Social Agenda 2063, the policy document, should also provide for the implementation of the provisions of the Protocol. In essence, the Draft Protocol consolidates the human rights to social security and social protection and specifies States' obligations for their realisation, as part of the legal framework established by the African Charter. The Draft Protocol furthermore draws from the main international human rights instruments which lay down the right to social security and social protection (AU, 2019). At both the ACHPR and AU Commission (AUC) levels, wide consultations have been conducted with State Parties and various stakeholders in the development of the Protocol. The first draft was discussed in Algeria in August 2017 and it went through several drafts until adoption by the ACHPR in October 2018. It was validated by the AUC in November 2018 and adopted by the Extraordinary Session of the AU Specialised Technical Committee on Social Development, Labour and Employment in 2019.

Matters covered in articles of the Draft AU Protocol on the Rights of Citizens to Social Protection and Social Security, are: definitions, fundamental principles and obligations; right to social protection, including social security; social assistance; social insurance; informal and rural economies; unemployment and underemployment; cross-border migrants and displaced persons; women and girls; family protection; older persons; children, adolescents and youth; persons with disabilities; maternity and paternity; health care and sickness benefits; occupational health, safety and employment injury; death and survivors benefits; care and support in other contexts; education; food and nutrition; water, sanitation and hygiene; housing, shelter and property; environment and climate change; governance and administration of national social protection systems; financing; data management; complaint and appeal mechanisms; duties; implementation mechanisms; interpretation; and popularisation of the Protocol.

The Draft Protocol is expected to be adopted by the AU Assembly of Heads of States and Governments in 2021, after final consideration by the AU Specialised Technical Committee on Justice and Legal Affairs in November 2020.

Social Agenda 2063

Requested for by the AU Executive Council, Social Agenda 2063 as a social policy instrument effectively covers the full bouquet of social protection measures for citizens of the continent, both in the specific sense with a separate social policy pillar dedicated to social protection, and in the broader sense with the imminent contribution of the other social policy pillars contained in it, that is, the African family, gender equality, access to societal amenities (water, sanitation, energy, housing and transportation), good health, quality and inclusive education, food and nutrition, and provisions to promote and protect formal labour markets and the informal and rural economies. Social Agenda 2063 attempts to not only fill the gaps in realising the social development outcomes as envisaged in Agenda 2063, but also to "…particularly elaborate, in an integrated manner, the social development drivers, the key social policy pillars, cross-cutting factors and inputs required (AU, 2020, p. 9).

The purpose of Social Agenda 2063 is to complement Agenda 2063 by articulating the social development dimension as a dynamic, contributing and facilitating factor for the achievement of the goals and Aspirations of Agenda 2063. As such: It concretises the social outcomes that are needed to achieve each of the aspirations and it also specifies the key pillars or themes of social sector policies that are necessary complements to Agenda 2063. The social outcomes result from (a) actions of the specific social sector but also from (b) investments and actions by many other sectors required to contribute to results that are socially sound and sustainable (AU, 2020, p. 10).

People-driven Social Development Requires Full Participation

In order to be responsive to the needs of people, social policies must be embedded in social values and in full participation, which are also prerequisites for the achievement of the Aspirations of Agenda 2063 and the goals and targets of the SDGs. The 2030 Agenda for Sustainable Development also designates, "Leaving no one behind", alongside universality and integration, as its third key principle (UN, 2015, p. 2):

> Inclusiveness speaks to the notion of empowerment and the principle of non-discrimination. It is reflected in the pledge to leave no one behind and in the vision of a 'just, equitable, tolerant, open and socially inclusive world in which the needs of the most vulnerable are met' and 'a world in which every country enjoys sustained, inclusive and sustainable economic growth and decent work for all' (paragraphs 8 and 9 of the Declaration in Transforming our World: The 2030 Agenda for Sustainable Development A/RES/70/1).

The continent is still fraught with inequalities and exclusion caused by differences in income, ethnicity, gender, age, disability and location. Therefore, responsive social sector policies will particularly include the instruments of social protection. Social protection instruments are key to achieving most of the aspirations of Agenda 2063, as well as its goals that correspond with the SDGs goals of, (1) Poverty eradication, (2) Ending hunger, (3) Good health, (4) Quality education, (5) Gender equality, (8) Good jobs, (10) Reduction of inequalities, and (16) Peace, Justice and Strong Institutions (AU, 2020, p. 51).

Social Protection as a Separate Social Policy Pillar in Social Agenda 2063

Agenda 2063 recognises that social protection is both an economic and social necessity for promoting inclusive and people driven sustainable development that will end poverty, reduce inequality and generate resilience against future shocks (AU, 2015a). Social Agenda 2063 defines social protection as adopted in the Social Policy Framework for Africa, (SPF) as, "Social protection includes responses by the State and society to protect citizens from risks, vulnerabilities and deprivations. It also includes strategies and programmes aimed at ensuring a minimum standard of livelihood for all people in a given country. This entails measures to secure education and health care, social welfare, livelihood, access to stable income, as well as employment. In effect, social protection measures are comprehensive, and they are not limited to traditional measures of social security" (AU, 2009, p. 9).

The Social Protection Pillar of Social Agenda 2063 groups social protection instruments into two categories, namely those necessary for basic social protection over the life cycle, and the other instruments for the protection and services for target groups of people who are at high risk of falling into poverty (safety nets - social assistance and social services). To provide for a minimum package of social protection interventions for citizens over their life cycle, Member States should ring-fence at least 5% of GDP; extend social protection benefits to all (leaving no one behind) and ensure that social protection provisioning is rights-based. Social Agenda 2063 furthermore, envisages that the reach of social protection will be progressively extended through a combination of appropriate social assistance arrangements, contributory frameworks and universal schemes. Investments will be required in measures that protect citizens against poverty, in social protection floors, in improving access to essential health care and investment in basic income security for children and families, women and men of working age, in particular in the informal economy and rural sector, and for older persons (AU, 2020, p. 45).

The second group of social protection instruments identified in Social Agenda 2063 targets common high risk and vulnerable groups (for falling into poverty and exposure to violence, abuse, exploitation and exclusion): older persons, children, adolescents and youth, persons with disabilities and indigenous peoples – all having minimum resources to carry them through shocks and risks, and considering that the most vulnerable and excluded are often the hardest to reach – such as ethnic minorities, rural populations of women, girls and boys (AU, 2020, p. 46). If only women can be enrolled for assistance packages first in these communities, relief will cascade down to family members as women usually carry the highest burden in providing care, support and protection to other vulnerable family members. Therefore, Social Agenda 2063 calls for gender-sensitive approaches, actively involving women in the design of assistance programmes and in this regard cash transfers are seldom enough and should be accompanied by additional aid such as for instance, food parcels, school uniforms and social services.

An implementation plan (based on the Results Based Management approach) was also developed and officially adopted for Social Agenda 2063. It has been made available to

Member States and Regional Economic Communities (RECs). Reports of Member States and RECs will feed into the integrated and coherent reporting mechanisms on Agenda 2063 and the 2030 Sustainable Development Goals. The institutional arrangement for implementation, monitoring and evaluation of Social Agenda 2063 will be coordinated by the Department of Social Affairs, AU Commission, with implementation overseen by the Specialised Ministerial Technical Committee on Social Development, Labour and Employment that meets biennially.

The Covid-19 Pandemic put the Social Agenda 2063 to Test

In 2020, Social Agenda 2063 was utilised as a framework upon which Member States could base their response to mitigate the secondary social and economic impacts and vulnerabilities resulting from the Covid-19 pandemic. The AU Comprehensive Socio-economic and Environmental Response to the Covid-19 Pandemic was developed on the basis of the social policy pillars of Social Agenda 2063. The Comprehensive Response is being used as reference document by relevant Departments in the AU Commission, and by Member States in discussions with partners and stakeholders, such as the African Group in the People's Republic of China. It was also presented to the Secretary-General of the United Nations by the Chairperson of the African Union Commission.

It is concluded that Social Agenda 2063 was indeed a useful tool for Member States to mitigate the effects of Covid-19 and that particularly, investment in keeping the African family together, promoting gender-sensitive interventions, social protection and basic societal amenities had a "domino effect" to achieve outcomes in the other five sector specific social policy pillars of Social Agenda 2063, namely quality and inclusive education, good health and wellbeing, sufficient and nutritious food, formal labour markets and entrepreneurship, and informal and rural economies.

Critical need to overhaul social protection governance as exposed by the Covid-19 pandemic Social Agenda 2063, however, does not contain a chapter on social protection governance or administration, but the upcoming Protocol does (Article 23). The experience with responses to the Covid-19 pandemic in various sectors unfortunately exposed major gaps in the delivery of social transfers, relief measures, etc. due to corruption and related criminal activities in many countries on the continent. The police and armed forces became the public face of the pandemic, having focused on enforcing isolation, lockdown and social distancing. With the attention of the police diverted, criminal groups hurriedly used the opportunity to scale up their activities. Organised crime groups, some long embedded in the health sector, have quickly identified opportunities to exploit the sector (supplying counterfeit medicines, sub-standard personal protective equipment and fake Coronavirus tests). Cybercrime has also emerged rapidly as a domain for criminal market growth (GI, 2020). AU Member States will consequently need assistance to push back against the fast-developing illicit economy in the different Social Agenda 2063 sectors as the economic impact of the Covid-19 pandemic has been devastating on the licit economy.

On the positive side, the Covid-19 pandemic unlocked a unique opportunity for governments and partners to deliver services in a transparent and democratic manner. Most Member States assembled a social workforce that conducted visits from house to house to assess the needs of families or household needs during lockdown, communicating prevention messages and delivering relief packages. Reports of these assessments contain factual information on the needs of the community before it can be manipulated in any way. Utilising information from these reports, the strategic goal should be to build resilience in governance systems and institutions to effectively respond to future shocks and disasters that will require social protection interventions. Capacity and resilience could be strengthened in all the thematic areas of governance, that is, upholding and realising human and people's rights, public service delivery, humanitarian assistance (to refugees, migrants, internally displaced persons, etc.), in responsiveness and accountability. Under circumstances of shocks and disasters, security forces should prepare to restrain from applying excessive force to enforce regulations and focus on saving, rather than threatening lives and livelihoods.

Conclusions and the Way Forward

Agenda 2063 has indeed accorded prominence to social protection and has shed the spotlight on the inevitability of employing social protection to combat poverty and inequality in African societies. In this regard, the ratification of the upcoming Protocol on the Rights of Citizens to Social Protection and Social Security by Member States will go a long way to secure State commitments towards social protection. The question is whether there would be enough political will for 15 Member States to ratify the protocol, for it to enter into force soon. State Parties will then be legally bound to provide measures as contained in the Protocol. Not living up to the commitments, governments may find themselves in the African Court of Justice, charged by their own citizens for not realising their rights to social protection.

The aftermath of the Covid-19 crisis may spur governments on to sign and ratify the Protocol in order to commit to expanding social protection measures and coverage for their citizens to assist and support societies in socio-economic recovery. Even the shame associated with corruption with relief measures can be positively employed by citizens to advocate for governments to sign and ratify the Protocol.

Social Agenda 2063 can be used as a reference document and template for governments and RECs to base their updated or revised white papers on social policy. It can also help Namibia in the development of NDP6. The usefulness of Social Agenda 2063 as a framework for mitigating the Covid-19 crisis has already been proven. However, the pandemic has also cast African customs and traditions in unfamiliar territories, such as severe restrictions on movement, social distancing and not being able to participate in funerals, weddings and other cultural gatherings, including socialising in open markets. However, it has not impacted social solidarity among people as expected – accelerating exclusion, loneliness, etc. Covid-19 has rather exposed inter-dependency among people of Africa – how vulnerable we are if we cannot reciprocally support one another on a daily basis, but it also amplified our strong values of solidarity and collective wellbeing that will ensure our survival from this crisis and beyond. A new sense of social protection has been born, or was rekindled from the past, that should be harnessed for the future.

As for the way forward, and as provided for in Social Agenda 2063, the African Union Commission will establish a unit in the Department of Social Affairs to advocate for the signature and ratification of the Protocol, and to coordinate the implementation of Social Agenda 2063 according to its implementation plan. Also, Namibia will be reporting to the AUC and a consolidated report with feedback from all Member States and stakeholders will be presented to the AU Executive Council and Assembly of Heads of States and governments every year.

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Notes

Notes

This book covers social protection systems, social policy and social protection, social protection and rising inequality, politics and social protection and the implication of fiscal consolidation for social protection. The readers are also informed about other pertinent issues such as the aspect of social protection and formalisation of the economy, ground experience pertaining to the impact of COVID-19 on the informal economy and the aspect of social protection and women. Moreover, the book addresses aspects of social protection pertaining to labour market interventions and unemployment insurance value. The selected African perspectives on the quest for social justice and social protection provide a map of social protection measures for the SDGs and perspectives on social protection in the context of the Africa Agenda 2063. This is an indispensable reading for anyone who cares about social protection in Namibia.

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A timely and genuine publication that interrogates the subject and provision of social protection in Namibia from historical, socio-cultural, political and economic perspectives. On the whole, this book is useful to policy makers as it appraises them on possible interventions that could be adopted to expand and strengthen social protection schemes to cover the needy, including women and the youth. Comparative analyses with trends in the global arena enable academics, researchers and policy makers to understand not only the workability of social protection schemes, but also the design of the models that are suitable for Namibia. This book makes an invaluable contribution to the body of knowledge of social protection, and unravels the truth about the socio-economic intricacies of social protection on the Namibian society and the impact thereof.

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