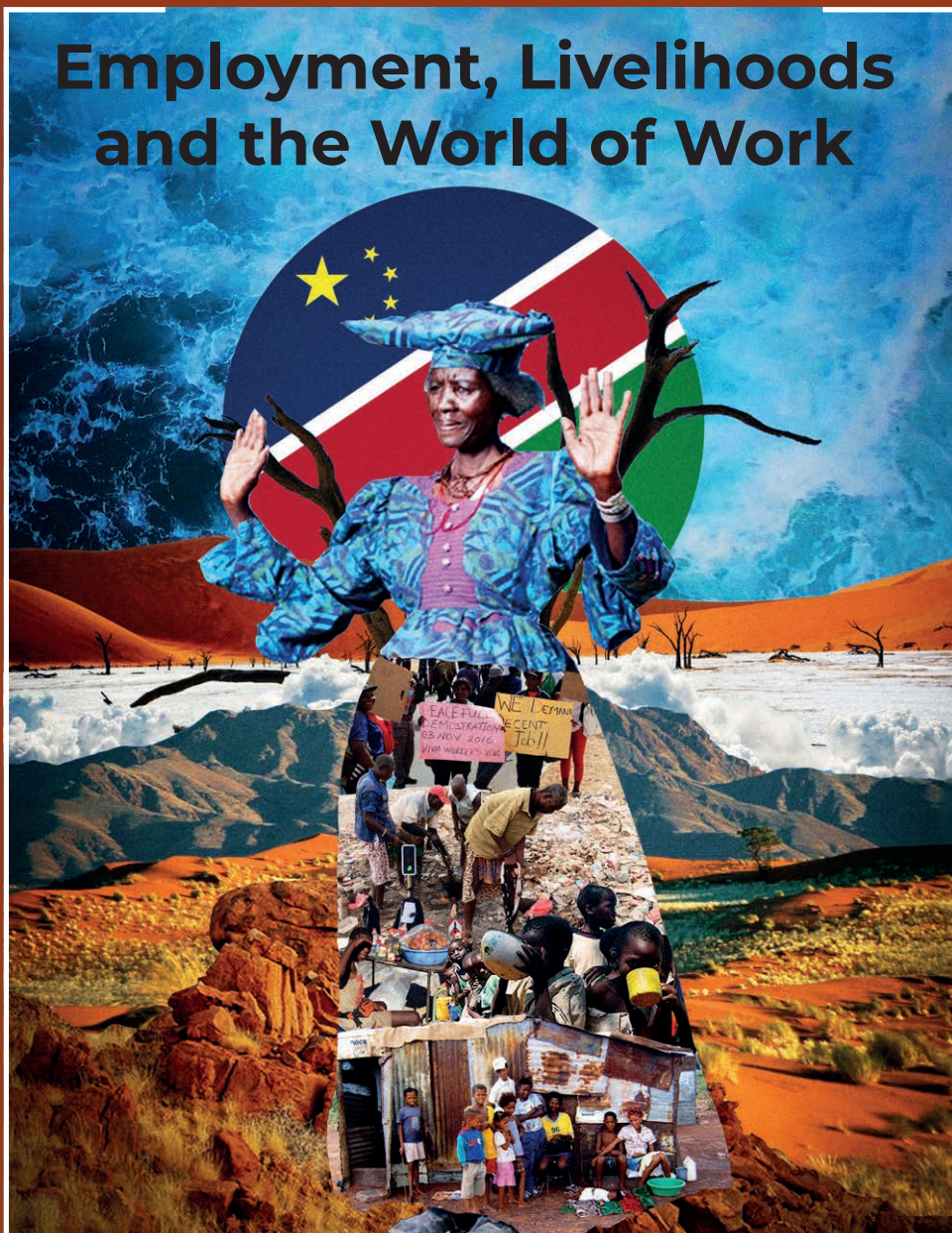


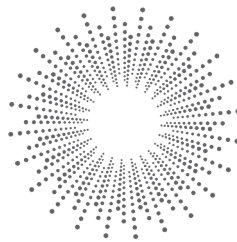
Employment, Livelihoods and the World of Work



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Organising the Informalised: A Monumental Challenge for Namibia's Trade Unions

Herbert Jauch

Abstract:

Namibia's economic structures, centred around the extractive industries with very limited local manufacturing, were largely maintained after independence. The key sectors in terms of employment such as agriculture, fishing and forestry, accommodation and food services, wholesale and retail trade, and private households are characterised by high levels of informality and below-average wage levels.

Namibia's trade unions emerged in the 1980s, some of them with a strong focus on social movement unionism, combining struggles at the workplace with broader struggles for independence and democracy. After independence, the unions' focus was narrowed within a tripartite social dialogue model which encompassed only formal sector workers at larger workplaces in the public and private sectors. Consequently, unions hardly managed to recruit informal and vulnerable workers whose numbers increased as a result of outsourcing and subcontracting.

This article uses a qualitative analysis based on secondary data such as the findings of successive labour force surveys. It outlines the structural nature of Namibia's mass unemployment and the trend towards "informal employment". The role of trade unions after independence within the framework of "social partnership" is examined and an argument is made that Namibian trade unions have not been able to deal with the informalisation of work. They will need to look at different organising models and draw lessons from international experiences if they want to reach the large number of informalised workers in a fragmented labour market. This does not only pose practical challenges but requires an ideological reorientation towards community unionism and a labour-led development strategy.

Key terms: informalisation; trade unions; community unionism; unemployment; workers' rights

Introduction

The growth and size of the informal economy globally is widely recognised and documented. It has grown significantly over the past decades as a result of a mirage of neo-liberal economic policies which systematically reduced the number of permanently employed formal sector workers and increased the number of those in precarious and informal conditions of work. The informal economy now employs over 60% of the global labour force outside agriculture (International Labour Organization [ILO], 2019, p. 13) and in developing countries the number is often significantly higher. In Zambia, for example, the figure stood at 87.9% and in Uganda at 93.7% (Schminke & Fridell, 2021, p. 96). In the face of such widespread informality, African trade unions simply have to broaden their reach beyond the narrow confines of the formal economy if they want to remain (or become) politically relevant.

This certainly applies to Namibia's trade unions as well, although the levels of informalisation are lower (see Namibia Statistics Agency [NSA], 2019). As in most African countries, unions were constituted alongside the North Atlantic model of industrial trade unions and are well represented in the public sector, amongst state-owned enterprises, and amongst the

larger private corporations like those in fishing and mining (Riisgaard, 2022). However, they have hardly reached the vulnerable workers in most sectors of the economy, including domestic and farm workers, security guards and workers in the informal economy. These are the workers who most need strong unions to improve their living and working conditions.

This article provides a qualitative analysis based on the available secondary data on Namibia's economy and labour market such as the levels of unemployment and informality, wages, and unionisation rates. This is followed by a brief description of Namibian trade unions and the legislative and policy framework in which they operate. The relevance of the notions of tripartism and social dialogue are discussed as historical constructs which bypassed the vast majority of Namibia's informalised workers.

The article draws some lessons from international experiences regarding unionisation in the informal economy. An argument is made that organising informal workers is not merely a technical exercise but a highly political question. The conclusion tentatively points to some options and likely obstacles for trade union engagement with Namibia's informalised workers.

Namibia's Labour Market – An Historical Overview

At the time of independence, Namibia's economy was primarily based on resource extraction but it also had strong agrarian features. Mining was the main source of export earnings and the major mines were highly unionised. The mining industry was dominated by transnational and South African mining companies. Mining accounted for some 60% of exports, and 40% of state revenue (Tapscott, 1992). The mining industry served global imperial interests and was characterised by the complete absence of local value addition, or the formation of value chains. Such value chains would have benefited job creation and the Namibian economy through the creation of a manufacturing industry. Minerals were exported straight to production centres in the West, without local beneficiation. Where limited processing occurred, it was capital intensive and therefore contributed little to the formation of an industrial base and significant employment creation (Mbuende, 1986; Jauch & Tjirera, 2016).

The fishing sector was controlled by international and South African interests. Marine resources were ruthlessly exploited, resulting in stock depletion. Fishing accounted for approximately 28% of Namibia's GDP in 1969, but this figure dropped to 4% around independence. It was a

classic case of “resource imperialism” which exploited Namibia's natural resources for short-term profits of (mostly) European companies without any consideration for the long-term sustainable utilisation of the fisheries sector by Namibia (Jauch & Tjirera 2016; Grynberg et al., 2023).

At the time of independence, agriculture supported about 70% of the population and employed almost 20% of the country's total formal workforce.

Extensive stock farming was the dominant activity of commercial agriculture, with beef being the major product. This accounted for 65% of the sector's output value, while communal subsistence farming sustained 250 000 – 300 000 people (20–25% of the population) but its contribution to GDP was not captured in official statistics (World Bank, 1991).

Land dispossession of black Namibians and the 1904–08 genocide during German colonial rule resulted in a scenario where 73% of Namibia's farmlands were owned by some 4 450 white farmers, while more than 100 000 communal farmers had to utilize a mere 27% of the total farmland. The average size of a white-owned farm was 7 836 hectares, 23 times larger than the average black-owned cattle farm (World Bank, 1991). Gottschalk (cited in Jauch & Tjirera, 2016, p. 144) described this

as an “agrarian counter-revolution” which prevented pastoralists from remaining self-sufficient. They were forced to take up wage employment while the rural “homelands” became places for mainly old and sick people, women and children.

At independence, Namibia’s manufacturing sector contributed only a small share to the GDP (4–5%) and employed only about 9 000 people, some 5% of those in employment. Only those working at larger manufacturing companies like Swavleis, Hartlief or the breweries were members of trade unions. About 70% of all goods produced in Namibia were food products, while the rest consisted of wood products, textiles, furniture and transport equipment. Manufacturing firms were concentrated in a few urban centres and were mostly small-scale, employing only a few workers. With the exception of small artisan and cottage industries, most manufacturing firms were owned by whites (Sparks & Green, 1992).

Emerging Trade Unions

The Namibian labour movement played a prominent role during Namibia’s liberation struggle. Workers endured highly exploitative and discriminatory practices during colonial rule as exemplified by the contract labour system, locally known as *okaholo*, which transformed and disrupted social structures

(Hishongwa, 1992; Ndadi, 2009). The anger and frustration amongst migrant workers resulted in several strikes without the presence of trade unions. Migrant workers became a central component of the anti-colonial struggle and constituted the backbone in the formative years of SWAPO (South West Africa People’s Organisation, now SWAPO of Namibia) (Jauch, 2018).

Inside Namibia, the industrial unions and Namibia’s oldest trade union federation, the National Union of Namibian Workers (NUNW) emerged from 1986 onwards and provided workers with an organisational vehicle through which they could take up workplace grievances as well as broader political issues, which were always seen as linked to the economic struggle. In the 1980s, the NUNW operated as a kind of social movement union and formed alliances with students and churches around the demand for political independence and social justice (Jauch, 2009; Jauch, 2018). This increased the union’s popularity and relevance beyond its membership, an aspect which is relevant to the recruitment of informal workers as discussed below.

Legacies of Colonial Economic Structures on Employment in Post-colonial Namibia

The lack of structural economic changes after independence resulted in the continuation of a very small

manufacturing base and high levels of unemployment, as reflected in Table 1 below. Formal sector jobs are concentrated around mining, fishing, government administration, and the retail sector. The vast majority of the population makes a living from agriculture and informal economic activities.

Given the long-term and structural nature of Namibia’s unemployment crisis, the broad definition (being available for work, even if the person is no longer actively seeking work) reflects Namibia’s economic realities more accurately. The figures below are based on this broad definition and show that women and young people are most severely affected by unemployment.

Table 1 *Broad Unemployment Rate 2000–2018 (15–64 Years)*

	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

Source: Labour Force surveys

Table 1 suggests that there was a significant drop in unemployment between 2008 and 2012. The decline can be attributed to methodological changes in calculating unemployment rather than actual employment creation (Mufune, 2014). In 2012, the NSA still used the international standard definition of being employed to mean at least one hour’s work for profit, pay or family gain in the seven-day reference period ahead of the interview. However, the 2012 survey probed the

question of family gain further with several new questions, including work done on one’s own home, farm, plot, garden or cattle post; growing farm produce; looking after animals; fetching water; collecting wood; producing any goods for household use; 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 2 shows the sectoral distribution of employment in Namibia between 2000 and 2018 in rounded figures. It points to the continued importance of agriculture,

the very limited employment created by mining, the growing employment created by accommodation and food services, and the significant number of domestic workers.

Table 2 *Employment by Economic Sector (15–64 Years) (2000–2018)*

Sector/employment	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 main sectors in terms of employment are agriculture, fishing and forestry (accounting for 23% of the employed); 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). Almost a third (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.

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. 64–72). In terms of incomes, three quarters (75.5%) of those in paid employment receive a monthly wage income of less than N\$1 353 (National Planning Commission [NPC], 2019). These figures point to a large overlap in terms of vulnerability and working conditions between the economy and the informal economies. There is no clear binary separation between the two – rather, informal employment is found in both.

The Informal Economy and Informal Employment

In the absence of a universally accepted definition for the informal economy, various countries have adopted country-specific definitions which suit their specific conditions. *The Namibian Informal Economy Survey* (Republic of Namibia, 2001, p. 5) adopts the definition provided by the 1993 ILO International Labour Conference of Labour Statisticians, which defined it as “units/enterprises which typically operate at low level organization, with little or no division between labour and capital as factors

of production ... expenditure for production often is not distinguished from household expenditure”. All the economic activities operating outside the recognised institutional framework are classified as informal.

Neither Namibia’s Labour Act (11 of 2007) nor the Labour Force surveys draw a distinction between employment in the formal and informal economies. Instead, the surveys draw a distinction between formal and informal employment. Formal employment is defined by the provision of some form of social protection (pension scheme, medical aid or social security). In 2018, 57.7% of the employed population were not covered by any form of social protection and were thus classified as “informally employed” (NSA, 2019).

There are no current data on Namibia’s informal economy as national surveys were only conducted in 1993 and 2001, followed by a third survey in eight regions in 2016. A study into Namibia’s informal economy by the Labour Resource and Research Institute (LaRRI) in 2006 found that more than half of the operators in the informal economy in Namibia were women, while a gender analysis on the nature of business and occupation revealed that there was a distinct division of labour. For instance, women dominated retailing businesses whereas men dominated manufacturing and repairs.

The study also found that young people dominated the informal economy. This was to be expected: the high youth unemployment rate reflected their inability to find work in the formal economy, and they were in effect forced to turn to the informal economy for survival. Most of the interviewed informal economy operators indicated that poverty, unemployment and the need to make a living were the reasons which drove them into the informal economy (Mwilima, 2006).

A 2015/16 case study showed that employees in the informal economy earned an average monthly salary of N\$1 554.95. Over half earned between N\$1 000 and N\$2 000 per month and a third earned less than N\$1 000. These salaries are all below the World Bank poverty line for middle income countries like Namibia. Informal economy workers endured long working hours ranging from 9 to 13 hours per day. Less than 40% had sick leave and less than 30% annual leave. Female workers enjoyed few benefits, with only 34% getting sick leave, 27.6% annual leave and 24.6% maternity leave, despite the legal provisions of the Labour Act (Republic of Namibia, 2017).

In general, informal economy workers experienced long working hours, low salaries, no overtime pay, no employment contracts, and no benefits

such as medical aid, paid maternity leave and paid sick leave. The vast majority were not registered with the Social Security Commission (SSC) thus rendering them more vulnerable during times of sickness and pregnancy. However, operators provided some benefits to their employees in the form of food, transport or housing allowances and assistance during times of difficulty (Mwilima, 2006; Republic of Namibia, 2017).

The rate of informality amongst women stood at 61.2% and in rural areas it reached around 80%, with Kavango West and Ohangwena regions having the highest rates. In terms of economic sectors, the highest levels of informal employment were found in private households (91%), agriculture, forestry and fishing (87.6%), accommodation and food services (68.6%) and construction (65.3%) (NSA, 2019).

The high levels of precariousness amongst Namibian workers are confirmed by a closer analysis of sectors of employment and average monthly incomes. The sectors which account for the majority of Namibia's employed people (61.8%) are characterised by incomes which are significantly lower than the national average of N\$7 935 per month. These include agriculture, forestry and fishing, with an average monthly income of N\$3 393; accommodation and food services (N\$2 819);

wholesale and retail trade (N\$4 019); construction (N\$5 441); and private households (N\$1 387) (NSA, 2019).

Namibia's Human Development Report of 2019 pointed out that two-thirds (65.2%) of the country's employed people are in paid employment, which translates into a mere 18.6% of Namibia's total population. Even more disconcerting, only 14% of the Namibian population earn a monthly wage income of more than N\$1 353 (NPC, 2019).

Post-colonial Labour Regulations and Informal Labour

After independence, the Namibian government reformed the colonial labour relations system and moved towards a new system of “social partnership” governed by the Labour Act (6 of 1992), as amended by the Labour Act (11 of 2007). Narrowly defined tripartite consultations and collective bargaining were seen as core components of this system, as the government believed that the living and working conditions of Namibian workers would be improved through a combination of successful economic policies and trade union engagement with the private sector. The government defined its own role merely as that of a “referee”, trying to create a level (and enabling) playing field for collective bargaining between business and

labour (Jauch, 2007). From the outset, this arrangement bypassed vulnerable and informalised workers.

Namibia's industrial relations model which underpins the Labour Act is the particular model which became dominant in northern hemisphere industrialised countries and was then widely promoted and transplanted across the world through the ILO and its tripartite structures of social dialogue. This model was premised on a formalised full-time employment relationship which had developed in the North Atlantic region during the 19th and 20th centuries. As this model was transferred to developing countries, it only covered the large public sector and parts of capital-intensive private production such as mining. As a result, trade unionism in developing countries was often limited to the select few (Riisgaard, 2022).

This particular model of labour relations altogether excluded informal economy workers. The ILO tried to address this “representational problem” by suggesting that workers' and employers' organisations should extend their membership to people in the informal economy. In other words, they should be incorporated into existing social dialogue structures as reflected in the ILO's “transition into formality” approach. A second approach was to extend tripartite

structures into a “tripartite+” arrangement to enable people in the informal economy to be represented separately. This is advocated for by organisations like WIEGO (Women in Informal Employment: Globalizing and Organizing) (Riisgaard, 2022).

Namibia’s Labour Act covers almost all workers (except the police, prison service, army and intelligence service) and encourages collective bargaining as the vehicle to improve working conditions. This model is based on a recognisable employer-employee relationship and excludes the informal economy, where most are own-account workers and only some have employees. The Labour Act entrenched basic workers’ and trade unions’ rights, set out the procedures for protected (legal) strikes, and provided protections against unfair labour practices. Protected strikes require adherence to a lengthy procedure which includes collective bargaining based on an agreed bargaining unit between employers and unionised employees; the reaching of a deadlock in negotiations; the declaration of a dispute of interests; and (failed) conciliation by the office of the Labour Commissioner. This cumbersome process can work in formal and highly unionised settings but it is virtually impossible to follow in small or informal workplaces.

Collective bargaining is essentially confined to larger formal sector

workplaces in the mining and fishing industries, the civil service, state-owned enterprises, and fairly large private retail and tourism businesses. Improvements in living and working conditions only benefited the workers in those sectors, while the vast majority of Namibia’s working people – the under- and unemployed, informal sector workers, casual workers, domestic workers, etc. – remained outside the realm of collective bargaining and trapped in poverty. Even in sectors where minimum wages were formally introduced, like those for farm workers, construction workers, domestic workers and security guards, workers remained exposed to highly exploitative practices, and unionisation rates remained low.

Unionisation Rates – Who is Covered by a Trade Union?

Namibia has 44 registered trade unions and three trade union federations (Office of the Labour Commissioner, 2023) but none of them have made significant inroads regarding the recruitment of vulnerable and informal workers. There are no accurate trade union membership figures; the figures provided by trade unions themselves differ substantially from those in the Labour Force surveys. The three trade union federations have between four and 15 affiliated industrial unions, with the bulk of union membership concentrated in the public sector, the



Trade union have organised workers in the formal sector but have hardly reached those in the informal economy. Photos: Valentino Nyambali (left); Herbert Jauch (right)

mining and fishing industries, and large retail companies. The NUNW claims a combined membership of around 85 000, the Trade Union Congress of Namibia about 62 000, and the Namibia National Labour Organisation about 8 000 (Jauch, 2018, updated in April 2023). Combined, this amounts to about 155 000 union members, equivalent to about 34% of Namibia's 451 701 employees and equivalent to 21% of the country's 723 742 employed persons. However, the 2018 Labour Force Survey found only 82 688 union members, 11.4% of all employed persons. In urban areas the unionisation rate was more than double that in the rural areas. The sectors with the highest rates of unionisation were education (53.6%), mining and quarrying (40.8%), and health and social work activities (30.7%). The lowest unionisation rates were found in private households (0.2%), construction (4.2%), and

accommodation and food services (4.2%) (NSA, 2019).

Outsourcing, Subcontracting and Labour Hire as Challenges to Union Organising

The challenge of precarious employment was exacerbated by postcolonial neo-liberal economic policies. Forms of outsourcing, subcontracting and labour hire allowed companies to concentrate on their "core business" while outsourcing other services. This broke up bargaining units and reduced trade union representation to the "core workers", while the outsourced workers lost trade union representation and job benefits.

Sub-contracting through labour hire as a third-party employment constitutes a very exploitative form of labour brokering. These labour hire

companies merely supply labour to their clients (companies). Through outsourcing arrangements, companies evade responsibility for the workers from whose labour they benefit.

Following demonstrations against labour hire companies in Walvis Bay in 1998, trade unions argued that labour hire was a new form of the dreaded contract labour system and that it should not be allowed to exist in an independent Namibia. A study commissioned by the Ministry of Labour, Industrial Relations and Employment Creation revealed that client companies use labour hire workers for various reasons. These include, to reduce the impact of strikes by permanent workers; to achieve flexibility; to cut costs; to avoid labour problems and having to deal with trade unions; to concentrate on their “core business”; and to be able to replace “unproductive” workers (LaRRI, 2006).

The biggest problems experienced by labour hire workers were the lack of benefits, low wages and job insecurity. Labour hire workers were paid less than permanent workers for the same kind of work and a significant portion of their hourly earnings (15–55%) was retained by labour hire companies as their fee. The use of labour hire became increasingly common and it undermined the job security of workers, especially in the lower skills categories.

It accentuates the division between core (permanent) and peripheral (casual) workers (LaRRI, 2006).

Although trade unions achieved success in having labour hire outlawed in the Labour Act of 2007, Namibian employers took the matter to court. The High Court upheld the ban on labour hire in its ruling of 1 December 2008 (Isaacs, 2008) but on the 14th of December 2009, the Supreme Court of Namibia struck down the ban on labour hire agencies and decided that the government must instead try to regulate irregular work. The Supreme Court argued that the ban on labour hire violated the right to practice “occupation, trade or business” (IndustriAll, 2010).

In response to the Supreme Court ruling, the Namibian Parliament passed the Labour Amendment Act (2 of 2012) which states that clients of labour hire companies must not employ labour hire workers on conditions that are worse than those of other (permanent) employees. The law also states that labour hire workers may not be employed during strikes and that they are entitled to all the protections granted by the Labour Act, including the right to join trade unions and participate in its activities.

Overall, Namibia’s trade unions have been unable to deal with the increasing

informalisation of work. They have hardly reached vulnerable and informal workers and are still largely limited to formal “core workers”. Most collective agreements cover permanent staff only. This was exemplified at the City of Windhoek, which has a long-standing recognition agreement with the Namibian Public Workers Unions and regularly negotiates conditions of employment. However, these agreements do not cover the city’s ward contractors who have been employed on successive short-term contracts for decades. They earn far lower wages and enjoy far fewer benefits than permanent staff, and openly expressed their disappointment with trade unions, whom they accused of failing to address their concerns (Ndjavera, 2023; Karuuombe, 2023).

Challenges in Organising the Informalised

Most of Namibia’s informal economy businesses have no employees, and those who do, have just one or two (Republic of Namibia, 2017). Likewise, domestic workers tend to operate in isolation, as do workers in small retail outlets. This makes them highly vulnerable to victimisation (including through retrenchment) which acts as a deterrent to becoming a union member. The industrial trade union model that underpins the Namibian Labour Act and the current operations of trade unions is not suitable for

reaching and representing workers at such workplaces. Unions will thus need to consider how they can deal with these structural impediments when approaching informalised workers. This poses challenges not only at a practical level but also at a conceptual and ideological level. Organising informal workers is not merely a technical question of organising skills and strategies, but a highly political one that touches on the definition of workers, the understanding of what constitutes the “labouring classes”, and what could be a pro-labour development strategy (Riisgaard, 2022; Schminke & Fridell, 2021). This section will briefly discuss the practical as well as the political aspects which affect organising amongst informal workers.

In general, trade unions can either extend their organising scope and review their strategies and approaches to reach workers in the informal economy (and vulnerable workers generally) or informal workers can organise themselves into their own organisations such as the Self-employed Women’s Association (SEWA) in India, which represents 2.5 million informal economy workers. SEWA is a union, a women’s movement and a cooperative movement which has created various support programmes for its members such as savings and credit schemes, health care, child care, insurance, legal aid, capacity building,

and communication services (SEWA 2020a; SEWA 2020b).

The cooperation between such informal economy organisations and trade unions can be mutually beneficial and result in improved standards of living, working conditions and social protection for those in the informal economy, while trade unions can increase their negotiating power and reach in terms of unionisation.

The ILO's trade union guide on how to organise informal economy workers points to various practical lessons learned from many years of organising attempts in the informal economy. Unions are confronted with various practical challenges such as whom and how to recruit – individuals, or rather informal economy associations? There is also the question of how to represent informal workers within union structures, what membership dues they should pay and how these can be collected. Further challenges are to identify meaningful services and benefits to be offered, and how to ensure democratic practices in informal economy associations affiliated to trade unions (ILO, 2019).

Trade unions cannot simply extend their traditional methods to cover workers in the informal economy. However, they realised that there is a need to give a voice to the most vulnerable working people, that

collective action is required beyond the narrow formal structures of the economy, and that democratic and representative membership-based organisations are needed to bring about changes and to achieve success in a hostile environment (ILO, 2019).

The first challenge for unions is to come to terms with the highly diverse nature of workers and economic units in the informal economy. This includes wage workers, employers, own account workers and contributing family members, micro enterprises and even some larger enterprises. In some cases, there is an employment relationship, in others there is none, or it is not recognised. The main categories of the informal economy workforce are owners/employers with few workers; own-account workers who are self-employed and sometimes working with family members; and paid workers in micro-enterprises who are working under harsh conditions. The first category presents a potential negotiating partner for unions, while the second category mostly needs access to credit, skills and amenities. The third category requires union interventions to improve exploitative and often dangerous working conditions, referred to as “decent work deficits” by the ILO (ILO, 2019, p. 19).

These divergent needs mean that besides defending labour rights and

decent work, trade unions need to develop business opportunities and assist members to get loans and business skills in order to attract members in the informal economy. The forms of organising may also vary according to the specific circumstances. Informal economy workers can be directly integrated into existing unions, or they can be incorporated via informal economy associations, or such informal associations can be recognised as trade unions, and then affiliate to trade union federations. In Ghana, for example, the national trade union federation, the Trades Union Congress (Ghana), created the Union of Informal Workers' Associations with the mandate to organise different informal economy associations into its fold. The Union of Informal Workers' Associations thus serves to unify informal economy workers and has observer status at the structural meetings of the Trades Union Congress (Ghana). A similar approach is followed in Zambia, while in Zimbabwe, the Chamber of Informal Economy Associations is affiliated to the Congress of Zimbabwe Trade Unions as an affiliate alongside industrial trade unions (ILO, 2019).

In other countries, such as Nepal, the national trade union organises all workers per sector across the formality-informality divide. All have equal rights within the union structures and all pay the same membership fees.

Trade unions in Benin adopted a very different approach by assisting informal economy workers and associations to form cooperatives to champion their own interests and to support each other (ILO, 2019). Thus, there is no single organising strategy, and unions will have to adopt an approach which holds concrete benefits for members in the informal economy in order to attract and retain them in the union fold.

Potential conflicts exist between formal and informal workers within trade union structures over the question of membership fees and voting rights. Membership fee deductions usually take place at larger formal workplaces but are almost impossible to enforce in smaller, informalised settings. In the Namibian case, this is made worse by a provision in the Labour Act which only compels employers to deduct membership fees in the case of formally recognised trade unions. Such unions represent the majority of members in a bargaining unit and are recognised as the exclusive bargaining agent by the employers.

When recruiting informal workers, unions will have to subsidise them at least in the short-term. Some countries (like Tanzania and Uganda) have explored the option of reduced membership fees for informal workers, with equal rights in the union structures. Others, like Nepal, Fiji and Argentina, followed the

model of equal dues with equal rights, while Sierra Leone coupled the reduced fees received from informal economy workers with reduced rights. The Sierra Leone Labour Congress allocates one delegate per 3 000 members in the informal economy, compared to one delegate for each 1 000 formal sector members at its congresses (ILO, 2019).

In terms of solidarity, the approach of reduced dues with equal rights for informal trade union members is certainly the most progressive one, but it requires the union to convince its formal sector members to avoid tensions and resentment. Also, unions need to build and sustain democratic organisational principles and secure a financial organisational base through

their membership fees. This sometimes means dealing with conflicting demands and expectations to accommodate both formal and informal workers in trade union structures.

The Ideological Question: Business Unionism or Community Unionism?

Besides these formidable practical challenges, trade unions will have to revisit their own orientation and focus when trying to effectively represent the interests of informalised workers. This touches on unions' understanding of the working class which traditionally is determined by a person's position within the means of production. This traditional understanding views the working class as formally employed workers in an



Trade unions need to organise as social movements to become relevant for informalised workers.

Photo: Herbert Jauch

identifiable employment relationship. Incorporating the many non-standard and informalised employment forms into the concept of the working class will require a broadening of the traditional understanding of what constitutes a worker (Riisgaard, 2022). A broader conceptual definition is that of a “global labouring class” which takes many forms but “shares the common condition of being subordinated to and exploited by global capital” (Selwyn, 2017, p.15, quoted in Riisgaard, 2022, p. 225).

In organisational terms, the concept of representing the “labouring class” would require a shift beyond the traditional shop floor towards social movement unionism where unions become major drivers of societal change in cooperation with other progressive civil society organisations, as was the case with some unions before Namibia’s independence. This approach is no longer visible today, although in 2023, the Trade Union Congress of Namibia took the initiative to work with civil society organisations on the establishment of a Non-State Actors Forum in the country.

The difficulty of moving towards social movement unionism can be explained by two distinct approaches towards trade unionism which Standing referred to as “business unionism” and “community unionism” (cited

in Schminke & Fridell, 2021, p. 97). The former is based on an apolitical understanding of trade unions as service providers. This understanding focuses on the shopfloor and workers as employees and on negotiations over wages and employment conditions. Such unions are managed by a technical bureaucracy and focus on a core constituency of formal sector workers while paying no attention to workers on the periphery. This is the dominant form of trade unionism in Namibia today.

Community unionism, on the other hand, focuses on the “labouring class” as a whole and goes beyond collective bargaining by including “wider political and social struggles against government and employers to attain more for all workers” (Schminke & Fridell, 2021 p. 97). Community unionism is better suited for informal workers whose challenges lie outside the typical employer-employee relationship. It also counters attempts to play off formal workers against the under- and unemployed, which Karl Marx referred to as the “reserve army of labour” (cited in Schminke & Fridell, 2021, p. 97).

The ILO’s decent work agenda is primarily a technical and descriptive approach which does not address the questions why informal work persists and whose interests it serves.

Schminke and Fridell (2021) thus provide a structural analysis which explains the persistence and growth of informal employment as an integral part of global capitalism, driven by two main dynamics: firstly, the informal economy benefits capital as a source of cheap and flexible labour; and secondly, governments want to create attractive conditions for foreign direct investments which is expected to lead to tax incomes and foreign currency reserves. These attractive conditions include the availability of cheap, informalised labour.

The struggle for decent work for all by trade unions will thus clash with the vested interests of both business and government. In terms of their political and ideological orientation, unions will have to confront what Selwyn (2017) termed capital-centred development theory (CCDT) with the alternative concept of labour-led development (LLD). CCDT constitutes the mainstream development thinking which regards capital accumulation as the basis for development. Its vision is guided by elite experts from corporations, state planners and NGOs, while the “labouring classes” are merely seen as objects, incapable of defining their own development. CCDT regards the struggle of the poor for improved living conditions as a barrier to development and prioritises the demands of global capital (Selwyn, 2017; Schminke & Fridell, 2021).

Operating within this framework holds little prospect for achieving improved livelihoods for most workers and Selwyn thus argued that a new vision of LLD will be essential for workers (broadly defined) to become their own agents of development by raising demands and attaining concessions from the state and capital (such as welfare state reforms) and where “labouring class collective actions directly generate meaningful improvements to their and their communities’ livelihoods” (Selwyn, 2017, pp. 10-11).

Without going into the details of this crucial development debate, it is important to point out that LLD looks at development from a labour perspective. It recognises the importance of workers being able to meet their own defined needs and it recognises that these needs are not just wages and benefits but also include social reproductive necessities such as public childcare, gender and racial equality, and safe and secure access to resources such as land, water and housing. LLD is based on a broad understanding of workers as including unpaid women workers, the employed and unemployed in urban and rural areas, informal workers, small-scale peasants, and the emerging middle class. Despite their different specific needs, the common barrier to improved livelihoods are the interests of capital and government underpinning the capital-centred development approach. As an alternative, LLD

must create the space for broad-based political, economic and cultural participation and decision-making as integral components of a democratic developmental process (Selwyn, 2017).

Namibia's trade unions are heavily influenced by the dominant CCDT and limited by its confines, as exemplified by the traditional focus on formal sector workers and collective bargaining. Shifting towards LLD and community unionism presents a major challenge in terms of their organisational, political and ideological orientation. An interesting example is provided by Uganda, where unions were most successful organising informal workers when they adopted the community union approach in line with the LLD ideas. They moved beyond the shopfloor by taking action such as preventing the privatisation of public lands from which informal transport operators used to operate. They also provided autonomous spaces for discussions under repressive conditions, organised union-owned apps to link transport operators with passengers free of charge, and provided credit, day-care services and training. However, this community approach was in constant tension with the traditional business unionism as expressed through the unease among union members in the formal sector, who felt that their dues were spent on informal worker activities (Schminke & Fridell, 2021).

Findings and Conclusion

The informalisation of work currently affects about 60% of Namibia's employed people, who are classified as informally employed. This serves capital's interest in having cheap and flexible labour available without having to bear the costs of social reproduction. For Namibia's labour movement, which is organised in the form of industrial trade unions operating within the confines of the Labour Act and narrowly confined social dialogue, informalisation presents a major challenge. Unions rely on membership fees as their predominant source of income, although some unions have resorted to union investment companies as a secondary source of income. Collecting union fees from informally employed workers is extremely difficult, and unions thus have little financial incentive to organise them.

However, reaching and representing informal and vulnerable workers would increase trade unions' visibility and political influence. This would require unions to move beyond the traditional confines of the industrial trade union and collective bargaining model which is largely confined to the public sector and larger companies in the private sector. Unions would have to consciously tackle the huge levels of inequality and unemployment which cannot be addressed by merely focusing on the wellbeing of formal sector workers, whose numbers are dwindling

as a result of neoliberal policies such as outsourcing and labour hire.

Unions are confronted with various practical difficulties such as whom and how to recruit, how to represent informal workers within union structures, and which meaningful services and benefits unions can offer to informally employed members. Perhaps the biggest challenge for unions is to review their perspective and ideological orientation. The social movement unionism which existed in the 1980s disappeared after independence and was replaced by the business unionism which characterises virtually all unions and federations today. This model is underpinned by a capital-centred development paradigm that is driven by business interests.

Broadening the definition of workers to include all informalised workers beyond those with a recognisable employment relationship is already a daunting task for trade unions, and requires a new approach that attempts to incorporate the interests of formal and informal workers alike. Even more challenging will be the ideological re-orientation away from business unionism towards community unionism and a labour-led development paradigm. This will invariably clash with the hegemonic agenda of capital which is widely supported not only by international financial institutions like

the International Monetary Fund and the World Bank, but also by Namibia's political parties, most local economists, the media and the judiciary.¹⁸

Although there are tentative signs of some trade unions engaging with broader socioeconomic issues, the current divisions between and within unions are further obstacles to uniting the "labouring classes" under a trade union umbrella. Similar challenges have existed elsewhere, and although Namibia's trade unions still have to climb the proverbial mountain, their re-orientation towards community unionism and labour-led development seems to be a precondition for successfully organising across the formal-informal divide.

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¹⁸ See for example the Labour Court judgement in Namibia Food and Allied Workers Union v Lüderitz Spar (HC-MD-LAB-MOT-GEN-2021/00071) [2021] NAL-CMD 20 (30 April 2021) and the Supreme Court judgement of Shoprite Namibia (Pty) Ltd v Namibia Food and Allied Workers Union and Others (SA 1 of 2021; SCR 1 of 2021) [2022] NASC 15 (26 April 2022).

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