Labour in Namibia

Important lessons for South Africa

Herbert Jauch of LaRRI explores the environment in which the Namibian labour movement has to operate, 12 years after independence.

The Namibian labour movement is confronted by a host of organisational and political challenges. The country's largest trade union federation, the National Union of Namibian Workers (NUNW) has remained affiliated to the ruling party Swapo despite the increasingly conservative economic policies implemented by the Namibian government.

The NUNW has maintained its links with Swapo since independence. This link has led to heated debates both within and outside the federation. The majority of NUNW affiliates argue that a continued affiliation would help the federation to influence policies. Critics have pointed out that the affiliation will undermine the independence of the labour movement and will wipe out prospects for trade union unity in Namibia.

There is also a growing public perception that the NUNW is merely a workers' wing of the ruling party

NUNW's rival trade union federations, particularly the Namibia Federation of Trade Unions (NAFTU), have repeatedly stated that they differ fundamentally from the NUNW over the question of political affiliation. They claim that the NUNW could not act independently and play the role of a watchdog over government as long as it was linked to the ruling party. There is also a growing public perception that the NUNW is merely a workers' wing of the ruling party, although the NUNW and its affiliates have on several occasions been the most vocal critics of government policies.

They took issue with government around Namibia's huge income inequalities, the slow process of land redistribution, education reform and the self-enrichment by politicians. How can this contradiction be explained? Are there two contradictory trends at work within the NUNW?

On the one hand, there is a high level of loyalty and emotional attachment to Swapo as a liberation movement and 'mother of independence'. This applies to the union membership and leadership alike who understood the liberation struggle as primarily geared towards national liberation. Although there were attempts in the 1980s of linking the struggle against colonialism to the struggle against capitalist exploitation, the predominant ideology was that of national liberation. As a result, there was a limited class-consciousness among Namibian workers and even union leaders. This allowed Swapo to introduce a non-racial but still capitalist social order after independence, with little resistance from the labour movement.

On the other hand, the NUNW and its affiliates still experience high levels of socioeconomic inequality and are confronted by dissatisfaction (at shopfloor level) with the slow pace of social change in Namibia since independence.

The continued inequalities are reflected not only in the skewed salary structures favouring management in the public service, parastatals and private companies, but also in the highly uneven distribution of national resources. As a result, trade unions have demanded policies that will eradicate these inequalities such as an effective land reform policy and the introduction of minimum wages for vulnerable workers like those in the farm and domestic workers' sectors.

Trade unions are thus caught in a dilemma of loyalty to the ruling party (which is common among union leaders and workers alike) and dissatisfaction with the slow process of social change. Although few of the unions' demands for redistributive measures have been met, the majority of NUNW affiliates still believe that a continued affiliation to Swapo will be the best vehicle for influencing broader socioeconomic policies in favour of workers.

The question of defining the labour movement's political role and an appropriate strategy to influence socioeconomic policies will be discussed within the next few months. Delegates at the recent NUNW national congress resolved to hold an economic conference to review its economic policy. The federation will evaluate whether it is still appropriate to call for a socialist programme in view of the developments both within the global economy and in Namibia since independence. The establishment of union investment companies has also created certain inconsistencies.

Trade unions are caught in a dilemma of loyalty to the ruling party and dissatisfaction with the slow process of social change

The NUNW congress held from 17 to 19 January 2002 did not devote a lot of time to the key challenges facing unions such as privatisation, Export Processing Zones (EPZs) and the rise in the use of outsourcing and casual labour. Instead an inordinate amount of time was spent on the re-election of union office bearers. The congress failed to emerge with a new strategic vision for the federation.

There is no doubt that a progressive labour movement has to be political by nature and deal with socioeconomic issues beyond the workplace. However, the NUNW will have to show how its present affiliation to Swapo helps the federation to advance the interests of its constituency. The NUNW will have to clarify its understanding of its particular class base and define its role in terms of serving the specific interests of that social class. Otherwise, the federation is likely to be coerced into compromises in the name of the 'national interest' as defined by government and corporate agendas. (This article draws extensively on the study carried out by Andrew Murray for LaRRI.)

The following section focuses on some of the key challenges facing labour, namely EPZs, use of labour brokers and privatisation.

EPZs

A Labour Resource and Research Institute (LaRRI) study looks at EPZs and how the labour movement has compromised itself over this programme because of the involvement of some of their union investment companies in companies now classified as being part of EPZs.

The study found that EPZs in Namibia have fallen far short of the government's expectations of creating 25 000 jobs and facilitating skills and technology transfer needed to kick-start manufacturing. At the end of 1999, the EPZs had created very few jobs (estimated to be in the region of 400) although millions of dollars had been spent on promoting the policy and developing infrastructure, with public funds.

In response, government argued that it was too early to measure the success and failures of the programme as EPZs would only show results in the long term. Citing Mauritius as the example to follow, it was argued that the island had to wait 20 years to see positive results.

Namibian unions were particularly opposed to the clause in the EPZ Act, which made strikes and lockouts illegal for a period of five years. The unions demanded that this clause should be amended to grant the right to strike to all workers, including those in the EPZs. The NUNW tabled LaRRI's report for discussion in the tripartite Labour Advisory Council (LAC). Following input from government the council concluded that: 'The EPZ did not fulfil their aims and objectives with regards to creating 25 000 jobs within the first five years, increasing the amount of manufactured goods produced, expanding industrial development and assisting in the transfer of skills and technology in the zones.'

The council agreed to recommend to the Minister of Labour to advise parliament not to re-enact the clause in the EPZ Act which prohibits strikes and lockouts in the zones. The council also resolved to establish a tripartite taskforce to evaluate the general impact of EPZ operations in Namibia and advise the council accordingly.

Amid mounting scepticism about the EPZ programme, the Ministry of Trade and Industry was unwilling to review its policy and claimed that the EPZs had attracted investments of nearly R300 million and created up to 1 000 jobs. The minister further lashed out at critics stating that 'attempts to paint the [EPZ] regime in a bad light, while laughable, must be seen as a danger to our national interest' (*The Namibian*, 26 April 2000).

To show some success of the EPZ programme, the ministry granted EPZ status to a range of other operations including a poultry plant in Karibib (western Namibia) and mining companies like Ongopolo (copper mine in Tsumeb, northern Namibia), the Skorpion Zinc Mine and refinery in southern Namibia which is currently being developed by the Anglo American Corporation. Production at the Skorpion Mine is expected to start in December 2002 and attract investments of US$454 million (R4,2 billion). The Skorpion project is expected to employ over 500 people and contribute about US$118 million (R1,1 billion) annually to Namibia's gross domestic product (GDP)

Support for Swapo pre-independence.

which would mean an increase of 4 to 5% (*Namibia Economist,* 20-26 July 2001)

Although Ongopolo and Skorpion obtained EPZ status for their processing operations only, it is likely they will use the EPZ status to gain complete tax exemption for their profits. Simple accounting tricks like transfer pricing will ensure tax exemption and deprive the Namibian state of tax revenue from the mining sector, which has so far contributed significantly to the national income. The Namibian government viewed Ongopolo and Skorpion Zinc mining ventures as proof that the EPZ programme is working and should be used to silence EPZ detractors.

The decision by a Malaysian textile company Ramatex to set up a R1 billion project ahead of South Africa and Madagascar was also viewed as a major victory for the EPZ programme. This was achieved by offering even greater concessions - above those granted to other EPZ companies. Government put together an incentive package which included subsidised water and electricity from the parastatals, a 99-year tax exemption on land use as well as R60 million to prepare the site including the setting up of electricity, water and sewage infrastructure. This was justified on the grounds that the company would create 3 000 to 5 000 jobs during the first two years and another 2 000 jobs in the following two years.

The plant will turn cotton into fabrics and the Namibian government hopes that local cotton producers will be able to increasingly supply the required cotton. Initially all the cotton will be imported - duty free. Ramtex' decision to locate production in Southern Africa is believed to be motivated by the aim to benefit from

Pic: Picturenet

Namibian President Sam Nujoma during indepencence celebrations.

Both unions own 10% shares in Ongopolo Mining and Processing Limited which took over the Tsumeb Copper Mines from TCL, which had closed down its operations in 1998. Ongopolo is a joint venture between former TCL managers, the Namibian government, private investors and the union investment companies Labour Investment Holding (owned by the NUNW) and the Namibian Mineworkers Investment Company (NAMIC) owned by the MUN. The general secretaries of NUNW and MUN serve on Ongopolo's board of directors, which is currently chaired by the NUNW secretary general.

As an EPZ company, Ongopolo enjoys corporate tax exemption and other EPZ benefits. It was, however, in the workers' interest to re-open the copper mine and smelter plant and it can be argued that unions had to play an active part to ensure this happened after a closure of more than two years. It seems, however, highly problematic that unions through Ongopolo have now bought into the EPZ policy and will thus be compromised if they want to question its viability. This is likely to lead to continuous debates about the question of priorities and conflicts of interests arising out of union investment companies. It would be self-defeating if unions' business involvement would prevent them from criticising questionable development strategies like the EPZ programme. For now, it seems that Namibia – in particular the Ministry of Trade and Industry – will continue investing significant resources into this programme despite its poor results during the first five years.

the Africa Growth and Opportunity Act (AGOA) which allows for duty free exports to the US. The Ramatex case is a classical example of SADC countries competing with each other in the race to the bottom for foreign investment.

Unions in a bind over EPZs

The Namibian trade unions have been relatively quiet during the recent EPZ debates. They re-iterated their demand for inclusion of the right to strike for EPZ workers and the clause prohibiting strikes in EPZs was not re-enacted by the Namibian parliament. EPZ workers thus can now go on 'legal' strikes. However, the labour movement has not been very vocal on the broader negative implications of the EPZ programme.

The NUNW found itself in a tricky situation alongside its affiliate, the Mineworkers Union of Namibia (MUN).

The Namibian labour market is becoming characterised by the use of labour brokers or labour hire companies. In its study, LaRRI, examined the effects of these companies in terms of job-creation, training and conditions of service. The study also looked at trade union response and proposed regulations to regulate this industry.

A new form of slavery?

The emergence of labour hire companies has resulted in heated debates and angry responses from the Namibian labour movement. Labour hire companies do not offer permanent employment to workers. The length of employment contracts between worker and labour brokers depends on the needs of the particular client company at that point in time. Companies utilising the services of labour hire companies include: Rossing Uranium, Namib Mills, PCI, ABB, Namibia Breweries, Hansa Breweries, Wesbank transport, Brandberg Construction, Namibia Press and Tools (EPZ company in Walvis Bay) and parastatals such as Transnamib, Nampost and Telecom Namibia.

Namib Labour Hire (NLH) is the largest labour hire company in Namibia, employing about 1 500 workers countrywide on an ongoing (but contract-bound) basis. The other labour hire companies are much smaller and are limited in their operations to specific towns or companies.

Most of the companies interviewed indicated that they use labour hire workers mainly during peak periods, for example loading and off-loading trucks, plant cleaning etc.

This indicates that the ability to obtain and dismiss workers at will, in line with company requirements, seems to be the main reason for using labour hire workers. It allows client companies to turn labour into a commodity that can be ordered and disposed of without any social responsibility towards the workers concerned. Although the overall costs of recruiting casual workers through labour hire companies might not be significantly less than recruiting casual workers directly, the convenience for clients is greatly enhanced. In addition, such workers are not generally unionised and can therefore be used as 'scab labour' during strikes.

Some managers interviewed cast doubt on the viability of recruiting workers through labour hire companies on a medium to long-term basis. One manager said it was in the company's own interest to nurture some loyalty between the workers and the company which is not possible under the labour hire arrangement. The manager added that by employing workers permanently, the company would achieve better labour relations, increased loyalty and improved productivity which could be further enhanced through the company's own training programmes.

Recruiting casual workers through labour hire companies reduces overall costs for the client company. Payments are made directly to the labour brokers and not the workers and do not include other costs associated with permanent employment like benefits and leave pay.

Labour hire companies pay their workers a certain hourly rate, provide them with safety equipment and usually register them with social security. NLH still provides transport for its employees but offers no other benefits. In turn, the labour hire companies keep 25% to 50% of workers' hourly wages.

Labour brokers eventually start competing with each other, resulting ultimately in lower wages for the contract labour. Former NLH employees started their own labour hire companies and tried to win contracts by offering the same services at lower rates. Some of these companies deducted as much as 75% for their workers' earnings and paid workers as little as R2 per hour. Wages can range between R3,50 and R5,20 per hour. Most labour hire workers earn less than R4 per hour. These rates could be compared to an estimated rate of R6,20 per hour paid to casuals employed directly by a company.

Studies found that the minimum rate was reduced to about half once the workers were employed through a labour hire company. The majority of workers employed by labour brokers are young, and unskilled or semi-skilled with limited tertiary education. Some labour hire companies indicated that workers were offered training in various areas. However, during our interviews with NLH workers, 28 of the 29 randomly selected workers indicated that they never received any training.

The Namibian labour movement has responded angrily to the emergence of labour hire companies. NUNW secretary general, Ranga Haikali, presented the union's position to the LAC following workers demonstrations and a petition to the government. He pointed out that labour hire companies posed a particular problem for workers and their trade unions. Their workers are not covered by collective agreements and are extremely vulnerable as they depend on renewed contracts for their survival. At present, only NLH has a recognition agreement with a trade union, the MUN.

Haikali added that labour hire companies reminded the labour movement of the contract labour system under which Namibian workers suffered before independence: 'Our memories are still fresh about the role SWANLA played in upholding an unjust and exploitative system and we seem to allow a revival in the form of labour hire companies. We need to take stock of the goals we set ourselves during the liberation struggle and of the rights and freedoms brought about by our independence. Are these goals and achievements cherished or are we beginning to undermine and destroy them? Are we moving forward as a free people in a free country or are we moving backwards? We need to realise our historical responsibility for the destiny of our country, the destiny of our people and the destiny of future generations. The emergence of labour hire companies coupled with a broader emphasis on 'labour flexibility' poses a major challenge to the achievements of the Namibian labour movement.'

The use of labour hire workers reflects (in part) an attempt by employers to regain greater control over workers (and their trade unions). Calls for greater 'flexibility' in the deployment and use of labour therefore amount to an attack on the joint regulation of work practices.

Proposed new regulations

The Namibian government identified Namibia's high unemployment rate and employers' attempts to avoid high social costs as key factors contributing to the emergence of labour hire companies. However, the government was not prepared to outlaw their operations and instead proposed guidelines to regulate labour hire companies and employment agencies.

NUNW members demonstrate against government policy.

These guidelines provide for:

- the registration of labour hire companies with the Labour Commissioner;
- the obligation to set up training programmes;
- adherence to all the laws of the land including labour legislation;
- ensuring grievance and disciplinary procedures, records of employees;
- employment agencies having to declare if they render their services free of charge or if they levy a fee on the user-enterprise or their workers;
- the Labour Commission cancelling registration if any law contravened – although exemptions can be granted;
- minimum wages as follows: R4,70 per hour for labourers, R5,30 per hour for semi-skilled workers and R6 per hour for skilled workers;
- agencies having to register their workers with the Social Security Commission but not being compelled to provide any additional benefits;
- training where workers are employed on a 'regular basis'. (However, 'regular basis' is not defined.);
- agencies providing training where their workers are required to carry out any work 'which could threaten their health, safety or welfare'.
- employment agencies not being allowed to participate in any scheme aimed at retrenching workers at client companies and replacing them with workers from employment agencies.

These regulations might help to set some minimum standards and to prevent the operation of illegal labour brokers that violate Namibia's Labour Act. However, they were unlikely to address the fundamental problems raised by labour. One of the likely problems will be how to monitor and enforce the provision that aims to prevent the replacement of permanent workers with labour hire workers.

Companies might find convincing arguments for retrenchments just to re-employ workers some time later through labour hire companies.

Companies might also resort to a strategy of not filling permanent vacancies and instead employing labour hire workers.

Other problems that are likely to emerge are the permissible fees that the agencies are allowed to charge.

The proposed regulations are silent on this issue and there are also no proposed limitations on the period for which an employee can be treated as a casual worker. This will allow client companies to make use of casual and labour hire workers indefinitely without imposing any duty on them to create permanent employment.

The proposed regulations will have to be tightened to ensure that Namibian workers are protected against the abuses they currently have to endure.

A dual strategy of strict regulations and good labour laws coupled with effective unionisation strategies seem to be the only immediate solution to the burning issues of abuse and exploitation that casual workers at labour hire companies are facing.

The privatisation debate has been shaped by the commonly held view that privatisation is not happening in Namibia.

A battle over state assets

Privatisation in Namibia has thus far taken the form of commercialisation and contracting-out.

However, the government does envisage the direct sale of state assets and utilities in the future.

Corporatisation and commercialisation are commonly regarded as 'first steps' in the privatisation process. In order to privatise and attract potential private sector investors, the state must first restructure its utilities and services to make them financially viable.

Contrary to popular perception, the private sector is not necessarily queuing up to buy up all the assets which governments are willing to sell. Instead, the private sector carefully assesses the opportunities for profit making before buying state utilities. Hence, profitable enterprises such as telecommunications tend to get fully sold off.

Less profitable enterprises tend to be subject to 'public-private partnerships' with the state retaining ownership while entering into some kind of service arrangement.

Downsizing in public service

To date, a number of policy proposals such as those of the Wage and Salary Commission, the National Development Plan, and the Outsourcing Policy (of the Efficiency and Charter Unit in the Office of the Prime Minister) have been made. This indicates that a serious process of public sector restructuring is underway. The key objectives behind this drive are to cut down on personnel expenditure. A commonly held perception within government is that the optimum size of the public service is 30 000, which means a reduction by over 50%!

Outsourcing and commercialisation are the principal strategies to reduce the size of the public service. Compared to outright retrenchment, these strategies appear to be the least politically controversial, particularly in view of the

Pic: Lam

NUNW members challenge privatisation.

fact that restructuring is not being directly associated with any privatisation drive. Employees are merely being transferred to new undertakings on similar terms and conditions of employment. By transferring employees to new undertakings, government is deferring the responsibility for downsizing to these companies (and their boards of directors). In other words, downsizing will now become a more fragmented and de-politicised process.

Government believes that reducing it's expenditure and contracting out functions and activities to the newly established commercialised entities will reduce fiscal deficits to targets viewed necessary for macroeconomic growth.

Improving efficiency is another factor behind the restructuring exercise.There is a realisation that government is not performing as well as it should.There is widespread concern that government output (in terms of productivity and service delivery) does not justify the amount of (financial and human) resources invested. Underlying this objective is the (neoliberal) belief that organisations running on market-principles (as do commercialised entities) are inherently more efficient than government. Government believes that outsourcing and commercialisation will improve delivery of government services. Since the late 1990s sector restructuring in the form of outsourcing and commercialisation has occurred within the key parastatals.The Ministry of Works, Transport and Communication (MWTC), for example, had about 10 500 employees at independence.The creation of commercialised companies (Telecom, Namibia Post, and TransNamib) resulted in a reduction of about 3 000 employees by 1998.The MWTC 2000 project was then introduced to reduce staff further to about 300 while the remainder would be transferred to outsourced companies. These new entities will receive government contracts for a period of three years only and thereafter, will have to compete for government jobs through open tenders.

The privatisation debate

The privatisation debate has been shaped by the commonly held perception that privatisation is not happening in Namibia. The processes of commercialisation and outsourcing in the public service as well as outsourcing and public-private partnerships in the municipalities is not seen to be an integral component of privatisation. In Namibia, privatisation is generally defined in its narrowest sense as the 'transfer of ownership to the private sector', rather than the intrusion of market forces into public activities and services (as in the broad definition).

Therefore, to answer the question 'Is privatisation happening in Namibia?' will depend on how one defines privatisation. In the narrow sense (transfer of ownership to the private sector), privatisation has not yet commenced. But even if there is no direct transfer of ownership, this does not preclude private sector involvement in public sector activities and services. This can take the form of joint ventures, partnerships, and ownership in subsidiaries of State-Owned Enterprises (SOEs) etc.

There are indications that a number of SOEs are soon to be (partly) privatised. This is especially the case with those SOEs, which are performing particularly badly (such as Air Namibia), where it will be argued that private sector involvement can turn companies around and actually generate revenue for government. Given that SOEs like Air Namibia are costing the government hundreds of millions of dollars, government may find such scenarios too tempting to resist. Also in the context of a failing export-oriented industrialisation strategy (built around EPZs), government is becoming increasingly desperate to attract foreign investment and generate foreign exchange earnings.

Effects of outsourcing

Commercialisation, outsourcing, as well as the privatisation of service provision in the municipalities, represents a serious challenge for trade unions. These processes can lead to changing the organisation of work. In the public service, all 'non-essential' work is being eliminated, and all necessary services and activities are being divided into 'core' and 'non-core' functions, with 'non-core' activities being outsourced, mostly to newly established commercialised companies like Namibia Wildlife Resorts, Airports Company etc.

These companies are run on commercial principles and they too could further outsource activities if they are operating inefficiently. Retrenchments could result. A similar restructuring process is happening within municipalities. 'Non-core' services (security, cleaning, refuse removal, parks and gardens etc) are being outsourced (through tendering) to private firms or Small and Medium Size Enterprises (SMEs) – sometimes in the name of black economic empowerment.

This privatisation of municipal service provision may represent a major setback, not only for workers who may lose their jobs, but also for poor communities who may suffer increased user charges and a loss of accountability. This is especially the case where private companies operate concessions and become responsible for collecting rates and tariffs (as in some forms of public-private partnership).

Partnerships between transnational corporations (TNCs) and municipalities have started with the first contract signed between Swakopmund municipality and a German water and sanitation multinational.

So far, workers who have been transferred from the public service to commercialised companies have not suffered any decrease in their terms and conditions of employment. Worrying though, in the case of the public service, is the fact that often no grace period has been negotiated. Given the escalating levels of outsourcing in commercialised companies, this means that job insecurity among transferred workers remains high. This insecurity will increase if the SOEs start resorting to more widespread use of casual labour in order to reduce costs (to meet efficiency and performance targets).

Workers who have been transferred to new undertakings find themselves no longer protected by collective bargaining agreements. Trade unions once again need to prove that they represent the majority in order to be recognised as the exclusive bargaining agent. This can often prove to be a tedious and time-consuming process, especially when a rival union is active in the new undertaking. What may even happen is that after being transferred, workers find themselves represented by a different union. This has already happened in the case of workers transferred from the Ministry of Works, Transport and Communication (where they were represented by the Namibia Public Workers Union – NAPWU) to the Airports Company (where the Public Service Union of Namibia – PSUN – represents the majority).

In this sense, restructuring divides bargaining units, and may even represent a net loss of members for certain unions (and a gain for others).

NUNW general secretary Ranga Haikali has completely rejected privatisation because it only benefits large multinationals. Citing the case of Zambia, Haikali suggests privatisation will only result in retrenchments and higher unemployment and poverty. At the same time the trade union federation understands that public sector restructuring is inevitable, and has been told as much by the Office of the Prime Minister. The concern of the NUNW (and its affiliate NAPWU) has therefore, been to limit the damage in terms of their members' interests.

The NUNW and NAPWU have both been involved in consultations with the Office of the Prime Minister. They have made it clear that full-scale privatisation would be rejected outright. Indeed, the feeling is that this is one of the reasons why the government has been backtracking (or at least postponing) discussions around privatisation. NUNW acting general secretary Peter Nevanga argues that: 'Privatisation will lead to a civil war in the country. We will fight it.' However NAPWU has given qualified support to the process of commercialisation, because government 'is still in control' and can therefore, be pressured to intervene on behalf of workers and the unions.

Nevonga, however, is unhappy with the way in which core and non-core activities are being categorised. Referring to the establishment of Namwater he argues: 'Water is life. It cannot be regarded as non-core. Now it means that the price of water will increase.' He is also critical of the process underway in municipalities. 'The municipalities are trying to run away from their responsibilities. If they are weak they should look at solving their problems, not just handing over their responsibilities to the private sector. We see what happens in the private sector ... they don't care about workers ... they don't give benefits ... they still have the colonial mentality with whites at the top getting all the benefits. We don't want to be partners with them. It is the supervisors and managers [in the municipalities] who should be replaced. Workers just do their job as they're told. If they're not being properly managed that is the municipalities' problem ... it's not our problem. We don't want to know about this privatisation ... we will just reject it.'

The Public Service Union of Namibia (PSUN), has hinted at some of the deep-seated problems in the public sector which are being sidestepped in the restructuring process. The union said commercialisation will not remove fundamental problems which exist such as cronyism, corruption and poor management.

These 'ills of the system' will just be displaced from government to the commercialised entities. So why should we expect any better performance from these companies, the union asks.

The PSUN argues that while some outsourcing can promote black economic empowerment, 'We need to be cautious. We don't just want to create new elites – benefits must go to the whole population.'

Towards the end of the year, the NUNW prepared a presentation to the cabinet sub-committee on public sector restructuring and thereafter, met with the President. The federation proposed the following:

- ❑ Establishing a single board for all SOEs consisting of representatives of all 'social partners' to formulate policies to regulate SOEs, and to monitor and evaluate service delivery.
- ❑ Broadening participation of trade unions with regard to representation on or inputs into all government appointed committees dealing with SOEs.
- ❑ Safeguarding affordable services for the poor. The federation said the impact of privatising service delivery has been very harsh for the poor. Once SOEs were commercialised/privatised, prices of services increased – Telecom Namibia increased local calls by 80%; Namwater has increased the water price by 20% each year and Nampost increased its rate by over 40% recently. The NUNW therefore, proposed tariff ceilings to be set by the overall controlling board according to the social goals.
- ❑ Improving public health services by recruiting more doctors from friendly countries, to provide training opportunities for Namibians in the field of medicine, and to set up a board controlling the fee structures of private doctors – 'otherwise health care will be the privilege of the few'.
- ❑ Implementing cross-subsidisation from the wealthy to the poor at all SOEs involved in service delivery.
- ❑ Grouping SOEs into different categories according to the functions they perform and the services they provide. 'This will enable the drafting of guiding policies for each group of SOEs in terms of regulation, performance monitoring and service delivery. This is essential for the controlling board to ensure maximum public benefits from SOEs.'
- ❑ Revising existing SOEs with regard to their assets and functions and to redirect their activities according to public interests. 'The private sector is driven by a profit motive and should only be allowed to participate in SOEs which do not provide essential services and cause continuous losses to the government like Air Namibia.'
- ❑ Putting in place safety measures for workers so that they do not become unemployed as a result of poor management. Management packages in SOEs need to be reviewed as they are out of proportion and unsustainable. 'Management packages need to be reduced while the management

structures need to be streamlined.'The packages need to be performance-based and in line with the economic realities of our country.'

- The introduction of greater transparency and accountability with regard to the operation of SOEs. Salary structures and financial reports of SOEs should be public documents.
- SOEs should avoid falling into the traps set by consultants like Deloitte & Touche who believe in the inherent superiority of the private sector over the public sector. 'This view is more ideologically driven than backed by evidence. Deloitte & Touche might also have a vested interest to encourage the Namibian government to privatise SOEs so that some of their clients can buy our national assets.'
- To investigate how the performance and efficiency of SOEs can be enhanced while retaining them under public ownership.

Conclusion

The federation's proposals indicate that unions are not going to take privatisation lying down, although they might not have initially thought through the full implications of commercialisation and outsourcing. Opposing and halting current privatisation initiatives will, however, be an uphill battle.

The government's commercialisation policy gives greater decision-making autonomy to company boards and executive management who place commercial interests above social ones. The Namibian government is also supportive of the concepts of outsourcing and public-private partnerships in municipal service provision. This suggests that unions will have to be particularly innovative and proactive in their anti-privatisation campaigns.

They will have to build a common vision among the different unions and with other civil society organisations (such as non-governmental organisations) whose constituency will also be affected by the consequences of privatisation. These organisations may have to pressurise government not to renege on its fundamental obligations regarding the delivery of basic services. It may also mean unions getting more involved in addressing the problems of inefficiency in government, and suggesting alternative ways to reduce government spending and to increase efficiency.

After all, privatisation (in all its forms) might create even bigger problems than what it may be able to resolve. In Zambia, for example, the government and the World Bank presented the privatisation programme as a major success because it has reduced the government's budget deficit and brought in foreign investment.

However, the programme also had a devastating social impact in terms of growing unemployment and poverty. This sends a warning to Namibia to carefully assess what type of public sector reform will increase efficiency, while at the same time safeguarding employment and affordable service delivery for the disadvantaged majority.

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