

Report on
FES 16th Round Table on Labour Relations:
Affirmative Action (Employment Equity) in Namibia,
Windhoek, 25.04.2007

Background

The 16th round table on labour relations was organised by the Friedrich-Ebert-Stiftung (FES). The topic under discussion was Affirmative Action (Employment Equity) in Namibia. Specific issues that the round table intended to cover were as follows:

- Effectiveness of Affirmative Action in Namibia
- Inability or reluctance of relevant employers in submitting annual AA reports to the EEC
- EEC's inability to charge relevant employers not submitting reports
- The difficulty in filling AA positions with adequately qualified and motivated people
- The change of relevant employers from those employing 50 people to 25
- Lack of effective AA committees in workplaces.

In this regard, main speakers were invited from the employers' federation (Namibia Employers Federation), workers federation (NUNW) and the Employment Equity Commission (EEC), Prosecutor General's office and a representative from the University of Namibia. The Prosecutor General's office did not send a representative. The confirmed panellist from NUNW (Deputy-Secretary General) did not turn up. In his place, Mr Moses Shikwa (Former Secretary General, MANWU) presented himself as NUNW-representative on the panel. The other speakers were:

1. Ms. Supii Mbirijona (Director of Human Resources at UNAM) – Keynote speaker
2. Mr. Tim Parkhouse (General Secretary of NEF) - Panellist
3. Mr. Vilbard Usiku (Commissioner of the EEC) - Panellist
4. Ms. Ntwala Mwilima (Researcher at LaRRi) – Moderator

Organisation of the discussion

The first session consisted of welcoming and introduction, delivery of keynote speech and presentations by panellists. The introduction and welcoming was performed by Mr. Tangeni Nuukuawo (FES Programme Officer), the keynote speaker was given the opportunity to deliver her presentation. Thereafter, the panellists were given opportunities to deliver their speeches for 15 minutes each. The second session gave an opportunity to the public to ask questions and add comments on the discussion and the issues raised by the panellists.

Session one

Summary of Keynote speech

The keynote speaker's presentation concentrated on providing a background of AA based on the US experience and Namibian experience. In this regard, she emphasised the importance of AA based on the past experience of both countries. According to the speaker, AA the main purpose of AA was to address the past injustices which had led to lack of opportunities and inequality for black people. Thus in both the American and Namibian case, inequality was based on racial discrimination. To address this, the Namibian government came up with Affirmative Action

policy which targeted the designated groups as the main beneficiary of the policy. Another important aspect of the AA policy is that it allocated responsibilities and procedures in the implementation of the policy at the workplace. In addition, the policy identified the employer (or CEO) as the main person responsible for ensuring effective implementation of AA in the workplace.

Thus, from her own experience, effective implementation of AA required the following:

- Commitment of the employer to the whole process – Effective implementation of AA required the commitment of the employer to the process of AA. This means that the employer should understand the importance of AA and that the overall responsibility should lie with the CEO of an organisation.
- Continuous assessment of the reality within the organisation with regards to the AA policy and its implementation (conduct AA audits) – In implementing AA within a workplace, it is very critical to conduct audits regarding the AA policy and its actual implementation within the organisation.
- Change organisational strategy – AA should be implemented and viewed as part of an overall organisational strategy. This means that AA should be viewed as a process which will lead to the transformation of the organisation rather than just filling in numbers as required by the law.
- Ensuring the participation of trade unions in the whole process.

Challenges regarding effective implementation of AA

- Negative view or perception of AA
- Language used in AA resulting in misinterpretation
- Lack of ownership by management
- Refusal of staff to serve on AA committees
- Treating the AA process as a once-off procedure which only involves the preparation of AA reports for the EEC
- Lack of commitment on the issue of understudies
- Problems with AA forms
- Lack of support from the previously advantaged group in implementing AA
- Glass ceiling effect which hindered the participation of women and people with disabilities. This can be observed in the fact that despite women being the majority in an organisation, very few are found in management.
- Negative perception on basis of getting a job. The speaker noted that when a white male got a job, people would say that he had the qualifications, and thus qualified for the jobs, whilst if a women got a job, people questioned here qualifications and alluded to window dressing.
- Lack of proper planning within organisations

All these challenges have resulted in the slow progress in the implementation of AA in Namibia thus had resulted in the need to still continue with the policy in the near future.

Trade Union Representative - Mr. Shikwa

Mr. Shikwa's input to the debate was what he termed "a case study" of the Pupkewitz group of companies. He pointed out that his remarks were based on NUNW's monitoring of employment practices and labour relations at the said company over the past years. From the onset, he made it clear that the company, in NUNW's view, had not implemented AA. This, he said, was based on the fact that already in 2005 the EEC had written to Mr. Pupkewitz indicating that there had been a decrease in the number of previously disadvantaged persons at management level, also noting with concern that the numerical goals the Pupkewitz group had set itself were not attained. According to Mr Shikwa, the workforce profile of the Pupkewitz group in management positions was still skewed, with white males dominating.

To support his point, he gave the following statistics:

- In 2001, there were 18 people from the previously advantaged group at senior management level with no single person from the previously disadvantaged groups
- In 2003, there were 14 people white employees and only 1 black employee at senior management level and only 2 black employees compared to 35 white employees in middle management.
- In 2005, there were only white employees in top management posts. Executive directors were all white males.

Mr. Shikwa concluded by calling upon companies to open up their ownership structures and so that they may reflect the country's racial composition as opposed to being dominated by people from the previously advantaged group.

Employers Representative - Mr. Parkhouse

Mr. Parkhouse's presentation was centred on two important questions:

- Why was the Affirmative Action Act enacted; and
- Has Affirmative Action succeeded?

The answer to his first question was that AA policy was enacted to ensure that the previously disadvantaged groups of the Namibian population were given opportunities to enter the mainstream of the economy.

On the second question, Mr. Parkhouse pointed out that AA has not succeeded to the desired degree. Quite in fact, AA had resulted in achieving the opposite of what it intended. This he supported by stating that AA had created a situation whereby a few well educated people from the previously disadvantaged group with good career development were now using their status to job hop in search of higher salaries. He attributed this situation to the fact that some companies were experiencing difficulties with compliance due to the limited skills available in the country. Thus companies struggled to comply with the requirements of the AA Act. In addition to skills shortage, other factors such as distorted packages offered by parastatals, lack of work ethics, levelling of the playing field, capacity in the office of the equity commissioner and lack of teeth of the equity commissioner's office also were to blame.

- **Skills shortage**

According to Mr Parkhouse, there are still not enough skilled people available to fill up the gaps. In this regard, he supported his point by providing statistics on the different fields where there was skills shortage:

- Dental – 161
- Medical doctors – 392
- Nurses – 2362
- Engineers – 1451
- Finance – 2300
- Information Technology – 1400 - 2300

He attributed the skills shortage a number of factors including the quality of basic education which failed to equip young learners the ability to enter tertiary education institutions. Another factor contributing to skills shortage in the country, he said, was salary expectation. According to Mr. Parkhouse, young graduates seem to think that by virtue of having a diploma or degree they ought to earn higher salaries and occupy higher positions in organisations. This had resulted in a misalignment between salary expectations and actual capabilities as young graduates require training and experience to enable them to perform at their maximum levels. Thus he pointed out that the policy of appointing people into positions for which they lack experience was a recipe for failure. In the case of Namibia, 95% of the population are previously disadvantaged people. This means that in the long run, senior positions will be filled with people from previously disadvantaged group, who will be more qualified and experienced.

Another factor that contributed to the shortage of skills in Namibia was brain drain. He pointed out that in recent years, Namibia has lost some of its qualified skilled people as they migrate to countries offering them better salaries and benefits. Thus there was a need to find ways in which to retain the expertise that the country is loosing. In addition, the lack of skills was resulting in employers having to employ expatriates. According to Mr. Parkhouse, hiring foreigners was a costly and lengthy exercise and thus no employer wanted to hire foreign expertise. In this regard, he argued the government to follow South Africa's example of resorting to an open door policy and issue permits on a quota basis. This would make it easier for employers to hire expertise from other countries and fill in the skills gaps existing in the country currently.

- **Distorted packages offered by parastatals**

According to Mr. Parkhouse, parastatals in Namibia offered higher salaries to their senior staff than private companies (30% more than the private sector). Thus, this allowed the parastatals to poach the few qualified and experienced Namibians away from the private sector. This situation affected the role of parastatals which, in his view, was to train young Namibians to acquire the experience needed rather than getting the already experienced people from the private sector.

- **Lack of work ethics**

Namibia had a low productivity, which, he said, was resulting from the lack of work ethics among workers in the country. According to Mr. Parkhouse, there was a need to reverse our work ethics by working harder in order to get high wages.

- **Levelling of the playing field**

Employers in Namibia had observed that AA is not fully applied in some sectors. For instance, Asian companies in the construction industry seem not to be required to comply with AA as they were allowed to employ foreign workers - of which many were only semi-skilled workers - with no understudies. Thus this influenced or discouraged other employers in complying with AA.

- **Lack of capacity and lack of teeth of the equity commissioner's office**

Employers had noticed that there was lack of adequate staff in the EEC's office to effectively review reports and follow-up on unruly companies. Furthermore the amendment of the relevant employer from 50 to 25 means that the number of relevant employers would dramatically increase, thus the EEC should increase its staff compliment accordingly. Another issue that concerned the employers is that the EEC had reported that there were employers that were not complying but nothing much had been done to deal with this issue. According to Mr. Parkhouse this created a situation where employers did not have the incentive to comply because even if they did not comply, no recourse could be taken against such employers. Thus there was a need for action to be taken against the companies that were not complying.

Employment Equity Commissioner - Mr. Usiku

Mr Usiku began his presentation by pointing out that their last annual report had shown some modest improvements in the number of employment practices with respect to race. Furthermore, while some sectors showed great improvements in employing PPD in key positions, others did not. According to Mr Usiku, people from previously disadvantaged groups were still underrepresented in key positions of many relevant employers despite being the majority in the total workforce as revealed by the AA reports.

To date, people from the previously disadvantaged group accounted for the following in key executive and managerial positions:

- **25%** in executive directorship positions
- **45%** in senior management positions
- **75%** in middle management positions.

According to Mr. Usiku, the situation was worse for people with disability as their representation was very low. This is because this group of people only accounted for 0.42% of the total workforce. Based on these figures, Mr. Usiku pointed out that ensuring equity in employment had been challenging and not an easy task. He attributed this to a number of factors such as lack of cooperation from employers to keep their side of the bargain. Furthermore, he stated that he had noticed that employers were quick to point out that there was lack of skills among the designated group in Namibia and that is why they could not comply. However, despite having identified this shortfall, employers were not telling the people about what they ought to do in order to ensure that there were a sufficient number of suitably qualified people from the designated group. The AA law required relevant employers to train employees and develop their skills level as a way of preparing them to assume positions of responsibility instead of looking for those already trained by others.

Another challenge that has been facing the EEC in ensuring the effective implementation of AA was the failure of relevant employers to submit reports. In this regard, the Commissioner indicated that the EEC had had success as they would be using law enforcement to deal with this

challenge. In this regard, the help of the Prosecutor General's office would ensure this process. In addition, the EEC had lowered the scope of relevant employer to those employers employing 25 employees. He argued that this would help broaden the scope and coverage of employers and ultimately, the number of beneficiaries under Affirmative Action.

Session two - Discussion

The second session of the round table comprised of questions and comments to the panellists based on their presentations. Below is a summary of the most contentious issues which were raised in this regard.

The second session began with comments based on Mr. Shikwa's statement. *Mr. Hill* (Pupkewitz Group) conceded that there were indeed still few people from the designated group employed in managerial positions at Pupkewitz. However, he disputed the figures given by Mr Shikwa as well as the interpretation of these figures. He said that, over the years, the Pupkewitz Group had trained many people from the designated groups to senior management competence. Regrettably trained people kept on leaving their company for greener pastures in parastatals or abroad, a development for which the company could not be held responsible. He echoed Mr. Parkhouse's argument and stated that this happened because parastatals paid 30% more than the private sector, which should not be the case. He argued that parastatals could afford to pay more because it was not their money. They got subsidised by government whilst the private sector could not afford to pay more because this would lead to closure of business due to bankruptcy. He also added that the figures given by Mr Shikwa were wrong and did not reflect the actual situation in the company, due to more recent internal promotions and external recruitments.

The most contentious issues were raised regarding **skills shortage** among the designated group. In this regard, factors were identified which contributed to this scenario. The first factor being that skills shortage in Namibia was a result of the education system. It was stated, that although Namibia's per capita education budget was the highest in the region, its results were amongst the worst due to misallocation and poor management of resources. To illustrate this point, it was stated that the Polytechnic of Namibia had not received any budget increase for the past five years despite an impressive track record of achievement. A high rate of absenteeism among teachers was cited as a further example of severe management problems in the education system. A recent survey showed that in 600 schools, 24 per cent of teachers were absent.

Others raised the question whether all previously advantaged people had the required post secondary skills or not as it seemed that most of them were employed in key positions in many companies. Other people were concerned that of recent, the costs of education in tertiary institutions were increasing and this affects the ability of people to get post secondary qualification, which ultimately results in skills shortage. In addition to high costs of education, others felt that companies in Namibia were not willing to provide internship to young people from tertiary institutions, thus this resulted in young graduates lacking the experience needed when joining the labour market. Some of the people wanted to know what the employers were doing to develop the skills of their employees as this seemed to be their main reason for lack of effective implementation and compliance with AA.

The second issues raised in the plenary were with regard to the **effectiveness of the EEC**. The main concern was whether the EEC had sufficient inspectors to check what was happening at companies. This, it was felt, was important because some companies might cook up their AA

reports while in reality they were not implementing what was stated in the reports. Furthermore, it was argued, that there was a need to review the AA law to ensure that employers were forced to train young graduates so that they could get the necessary experience and develop within the organisation. In addition, it was felt that employers did not comply with the provisions of understudies. In some cases, employers reportedly indicated names of understudies without consulting them or without their knowledge or employed understudies without any clear plan of how the understudy would be developed and how long the process would take. This tendency was said to be quite common among employers and also was seen as undermining the process of AA. Actually, it was mentioned that this situation contributed to young people leaving organisations as it resulted in dissatisfaction.

Conclusion

Despite having been in effect for more than five years, the achievements and results of AA have been very limited so far. *Specifically, AA has failed to increase the participation of people with disabilities and women in the workplace.* The reason for this situation differs among the different stakeholders.

Thus for employers, they feel that AA has not achieved its desired goals due to various reasons mainly due to skills shortage among the designated groups. Lack of skills is further exacerbated by factors such as lack of work ethics, higher salary expectations, education system, brain drain and lack of capacity and ‘teeth’ in the EEC’s office etc.

NUNW and EEC were in agreement that the lack of effective AA implementation was mainly due to a lack of cooperation from employers, especially with regards to handing in AA reports and investing in staff development. In their view, to date, employers have not come up with concrete solutions on how to deal with the lack of or shortage of skills.

Furthermore, there is still widespread negative perception with regards to affirmative action in Namibia, especially from the previously advantaged group which resulted in the lack of support for the policy and lack of implementation. Thus there is a need for everybody to understand the importance of affirmative action, which is to transform organisational culture rather to just meet the numbers.

Despite reservations mentioned regarding Affirmative Action and its consequences, there was no mention of its abolishment, which clearly indicates that this policy is still considered as important by the Namibian society and thus should continue to be implemented in the near future.