

Covid-19: Employment conundrum

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Most Namibians are in insecure forms of employment, with low salaries often as low as N\$1 500-N\$2 500 per month, according to the Economic Social Justice Trust. Photo Nampa

The focus this time has to be on household support. – Herbert Jauch, Chairperson: ESJT

Jo-Maré Duddy – The Economic Social Justice Trust (ESJT) yesterday called on government to intervene to protect Namibians against the impact of Covid-19 on issues ranging from job security to home loans and price hikes.

ESJT chairman Herbert Jauch said a key issue during the coronavirus crisis is to “ensure survival”.

“There is no doubt that the economic consequences will be severe, but unlike during the global financial and economic crisis of 2008, the focus this time has to be on household support and not on bailing out corporations,” Jauch said.

Although welcoming president Hage Geingob’s declaration of a state of emergency, the ESJT is concerned about the impact the lockdown will have on employment.

The Labour Act states that work can be reduced for a period of at least three months. Workers need to receive at least 50% of their wages during this period, Jauch emphasised.

"This, however, is not sufficient to deal with the current crisis as some employers have already started retrenching workers or sending them home on unpaid leave," he said.

The ESJT called on government to pass additional regulations that explicitly prevent the retrenchments of workers during the lock-down.

"Employers should be required to continue paying their staff and in cases where they are financially unable to do so, they must provide proof to government as a precondition to be assisted through tax exemptions etc. A particular focus will have to be on small and medium-size enterprises who will face the greatest challenges in maintaining and paying workers," Jauch said.

Employers

The ESJT's statement comes a day after the Namibian Employers' Federation (NEF) issued a statement, saying the "current situation is without precedent and that all Namibians face similar problems, of sacrifices and compromises that will have to be made by all, based on negotiation and creating understanding".

"In order to keep businesses open and contribute optimally to Namibia's economy and ensure Namibia's economic survival, it is critical that an amicable solutions is found, which might require a compromise from all sides," said the secretary-general of the NEF, Daan Strauss.

The NEF said Friday's announcement by the executive director of the ministry of labour, industrial relations and employment creation, Bro-Mathew Shinguadja, urging employers across all sectors to fully pay employees in March and April was not in line with tripartite meetings which took place last week.

He said the announcement resulted in "great confusion between employers and employees" and said the NEF was "very disappointed that the announcement made by the ministry of labour does not reflect a common position of the stakeholders present".

Cash in households

The ESJT yesterday said only a minority of Namibians have permanent jobs with income security and benefits.

"The majority are in insecure forms of employment, with low salaries often as low as N\$1 500-N\$2 500 per month. Many are in seasonal or contract employment or have no sources of income at all, depending on relatives and friends for survival," Jauch said.

"In a situation like this, government must immediately step in and the most effective way are cash grants to households," added.

Jauch said support for vulnerable households can be partly funded through the reserve fund of the Social Security Commission, which must be directed accordingly.

“It has a special responsibility to provide social protection for Namibians and has to take extraordinary steps in this time of crisis. Likewise, NamWater and NamPower have to be instructed to render the required support to households and municipalities,” he said.

The ESJT also urged government to declare a moratorium on rent and bond payments so that nobody loses housing or falls into further debt.

“This cannot be left at the discretion of financial institutions,” Jauch said.

The ESJT furthermore said immediate steps should be taken to stop “racketeering and price hikes on essential goods like food, hand sanitisers, masks, etc.”

“This is something we need to follow immediately as some shops are already guilty of racketeering,” Jauch said.