

Labour Hire in Namibia: Current Practices and Effects



Prepared by the Labour Resource and Research Institute
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Executive Summary

Labour hire as a particular form of outsourcing has emerged in Namibia after independence. This labour-only form of outsourcing forms part of a global trend towards more “flexible” forms of employment, which are implemented by employers in the pursuit of higher profits. Labour hire companies supply labour to third parties (the client companies) with whom they have a commercial contract. This practice does not only apply to workers that are required for short periods, but increasingly also to those who work on a full-time and ongoing basis for the client company.

Global experiences have shown that employers use labour hire workers for a variety of reasons. These include coping with peaks in demand, reducing costs, avoiding industrial relations problems, greater flexibility, as well as avoiding retrenchment procedures and trade unions. Labour hire workers on the other hand are faced with job insecurity, low wages and substandard working conditions, limited training and skills development and low levels of unionisation.

Namibia’s labour hire practices conform with global trends to a large extent. The country’s labour hire industry is dominated by one large company, which originated in South Africa and now operates across Namibia. In addition, there are several smaller labour hire companies most of whom are limited to serving a few clients, mostly in one particular town. Overall, at least 10 labour hire companies are currently operational in Namibia. They all supply most unskilled and semi-skilled workers to client companies in various industries, including mining, fishing, and retail. Their clients include private companies as well as state-owned enterprises. Almost all labour hire companies retain a substantial part (15-55%) of workers’ hourly wage rates as their fee.

Client companies use labour hire workers to reduce the impact of strikes by permanent workers, to achieve flexibility, to cut costs, to avoid labour problems and trade unions, to concentrate on their “core business” and to replace “unproductive” workers. Labour hire workers are paid less than permanent workers and usually do not enjoy benefits.

Many labour hire workers suffer under violations of the provisions of the Namibian Labour Act. Although most are registered with social security, many do not receive any paid leave and not even severance pay in case of retrenchment. Even if they worked for the same labour hire company and the same client company for several years, they have no job security and are employed on the basis of “no work – no pay”. Their employment contract with the labour hire company is terminated as soon as the commercial contract between the labour broker and its client ends. Only the larger labour hire companies may be able to offer their workers alternative work at another client company. This option does not exist at small labour hire companies.

Although the legal provisions on employment termination apply to labour hire companies as well, the usual practice is to hire and fire workers at will. Several client companies confirmed that they may request the removal of any labour hire worker at any time. The labour hire company will then have to send a replacement. Labour hire thus contributes to the “commodification” of labour as an exchangeable and replaceable commodity.

The use of labour hire in Namibia is not limited to peak periods and specific tasks only. Over the past few years, labour hire has become an established practice and in some instances permanent workers were retrenched and replaced by labour hire workers. Labour hire thus poses a threat to permanent workers, especially in the lower skills categories. It accentuates the division of labour into core (permanent) and peripheral workers.

Labour hire employment is hardly a springboard to permanent jobs. Indications are that although a few workers were taken over by client companies as permanent staff, such practices are rather exceptional. One labour hire company explicitly prevents its workers from taking up employment at any client company.

The employment creation effect of labour hire is limited as almost all jobs are created by the client companies. Overall just over 100 people are employed as administrative and supervisory staff on a permanent basis by labour hire companies. However, some client companies indicated that they would employ fewer workers if the labour hire option were not open to them.

Most labour hire companies describe themselves as black economic empowerment companies. While they may create business opportunities and profits for a small group of labour hire owners and managers, they contribute little to socio-economic development, equality and social justice. The price for labour hire practices is paid by the workers directly affected. Increasingly they include young school leavers who were unable to find permanent employment.

Most labour hire workers are aware that they are employed by the labour broker and not by the client company. However, most indicated that the client company takes decisions on retrenchments. “On the spot” retrenchments are a regular occurrence. Neither the client nor the labour hire companies provide any substantive training and most labour hire workers did not receive any training at all.

There is a clear sexual division of labour with men being employed as drivers, artisans, loss controllers and truck assistants while most women are employed as shop assistants and operators. Even the wages reflect a gender bias, as most women are concentrated in the lowest income categories while men dominate in the higher ones. Levels of education seem to have little effect on wages.

Most labour hire workers earn N\$ 3 – N\$ 6 per hour but in some cases wages can be as low as N\$ 2 per hour. On the other hand, skilled artisans can earn around N\$ 40 per hour, particularly if they work at mining companies. Labour hire workers enjoy very few benefits and most work 37 – 46 hours per week. In many case overtime is not performed on a voluntary basis as workers are forced to do so by managers and supervisors.

A significant number of labour hire workers have joined trade unions but recognition agreements at client companies usually cover permanent staff only. The Mineworkers Union of Namibia (MUN) is the only trade union that has concluded a recognition agreement with a labour hire company. All other unions experience huge challenges to organise labour hire workers and to represent them through collective bargaining. The insecurity of their jobs coupled with potential shifts between workplaces makes union organising difficult. Some unions are reluctant to organise labour hire workers, as they do not want to recognise their employers. Instead they want labour hire to be abolished.

Occupational health and safety seems to be of little concern to labour hire companies and their clients. Most labour hire workers believe that these companies have no health and safety policies and less than 10% of labour hire workers have received any kind of health and safety training.

The biggest problems experienced by labour hire workers are the lack of benefits, low wages and job insecurity. The current labour laws and regulations have little impact on their working conditions and failed to grant them protection against abuses. The “Proposed Guidelines for Labour Hire and Employment Agencies” of 2000 were never implemented and the stipulations in the new Labour Act (2004) are insufficient to deal with the problems experienced by labour hire workers.

Against the background of the colonial migrant labour system and the hardships experienced by labour hire workers, abolishing the labour hire system would be the best option. One of the challenges to overcome in this regard is that labour hire constitutes only one form of outsourcing that co-exists with other forms such as cleaning and security sub-contractors. Outlawing labour hire while allowing other forms of outsourcing to continue would probably result in labour hire companies re-constituting themselves as service providers with little change in the employment conditions of their workers.

Unless the Namibian government is willing to severely restrict outsourcing in all its forms, a dual strategy of strict regulations and good labour laws coupled with effective unionisation strategies and improved labour relations seems to be the best option currently available. Such a strategy would have to ensure that conditions of employment for labour hire workers are not below those offered to permanent workers and that transgressions of legal requirements are promptly and severely dealt with.

Introduction

During the late 1990s, the question of labour hire became a key concern for the labour movement in Namibia. Following workers' demonstrations against labour hire companies in Walvis Bay, a research undertaken by the Labour Resource and Research Institute (LaRRI) in 1999 and published in 2000 provided a first picture of labour hire practices in Namibia. It pointed to some of the reasons why companies use labour hire workers and to the conditions of employment offered at such companies. Following deliberations by the tripartite Labour Advisory Council (LAC) an Employment Services Bill was drafted with the aim of providing adequate regulations for labour hire companies. Namibia's new Labour Act (2004) also contains a clause on labour hire. Trade unions and some politicians on the other hand, called for legislation to outlaw such companies. During the recent congress of the National Union of Namibian Workers (NUNW), union leaders as well as President Hifikepunye Pohamba stated that labour hire was reminiscent of the colonial migrant labour system and should therefore be abolished.

What is labour hire?

One of the main characteristics of capital led-globalisation over the past 30 years has been the intensification of flexibility within labour markets. This can be observed in the emergence of new forms of employment (i.e. casual, part-time and fixed term contracts) and new employment relationships. This flexibility has been intensified by economic restructuring aimed at profit maximisation. The traditional two-way employer-employee relationship has changed to include a third party, the labour broker (or labour hire company). A labour hire company can be defined as “*an agency that provides individual workers to a client or host with the labour hire company being ultimately responsible for the worker's remuneration*” (ACTU 2000:2 as cited in Hall 2002:4). Thus labour hire is the “practice of employing the workers of a labour hire company to work at a client company for generally short periods” (Anderson, Archer & Smiljanic 2003). The labour hire company can employ or engage labour hire workers as casuals or as independent contractors operating under a service contract.

Labour hire employment involves three parties and creates a “triangular employment relationship” which differs from the traditional type of employment involving two parties (the employer and employee). Thus labour hires companies are set up with the sole purpose of selling labour to client companies.

Two types of contracts exist within this type of relationship. The labour hire company (broker) has a commercial contract with the client company for the provision of a service whilst the labour hire company has an employment contract with the employee, whose services are offered to the client company. Anderson et al (2003) points out that the traditional role of the employer is split between responsibility for wages and other benefits of the employee and control of the worker on a daily basis. According to Hall (2002), this is the essential

characteristic of labour hire arrangements (i.e. splitting the contractual and control relationships). Thus Hall (2002) argues that labour hire workers work under the practical day-to-day direction of the client company, but are paid by the labour hire firm with whom they have a direct contractual relationship. The client company pays a contract fee to the labour hire company for the provision of that labour and only has a contract relationship with the labour hire company. According to Theron, Godfrey, Lewis and Pienaar (undated) the conditions of work for the labour hire workers are determined by a commercial contract (which is signed between the labour hire company and the client company), rather than contracts of employment (signed between the worker and the labour hire company).

Hall (2002), Anderson et al (2003) and Theron et al (Undated) all point to the fact that this type of contractual relationship is problematic and is not as clear and straightforward as presented above, especially with regards to the regulation and responsibilities of the labour hire company. Labour hire companies engage workers in a number of ways, other than engaging them as permanent workers. Another problem that result from this type of relationship is identifying the actual employer and who is responsible for the workers' welfare. Workers involved in this type of employment relationship are sometimes confused as to who their employer is, as the responsibilities of the labour hire and the client companies are often not very clear. For instance, there is confusion whose responsibility it is to discipline and retrench workers, and who is liable in case of injuries and breach of occupational health and safety. Hall (2002) points out that in such instances, the labour hire company and the client company are both not prepared to accept the responsibility for rehabilitation and return to work, and in cases of unfair dismissal the labour hire and the client company might seek to deny that the aggrieved worker is their employee.

Motivation for this study

During 2005, the issue of labour hire once again surfaced prominently in Namibia. As the country is confronted with high levels of unemployment and poverty, government tries to create an environment conducive to economic development with the aims of employment creation, establishing sound labour relations and ensuring decent standards of work. It is against this background that the effects of labour hire practices in Namibia need to be assessed. Following repeated complaints by labour hire workers about their conditions of employment, this study examined if labour hire companies contribute towards Namibia's socio-economic development goals. The study also investigated if there was a need to put further regulations in place, additional to those contained in the new Labour Act (2004). The study further explored options for abolishing labour hire or setting standards for the industry with a view of preventing exploitative practices.

Focus of research

This research examined available literature on labour broking and collected primary research data. Key research questions addressed were the following:

- The number of labour hire companies, the number of workers and client companies
- The difference between labour hire and placement agencies
- Categories of labour hire workers and services offered to client companies
- Conditions of employment of labour hire workers and comparison with workers in other industries
- Retrenchments and contract termination practices at labour hire companies
- Impact of labour hire on permanent and unionised workers
- Uniformity/diversity of conditions employment at labour hire companies
- Job security and tenure of employment at labour hire companies
- Labour hire as a springboard to permanent employment
- Adherence to the provisions of the Labour Act (1992), especially the basic conditions of employment
- Adherence to the provision of the Social Security Act
- Reasons for the utilisation of labour hire services by client companies
- Importance of labour flexibility for companies
- Trade union engagement with labour hire
- Likely future trends of labour hire in Namibia
- Options for regulation

Research methods

The study combined quantitative and qualitative research methods. Besides analysing the relevant literature on the topic, we carried out in-depth interviews with owners and managers of labour hire companies, with representatives of client companies and with workers' representatives and trade unions. In addition, we conducted 249 structured interviews with labour hire workers to document their experiences. The interviews conducted were transcribed while the structured questionnaires were entered into the SPSS system for data analysis.

The research report is thus able to present the different perspectives and experiences of the role players in the labour hire process, i.e. labour hire companies and their clients, workers and trade unions.

Global Experiences

According to Underhill (2005), labour hire operations have evolved into several forms. This evolution can be traced to the beginning where companies supplied workers on a short-term basis, referred to as “short term placements”. The short-term placements reflect the more conventional concept of “temping” or filling short-term positions with on-call casual employees of the labour hire company. Short-term contract workers were used to fill positions of permanent staff on a temporary basis while the permanent worker was on leave or during peak times. However, due to economic restructuring in the global economy, many of the traditional operations have changed in response to more competitive national and international markets and in the quest for higher profits. Instead of providing workers on a short-term basis to stand in for permanent workers, short-term placements have become long-term placements, where companies prefer to use labour hire workers on an ongoing basis as a way of cutting labour costs associated with employing permanent workers. This type of employment practice causes concern because it has become the alternative form of employment in many countries, especially in those countries where the deregulation of employment has occurred (Hall, 2002).

Hall further points out that world trends show that labour hire employment continues to grow in many labour markets because it offers many advantages to client companies. Laplagne, Glover & Fry (2005) argue that the growth in Labour hire companies can be attributed to the fact that business prefers the use of labour hire workers to avoid the responsibilities that are associated with employing workers directly. These responsibilities include paying workers benefits, market-related salaries, implementing occupational health and safety measures, dealing with trade unions and complying with labour market legislations. Anderson et al (2003), argues that work has changed in such a way that it renders more flexibility to the employers and workers have to adapt to these changes. This is referred to as “employer-oriented flexibility”. Thus it is more advantageous for employers to use labour hire employees than permanent workers who do not provide them with such flexibility. Furthermore, there is a direct correlation between the growth of labour hire companies and the growth in the externalisation of services such as sub-contracting and outsourcing. Thus as governments and private companies subcontract and outsource some of their functions to attain efficiency and competitiveness, they provide a market for the services offered by labour hire companies.

Working conditions of labour hire workers

Anderson et. al point out that the working conditions of labour hire workers are ambiguous and difficult. This situation is caused by the intersection between the temporary nature of work arrangements and the basis of their employment (2003). Most of the labour hire workers are engaged as casual workers with a minority employed on a permanent basis (Underhill, 2005). The difficulty of the situation is heightened by the nature of labour hire arrangements, which are

characterised by the splitting of contractual and control relationship. This results in the creation of a typical control relationship and not a contractual relationship between the worker and the client company.

Also, the relationship between the workers and the client company is not always clear. Some of the workers perceive themselves as employees of the client companies whilst they are employed by the labour hire company (Anderson et al 2003). This confusion is further heightened by the fact that some of the labour hire workers had previously been permanent employees of client companies. For instance, following restructuring, some of the retrenched workers were re-employed by their previous employers through a labour hire company. This results in reduced conditions of service as labour hire workers usually receive lower wages and fewer benefits.

Furthermore, labour hire workers have no bargaining power and are usually not organised. The lack of bargaining power and not being protected by trade unions results in the increased vulnerability, including arbitrary dismissals of labour hire workers. They are also unable to participate in workplace negotiations over issues of salary increments, better working conditions and benefits.

The low levels of organisation by unions can be attributed to the fact that unions find it difficult to organise labour hire workers for a number of reasons. According to Hall (2002), labour hire workers often have relatively inconsistent work histories and non-standard work patterns. This makes it difficult for unions to be able to identify and approach potential members and to detect likely breaches of labour conditions. This has also played a significant role in discouraging unions from organising labour hire workers as unions argue that these workers are not in permanent continuous employment and thus would not be able to pay their membership fees on a continuous basis like permanent workers. Some unions perceive labour hire workers as a threat to their members' jobs and thus are reluctant to organise them.

Also, due to lack of protection and the precarious nature of labour hire work, workers are often afraid to report the labour hire company's or the client company's misconduct. They are afraid of losing their jobs and of not being assigned new jobs. Another reason for low levels of organisation among labour hire workers is that they have no time to visit union offices due to long working hours. The only time available is in the evenings, and in most cases, union offices only operate during office hours. As labour hire workers get paid only for the actual hours worked, taking time off during the day to go to the union offices is practically impossible.

Anderson et al (2003) argue that labour hire workers are worse off than casual workers as they have a very minimal chance to establish a relationship within the workplace setting. Labour hire workers are placed at different work stations for short periods and are often perceived by permanent workers as a threat and as

“low status workers”, carrying out low-skill casual work and being used as “scab labour” during strikes. Thus permanent workers do not identify with labour hire workers, which makes the formation of relationships and the creation of solidarity almost impossible.

According to Anderson et al, employment conditions of labour hire workers can be summarised as follows:

- Job insecurity
- The absence of career paths
- Low wages and substandard working conditions
- Limited training and skills development
- Limited labour protection
- Low levels of organisation (2003: 9)

Hall (2002) points out that the incentive to pay low wages is a structural feature of the labour hire industry. This is also one of the reasons why client companies prefer to use labour hire workers rather than employing permanent workers directly. A key feature of the labour hire industry is the high level of competition between labour hire companies, conducted primarily on the basis of price (Underhill, 2005). Thus labour hire companies undercut each other’s prices by reducing workers’ wages.

Why do companies use labour hire workers?

There are many reasons that have been identified as being responsible for motivating client companies to use labour hire rather than employing workers directly. Hall (2000: 30 as cited in Hall 2002: 8) identifies the following key reasons for the use of labour hire:

- Capacity outsourcing – using labour hire to cope with peaks and depressions in demand. This is done by employing a small number of labour hire workers on a short-term basis to cover for absenteeism and to meet peaks in demand.
- Specialisation subcontracting – using labour hire to provide specialised skills from time to time.
- Cost reduction – using labour hire to save on benefits, overheads and liabilities.
- Contracting-out industrial relations problems – using labour hire workers as a substitute for an existing workforce that management might regard as problematic because of industrial disputes and poor performance.
- Stimulate organisational change – using or threatening to use labour hire staff as part of a fundamental change of work organisation and potentially workplace culture.
- Flexibility – identified as the biggest motivation. Flexibility corresponds with capacity outsourcing and specialisation subcontracting discussed as the first and second points. According to O’Neill (2004: 4) labour hire of a short-term nature allows employers some flexibility, usually in what is

- called numerical flexibility, functional flexibility, hours flexibility or wage flexibility.
- Risk management – many employers use labour hire as a means of minimising their risks. Hall (2002) points out that this is done as a way of enhancing employers' capacity to hire and fire without bearing the consequences of unfair dismissals. Thus if the client company does not like a particular worker, it can simply demand a replacement.
 - Costs factor – this factor is seen as being important for client companies using labour hire rather than employing workers directly. This issue is not only restricted to avoiding paying benefits and cutting down on administrative costs by the client company, but extends to the client company being able to access the cheapest labour hire companies. Thus labour hire companies are forced to undercut each other's prices (and thus wages) in order to stay competitive.
 - Union presence – some client companies use labour hire to avoid dealing with trade unions, whom they perceive as being tedious to work with and to have unreasonable demands. Thus by using labour hire workers, they shift the problem of dealing with trade unions to the labour hire company.

According to Hall (2002), costs and flexibility are the two major motivations for employers' use of labour hire. He further states that flexibility is probably the most well known reason for labour market transformation in the industrialised world and its impact on workers can be minimised by thorough regulation of flexible labour and through the protection of acceptable employment conditions.

The Emergence of Labour Hire in Namibia

The ILO categorises 2 forms of subcontracting, namely job contracting (where a subcontractor supplies goods or services) and labour-only contracting where the sub-contractor supplies merely labour (Kenny and Bezuidenhout 1999: 40). Most of Namibia's labour hire companies fall into the second category as they merely supply labour to their clients. Referring to international experiences, Kenny and Bezuidenhout described such practices as "the most exploitative form of labour broking" (1999: 42). It is therefore hardly surprising, that the emergence of labour hire companies has led to heated debates and angry responses from the Namibian labour movement.

Labour hire companies have sprung up over the past three years in several towns. They are concentrated in Walvis Bay, Swakopmund, Oshakati, Ongwediva and Windhoek but can also be found in other parts of the country like Arandis, Luderitz, Rosh Pinah and Tsumeb. Most labour hire companies are mere labour brokers who hire out workers (mostly un- or semi-skilled) to companies for a certain period of time. This period ranges from a few hours to several months and even years.

From the onset, Africa Personnel Services (APS) was the dominant labour hire company in Namibia and now employs about 6000 workers countrywide on an ongoing (but contract-bound) basis. In addition, APS hires some workers on a project basis depending on the requests from client companies. The total number of APS workers can thus increase to about 10 000. APS supplies three categories of workers, ranging from unskilled workers, to semi-skilled and skilled ones. The other labour hire companies are much smaller, employing 30 – 600 labour hire workers and in most cases being limited to specific towns or companies. The bulk of their staff falls into the categories of unskilled and semi-skilled workers.

Findings of a previous study

LaRRI's first labour hire study in 2000 already found that labour hire involves mostly unskilled and semi-skilled workers. However, not all labour hire companies are restricted to the supply of those workers. One of them supplied Rossing Uranium with skilled artisans in addition to unskilled and semi-skilled workers.

A wide variety of companies, both private and state-owned, recruited casual workers through labour hire companies. They include mining companies like Rossing Uranium, private companies like Namib Mills, PCI, ABB, Namibia Breweries, Hansa Breweries, Wesbank transport, Brandberg Construction, Namibia Press and Tools (EPZ company in Walvis Bay), state-owned enterprises like Transnamib, Nampost, Telecom Namibia and others. They used labour hire

workers mainly during peak periods, e.g. loading and off-loading trucks, plant cleaning etc.

Clients of labour hire companies found the use of labour hire workers to be cheaper than hiring workers on a permanent basis. Companies saved on administrative costs (like calculating wages) and also on the costs for protective clothing.

Our study of 2000 also found that the ability to obtain and dismiss workers at will in line with company requirements, seems to be the main reason why client companies use 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 lower than recruiting casual workers directly, the “convenience” for clients is greatly enhanced. They may even use labour hire workers as “scab labour” during strikes of their permanent staff.

However, one manager had cast doubt over the viability of recruiting workers through labour hire companies on a medium to long-term basis. The manager explained that it was in the company’s own interest to nurture some loyalty between the workers and the company which was 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.

The LaRRI study of 2000 further found that the labour hire system allowed client companies to cut costs, especially in terms of reduced benefits for staff. Workers not only lost these benefits but also a significant portion of their wages as labour hire companies kept 25 – 50% of workers’ hourly wages as their fees.

In Walvis Bay competition emerged between labour hire companies for contracts from clients. Former ALH 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% of their workers’ earnings and paid workers as little as N\$ 2 per hour. Other labour hire companies paid their unskilled workers N\$ 3.50 – 5.20 per hour, while artisans could receive as much as N\$ 32 per hour.

Labour Hire in Namibia today

A brief profile of labour hire companies

As stated above, **Africa Personnel Services** (APS, previously known as Africa Labour Hire) has been the trendsetter regarding labour hire in Namibia and is still the dominant labour hire company today. APS is a subsidiary of Africa Corporation (AFCOR), which also owns APS in South Africa as well as Namibian Stevedoring Services. Although the AFCOR directors are white Afrikaaners, APS now presents itself as “a Namibian black economic empowerment company with Namibian ownership”. Its directors include well-known Namibians including lawyers and former trade unionists. APS has a wide range of clients across Namibia, including state-owned enterprises, mining companies, manufacturing companies, retail companies, fishing companies and banks. APS aggressively markets its services on the basis of outsourcing and the benefits thereof for client companies.

In 2004, a second labour hire company aiming to establish nation-wide operations emerged. **Edu Letu Consultant** (PTY) Ltd. is a South African initiative (like APS) and was set up as a joint venture. The South Africa “strategic partner” provides the capital investment and the technical expertise while the Namibian shareholders have the option to buy out the South Africans during a 5-year contract period. The Namibian shareholders are “black Namibians who were in exile” and Edu Letu thus markets itself as a black empowerment company. Edu Letu currently has clients in Walvis Bay, Windhoek and Oshakati with about 200 workers on its books. It offers its clients to take over staff at their current wages and benefits and then charges a management fees for managing staff, including administrative and personnel functions. Like APS, the company sees its operations as part of outsourcing: “Outsourcing is the word that sums up what we do”. Edu Letu clients include private IT, accounting, retail and manufacturing firms but they aim to also offer their services to government and state-owned enterprises.

All other labour hire companies started in a specific region or town and/or by servicing a specific client company. **Welwitchia Employment Services** was established in 1999 and is the second largest labour hire company in Namibia. It supplies about 600 workers to retail companies in Windhoek and Swakopmund. The company has just extended its operations to Oshakati and regards itself as a black economic empowerment company. It has a small office in the complex of one of its clients and is owned by a black Namibian who is also the managing director.

The smaller labour hire companies include:

Namibia Employment Services (NES, previously known as **Temp Workforce**) started as a labour hire division of the placement agency Jobs Unlimited. In

2004, this company was registered as a separate closed corporation (CC), with a small office in Windhoek, based in the (white) owner's home. The company employs about 100 workers that are deployed at private retail and hardware shops in Windhoek. Like the other companies, NES sells its services on the basis of "the benefits of outsourcing".

Employee Placement Services Namibia (EPSN) is a division of Northern Labour Consultants and was set up in 2003 with an office in Ongwediva. The black owner works as a labour consultant and his company supplies about 60 workers to (mostly foreign-owned) retail shops in Oshakati and Ongwediva.

Elite Personnel Services (EPS) is a closed corporation that emerged as a side-business of Elite Cleaning Services in 2002. The white owner has an office in Windhoek and its 160 workers are deployed in Windhoek, Oshakati, Swakopmund and Walvis Bay. The company specialises in providing cleaners.

Erongo Contract Services (previously known as Namib Labour Hire) started in 1991 and supplies about 150 labourers and semi-skilled workers to Rossing Uranium. The company is owned by a black Namibian director and considers itself a black economic empowerment company.

H&L Investments was registered as a closed corporation in 2001 and is owned by a white Namibian lawyer and property developer. The company supplies 76 female workers to a baker and a retail company in Windhoek.

JL Merchandising started operations in 2004 and is run by a black Namibian who has no office and thus operates from home. The company only supplies one client company with 9 supervisors and 23 manual labourers. This labour hire company was set up with the direct support of the client.

There were other small labour hire companies that we learned of during the course of this study. These included Arandis Services, "JJD" and others. There might be several more small labour hire companies in operation, mostly servicing one specific client company. Some of the smaller labour hire companies started as "break-aways" from bigger ones or were actively established by a client company. One client company, for example, provided some of its staff members with loans to start their labour hire business and then gave them the contract to provide staff. The contract in our possession states that the owners and managers of the labour hire company will be re-employed by the client company in case that the agreement between their labour hire company and the client company is cancelled. Thus the owners and managers of the labour hire company take no risk – unlike the labour hire workers whose employment is automatically terminated if the contract is cancelled.

Differences between labour hire, sub-contractors and placement agencies

Almost all labour hire companies and client companies confirmed the trend of increasing outsourcing to enable client companies to limit themselves to what is considered as their "core business". Several labour hire companies advertise their services on that basis and promise that "outsourcing enables and

organisation to run more efficiently and cost effectively” (APS pamphlet, undated). The same pamphlet states that “we believe that outsourcing is the most potent management tool ever invented for driving efficiency into an organisation” and promises higher productivity as well as a “100% labour force every day”. Likewise, Edu Letu Consultants offers temporary employees “as sub-contractors, thus avoiding costly retrenchments or end of term pay-outs.” Temp Workforce/NES promises its clients the benefits of outsourcing such as replacing employees in case of absenteeism, no hassles with disciplinary cases, savings on leave and benefits, higher productivity etc.

The trend towards outsourcing is neither unique to Namibia nor is it a recent phenomenon. Some mining companies like Rossing Uranium have implemented this strategy already before independence by defining in increasingly narrow terms what the company considers as its “core business”. In recent years, a host of other companies have jumped onto this bandwagon and our study found that the use of labour hire as a form of sub-contracting has spread rapidly in the retail sector. The labour hire companies that we investigated practice mostly labour-only sub-contracting as they supply only workers, sometimes equipped with uniforms but little else. However, there are a host of companies that provide their clients with specific services such as cleaning and security. These companies fall into the category of what the ILO called “job contracting”. The difference for lowly skilled workers at labour-only subcontractors (labour hire companies) and those at other sub-contractors such as cleaning and security companies seem insignificant. In both cases, workers lack job security and benefits and are subjected to wages that are lower than those of permanent workers. In both cases (labour-only and job contracting) workers no longer have employment contracts with the companies where they actually work. Instead, they are employees of the “third party” that renders the service or provides the labour. Employment contracts (and thus job security) are usually limited to the duration of the contract between the provider and the client company.

Placement agencies on the other hand perform another function and operate differently. They usually assist their clients to find suitable staff and perform functions such as screening applicants and placing them at different companies. Their fees usually consist of once-off payments for the services rendered, for example the equivalent of an employee’s wage for one month. Once placed at a client company, the worker is an employee of that company and enters an employment contract there. Thus the employment contract between the worker and the company where s/he actually works remains intact. However, we found one case where a placement agency started a labour hire business as an additional service for its clients, thus offering placement and labour hire services at the same time.

Categories of labour hire employees

The larger labour hire companies offer a wide range of staff to their clients. The APS pamphlet, for example mentions artisans, professional staff and all types of labour on offer to its clients. Edu Letu offers, “experienced business professionals” to take over staff management for its clients. Welwitshia Employment Services provides some managers to its clients, JL Merchandising provides several supervisors while Erongo Contract Services provides supervisors and artisans.

However, the vast majority of labour hire workers are unskilled and semi-skilled. They work as manual labourers, shelf packers, cashiers, merchandisers, machine operators, bakers, drivers etc. Workers with higher skills levels tend to be part of the permanent (core) workforce of client companies and Namibia’s labour hire practices thus affect mostly unskilled and semi-skilled workers. Increasingly this includes young people who completed school but were unable to find permanent jobs elsewhere. In the retail sector, the predominance of young women is apparent while most labour hire workers in other industries are men.

Reasons for the utilisation of labour hire services by client companies

Client companies openly stated their reasons for utilising labour hire workers. These reasons can be summarised as follows:

1. Reducing the impact of strikes

Several companies indicated that they started using labour hire workers following a strike by permanent workers. As a retail manager explained:

“After the illegal strike, we decided to bring in the labour hire services so that it spreads the risks if ever there would be another strike. If the permanent staff went on strike, we could still continue with the labour hire staff”.

The managing director of a fishing company added:

“We started using labour hire in 2002 when there was a big strike for almost 5 months. Most permanent workers did not come to work and during this time we used labour hire workers to continue production. Currently we use labour hire because flexibility is needed in our business.”

2. Flexibility and cost cutting

Labour hire companies provide workers on demand for specific hours, days or weeks. They thus allow companies to order workers when they are needed and to send them home when there is no work. Labour hire also allows companies to replace staff quickly for short periods, e.g. during holidays and peak seasons, in case of sickness and for seasonal work. Client companies only pay for the hours actually worked, as they do not pay for workers who do not come to work. In

such cases, the labour broker will provide a replacement. A director of a manufacturing company explained: *“It is cheaper for us to employ workers through a labour broker as we don’t have to pay the benefits such as housing medical aid etc. We also don’t have to pay if a worker does not come to work”*. Another manager added: *“When permanent workers go on leave you can’t replace them. If you do, it costs the company money. I will feel it when my permanent worker goes on leave but I don’t feel it if a labour hire worker goes on leave”*.

3. Avoiding disciplinary cases

The same director summed up the advantages for his company:

“If we have trouble with a labour hire worker, we simply phone the broker and they take care of it. Disciplinary cases are quite a burden in the case of permanent staff while it is easy for us in the case of labour hire workers. We lodge a complaint with the broker who reacts promptly. If no solution can be found, the worker will be replaced. This saves us the trouble of dealing with workers who sometimes come to work drunk or are simply absent without a valid reason. This is an advantage for us although it is not positive from a worker’s perspective”.

Another manager added:

“The labour hire company is responsible for handling disciplinary matters. They give us the flexibility to say that we want a particular worker replaced if we are unhappy with his conduct. The labour hire company is fully responsible for handling such cases and cannot hold us responsible. They have to find a job for the person elsewhere”.

Confirming this view, a consultant of a retail store explained:

“Initially the company employed workers directly but disciplinary matters took a lot of time and were expensive. The Namibian labour laws are tough and every small thing ends up in court. Now the labour broker deals with the labour issues”.

4. Concentrating on “core business”

Linked to the above argument is the practice of outsourcing labour relations to a labour broker so that the clients can concentrate on other aspects of their business: *“The broker will take over the management of the staff so that we can concentrate on our core business”* (manager of a retail store). The managing director of a fish processing company added:

“If the owner had to employ many people such as HR managers, assistants to the manager etc. it would be too costly and the business would shut down. If the owner still had to deal with HR issues he would have no time to concentrate on running the company. This is why we use labour hire to deal with labour issues”.

Another manager of a manufacturing company pointed out that:

“Labour hire is not the only company servicing us. There are a host of contractors to carry out specific tasks such as window cleaning, pest control, gardening, electrical services engineering etc. This is part of the company’s strategy to concentrate on its ‘core business’ while subcontracting all other work to specialists in their specific fields”.

5. Replacing “unproductive” workers

The manager of a manufacturing company outlined this argument:

“If a labour hire worker does not perform well, we can inform the labour hire company not to send that worker back again and instead provide us with a hard working worker. This allows for high productivity for the company, as only hard working workers will be deployed at our company. Thus you get more out of a labour hire worker than your own permanent worker”.

Some other client companies also indicated that they experienced labour hire workers as more productive, possibly because they want to be appointed as permanent workers in future. However, not all companies shared this view as shown in the following statement:

“The disadvantage of using labour hire workers is that we don’t have an influence over the choice of workers. We have to take whomever the broker sends us...Also I have the impression that labour hire workers don’t take their work that seriously. They regard themselves as temporary employees and don’t see much of a future with us...there is a kind of a ‘could not care less’ attitude, which is a pity. Also we loose trained people overnight due to the high levels of staff turnover at labour brokers”.

6. Access to skilled and qualified workers

One client company pointed out that their labour brokers supplied them with highly skilled workers at short notice when the need arose. This saved them the costs associated with employing skilled workers on a permanent basis. However, the disadvantage was that the company had *“to use different people all the time and risk injury on the job and lack of skills or expertise”.*

7. Avoiding trade unions

The owner of a construction company stated that:

“I started using labour hire because of the unreasonable requests and foolishness of the trade unions. You have to deal with unreasonable requests for very high salary increases. The problem with unions is that they don’t request, they demand for these increases and they always want to have meetings... As a one-man business I did not have the time to sit in meetings with the unions all the time, otherwise this would affect my business in a negative way. I realised that I either had to stop making bricks and sit in meetings with the unions all the time or I had to use experts to deal with them because they know how to deal with them... since they have been big shots in the trade unions”.

Conditions of employment and adherence to labour legislation

Conditions of employment are the major concern regarding labour hire in Namibia. Although employment conditions vary between the different labour hire companies, there is a common trend that can be observed at almost all companies. Labour hire companies usually provide only those benefits that are required by law, namely membership of the social security scheme and leave days. Only a few labour hire companies provide any additional benefits such as transport. In some cases, labour hire workers even had to pay for transport, which was deducted from their salaries. One labour broker argued that: *“Our workers do not have any benefits because they are not in full-time employment”*.

Labour hire companies are aware of the basic conditions of employment as set out in the Labour Act (1992) and claim to adhere to those. Some have hired labour consultants to advise them on the minimum requirements and try to ensure that they are met. Thus the contracts of employment grant workers only the most basic of employment conditions. Labour hire workers are usually not covered by collective agreements and thus their employment conditions hardly improve.

Several of the labour hire employment contracts we collected contain dubious clauses and some openly violate the provisions of the Labour Act. For example, one contract states that once the worker’s contract with the labour hire company is terminated “for whatever reason”, s/he may not accept employment at any of the labour hire’s client companies for a period of 6 months. The contract further states, *“should the employee break this condition, the employee accepts all costs that would have been charged to the client, i.e. a placement fee at 15% of the employees annual salary, as well as all legal costs incurred to enforce this condition”*. This clause certainly aims to prevent labour hire employees from obtaining permanent employment at a client company.

The same contract states that employees have to agree “to undergo a Polygraph test, whenever there is an allegation of theft and/or fraud”. Furthermore, the contract stipulates “the employee indemnifies any of the employer’s clients against any claims which may be made against it under the Compensation of Occupational Injuries and Diseases Act”.

Another contract treats workers as “independent contractors” and states that “the contractor will only be remunerated for the actual hours worked” which implies that no payment is due during leave, including sick leave or maternity leave. Furthermore the contract states “the contractor will avail him or herself to perform duties on Sunday or Public Holidays if so required”. In other words, workers have to issue a “blank cheque” regarding their availability for work on those days.

It is obvious that some of the contracts were designed outside Namibia as they refer to South African legislation. A clause like “The employee will accrue benefits on a pro-rata basis in terms of the Namibian Basic Conditions of Employment Act or applicable Bargaining Council Agreement” illustrates this point.

One of the smaller labour hire companies issues its staff with a contract that states that workers receive “three consecutive paid off days after every completed month”. In other words, workers work every single day for a full month and then receive three days off. This is a blatant violation of the Labour Act but constitutes standard practice as confirmed by the company, its clients and the workers. The contract further states that “this industry requires a seven-day a week and the employee shall therefore work seven (7) days a week, unless otherwise directed.” Furthermore “overtime payments are included in the basic salary”. The common practice is that workers have to work for 9 – 12 hours every day at a remuneration of N\$ 20 per day – no matter how much overtime the workers have carried out!

Wages vary between companies although one of the Windhoek-based labour hire companies alluded to an “informal standard in the industry”. Most labour hire workers receive wages of N\$ 2.00 to N\$ 9.00 per hour but skilled workers can earn significantly more. Clerks and supervisors earn about N\$ 12 – 18 per hour. Wage rates are significantly higher at mining companies where the Mineworkers Union of Namibia (MUN) has a recognition agreement with the labour hire companies. Also, the wage bill at mining operations is relatively small compared to capital expenses which may explain why wage rates there range from N\$ 7.50 per hour for labourers to around N\$ 45.00 for artisans. Such wages are in stark contrast those paid to labour hire workers in other industries. Worst off are those labour hire workers who are paid on a piece-meal basis, e.g. 6 cents for each crate they load onto a truck.

Conditions of employment are usually set unilaterally by the labour hire company, which also negotiates the hourly rates with its clients. Only one of the client companies we spoke to indicated that they insist on a basic hourly rate, which has to be paid to labour hire workers. All others leave it to the labour brokers to decide how much of the hourly rate they pay over to their workers and how much they keep as their fees. As one client said: *“We have no influence over what they pay their workers”*.

Based on the information we obtained from documentation and through interviews, labour brokers retain 15 – 55% of the hourly fees paid. They argue that this is needed to pay for their office expenses and for leave days. One labour broker operates differently and pointed out that his company does not reduce wages and benefits when they take over the staff at a client company. Instead they charge the client an additional management fee (about 15 –20% of the wage bill) for the services rendered.

Client companies are well aware that labour hire workers earn less and enjoy fewer benefits than their permanent staff members. As one manager remarked: *“A labour hire worker only receives a fraction of the hourly rate and does not enjoy the benefits of our permanent staff. There is a huge difference in income”*. However, client companies regard the labour broker as being responsible for the employment conditions of labour hire workers.

Job security and contract termination practices

Labour hire workers are deprived of any substantial job security. Some labour hire companies divide their staff into “temporary employees” who are employed on a fixed-term contract and permanent staff, employed on “indefinite contracts” as termed by one of the companies. The commercial contract between the labour hire companies and their clients overrides the employment contracts, which explains why labour hire workers are deprived of job security. As stated in one of the contracts: “In the event of the client terminating their contract with the company [labour hire] or the company terminating their contract with the client, or the client wishing to discontinue your services, for whatever reason, your services with regard to this contract will be terminated”. Furthermore “it is specifically recorded that upon termination of this [employment] agreement, that said termination, for whatever reason, cannot be construed as being a retrenchment and/or dismissal”. In other words, the contract states that the labour hire worker will not receive any compensation once his/her services are terminated – despite the provisions on severance pay in the Labour Act.

Even the larger labour hire companies do not provide their staff with job security. Those regarded as “indefinite workers” are kept “on the books” of the company but this is done on the basis of “no work-no pay”. Labour hire workers that cannot be placed at any of the client companies are not paid during the time that they wait for a new assignment. Thus the burden during periods without work is fully placed on the workers’ shoulders while the labour hire company does not carry any responsibility. As one trade unionist pointed out, labour hire workers cannot even buy goods in instalments because it is well known that their incomes are insecure and can change from one month to the next.

Several client companies confirmed that they are free to request the replacement of a particular labour hire worker if they are dissatisfied with the person’s performance. Disciplinary issues and labour disputes are referred to the labour broker who is then requested to send a replacement worker. The broker may try and find alternative employment at another client or at another outlet of the same client, but the employment contracts place no obligation on the broker to do so. As a result, labour hire workers are kept in a highly vulnerable position, practically without recourse to the provisions on fair labour practices. Many client companies simply expect the labour broker to solve their labour problems for them and deal with “problematic” workers. One client explained:

“We order 20 bodies for a month and the broker must make sure that 20 bodies come to work. It does not matter if it is the same people or not. When a worker commits a serious transgression, his name gets put on a list so that he never works here again. The broker must then take disciplinary actions against the worker because he is their employee”.

Some labour hire companies place their own supervisors at the workplace to deal with labour issues as they arise. They indicated that they deal with labour issues in accordance with the Labour Act and that termination of employment only takes place in severe cases, for example theft. However, one labour hire owner stated bluntly how he has to deal with workers that cause problems:

“The contract that I have signed with the client is very clear. They [the clients] don’t need people who are troublemakers. They will call me to replace him with someone else. I just rotate the workers because the worker will have a problem in one shop but if I take him to a different shop, the management is happy with him”.

However, in cases where no other workplace or clients can be found, the worker is simply dismissed.

Impact of labour hire on permanent and unionised workers

Currently, trade unions essentially represent permanent workers in various industries. Union densities range from about 20 – 80% with the mining and public sector being the best unionised industries (Jauch 2004). Thus far, the Mineworkers Union of Namibia (MUN) is the only union that has systematically recruited labour hire workers and signed a recognition agreement with their employers.

Permanent employment is still the norm in Namibia’s formal economy (Ministry of Labour 2003, LaRRI 2004) but labour hire practices have spread significantly over the past few years and now affect about 15 000 – 20 000 workers. Labour hire has provided employers with an opportunity to replace permanent employment contracts with more flexible arrangements. This affects workers, particularly those with lower skills levels who can easily be replaced by any member of Namibia’s “reserve army” of unemployed workers. Several employers are using labour hire companies to reduce their social responsibility (and costs) by turning labour into a commodity that can be purchased and retrenched at will. A representative of a labour hire company stated bluntly:

“I think the main reason for labour brokering is the abdication of management responsibility. Companies ask why must we have labour hassles, why must we deal with unions, why must we deal with the Labour Act?”

Labour hire thus threatens the achievements regarding improved working conditions for industrial workers. It is also a threat to the provisions of the Labour

Act, particularly the basic conditions of employment and the provisions for procedural and substantive fairness of retrenchments. This explains why trade unions are vehemently opposed to labour hire and regard the practice as an attack on the labour movement. The NUNW co-ordinator for the Western region expresses the general experiences of unions when she states that:

“The presence of labour hire workers puts downward pressure on conditions of employment for permanent workers because some companies retrench permanent workers and re-hire them through labour hire at lower rates. Salaries are cut in half and benefits are reduced”.

Our study confirmed this practice and we found one retail chain that now employs over 60% of its staff through 4 labour hire companies and other sub-contractors, each providing workers for specific tasks. Permanently employed staff had previously performed these tasks.

Labour hire as a springboard to permanent employment?

Several client companies indicated that they have taken over some labour hire workers as permanent staff. This usually affects only a small number of workers, although some labour hire companies claim to try and place their workers permanently with client companies. In economic terms, this argument seems dubious as the very profitability of labour hire companies depends on the number of workers they can place with their clients. An increasing number of permanent staff usually means a reduction in the number of labour hire workers required and thus reduced profits for the labour hire company.

Some labour hire companies charge their clients the equivalent of one month salary in case that they want to take over one of the labour hire workers. Others allow such a “take-over” free of charge while one labour broker deliberately prevents a “take-over” through a “restraint clause” in the employment contract. This clause prevents workers from working at a client company within 6 months of their employment termination with the labour hire company.

It thus seems that labour hire employment is rarely a springboard to permanent employment. As stated by a trade unionist:

“Very few workers get to be employed permanently by the client company as labour hire companies do not encourage this because when their workers get permanent employment, they lose money”.

Labour hire thus promotes the casualisation of employment rather than permanent jobs. The only significant exception that we found was a retail shop in Windhoek that decided to convert its total workforce from labour hire workers into permanent workers. The manager explained:

“It is better to have your own people working for you as it gives you more control over them and it gives you a better working relationship with them...When there is a labour dispute then someone else has to resolve

it... It was also expensive to hire workers through the broker because we had to pay a commission on top of the wages...Workers did not have job security and it was very easy to fire them...Workers tend to be more loyal and positive toward the company if they are employed directly...which makes it easier to build a much more dedicated group of workers”.

Employment creation through labour hire?

Several labour hire companies and their clients expressed the belief that labour hire contributes to employment creation in Namibia. In the view of a labour hire consultant:

“Labour hire employees are generally employees that could not access the labour market on their own. If they went directly to a company to look for employment, I am not sure that they would be successful. They might not even know where to look for work”.

A manager of a manufacturing company added: *“If labour hire companies were outlawed, then I would sell my business and buy three trucks and only employ four people who would not go to unions and would talk to me if they have any problems”.*

Such dramatic sentiments are, however, not the norm and most client companies do not make their operations dependent on labour hire. In general, they regard labour hire as beneficial for their company as the following quotes show:

”Doing away with labour hire companies would be a hindrance to economic growth. It would take away a lot of flexibility. The development of an entrepreneurial spirit is extremely important in a developing country...I think if there was less flexibility in the staff structure, you would employ less people and provide worse services for the customers”.

“Labour hire is important for companies that work on a project basis such as those in the building industry. They require workers for a specific time only. Brokers are important as they can supply labour on demand although this may sound like workers are being turned into commodities”.

“ If there were no labour hire companies, the productivity of our company would be affected as labour hire workers are more productive than permanent employees...Without labour hire, companies would be forced to employ less to make the profit they are making at the moment. Thus the presence of labour hire allows companies to employ more people than if they would employ people directly”.

“Without labour hire, we would be a much smaller company due to the expenses and responsibilities that come with a big workforce...Also, our

Labour Act is so strict that it discourages employers from employing more workers”.

“What is important in the long run is employment creation. If brokers create employment, then there is a future for them”.

It thus seems that many client companies believe that labour hire creates additional employment possibilities. This is questionable on several grounds. Firstly, labour hire companies create only very few additional jobs for people who work as administrators and managers. In most cases the office staff consists of a handful of people (usually less than 10) and even the biggest labour hire company employs only about 80 office staff. All other posts filled by labour hire workers were not created by labour hire companies. Instead, they were created by their client companies and would have to be filled by permanent staff or casual workers if there were no labour hire companies. The direct job creation effect of labour hire companies is thus minimal and stands at around 150 jobs countrywide.

A more serious argument is the one expressed in some of the quotes above. Would client companies employ fewer workers if there were no labour hire companies in Namibia? At some companies this might be the case but it is unlikely that this would be a general pattern. A manager at a client company in Windhoek pointed to a more fundamental issue:

“The work ethics is counter-productive and I don’t know how this can be solved in the long run. This makes the use of labour brokers attractive. Workers can be hired and fired on demand. However, this is no long-term solution for the country but it is a short-term attraction”.

This points to poor labour relations resulting in lower productivity. This view seems to underpin many of the arguments advanced by client companies in favour of labour hire. However, if one accepts that poor labour relations are a concern for employers, labour hire is certainly not the appropriate strategy to find a solution. It might seem attractive for employers in the short run but it will certainly create even bigger labour relations problems, coupled with insecurity for workers, instability in the workplace and social upheaval. Lasting solutions to poor labour relations can only be found through a process of dialogue that must lead to an agreement that is perceived as fair by employers and workers alike. Circumventing trade unions and the provisions of the Labour Act through labour hire can certainly not contribute to this process.

Advancing Black Economic Empowerment?

Several labour hire companies market themselves as BEE companies. *“Labour hire is something positive for the country. Smaller companies are able to make money and generate wealth. It nurtures entrepreneurship in the form of black empowerment,”* proclaimed a retail manager. Several owners of labour hire

companies were employed at their client companies before. In some cases they were encouraged and supported by the client company to set up their own labour hire companies while in other cases (such as at mining companies) retrenched employees resorted to setting up labour hire companies for their former employers to make a living.

In a narrow sense, it may be argued that the emergence of black-owned labour hire companies is a form of de-racialising economic ownership and thus a form of BEE. However, this practice takes place at the expense of black workers who lose job security, a significant part of their wages and benefits as well as some of their rights as set out in the Labour Act. Furthermore, the main beneficiaries of labour hire are the client companies, many of which are white-owned. The overall picture of labour hire in Namibia thus does not support the argument that labour hire is important for promoting BEE. It merely generates profits for a small group of individual labour hire owners and managers but contributes nothing to the broader goals of socio-economic development, equality and social justice. On the contrary, it deepens inequalities and further entrenches the divisions between core and peripheral workers.

Experiences of Labour Hire Workers

We interviewed 249 labour hire workers in the Oshana, Erongo, Otjozondjupa and Khomas regions to document their experiences. The results are summarised in the tables below.

Table 1: Age

	Valid Percent
Valid 15 - 19 y ears old	.8
20 - 24 y ears old	23.3
25 - 29 y ears old	28.9
30 - 34 y ears old	23.3
35 - 39 y ears old	16.1
40 - 44 y ears old	4.8
45 - 49 y ears old	1.2
50 - 54 y ears old	1.2
55 and above	.4
Total	100.0

Table 1 shows that the majority of our respondents were relatively young (20-29 years old) which is an indication that labour hire companies employ many young people.

Table 2: Sex

	Valid Percent
Valid male	67.9
Female	32.1
Total	100.0

About two-thirds (67.9%) of the respondents were men as they are the dominant group among labour hire workers.

Table 3: Home Language

	Valid Percent
Valid Silozi	1.6
Oshiwambo	70.3
Otjiherero	5.6
Damara>Nama	16.5
Rukwangali	1.2
Afrikaans	4.0
English	.4
Oshimbundu	.4
Total	100.0

Most respondents (70%) were Oshiwambo-speaking while the rest either spoke Damara>Nama (16.5%) Otjiherero (5.6%) or other Namibian languages.

Table 4: Region of Origin

	Valid Percent
Caprivi	1.6
Kavango	1.2
Ohangwena	25.3
Omusati	18.1
Oshana	14.1
Oshikoto	11.6
Otjozondjupa	4.8
Omaheke	.8
Erongo	5.2
Khomas	10.8
Hardap	2.0
Karas	1.6
Kunene	2.4
Zimbabwe	.4
Total	100.0

Our respondents came from all regions of the country as reflected in table 4. However, the majority of the respondents came from the northern regions, which have the highest population density.

Table 5: Current region

		Valid Percent
Valid	Oshana	17.3
	Otjozondjupa	3.2
	Erongo	27.3
	Khomas	52.2
	Total	100.0

Our study was limited to regions with a high prevalence of labour hire activities. Thus more than half (52.2%) of the respondents were interviewed in the Khomas region, 27% were interviewed in the Erongo region, 17% in the Oshana region and just over 3% in the Otjozondjupa region.

Table 6: Migration patterns

		Current region				Total	
		Oshana	Otjondjupa	Erongo	Khomas		
Region of Origin	Caprivi	0 .0%	0 .0%	2 50.0%	2 50.0%	4 100.0%	
	Kavango	0 .0%	0 .0%	1 33.3%	2 66.7%	3 100.0%	
	Ohangwena	15 23.8%	0 .0%	14 22.2%	34 54.0%	63 100.0%	
	Omusati	7 15.6%	2 4.4%	21 46.7%	15 33.3%	45 100.0%	
	Oshana	14 40.0%	0 .0%	9 25.7%	12 34.3%	35 100.0%	
	Oshikoto	3 10.3%	0 .0%	6 20.7%	20 69.0%	29 100.0%	
	Otjondjupa	1 8.3%	5 41.7%	2 16.7%	4 33.3%	12 100.0%	
	Omaheke	0 .0%	0 .0%	0 .0%	2 100.0%	2 100.0%	
	Erongo	1 7.7%	0 .0%	10 76.9%	2 15.4%	13 100.0%	
	Khomas	1 3.7%	0 .0%	0 .0%	26 96.3%	27 100.0%	
	Hardap	0 .0%	0 .0%	0 .0%	5 100.0%	5 100.0%	
	Karas	1 25.0%	0 .0%	0 .0%	3 75.0%	4 100.0%	
	Kunene	0 .0%	1 16.7%	2 33.3%	3 50.0%	6 100.0%	
	Zimbabwe	0 .0%	0 .0%	1 100.0%	0 .0%	1 100.0%	
	Total		43 17.3%	8 3.2%	68 27.3%	130 52.2%	249 100.0%

Table 6 is a cross tabulation indicating where our respondents came from (region of origin) and where they are working now (current region). This table reveals migration patterns. Respondents from the northern regions of Ohangwena, Omusati and Oshana tended to migrate to other regions. Most migrants moved to the Khomas region (55%), followed by the Erongo region (27%), the Oshana region (17%) and the Otjondjupa region (3%). This trend is not surprising as the Khomas and Erongo regions (particularly the town of Windhoek and Walvis Bay) are common destinations for people seeking employment.

Table 7: Have you attended school?

		Valid Percent
Valid	Yes	96.4
	No	3.6
	Total	100.0

Almost all respondents (96.4%) had some level of formal education as they had attended school, mostly at junior secondary and senior secondary level. These educational levels did not enable our respondent to obtain permanent jobs, thus forcing them to join labour hire companies.

Table 8: What is your level of education?

		Valid Percent
	Primary	12.9
	Junior secondary	52.9
	Senior secondary	31.7
	Diploma	.8
	Certificate	1.7
	Total	100.0

Employment information

Table 9: Were you employed/self /employed before joining the labour hirecompany?

		Valid Percent
Valid	Yes	67.5
	No	30.9
	Self -employ ed	1.6
	Total	100.0

More than two-thirds of our respondents (67.5%) had been employed elsewhere before they joined the labour hire company where they are currently employed. The rest had not been employed before (30.9%) and only a few were self-employment before joining the labour hire company.

Table 10: Reasons for leaving the previous job

	Valid per cent
Better job opportunities	10.2
Better job offer	12.2
Dissatisfaction with the job	5.1
Family obligations	1.0
Dismissal/retrenched	18.8
Contract ended	19.3
Business closed	12.2
Temporal employment/part time/holiday job	2.0
Argument/disagreement with manager	6.6
Company changed ownership	1.0
Transferred to labour hire company	7.1
Ill treatment from management	1.5
Looking for permanent employment	0.5
Salary problems/low salary	1.5
Long distance walk to work	0.5
Resigned	0.5
Total	100

Those who indicated that they had been employed before were asked why they had left their previous employment. The most common reasons were that their contract had ended (19,3%), that they were retrenched (18,8%) or that their previous business closed down (12,2%). Some workers were transferred to the labour company after initially being employed by the client company.

These responses indicate that workers did not join labour hire companies because they wanted to but rather because circumstances forced them to do so. Only few indicated that they left their previous employment at their own will in search of better opportunities.

Table 11: At which company are you currently working?

	Valid Percent
Valid Hochland Spar	11.6
Namibia Beverages/Coca Cola	26.9
Woermann & Brock	6.8
Trade Centre	5.2
Namib Mills	7.2
Safari Hotel	1.2
Feedmaster/Voermeester	2.0
Sea works	1.6
Rossing	3.2
Supa Pack	11.6
HomeBuilding Centre	11.2
Rani Traders	5.2
Ok Grocer	1.2
Ongwendiva Mini Market (old&new)	3.2
Namtruck/Barlowworld	1.6
Total	100.0

Table 11 shows the different companies at which we conducted interviews. The figures above just reflect the percentage of workers interviewed at the different companies. These workers were randomly chosen on the basis of availability.

Table 12: Do you know who your current employer is?

	Valid Percent
Yes	94.8
No	4.4
Dont know	.8
Total	100.0

Almost all our respondents (94.8%) indicated that they knew who their employer was and only few (5.2%) were unsure if the labour hire company or its client employed them. Almost all workers indicated that the labour hire company was their employer. However, a few respondents reported that they had been transferred to the labour hire company without their knowledge and that the only interaction they has with the labour hire company was when they got paid. Thus they still considered the client company as their employer.

Table 13: Are you employed by a labour hire company or a client company?

	Valid Percent
Labour hire company	97.5
Client company	2.5
Total	100.0

Table 14: How long have you been employed by the labour hire company?

	Valid Percent
Less than 1 month	1.6
1 - 3 Months	8.5
4 - 8 months	16.1
9 - 11 months	5.6
1 - 3 years	46.8
4 - 6 years	17.3
7 - 9 years	2.4
10 - 15 years	1.2
16 - 20 years	.4
Total	100.0

Almost two-thirds of our respondents (64.1%) indicated that they had worked for their labour hire company for 1-6 years while about a third (31.8 %) reported that they had worked for the labour hire company for less than a year. This indicates that labour hire has been an established practice for several years and that more workers are joining due to a lack of alternative employment opportunities.

Table 15: How long have you been working at your current workplace?

	Valid Percent
Less than 1 month	2.8
1 - 3 Months	9.3
4 - 8 months	19.0
9 - 11 months	5.6
1 - 3 years	41.9
4 - 6 years	15.3
7 - 9 years	1.6
10 - 15 years	4.0
16 - 20 years	.4
Total	100.0

The figures in table 15 are fairly consistent with those of table 14, indicating that most labour hire workers have been working at the same workplace since they joined the labour hire company. This indicates that most labour hire workers are used on a permanent basis and not just for short periods such as peak seasons.

Table 16: Did you enter into any kind of agreement/contract?

	Valid Percent
Yes	56.6
No	41.8
Dont know	1.6
Total	100.0

More than half of the respondents (56.6%) indicated that they entered into an agreement or signed a contract with the labour hire company. This indicates a formal employment relationship, mostly based on a written contract. However, over 40% of our respondents had no employment contract.

Table 17: What type of agreement/contract do you have?

	Valid Percent
Verbal contract/agreement	7.9
Written agreement/contract	92.1
Total	100.0

Table 18: What kind of work do you do?

	Valid Percent
Driver	8.4
Operator	27.3
General workers (pickers and cleaners)	4.8
Administration and Reception	2.4
Shop assistant (cashier, merchandiser etc)	25.7
Supervisor/ quality controller	2.0
Chef (cook & baker)	5.6
Skilled artisans (boilermaker, brickmaker, sampler etc)	4.4
Lost controller	2.4
Truck assistants (loading & Offloading)	7.6
Fish factory work (scaller, grader etc)	4.0
Other	5.2
Total	100.0

Most respondents indicated that they worked as operators (27.3%) and shop assistants (25.7%). Their work can be classified as being semi-skilled with very few respondents doing skilled work such as artisans. This is in line with the common labour hire practice of providing mostly unskilled and semi-skilled workers.

Table 19: Work type and sex

		Sex		Total
		male	Female	
What kind of work are you doing?	Driver	20 95.2%	1 4.8%	21 100.0%
	Operator	39 57.4%	29 42.6%	68 100.0%
	General workers (pickers and cleaners)	8 66.7%	4 33.3%	12 100.0%
	Administration and Reception	5 83.3%	1 16.7%	6 100.0%
	Shop assistant (cashier, merchandiser etc)	43 67.2%	21 32.8%	64 100.0%
	Supervisor/ quality controller	1 20.0%	4 80.0%	5 100.0%
	Chef (cook & baker)	5 35.7%	9 64.3%	14 100.0%
	Skilled artisans (boilermaker, brickmaker,	11 100.0%	0 .0%	11 100.0%
	Loss controller	5 83.3%	1 16.7%	6 100.0%
	Truck assistants (loading & Of loading)	19 100.0%	0 .0%	19 100.0%
	Fish factory work (scaler, grader etc)	5 50.0%	5 50.0%	10 100.0%
	Other	8 61.5%	5 38.5%	13 100.0%
	Total	169 67.9%	80 32.1%	249 100.0%

Table 19 reveals the sexual division of labour amongst labour hire workers. Almost all drivers (95.2%), skilled artisans (100%), loss controllers (83.3%) and truck assistants (100%) were men while most women were employed as shop assistants and operators.

Working conditions: Wages and benefits

Most respondents indicated that their wages were calculated on an hourly basis as shown in table 20. Some labour hire workers were paid on a piece-meal basis, which made a comparison difficult. Their rates are not reflected in the table.

Table 20: How much do you earn per hour?

	Valid Percent
Less than N\$ 3	5.4
N\$ 3 - N\$ 5.99	53.5
N\$ 6 - N\$ 8.99	23.8
N\$ 9 - N\$ 11.99	6.4
N\$ 12 - N\$ 15.99	5.0
N\$ 16 - N\$ 21.99	2.0
N\$ 22 - N\$ 28.99	1.0
N\$ 29 - N\$ 35.99	.5
N\$ 36 - N\$ 45.99	.5
Dont know	2.0
Total	100.0

Some respondents (5.4%) earned wages of less than N\$ 3 per hour while most (53,5%) earned N\$ 3 – N\$5.99 per hour. Only few workers earned N\$ 16 or more per hour and those were mostly skilled artisans deployed at a mining company. As labour hire workers are paid according to the actual hours worked, their monthly salary varies.

Table 21: Income and level of education

		Level of education					Total
		Primary	Junior secondary	Senior secondary	Diploma	Certificate	
How much do you earn per hour?	Less than N\$ 3	1 9.1%	6 54.5%	4 36.4%	0 .0%	0 .0%	11 100.0%
	N\$ 3 - N\$ 5.99	13 12.0%	59 54.6%	34 31.5%	0 .0%	2 1.9%	108 100.0%
	N\$ 6 - N\$ 8.99	9 20.9%	20 46.5%	12 27.9%	1 2.3%	1 2.3%	43 100.0%
	N\$ 9 - N\$ 11.99	1 8.3%	8 66.7%	3 25.0%	0 .0%	0 .0%	12 100.0%
	N\$ 12 - N\$ 15.99	2 20.0%	7 70.0%	1 10.0%	0 .0%	0 .0%	10 100.0%
	N\$ 16 - N\$ 21.99	0 .0%	1 33.3%	2 66.7%	0 .0%	0 .0%	3 100.0%
	N\$ 22 - N\$ 28.99	0 .0%	1 50.0%	0 .0%	0 .0%	1 50.0%	2 100.0%
	N\$ 29 - N\$ 35.99	0 .0%	1 100.0%	0 .0%	0 .0%	0 .0%	1 100.0%
	N\$ 36 - N\$ 45.99	0 .0%	0 .0%	0 .0%	1 100.0%	0 .0%	1 100.0%
	Dont know	0 .0%	3 100.0%	0 .0%	0 .0%	0 .0%	3 100.0%
Total		26 13.4%	106 54.6%	56 28.9%	2 1.0%	4 2.1%	194 100.0%

We investigated whether the level of education had any influence on the wages earned. There was no clear correlation between levels of education and salaries received as respondents with similar qualifications earned different rates.

Table 22: Income and Sex

		Sex		Total
		male	Female	
How much do you earn per hour?	Less than N\$ 3	4 36.4%	7 63.6%	11 100.0%
	N\$ 3 - N\$ 5.99	61 56.5%	47 43.5%	108 100.0%
	N\$ 6 - N\$ 8.99	37 77.1%	11 22.9%	48 100.0%
	N\$ 9 - N\$ 11.99	10 76.9%	3 23.1%	13 100.0%
	N\$ 12 - N\$ 15.99	8 80.0%	2 20.0%	10 100.0%
	N\$ 16 - N\$ 21.99	3 75.0%	1 25.0%	4 100.0%
	N\$ 22 - N\$ 28.99	2 100.0%	0 .0%	2 100.0%
	N\$ 29 - N\$ 35.99	1 100.0%	0 .0%	1 100.0%
	N\$ 36 - N\$ 45.99	1 100.0%	0 .0%	1 100.0%
	Dont know	4 100.0%	0 .0%	4 100.0%
Total		131 64.9%	71 35.1%	202 100.0%

Table 22 reveals that there is a clear wage discrimination against women. For instance, there are significantly more women in the lowest income category while men dominate in the higher income brackets.

Table 23: Income and current region

		Current region				Total
		Oshana	Otjozondjupa	Erongo	Khomas	
How much do you earn per hour?	Less than N\$ 3	10 90.9%	0 .0%	0 .0%	1 9.1%	11 100.0%
	N\$ 3 - N\$ 5.99	2 1.9%	2 1.9%	27 25.0%	77 71.3%	108 100.0%
	N\$ 6 - N\$ 8.99	6 12.5%	0 .0%	22 45.8%	20 41.7%	48 100.0%
	N\$ 9 - N\$ 11.99	1 7.7%	2 15.4%	4 30.8%	6 46.2%	13 100.0%
	N\$ 12 - N\$ 15.99	0 .0%	0 .0%	8 80.0%	2 20.0%	10 100.0%
	N\$ 16 - N\$ 21.99	1 25.0%	0 .0%	2 50.0%	1 25.0%	4 100.0%
	N\$ 22 - N\$ 28.99	0 .0%	0 .0%	2 100.0%	0 .0%	2 100.0%
	N\$ 29 - N\$ 35.99	0 .0%	0 .0%	1 100.0%	0 .0%	1 100.0%
	N\$ 36 - N\$ 45.99	0 .0%	0 .0%	1 100.0%	0 .0%	1 100.0%
	Dont know	1 25.0%	0 .0%	0 .0%	3 75.0%	4 100.0%
	Total	21 10.4%	4 2.0%	67 33.2%	110 54.5%	202 100.0%

Table 23 reveals the spread of wage levels by region. The majority of the lowest paid respondents (90.9%) earning N\$ 3 and less are found in the Oshana region where we also witnessed the most blatant violations of workers' rights. The Erongo region recorded the highest earnings, largely due to the mining companies located there.

Table 24: Income and Industry

	Industry						Total
	Fishing	Mining	Retail	Construction	Hotels	Manufacturing	
Less than N\$ 3	0 .0%	0 .0%	11 100.0%	0 .0%	0 .0%	0 .0%	11 100.0%
N\$ 3 - N\$ 5.99	27 25.0%	0 .0%	45 41.7%	2 1.9%	1 .9%	33 30.6%	108 100.0%
N\$ 6 - N\$ 8.99	6 12.5%	2 4.2%	13 27.1%	15 31.3%	1 2.1%	11 22.9%	48 100.0%
N\$ 9 - N\$ 11.99	0 .0%	1 7.7%	5 38.5%	3 23.1%	0 .0%	4 30.8%	13 100.0%
N\$ 12 - N\$ 15.99	0 .0%	0 .0%	2 20.0%	8 80.0%	0 .0%	0 .0%	10 100.0%
N\$ 16 - N\$ 21.99	0 .0%	2 50.0%	2 50.0%	0 .0%	0 .0%	0 .0%	4 100.0%
N\$ 22 - N\$ 28.99	0 .0%	1 50.0%	0 .0%	1 50.0%	0 .0%	0 .0%	2 100.0%
N\$ 29 - N\$ 35.99	0 .0%	1 100.0%	0 .0%	0 .0%	0 .0%	0 .0%	1 100.0%
N\$ 36 - N\$ 45.99	0 .0%	1 100.0%	0 .0%	0 .0%	0 .0%	0 .0%	1 100.0%
Dont know	0 .0%	0 .0%	2 50.0%	0 .0%	1 25.0%	1 25.0%	4 100.0%
Total	33 16.3%	8 4.0%	80 39.6%	29 14.4%	3 1.5%	49 24.3%	202 100.0%

Table 24 illustrates the levels of wages paid in the different industries. The lowest paying industry is the retail sector as it was the only sector in which the workers indicated that they earned less than N\$ 3. Respondents from the fishing industry indicated that they earned wages ranging from N\$ 3 - N\$ 8.99. The highest paid respondents were from the mining industry where the lowest wages were N\$ 6 and the highest N\$ 45.99. This finding is in line with LaRRI's minimum wage survey for permanent workers, which found the highest minimum wages in the mining industry and the lowest in the wholesale and retail sector (LaRRI 2005).

Table 25: Does the labour hire keep part of your salary?

	Valid Percent
Yes	60.6
No	8.8
Dont know	30.5
Total	100.0

More than half of our respondents (60.6%) indicated that the labour hire companies kept part of their salaries while less than 10 per cent believed that this was not the case. Over 30% did not know whether the labour hire company kept

part of their salary, which indicates that a significant number of labour hire workers are not aware of their employment conditions. This was confirmed when we asked how much the labour hire companies kept as their fees. Over 60% did not know or were not sure.

Table 26: If yes, how much (percentage) of your salary is kept by the labour hire company?

	Valid Percent
Less than 30%	2.5
30% - 50 %	32.1
51% - 70%	3.1
71% - 80%	1.2
Dont know/not sure	61.1
Total	100.0

Table 27: Who decided on your salary?

	Valid Percent
The labour hire company	77.5
Client company	16.1
Dont know	5.6
Labour hire and client company	.8
Total	100.0

Most respondents (77.5%) indicated that the labour hire company decided on their wages, without the workers being given a chance to negotiate for better remuneration. About 16 per cent indicated that the client company decided how much they would earn despite the fact that the labour hire company employed the workers.

Table 27: Is there any difference in the salaries of permanent workers and labour hire workers doing the same type of work?

	Valid Percent
Yes	69.1
No	18.1
Dont know	12.9
Total	100.0

Most respondents (69 %) were aware that there was a difference between their salaries and those of the permanent workers and those permanent workers earned more. However, several respondents (18.1%) felt that there was no difference in their salaries while the rest did not know whether there was a difference or not.

Table 28: Which benefits do you get?

	Valid per cent
Transport/allowance	18.3
Paid annual leave (also paid in cash)	17.1
Paid sick leave	17.4
Housing subsidy/allowance	1.4
Incentives bonus	1.7
None	41.4
Other	2.6
Total	100.0

Over 40% of our respondents indicated that they did not receive any benefits from their employers whilst the others indicated that transport (or a transport allowance) was the most common benefit (18.3%). Only about 17% of the labour hire workers received paid annual leave or paid sick leave. This indicates that most labour hire workers do not enjoy the basic conditions of employment as set out in the Labour Act.

Table 29: Who provides you with the benefits you receive?

	Valid Percent
Labour hire company	86.4
client company	9.7
Dont know	1.9
Labour hire & client company	1.9
Total	100.0

Of those who indicated that they received benefits, 86 per cent said that they received the benefits from the labour hire company while most others indicated that they received their benefits from the client company (9.7%).

Table 30: Are there any differences in the benefits received between permanent workers and labour hire workers?

	Valid Percent
Yes	55.8
No	16.1
Dont know	28.1
Total	100.0

Most labour hire workers (55.8%) are aware that they receive fewer benefits than permanent workers. However, almost 30% indicated that they did not know which indicates that at some work places labour hire workers do not discuss their conditions of employment with permanent workers.

Table 31: How many hours do you usually work per week?

	Valid Percent
Less than 5 hours	.4
5 - 10 hours	.8
21 - 25 hours	2.4
26 - 31 hours	1.6
32 - 36 hours	1.2
37 - 41 hours	12.0
42 - 46 hours	41.8
47 - 50 hours	8.0
51 - 60 hours	3.2
More than 62 hours	10.0
Not specified/ hours worked depends on work available	18.5
Total	100.0

Most respondents (53.8%) indicated that on average they work 37 - 46 hours per week, which is similar to the working hours of permanent workers. Only few labour hire workers (less than 10%) work less than 37 hours a week, which confirms a high level of permanency at the workplace. Those working more than 62 hours are employed at a retail outlet in the Oshana region.

Table 32: How many days do you usually work in a month'

	Valid Percent
Less than 11 days	.4
12 - 16 days	2.4
17 - 21 days	14.5
22 - 26 days	28.1
27 - 31 days	36.9
Not specified	17.7
Total	100.0

There is no uniform pattern regarding the working days per month as shown in table 32. However, most labour hire workers (65%) work 22 – 31 days per month, which again confirms a high level of permanency.

Table 33: Number of days worked in a month by industry

	Industry						Total
	Fishing	Mining	Retail	Construction	Hotels	Manufacturing	
Less than 11 days	0 .0%	0 .0%	1 100.0%	0 .0%	0 .0%	0 .0%	1 100.0%
12 - 16 days	1 16.7%	0 .0%	2 33.3%	2 33.3%	0 .0%	1 16.7%	6 100.0%
17 - 21 days	9 25.0%	4 11.1%	3 8.3%	3 8.3%	0 .0%	17 47.2%	36 100.0%
22 - 26 days	5 7.1%	4 5.7%	20 28.6%	10 14.3%	3 4.3%	28 40.0%	70 100.0%
27 - 31 days	10 10.9%	0 .0%	68 73.9%	8 8.7%	0 .0%	6 6.5%	92 100.0%
Not specified	8 18.2%	0 .0%	5 11.4%	7 15.9%	0 .0%	24 54.5%	44 100.0%
Total	33 13.3%	8 3.2%	99 39.8%	30 12.0%	3 1.2%	76 30.5%	249 100.0%

Most workers in the retail sector indicated that they work 27 –31 days per month, which is longer than in other industries. About one third of our respondents in the manufacturing industry and close to 25% of those in the construction industry did not have any specified number of working days per month, which indicates high levels of flexibility to suit the demand of client companies.

Table 34: Do you work overtime?

	Valid Percent
Yes	73.7
No	25.5
Dont know	.8
Total	100.0

Almost three quarters (73.7%) of our respondents indicated that they worked overtime. They indicated that they needed to do so in order to earn more money, as their wages were too low to sustain themselves and their families.

Table 35: Is there any specified amount of overtime workers are allowed to work per week?

	Valid Percent
Yes	12.0
No	58.7
Dont know	29.3
Total	100.0

Most respondents (58.7%) believed that there was no specified amount of overtime that workers were allowed to work. They said that overtime was basically determined by the amount of work available and by the demands of the client company.

Table 36: Is overtime performed on a voluntary basis?

	Valid Percent
Yes	38.4
No	50.2
Dont know	11.4
Total	100.0

About half of the respondents (50.2%) indicated that overtime were not performed on a voluntary basis. They explained that they were simply told to work overtime if there was work to be done. Table 37 illustrates the various strategies used to force labour hire workers to work overtime.

Table 37: If overtime is not performed on a voluntary basis, how is it done?

	Valid per cent
Workers must work overtime	43.2
Management makes decisions as to who can/should work overtime	6.4
If workers refuse to work overtime, management looks for an excuse to fire you	5.6
Workers get warnings if they refuse to work overtime	15.2
Managers close the doors when it is time to knock off if the work is not done	9.6
Workers have to work overtime to make more money	9.6
Told to work longer hours by the company	4
Workers are forced to work more hours to supplement the off days	3.2
Other	3.2
Total	100

Table 38: Industry and overtime work

		Do you work overtime?			Total
		Yes	No	Dont know	
Industry	Fishing	24 72.7%	9 27.3%	0 .0%	33 100.0%
	Mining	8 100.0%	0 .0%	0 .0%	8 100.0%
	Retail	68 69.4%	28 28.6%	2 2.0%	98 100.0%
	Construction	30 100.0%	0 .0%	0 .0%	30 100.0%
	Hotels	3 100.0%	0 .0%	0 .0%	3 100.0%
	Manufacturing	50 65.8%	26 34.2%	0 .0%	76 100.0%
	Total	183 73.8%	63 25.4%	2 .8%	248 100.0%

A cross tabulation of industry and overtime revealed that overtime was worked across all industries and that the majority of the respondents in all industries worked overtime.

Social security

Table 39: Are you registered with social security?

	Valid Percent
Yes	80.7
No	8.0
Dont know	11.2
Total	100.0

Most respondents (80.7%) indicated that they were registered with social security and that the labour hire company registered them there. This indicates that most labour hire companies comply with the provision of the Social Security Act.

Table 40: If yes, who registered you?

	Valid Percent
Current labour hire	73.9
Current company of employment	10.3
The worker	2.0
Dont know	4.9
Previous employer	7.4
Current labour hire and client company	1.5
Total	100.0

Table 41: Industry and registration with social security

		Are you registered with social security ?			Total
		Yes	No	Dont know	
Industry	Fishing	33 100.0%	0 .0%	0 .0%	33 100.0%
	Mining	8 100.0%	0 .0%	0 .0%	8 100.0%
	Retail	68 68.7%	14 14.1%	17 17.2%	99 100.0%
	Construction	27 90.0%	1 3.3%	2 6.7%	30 100.0%
	Hotels	2 66.7%	0 .0%	1 33.3%	3 100.0%
	Manufacturing	63 82.9%	5 6.6%	8 10.5%	76 100.0%
Total		201 80.7%	20 8.0%	28 11.2%	249 100.0%

An analysis of social security registration across industries indicates the highest levels of compliance in the fishing, mining and construction industries. Our sample is however, too small to make definite pronouncements on the individual industries.

Trade union information

Table 42: Are you a member of a trade union?

	Valid Percent
Yes	46.6
No	52.6
Dont know	.8
Total	100.0

Almost half of our respondents (46.6%) indicated that they were members of a trade union. This shows the willingness of labour hire workers to join unions and to be represented by them. The Namibia Food and Allied Workers Union (NAFAU) and the Namibia Building Workers Union (NBWU) were the most common unions that workers had joined.

Table 43: If yes, which trade union do you belong to

	Valid Percent
NAFAU	70.1
NASAWU	2.6
MUN	5.1
NWRWU	4.3
Namibia Building Worker's Union	16.2
Dont know	1.7
Total	100.0

Table 44: If yes, does your employer deduct union fees from your salary?

	Valid Percent
Yes	66.7
No	32.5
Dont know	.9
Total	100.0

The Namibian Labour Act makes provision for employers to deduct union membership fees from the worker's salary and pay it over to the union concerned. About two thirds of our respondents confirmed this practice which indicates that not all labour hire companies are hostile towards trade unions.

Table 45: Membership of trade union by sex

		Are you a member of a trade union?			Total
		Yes	No	Dont know	
Sex	male	73 43.2%	94 55.6%	2 1.2%	169 100.0%
	Female	43 53.8%	37 46.3%	0 .0%	80 100.0%
Total		116 46.6%	131 52.6%	2 .8%	249 100.0%

A cross tabulation of trade union membership and sex revealed that union membership was more common among women (53.8%) than men (43.2%). This points to good organising work by unions in those sectors where women are employed and/or to the increasing interest among female labour hire workers to join unions.

Unionisation rates varied significantly between industries with fishing, mining and construction having the highest rates of unionisation. However, our sample is too small to make definite pronouncements on this matter.

Table 46: Industry and trade union membership

		Are you a member of a trade union?			Total
		Yes	No	Dont know	
Industry	Fishing	30 90.9%	3 9.1%	0 .0%	33 100.0%
	Mining	6 75.0%	2 25.0%	0 .0%	8 100.0%
	Retail	36 36.4%	61 61.6%	2 2.0%	99 100.0%
	Construction	19 63.3%	11 36.7%	0 .0%	30 100.0%
	Hotels	0 .0%	3 100.0%	0 .0%	3 100.0%
	Manufacturing	25 32.9%	51 67.1%	0 .0%	76 100.0%
	Total	116 46.6%	131 52.6%	2 .8%	249 100.0%

Table 47: Reasons for not belonging to a trade union

	Valid per cent
Trade union fees are too high	14.1
No confidence in trade union's ability to represent workers	3.5
Trade unions do not give good service	4.2
Afraid of loosing job	9.9
Don't know enough about trade unions	28.9
No time to register	12.7
Still waiting for union organisers (already filled in forms)	2.8
Don't know where union offices are	6.3
Will register soon	4.9
Unions are not accessible	2.1
Labour hire workers are told that they cant join a union	2.1
Used to be a member at previous job	2.1
Others	6.3
Total	100.0

The main reasons why labour hire workers did not join trade unions were a lack of knowledge about trade unions (28,9%), that the trade union membership fees were too high (14,1%) or that workers did not have time to join a union (12,7%). Only 3.5% indicated that they had no confidence in unions while 10% were scared to join unions, afraid of loosing their job. This indicates a huge potential for trade unions to recruit labour hire workers as their members.

Table 48: Does the company where you are currently working discourage workers from joining a trade union'

	Valid Percent
Yes	18.1
no	55.6
Dont know	26.2
Total	100.0

More than half (55.6%) of the respondents indicated that they were not discouraged from joining a trade union while 18 per cent of the respondents felt that the company where they worked discouraged workers from joining a union. Likewise, most respondents (59.3%) indicated that their labour hire company did not discourage them from joining a trade union (table 49).

Table 49: Does the labour hire company discourage workers from joining a trade union?

	Valid Percent
Yes	13.3
no	59.3
Dont know	27.4
Total	100.0

Tables 50 & 51 indicate whether the client company or the labour hire company discriminated against workers who were members of a union. In both cases, more than half of the respondents felt that this was not the case and less than 20 per cent indicated that the company where they worked (19.7%) or the labour hire company (12.1%) discriminated against trade union members. Thus most labour hire workers feel free to join trade unions without fear of retribution.

Table 50: Does the company where you are currently working discriminate against workers who are trade union members?

	Valid Percent
Yes	19.7
no	57.8
Dont know	22.5
Total	100.0

Table 51: Does the labour hire company discriminate against workers who are members of a trade union?

	Valid Percent
Yes	12.1
no	60.9
Dont know	27.0
Total	100.0

Grievances and disciplinary procedures

Table 52: Who deals with disciplinary issues at your workplace?

	Valid Percent
Valid Company where I work	57.4
The labour hire company	34.1
Dont know	6.8
Labour hire and client company	1.2
Union	.4
Total	100.0

Most respondents (57.4%) indicated that the client company handled disciplinary issues while 34 % said that the labour hire company handled these issues. This finding contradicts the information given to us during the interviews with labour hire companies and their clients. Managers of client companies indicated that the labour hire companies handled disciplinary issues. During our field research in the Oshana region we witnessed how 2 labour hire workers were fired “on the spot” by the manager of a retail client company. No warning was given and no retrenchment procedures were followed. The client company simply requested 2 new workers from the labour hire company.

A similar case was reported recently at Fruit&Veg City in Oshakati where 10 workers were retrenched without any prior warning and without being provided with any reasons for their dismissal (New Era, 26 May 2006). It thus seems that the practice of “hire and fire” at will is implemented by some client companies. This practice was confirmed by workers and trade unionists that we interviewed.

Table 53: If you have a grievance at work, where do you go to?

		Valid Percent
Valid	Company where I work	39.8
	The labour hire company	38.6
	Shop stewards	6.8
	Colleagues	.4
	Dont know	7.2
	Labour hire and client company	4.8
	Union of ficials	.8
	No one	1.2
	Client company and shop steward	.4
	Total	100.0

Almost an equal percentage of the respondents indicated that if they had a complaint at work they would report it to the company where they worked (39.4%) or to the labour hire company (39%). This points to some confusion as to who has to deal with grievances. Contrary to what representatives of labour hire companies and their clients said, most labour hire workers (77.5%) indicated that the client company decides on retrenchments - although the labour hire company is the actual employer. This once again shows the power of client companies over labour hire workers.

Table 54: Who is responsible for firing workers at your workplace?

		Valid Percent
Valid	Company where I work	77.5
	The labour hire company	16.5
	Dont know	3.6
	Labour hire and client company	2.4
	Total	100.0

Training

The respondents were asked whether the labour hire company or the client company have policies on training. Tables 55 & 56 provide the respondents' replies. Overall, most respondents indicated that neither the labour hire company (79.5%) nor the client company (57.8%) had policies on training. About 20% of the respondents did not know if there was any policy on training. Training of

labour hire workers seems to be a rather exceptional occurrence as only 20% of our respondents received any training (table 57).

Table 55: Does the labour hire company have a policy on training?

	Valid Percent
Yes	2.8
No	79.5
Dont know	17.7
Total	100.0

Table 56: Does the company at which you are currently working have a policy on training?

	Valid Percent
Yes	21.3
No	57.8
Dont know	20.9
Total	100.0

Table 57: Have you recieved any form of training?

	Valid Percent
Yes	20.5
No	77.5
Dont know	2.0
Total	100.0

The few labour hire workers who were trained received just some basic on-the-job training related to their particular tasks. This training was usually provided by the client company – not the labour hire company (see tables 58 and 59).

Table 58: What kind of training do workers get?

	Valid per cent
On-the job training	36.1
Training on sampling taking	3.3
Training on safety	3.3
Training on putting crates on sliding belt	1.6
Training on scaffolding	1.6
Training on the till/cashier	11.5

Training on customer care	8.2
Training on goods packing	18.0
Training on how to deal with the food in the deli	1.6
Fire fighting training	1.6
Crane training	3.3
Training on hygiene and handling of food	6.6
Training on how to mix drinks	1.6
Training in first aid	1.6
Total	100

Table 59: If yes, who provided you with the training

	Valid Percent
The labour hire	9.8
Current employing company	88.2
Labour hire and client company	2.0
Total	100.0

Occupational health and safety

Most respondents believed that neither the company where they worked nor the labour hire company had a policy on health and safety (tables 60 & 61). This indicates that the companies may not have such a policy or that it was never communicated to the labour hire workers. This points to a neglect of the employer's duty to publicise the policies among their staff.

Table 60: Does the company (where you work) have any policy on health and safety at work?

	Valid Percent
Yes	19.3
No	57.4
Dont know	23.3
Total	100.0

Table 61: Does the labour hire company have a policy on health and safety?

	Valid Percent
Yes	4.4
No	71.9
Dont know	23.7
Total	100.0

Tables 62 & 63 show that most labour hire workers do not know of health and safety committees at their workplace or at the labour hire company that employs them. Their employers seem to show little concern for their health and safety at work. This is also shown by the fact that less than 10% of our respondents were ever trained on health and safety issues (table 64).

Table 62: Does the labour hire have a health and safety committee?

	Valid Percent
Yes	5.2
No	70.7
Dont know	24.1
Total	100.0

Table 63: Does your current employing company have a health and safety committee?

	Valid Percent
Yes	12.5
No	58.5
Dont know	29.0
Total	100.0

Table 64: Have you recieved any training on health and safety?

	Valid Percent
Yes	8.0
No	88.4
Dont know	3.6
Total	100.0

Table 65: Who is responsible for your occupational health and safety?

	Valid Percent
Labour hire company	19.7
Current employing company	15.8
Worker	42.7
Dont know	20.9
Client company and worker	.9
Total	100.0

Table 65 shows that labour hire workers were not sure who is responsible for their health and safety at work. Over 40% believed that workers themselves were responsible for their occupational health and safety whilst almost 21% did not know who was responsible for their health and safety. Less than 20% believed that their actual employer (the labour hire company) was responsible was responsible for heath and safety matters.

Table 66: Does the work you do require the use of protective clothing?

	Valid Percent
Yes	82.3
No	17.3
Dont Know	.4
Total	100.0

Most respondents (82.3%) indicated that their work required them to use protective clothing. About 73% of them indicated that they had protective clothing while 26.9% said they did not have such clothing as they could not afford to buy them or because they were still waiting to receive them from their employers (table 67). Of those who had protective clothing, some indicated that they had been provided for by the labour hire company or the client company whilst other said they had to pay for their protective clothing themselves.

Table 67: If yes do you have protective clothing?

	Valid Percent
Yes	73.1
No	26.9
Total	100.0

Table 68: Are you required to wear a uniform at work?

	Valid Percent
Yes	67.1
No	32.1
Dont know	.8
Total	100.0

More than two-thirds of our respondents (67.1%) indicated that they were required to wear uniforms at work. However, only a third of them were provided with uniforms by the labour hire or client company while the majority had to pay for the uniforms themselves (table 69).

Table 69: If yes, who paid for the uniform?

	Valid Percent
Current employ er	20.7
Labour hire	12.8
Worker	63.4
Dont know	1.8
Labour hire and worker	.6
Current employ er and worker	.6
Total	100.0

Main Problems

Table 70: Main problems experienced by workers

	Valid per cent
No contract of employment	2.4
Deductions from salary for good lost/stolen from the shop	2.0
Mistreatment from supervisor/managers	4.4
Don't know how salary is calculated	1.1
Job insecurity/fear of dismissal	11.3
Low salary	17.6
Lack of benefits	20.4
Sharing salary with labour hire	1.5
Racial discrimination	1.9
Long working hours	3.5
Grievances are not handled	3.1
Lack of protective clothing and bad working environment	2.4
Not registered with social security	1.1
Lack of financial assistance during times of difficulties	1.7
Use of abusive language	1.9

No uniforms and protective clothing	1.3
No communications with labour hire company (employer)	2.6
None	1.9
Others	18.0
Total	100.0

When asked about their main problems they experienced as labour hire workers, the lack of benefits, such as medical aid, housing and pension was cited most frequently. Workers expressed concern that when they got sick they could not access proper medical care, as it was too expensive for them. Some of the respondents indicated that they needed a pension scheme, as they did not have any safety nets to fall back on in the event of losing their jobs. They only had their incomes (which were very small), thus if they lost their jobs, they would feel the consequences immediately. Others indicated that their low salaries were the main problem (17.6%), and that they could hardly meet their daily expenses such as housing, water and electricity, medical costs and school fees. About 11 per cent indicated that job insecurity was a main concern, as they did not know for how long they would be deployed at their current companies. Other issues mentioned (although less frequently) included mistreatment by supervisors or managers and long working hours.

Trade union responses

Trade unions have been opposed to labour hire since its inception in Namibia. They argued that the system reminds them of the colonial contract labour system under the dreaded South West Africa Native Labour Association (SWANLA). In the words of the former general secretary of the National Union of Namibian Workers (NUNW), Ranga Haikali:

“Labour Hire Companies remind us 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” (2000).

In 1998, the NUNW organised the first protest march against labour hire in Walvis Bay. A petition presented to the governor of the Erongo region pointed to the alarming rate at which permanent workers are retrenched just to be re-employed as labour hire workers. The union federation thus demanded the abolition of the labour hire system and requested the ministry of labour to provide employment services to companies. The petition also suggested that a tripartite committee should be established to oversee the abolition of the labour hire system and the development of employment services.

Although the tripartite Labour Advisory Council had prepared “Proposed Guidelines for Labour Hire and Employment Agencies” by 2000, labour hire practices continued unabated and spread to an increasing number of companies. Some labour hire companies were set up by client companies while others emerged as “break-aways” from established larger companies. In 2003, the NUNW thus organised another march against labour hire, but again it had little impact.

To organise or not to organise?

Faced with an increasing number of labour hire workers, trade unions started to debate whether they should start recruiting labour hire workers as members or continue to demand the abolition of labour hire. A union organiser declared: *“We do not organise labour hire workers as this would encourage labour hire companies. As these workers earn so little, it would be difficult for them to pay union fees from their already meagre salaries”.*

A union leader explained the dilemma:

“We don’t have a recognition agreement with any labour hire company. We used to organise some labour hire workers in the fishing and beverage industry. There was a contradiction when we organised labour hire workers as it was seen as encouraging labour hire. On the other hand, labour hire workers approached us to become members...The only problem is that they do not last as members because of the nature of their employment...It does not help to organise people who only work for two days and then lose their jobs as this makes the unions weak in terms of not being able to sign recognition agreements with the employer”.

Unable to stem the tide of increasing labour hire practices, several trade unions started to recruit labour hire workers. In the words of an organiser: *“Unions must recruit there and ensure that these workers are protected and enjoy all the benefits.”* This, however, proved difficult as industrial unions usually concentrate on a particular industry and a particular workplace. Client companies where unions have a recognition agreement usually refuse to make labour hire workers part of the bargaining unit as labour hire workers have a different employer. As a result, recognition agreements and collective bargaining usually cover permanent workers only and most unions failed to sign a recognition agreement for labour hire workers. A unionist explained:

“One problem is that unions must organise workers not at their workplace but at the labour hire company...Another problem is that labour hire workers are young workers who don’t know what they are supposed to get in terms of the Labour Act and the Namibian constitution. They don’t know their rights and are just school dropouts. To organise them, you have to tell them what the union stands for and what they will get out of the union. It is not an easy thing. Whenever there is a problem they expect you to come because they expect problems to be solved the next morning.”

There are however, some cases where union intervention was successful. At a retail shop in Windhoek, trade unions succeeded in converting labour hire jobs into permanent ones. The shop had initially hired all its workers through a local labour broker. Workers were confused as to who their actual employer was and experienced problems with regards to labour relations and frequent dismissals. Workers then approached NAFAU and joined the union. Following a work stoppage in 2006, management called the union and started negotiating with a view of finding a solution. It was agreed that all labour hire workers would be taken over as direct employees of the company.

The Mineworkers Union of Namibia (MUN) is currently the only union that has a recognition agreement with a labour hire company. Using its numerical and organisational strength at the mines, the MUN started organising labour hire workers in the late 1990s. The MUN points out that labour hire workers’

conditions of employment have improved significantly since the union started organising and representing them:

“We have concluded an agreement with Rossing that all the contractors and labour hire companies should follow the same conditions of employment for their workers as those of Rossing... The only problem that the union has experienced in organising these workers lies with their employers [labour hire companies] who sometimes resist the signing of recognition agreements with the unions claiming that the [labour hire] workers are not permanent workers, arguing that they cannot be members of the union.”

Despite being able to recruit and represent labour hire workers through collective bargaining, the MUN feels that there is a need for better regulations:

“The Labour Act should make provision for labour hire companies and make sure that the conditions of employment which apply to permanent workers should also apply to labour hire workers. Thus the current labour laws in Namibia do not sufficiently protect labour hire workers”.

This view was supported by a union organiser in the North who said: *“We want the labour hire system to be abolished. Otherwise, labour hire workers must at least be provided with the same wages and benefits like permanent workers”.* This seems to be a possible strategy to be pursued by Namibia’s trade unions in the immediate future.

Proposed regulations

The first comprehensive attempt to regulate labour hire was the Namibian government's "proposed guidelines for labour hire employment and operating standards" that were circulated for discussion among unions and employers in 1999. These guidelines provided for the registration of labour hire companies, the obligation to set up training programmes, the adherence to grievance and disciplinary procedures, records of employees etc.

After some debate between trade unions, employers and the government within the framework of the Labour Advisory Council, the Ministry of Labour presented an amended set of "Proposed Guidelines for Labour Hire and Employment Agencies" in August 2000. These guidelines set out a duty for employment agencies to register with the Labour Commissioner and to adhere to the Namibian constitution, the Labour Act, the Company Act and any other Namibian law. Employment agencies also had to declare if they rendered their services free of charge or if they levied a fee on the user-enterprise or their workers.

The proposed guidelines enabled the Labour Commissioner to cancel the registration of any employment agency if they contravened any law or the guidelines. However, the Minister of Labour could grant exemption from the guidelines as long as the laws were adhered to. The guidelines set out the following minimum wages:

- N\$ 4,70 per hour for labourers;
- N\$ 5,30 per hour for semi-skilled workers; and
- N\$ 6,00 per hour for skilled workers.

Employment agencies had to register their workers with the Social Security Commission. However, the agencies were not compelled to provide any additional benefits as the guidelines merely appeal to such agencies to register their workers with a recognised pension fund "where possible".

Employment agencies also had to design a training programme to "uplift industry training skills". All workers employed on a "regular basis" by the employment agency had to be included in the training plan. However, the guidelines did not define the meaning of employment on a "regular basis".

The proposed regulations held employment agencies responsible to provide training for their workers if they were required to carry out any work "which could threaten their health, safety or welfare". Furthermore, employment agencies had to keep records of their workers; develop fair and just grievance and disciplinary procedures in line with the Labour Act; and promote good labour relations. Employment agencies were not allowed to participate in any scheme aimed at retrenching workers at client companies and replacing them with workers from employment agencies.

These regulations were never implemented. They might have helped to set some minimum standards and to prevent the operation of illegal labour brokers that violate the Labour Act. However, the fundamental problems with labour hire companies would not have been resolved.

The new Labour Act (2004) contains a section on “Employment Hire Services” which applies to labour hire companies. It states that all workers at such companies must be regarded as employees of the employment hire services company. This company and its client are jointly liable if the employment hire service contravenes a collective agreement, an arbitration award that regulates conditions of employment, fundamental workers’ rights or the basic conditions of employment as set out in the Labour Act. Also, an employment hire services company cannot offer employment conditions that are worse than those set out in the Labour Act. Violations of these provisions are punishable with a fine of up to N\$ 50 000 and/or 2 years imprisonment.

These provisions attempt to place greater responsibility on client companies to ensure that labour hire companies adhere to the provisions of the Labour Act. However, this is unlikely to deter client companies from using labour hire services as they would still be able to gain benefits such as greater flexibility, cutting costs and avoiding labour disputes.

Conclusion and Recommendations

Since the emergence of labour hire in Namibia in the late 1990s, the practice has spread further and penetrated most industrial sectors. Although most of Namibia's formal sector workers are still in permanent, full-time employment, labour hire has converted some permanent jobs into insecure jobs at lower wages and with fewer benefits.

Labour hire in Namibia conforms largely to global developments as the capitalist logic of pursuing higher rates of profits at (almost) all costs has resulted in numerous outsourcing activities. This formed part of the corporate-driven globalisation process and affected workers negatively. Labour hire also deepened the divisions between core and peripheral workers. In many instances, the achievements of trade unions were rolled back and unions are thus generally opposed to labour hire and other forms of outsourcing.

Our study found that an increasing number of client companies in Namibia are attracted to labour hire, either as a strategy to cut costs and achieve greater flexibility or to avoid trade unions, labour disputes and the provisions of the Labour Act. Labour hire and other forms of sub-contracting also allow client companies to concentrate on their "core business" and to replace workers easily. It is thus hardly surprising that most companies are in favour of labour hire and in some instances draw most of their staff from labour brokers.

Labour hire companies are institutionalising the casualisation of work. They provide their workers with contracts that are only as long as the contract between the labour hire companies and their clients. Clients merely request a certain number of workers for a certain period from the labour hire company and pay an agreed hourly fee. The labour hire workers pay the price for this practice. Although most of them are deployed on a full-time basis in work for the same company for years, they are denied job security, a substantial part of their wages and benefits. In some instances they are even denied some provisions of the Labour Act such as paid leave and severance pay. Furthermore labour hire poses a threat to permanent workers, as it is not limited to providing casual workers for occasional tasks or during peak seasons. Instead, several companies are replacing permanent workers with labour hire workers on an ongoing basis.

The current labour regulations and the provisions of the Labour Act are insufficient to regulate labour hire practices. Although most labour hire companies seem to try to operate within the legal framework, the experiences of their workers point to dubious labour practices and in some cases outright violations of the law. Such violations take place in some of Namibia's major towns, seemingly undetected by labour inspectors. Most labour hire workers lack any substantive form of social protection.

Labour hire has essentially turned workers into commodities to be traded as part of a commercial contract between labour hire companies and their clients. This was aptly expressed by a client who said that he ordered “bodies”. This is certainly reminiscent of the colonial contract labour system. Politically it would thus be highly desirable to abolish labour hire altogether as suggested by trade unions and some politicians. At a practical level, outlawing labour hire would have to address several challenges:

Labour hire is only one specific form of outsourcing (provision of labour-only), which co-exists with many other forms such as the provision of services like cleaning and security. If labour hire were the only form of outsourcing to be outlawed, labour hire companies would probably change their status to become “service providers”. Instead of operating in their current form, they are likely to rename their operations and become providers of “store management services”, “till services”, “retail management services” etc. This would enable them to continue their current practices with only slight modifications. Very little would change for the labour hire workers concerned.

Outlawing labour hire while allowing other forms of outsourcing to continue might thus not solve the problem. Instead, the general practice of outsourcing would have to be severely limited by placing restrictions on companies. This would certainly be vehemently opposed by the private sector and given Namibia’s pronouncements in favour of “free market policies” it is unlikely that the Namibian government would be prepared to take such a step. What then can be done to counter the further spread of labour hire and to ensure that workers’ rights are protected?

A dual strategy of strict regulations and good labour laws coupled with effective unionisation strategies seem to be an alternative approach. This should include the following:

1. Comprehensive and strict regulations have to be implemented with the aim of ensuring that labour hire workers are not worse off than permanent workers. Such regulations should include a licensing regime for labour hire companies. The licensing system should contain very strict standards and requirements, which would discourage the most problematic “informal” labour hire operators. Furthermore, government should also assess the possibility of introducing compulsory licence fees, which could be used to provide systematic training for labour hire workers.
2. The guidelines of 2000 could form a basis for discussion but they would still need to be tightened to protect labour hire workers effectively. It seems critical to spell out that their wages and benefits may not be below those offered to permanent workers carrying out similar work. This would create a financial disincentive for using labour hire by client companies. The guidelines also need to spell out the responsibilities and liabilities of

labour hire and client companies towards their workers, especially with regard to issues of occupational health and safety and retrenchments.

3. Labour inspectors have to become pro-active in monitoring the activities of labour hire companies. Placing them under a “public spotlight” would put pressure on them to improve their labour practices and operate within the law.
4. Trade unions need to systematically recruit labour hire workers and negotiate on their behalf. Labour hire workers could be represented at two levels: They could be included into existing bargaining agreements with client companies by extending the bargaining unit beyond permanent workers. Secondly, unions could recruit directly at labour hire companies and sign a recognition agreement there covering all workers irrespective of where they actually work.
5. Several client companies indicated that poor labour relations are the root cause for their attraction to labour hire. It thus seems imperative to address this issue directly through a process of consultations and negotiations with a view of finding a solution that is seen as acceptable and fair by all parties concerned. Agreement on this issue would be critical for reducing the attractiveness of the labour hire option.

Appendix: List of Labour Hire Companies

<i>Labour Hire Company</i>	<i>Contact Name/s & Telephone</i>
Elite Personnel Services (EPS)	Mr. Visser, 081 1295500
H & L Investment	Martin, 081 20805304 Lourens Campher
Edu Letu Consultants	Mr. Donovan Monsinger, 061-241844
African Personal Services (APS)	Mr. L. Kapembe, 064 - 220895 081 1243104
Temp Workforce/Namibia Employment Services	Johan Nel, 081 2742011
J. L Merchandising	Mr. Beukes, 081 2937073
Welwitchia Labour Hire	Mr. Lucky Gaseb, 0812989188
Arandis Services	064 - 400843
Erongo Contract Services	Mr. H. Davids, 064 - 522098
Employee Placement Services Namibia	Mr. Gotti Ndjendjela, 065 - 30363 0812751095

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