Once in office, the SWAPO government embarked upon a path of reforming Namibia’s colonial labour relations system. The overall aim was to move towards a new system of ”social partnership”, first governed by the Labour Act of 1992 and later by the new Labour Act of 2007. Tripartite consultations and collective bargaining were seen as critical for the implementation of this new labour dispensation. The government envisaged an improvement in the living and working conditions of Namibian workers to be brought about by a combination of successful economic policies and successful trade union engagement with the private sector. The government defined its own role merely as that of a ”referee,” trying to create a level (and enabling) playing field for collective bargaining between business and labour.

In post-war Western Europe, social partnership was introduced as a class compromise, granting workers improved living and working conditions in return for acceptance of the capitalist mode of production and industrial peace. Namibia’s version of social partnership, however, was essentially a reward by the SWAPO government for its working class base that had played a decisive role in ensuring the election victory of 1989. Social partnership did not represent a move towards granting labour a ”special” status in the post-independence dispensation. The consultative process leading to the formulation of the Labour Act, for example, was driven by government as the dominant partner, which decided on the scope of the consultations. Unlike in a corporatist, institutionalised arrangement – such as in the classical cases of post-war, social democratic Sweden and Germany – where capital, labour and state jointly formulate socio-economic policies, social partnership in Namibia never took the form of a joint decision-making process.

Although the Labour Act of 1992 constituted a significant improvement compared with the previous colonial labour legislation, it was a compromise between the conflicting interests of capital and labour. It extended its coverage to all workers, including domestic workers, farm workers and the public service. The new law encouraged collective bargaining, entrenched basic workers’ and trade union rights, set out the procedures for legal strikes and provided protections against unfair labour practices. However, the Act
fell short of some of the expectations of trade unions, which felt that employers had unduly influenced the law through "behind the scenes" lobbying. The act did not make provision for minimum wages and it did not guarantee paid maternity leave. Payment during maternity leave was only introduced with the Social Security Act of 1996. Other key demands of the NUNW that were not accommodated in the 1992 Labour Act were the 40-hour working week and 21 days of annual leave for all workers.

Overall, post-independence labour legislation constituted a significant improvement for labour, but it also served to reduce worker militancy by shifting the emphasis away from workplace struggles to negotiations between union leaders and management. Bargaining issues in Namibia were (and still are) narrowly defined and usually deal with conditions of employment only. The trade unions’ main function was thus narrowed to being the representative of workers in a tripartite arrangement.

Trade union militancy certainly declined after independence although there was no material base to co-opt the working class as a whole. Instead, improvement of living and working conditions through collective bargaining only benefited the well-organised industrial workers like those in the mining and fishing industries as well as those in the public service, while the vast majority of the working class – the unemployed, informal sector workers, casual workers, domestic workers, etc. – did not benefit from collective bargaining and thus still experience high levels of poverty. Even in sectors where minimum wages were formally introduced, like those for farm workers and security guards in 2003 and 2005, workers remained exposed to highly exploitative practices.

On the other hand, the post-independence period brought about a layer of trade union bureaucrats whose material standards of living are significantly above those of the average trade union member and who have entered company boards as directors as part of an ill-defined trade union investment strategy. This became apparent during the controversy surrounding the GIPF and the incredible large sitting allowances paid to its trustees, including trade union representatives. Callinicos (1995) described this layer of trade union bureaucrats as a "social layer of full-time officials having a material interest in limiting the class struggle to the fight for reforms within capitalism...” Thus some union officials regard negotiations, compromises and reconciliation as the only avenues open to trade unions today).
This trend is visible in Namibia today where the trade union activists of the 1980s who organised workers under extremely harsh conditions, including threats to their lives, were gradually replaced by union leaders who regard trade unionism as a career option or as a springboard to "greener pastures" in government or the private sector. It is symptomatic in this regard, that the some union leaders today are managers, either in the civil service or at parastatals. Notions of worker democracy, worker control and social transformation that had just emerged in the late 1980s were not developed into a coherent concept within the labour movement and were gradually replaced by more hierarchical and bureaucratic forms of organisation in the post-independence era.

Against the background of huge imbalances in terms of economic power between capital and labour in Namibia, the state’s chosen role as "neutral referee" and creator of an enabling environment for collective bargaining effectively benefited business interests. Business representatives went as far as describing worker militancy as an obstacle to job creation and economic development. Such sentiments were echoed by some government officials and politicians, and found even resonance amongst some union leaders who were reluctant to support militant workers’ actions against exploitative practices. The Ramatex strike of 2006 is a case in point when union leaders were torn between loyalty to government and the ruling party (who wanted to avert the strike) and their own members who were determined to act. Thus the union was caught between what Dolvic (1997) called the "logic of influence" (unions adapting their aims and strategies to the external environment and decision-making processes) and the "logic of membership" (unions heeding the calls of members to retain legitimacy).

The notion of social partnership in Namibia is more of an ideological construct than a reflection of the country’s social and economic balance of power. The historic threat of a socialist revolution does not exist at present and thus there is no need for capital to make substantive concessions towards labour. Instead, as Wahl (2004) pointed out, capital pursues and increasingly confrontational policy towards labour once the foundation for the class compromise disappears. Any hope for a national “social pact” under such conditions is illusionary and based on a lack of a proper understanding of the current power relations.

The neo-liberal ideology that dominates Namibia’s economic policies is reflected in supply-side economics, free trade and intense competitiveness.
Economic growth and competitiveness have become the key goals while social progress was relegated to a "trickle-down" position. Such initiatives are often driven by business interests, that is, by the rationale of ensuring competitiveness and profitability rather than the general welfare of the population. Following this path has led to unprecedented high levels of unemployment, which reached 51% in 2008. The time has perhaps come to look at alternative development strategies that will materially benefit Namibia’s working people and not just the lucky few.

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