Employment Structure and Wage Levels in Namibia: A Report based on Establishment Survey 1992/93

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Ministry of Labour and Human Resources Development NAMIBIA WINDHOEK

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CONTENTS

		PAGE NO.
FOREWORD		1
PREFACE		2
INTRODUCTION		5
SECTION I		7
(i)	Survey Methodology	7
(ii)	Preparation and updating the list of establishments	9
(iii)	Construction of Questionnaire	11
(iv)	Publicity Campaigns	13
(v)	Follow up visits, Hiring and training of enumerators	14
(vi)	Data Processing	14
(vii)	The response problem	15
(viii)	Assessment of the coverage of the Survey	16
(ix)	Formal and Informal Sector Employment Estimates	17
(x)	Undercoverage of the Survey	19
SECTION II		22
(i)	Employment Structure	22
(ii)	Establishments and employment by size	24
(iii)	Industrial/occupational structure of employment	27
(iv)	Sex distribution of employees	29
(v)	Nationality and Ethnicity of employees	31
(vi)	Ethnicity of employees	31
(vii)	Distribution of employees by Employment Status	36

SECTION III 38

(i) Turnover and vacancies 38

(ii) Vacancies 40

(iii) Qualification and experience required by Employers 43

(iv) Quality of Employed workers 45

(v) Future Employment Prospects and the need for additional manpower 47

(vi) The need for Additional Manpower 48

(vii) Problems in Expanding the business 50

(viii) Government Regulations 53

SECTION IV 55

(i) Wage level and structure 55

(ii) Wages by Industry and occupation 56

(iii) Wages by type of Organisation of Establishment 57

(iv) Wages by Size of Establishment 60

(v) Wages by Sex and Ethnicity 60

SECTION V 65

(i) Productivity and profitability 65

(ii) Productivity, Capital/Output ratio and Profitability 67

(iii) Productivity and profitability by size of Establishment 71

SECTION VI 73

Summary and Concluding Remarks 73

TABLES.

(A) Text Tables

1. Table no. = 1 Formal Sector Employment, An Estimate 21

2.	Table no. =	2	Industrial distribution of Employed, various sources	25
3.	Table no. =	3	Percentage Distribution of Employees by sex and size of Establishment	27
4.	Table no. =	4	Percentage Distribution of Employees by occupation and industry	29
5.	Table no. =	5	Percentage Distribution of Employees by Occupation/ Sex/Ethnicity	33
6.	Table no. =	6	Composition of Employees by Occupation, Ethnicity and Type of Establishment	36
7.	Table no. =	7	Turnover by Industry	42
8.	Table no. =	8	Vacancies as percent of Employment by Type of Establishment.	43
9.	Table no. =	9	Percentage Distribution of Vacancies by Required Qualification and Experience by Occupation	47
10.	Table no. =	10	Estimate Skill Deficit as Percent of Employed by Occupation	50
11.	Table no. =	11	Percentage Distribution of Responses on three most important problems	53
12.	Table no. =	12	Average Monthly Wages of Employees by Industry and Occupation	60
13.	Table no. =	13 A	Percentage Distribution of Employees by Occupation, Sex, Ethnicity by wage groups	64
13.	Table no. =	13 B	Percentage Distribution of Employees by monthly/wage groups occupation and ethnicity	65
14.	Table no. =	14	Mean, Mode, and Median of Financial data	67

15.	Table no. =	15	Output/Labour, Capital Intensity and Rate of Return by Industry	69
16.	Table no. =	16	Rate of Return and Capital/ Output by size of Establishment	72

APPENDIX I
Tables

1.	Table no. =	1	Number of Reporting establishments by type of information and industry	84
2.	Table no. =	2	Number of establishments by Industry and Region	85
3.	Table no. =	3	Number of establishments by Region and by Type of Establishment	86
4.	Table no. =	4	Number of Establishments by Industry and Ownership	87
5.	Table no. =	5	Number of Employed Persons by Industry and Region	88
6.	Table no. =	6	Employment by Type of Esta- blishment and by Region	89
7.	Table no. =	7	Number of Employees by industry and by occupation	90
8.	Table no. =	8	Employment by Industry and by statust of employees	91
8.	Table no. =	8(a)	Distribution of Employed by occupation and ethnicity	92
8.	Table no. =	8(b)	Percentage Distribution of Employed by Industry, Sex and Ethnicity	93
9.	Table no. =	9	Establishments and Employ- ment by Sex and Size of Establishment	94
10.	Table no. =	10	Number of Establishments by Industry by Type of Problems in Expansion of business	95
11.	Table no. =	11	Monthly wage - Totals	96

12.	Table no. =	12	Ethnic composition of Employed by different Average monthly wages levels	97
13.	Table no. =	13	Average Monthly wages by occupation and Type of organization of Establishment	98
14.	Table no. =	14	Average wages by Industry + Type of organization of Establishment	99

APPENDIX II

Multivariate Analysis of Wage Structure in Namibia 100

APPENDIX III

Establishment Survey Questionnaire 106

FOREWORD

Since its inception,the Ministry of Labour and Human Resources Development has embarked upon a comprehensive programme of data collection to improve the information base to facilitate employment and labour market policy formulation.

In these endeavours, we have greatly benefitted from the technical expertise of the International Labour Organisation (I.L.O) and the generous funding by the United Nations Development Programme (UNDP), Namibia. In collaboration with these partners, the Ministry is currently undertaking a project "Manpower Survey and the Establishment of Labour Market Information System" NAM/90/020, envisaged to improve the data base and strengthen the technical capacity of the Ministry.

It is my pleasure to present to the Namibian public and to those interested in socio-economic development of the country, the report on Establishment Survey conducted by the Ministry in 1992/93. This report is one of the series of reports being produced in the process of implementation of the above-mentioned project.

I trust that this humble contribution of the Ministry will enable policy makers, scholars, researchers and employers to find concrete solutions to our socio-economic and development problems.

Rev. Dr. Hendrik Witbooi
Minister: Labour and Human Resources Development

PREFACE

This is the second report produced under the project "Manpower Survey and Establishment of Labour Market Information System" NAM/90/020. The Establishment Survey, the subject matter of this report, was conducted during October 1992 to July 1993. Being a pioneering attempt in the Namibian context, various problems have had to be addressed to realise the final outcome. Needless to mention that this was made possible by the inputs and efforts made by various persons of the Ministry of Labour and Human Resources Development (MLHRD).

At times it looked as if the whole Ministry was engaged in a struggle to persuade the non-cooperative and reluctant employers to provide data and part with the needed information. The Honourable Minister went twice on T.V besides appealing the employers through press conferences for co-operation in this data gathering endeavour. The Permanent Secretary, in addition to provision of guidance in finalization of questionnaire and other relevant arrangements for the field survey had been constantly busy in making personal contacts with the employers and their organizations to impress upon them the importance of the Establishment Survey for manpower and employment policy formulation.

Mr. A.P. Ndishishi, the Director of the Directorate of Human Resources Development and Mr. H.J. Shityuwete, the national project coordinator as well as the Deputy Director of Manpower

Planning, Employment and Research Division, where the project is located, had been involved in all the activities ranging from preparation of lists of the establishments, questionnaire formulation, field operations logistics and dialogue with the employers. The staff members of the division, Fanuel Hangula, Peter Mwatile, A.P Ya France, Hilda N. Khoeses and Helen Hango participated in all the above mentioned activities besides supervision of the field survey. The following officials of the Directorate posted in the regions outside Windhoek acted as supervisors in the field survey:

1. Mr. Simon Shipoke - Employment Officer Grootfontein
2. Mrs. Beata Kapolo - Vocational Councillor Grootfontein
3. Mr. Abraham Ndinomuwa - Employment Officer Ondangwa
4. Mr. Philip Mwandingi - Vocational Councillor Ondangwa
5. Ms. Petrina Mwafufya - Employment Officer/ Otjiwarongo
6. Mr. Christian Humphry - Employment Officer/ Keetmanshoop
7. Mr. J.V. Westhuizen - Employment Officer/ Keetmanshoop
8. Mr. Alpheus Nghikevali - Employment Officer/ Luderitz
9. Mr. S. Kambazembi - Employment Officer/ Gobabis

It needs to be placed on record that in the implementation of this project a close collaboration with the National Planning Commission, particularly the Central Statistics office, has been maintained. Mr. Lawrence Harding, the Director of C.S.O has been a source of guidance and help in preparation of the list of establishment and finalisation of the questionnaire.

Painstaking and tedious work of coding the data contained in the questionnaires was performed by a number of coders. In particular Mrs. Hilda Mowah and Mr. Nicolaas Zaahl carried out this job till the end of this process. Data entry, application of computer consistency checks and tabulation for this report, were undertaken by the System Analyst of the project Mr. Gabriel Kang'oha. Ms. Sharon Selma Nehoyah, the project secretary took upon herself to type various draft of this report.

Continuous technical backstopping has been provided by Mr. Rashid Amjad and subsequently by Mr. Iwuji of E/STRAT I.L.O, Geneva under the leadership of Mr. A.S. Bhalla the Chief of E/STRAT. Mr. George Okutho the Labour Statistics Advisor during his short term missions, provided input into the finalisation of questionnaire and preparation of Manual for Enumerators. The United Nations Development Programme Namibia extended generous funding as well as needed administrative support for the implementation of the project.

Mohammad Irfan

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CHIEF TECHNICAL ADVISER

NAM/90/020

INTRODUCTION

Notwithstanding. the widely held belief that Namibia inherited a massive unemployment and under-employment at the time of Independence, the evidence was more or less anecdotal. Absence of concrete data on various aspects of labour market hardly permitted the government to work out corrective policies. The Government requested the International Labour Organisation (I.L.O) for guidance and assistance in this respect. The I.L.O fielded an Employment and Training Policy Advisor Mission in 1990 and in its report the mission viewed that "A fundamental requirement for employment policy formulation and manpower planning is a consistent and up to date set of qualitative and quantitative information on the size and characteristics of the labour market and how it functions". The Mission also observed that existing data sources and institutional arrangements were weak.

In response to these felt needs, the Ministry of Labour and Human Resource Development (MLHRD) decided to immediately conduct an Household Sample Survey in collaboration with I.L.O to assess the employment structure and unemployment situation in the country. This survey was conducted in 1991 and the report was made public in September 1992. In addition, the Government simultaneously entered into an agreement with UNDP/ILO to undertake the implementation of two projects: (a) "National Vocational Training System (NAM/90/009)" and (b) "Manpower Survey and Establishment of Labour Market Information System (NAM/90/020)".

Major objectives of the project "Manpower Survey and Establishment of Labour Market Information System" NAM/90/020 constitute the enrichment of a data base related to labour market, assessment of current situation and future imbalances in the labour market, establishment and institutionalization of a self reliant and sustainable infra-structure for carrying out a continuous programme of labour market information system (LMIS) and preparation of a Namibian Standard Classification of Occupations (NASCO) for the country.

The project envisaged that attainment of these objectives would entail the conduct of Establishment and Informal Sector Surveys to enrich the data base. These data along with that of the Population Census are to be utilized for determination of the imbalances in the labour market and would as well form the basis of a labour market information system (LMIS). Both the Establishment and Informal Sector Surveys have already been conducted. The data collected under the latter are being processed, while the results and findings based on the Establishment Survey are the subject matter of this report.

The coverage of the Establishment Survey, its questionnaire instruments and field operations are described in Section 1.

Section 2 presents the employment structure by industry, occupation and by other relevant aspects. Discussion on turn-over and vacancies finds its place in the third Section, while Section four is confined to description of wage levels and structure. The information pertaining to productivity and capital intensity is presented in Section five, and the final Section summarizes the report.

SECTION I

SURVEY METHODOLOGY

Various conceptual and technical issues had to be addressed prior to an initiation of the field operations. Although the project document specified that the establishment survey be confined to formal or modern sector of the economy, there hardly existed yet any operational criterion in the Namibian context to delineate the formal from informal sector. Previous exercises such as Manpower Surveys of 1984 and 1988 covered wage employees without any distinction between these two segments of the economy. In addition, there was no updated list of establishments to be used as a frame for conducting the establishment survey.

SCOPE OF THE SURVEY

The first problem to be confronted was to determine what constitutes the Formal Sector. Generally, the classification applied elsewhere has been dichotomous - Formal and Informal with increasing realisation that in actual measurement or field surveys, it is difficult to avoid overlapping and borderline cases between these two. While some of the employment units such as government departments, public sector corporation, private joint stock companies and multinational corporations can be easily categorized as Formal, for the rest of the economy, it becomes problematic to have a demarcation. The informal sector is often defined variously and criteria of informality include legality, lack of registration, low income and productivity, small size, varying working hours and little if any employer/employee relationship. In actual measurement application of these criteria poses difficulties which are extensively discussed in the relevant literature. Major problems faced were the non-availability of the information encompassing the totality of criterion discussed above. Unfortunately the Namibian experience has been no guide in this respect too. The previously conducted manpower Surveys in 1984 and 1988 covered all wage employment without any reference to formal or informal. The technical committee constituted for the guidance of survey and project management decided after lengthy deliberations to opt for an operational definition, for the purpose of this survey, the formal sector is to comprise of all the establishment having 5 or more employees, with the expectation that informal sector establishments (less than 5 employees/workers) will be falling under the above mentioned informality criterion. Admittedly adoption of this definition implies that professionals like doctors, lawyers etc. having less than five employees have to be excluded though they qualify for inclusion on the basis of the formality criterion. However, as discussed in a subsequent section in actual conduct of the survey, strict adherence to this definition was precluded by lack of information on employment size of most of the establishments.

Similarly, an Establishment for the purpose of this survey is defined as "an economic unit engaged in production of one or predominantly one good or service at a single location e.g. a farm, mine, workshop, hotel office or store". While mailing the questionnaires to employers, this definition of establishment was clearly conveyed through a letter by the Permanent Secretary which accompanied each questionnaire.

PREPARATION AND UPDATING THE LIST OF ESTABLISHMENTS

In the project document, it was expected that an updated list of establishment would be ready for use in the survey as the Central Statistics Office through its Registration of Establishments, was already engaged in the preparation of such a list. However, CSO's prioritization of processing the 1991 Population and Housing Census data, hardly yielded the pace of verification of addresses of employers/establishments permitting the conduct of the Establishment Survey according to the schedule. Thus the Project team undertook the task of updating the list.

As a first step, all available information was put together. The following lists of addresses were acquired from various sources.

I. Inland revenue (8900 addresses)

II. Ministry of Trade and Industry (Register of Companies containing 4226 addresses)

III. Workman Compensation (MLHRD) (6328 addresses)

IV. Non Farm Employers (List of Income Tax Authority (3062 addresses)

These lists contained addresses of either employers or establishments or both. Even the households were included as was found upon enquiry, as discussed below. To make a distinction between employer (enterprise) and the establishment was not easy. Similarly, physical location had to be guessed because only postal addresses of employers were provided in a majority of the cases. These lists also contained substantial duplication wherein addresses of employers and that of their establishments were listed as if these were separate entities. Information on the industry and employment of the establishments was non-existent in many of the above lists.

These lists were compared with each other through computer to remove obvious duplications. This exercise eliminated over 5,000 cases. These lists were further checked with the Telephone Directory in an effort to eliminate households, assuming that the addresses with no telephone or simple telephone number without P.O. Box or fax/telex number are likely to be households. This led to further reduction in the number of establishments.

In order to have an idea about the contents of these lists, it was decided to check some of the addresses in Windhoek by the staff of the Directorate and in regions by employment officers of the Ministry. The project staff tried to verify the existence of the establishments using the lists of addresses, and to collect other needed information through telephone and faxes. During the months of June and July 1992 a total of 1,571 enquiries were made. The response stood at 800, out of which around 13% turned out to be households while 46% were establishments with 5 or more employees and 41% were having less than 5 employees. The CSO through their registration of Establishments, identified up to 3,529 establishments by that time with physical and postal addresses. As far as the employment sizes of these establishments were concerned, 52% were employing 5 or more employees while 48% were having less than 5 workers.

The Provisional List of Establishments was arrived at after those elimination and verification processes. The list contained approximately 10 000 addresses. It may be added that all the addresses available from any source were included in our provisional list to minimize the probability of exclusion of any establishment which may exist. However the likelihood that some establishments may have been excluded cannot be ruled out. In particular, the establishments operating in the North, (Oshakati and Ondangwa) and the newly established, have been uncovered by these lists. In addition, the provisional list may contain duplication where the same establishments/employers' address is repeated with minor differences in surname or initials. Establishments may have been listed twice, once with postal address and again with physical location. Thus the number of addresses can not be treated as actual number of establishments which could be different, presumably on the lower side. Excepting the addresses procured through verification by the CSO and that of the project team, no information existed regarding the employment size of the remaining establishments, hence the questionnaires have also been mailed to the establishments even having than 5 workers (Informal Sector).

CONSTRUCTION OF QUESTIONNAIRE

The prime objective of the survey was to collect information which should facilitate employment and training policy formulation in the country. These considerations were reflected in the questionnaire wherein the data sought related to employment structure, wages, vacancies and turn-over, and financial information to infer capital/labour ratio and productivity indicators. It must be noted that separate questionnaires were prepared for institutions engaged in education and training and for employees. Since this report pertains to the first set of establishments, a detailed discussion is made of the questionnaire instrument used for these establishments.

Following are the major components of the questionnaire instruments:

1. Information on the Establishment by type of Organization and ownership, year business started and nature of activity of the establishment (main product produced or services provided).
2. Working days per week and working hours per day.
3. Total Employment, Male, Female and Annual employment cost (with breakdown by salary, cash and non cash benefits).
4. Employment Status (Permanent, Temporary, Casual etc) by sex and by ethnicity (Black, Coloured and White).
5. Vacancies and Turn over. (Number hired and those left during the year).
6. Occupational composition by sex and ethnicity as well as monthly wages for each occupational category.
7. Employers expectation regarding future employment expansion and additional manpower needed.
8. Employer's perception about the type of problems to be faced in expanding the business.

9. Financial information: Gross Income and Pre-tax profit during the past accounting year. Data were also sought on market value of fixed assets.

After pretesting, finalization and printing of the questionnaires, they were mailed to Establishments. Every questionnaire was accompanied by a self addressed envelope for reply and a letter from Permanent Secretary requesting the employers for cooperation in this exercise. The mailing started in mid-October and ended by mid-November.

PUBLICITY CAMPAIGNS

The project management decided to mount publicity campaigns involving the media for getting a better response to essentially mailed enquiry. This was in recognition of the fact that this survey was more or less a pioneering effort. Therefore advertisements were placed in all the daily and weekly newspapers and repeated each week for one month. In addition, explanation of the objectives of the Establishment Survey, its relevance and importance for policy formulation to employer's organization and other influentional bodies, was considered essential for achieving adequate response. Urgency to such an exercise was lent by non-cooperative and negative reaction in some quarters of the media (discussed below). The CTA visited all the major towns in different regions except the north which was covered by the Chief Economist of the Directorate. During these visits to Luderitz, Keetmanshoop Mariental, Otjiwarongo, Tsumeb, Otavi, Grootfontein and Gobabis, the CTA met with Mayors, Chairmen of Chambers of Commerce and Chairmen of Agricultural/Farmers Unions in each town/region and explained the objectives of the Survey. Major employers were also visited by the CTA in this context.

FOLLOW UP VISITS, HIRING AND TRAINING OF ENUMERATORS

Soon after mailing the questionnaires it was decided to field the enumerators for follow up. Field operations for follow up visits to establishments were made in two phases i.e Windhoek and Grootfontein were covered during November/December 1992 while the remaining regions had to be taken up in February/March 1993. This programme was opted because of the Regional and Local elections in December 1993 wherein most of the Placement and Vocational Guidance Officers of MLMD were engaged in registration and supervision of the elections. These officials had to act as supervisors in the establishment survey in regions.

In order to arrange follow up visits, enumerators were hired and the selected enumerators underwent two days of training, to explain the objectives of the survey and the contents of the questionnaire. A training manual prepared for enumerators was used. The field follow up continued for over one month in Windhoek and for two to three weeks in other regions.

Data Processing

A coding manual for coding the information in the questionnaires was prepared though most of the questions were self coded. Obvious inconsistencies other than response error were removed in the process of editing. After having the data entered in the computer, further consistency checks were applied to detect coding/entry errors as well as response problems. Response problems such as wage bills being larger than total turnover were referred back to the establishments and correction was sought through fax or telephone. To the extent, possible efforts were made to get accurate information. These data were subsequently tabulated using SPSS.

The Response Problems

Despite the publicity campaigns and visits by enumerators, the response by the employers was found to be less than adequate. This non-cooperative attitude of the employers and their reluctance to part with the information on income, wages, profits and ethnic composition of the employees of various occupational categories, appears to emanate from a variety of factors. Foremost among these, was the fact that employers for the first time were asked by any organisation other than income tax authorities to furnish information on financial aspects. In addition, a section of the press characterized the inclusion of "Ethnic Group" in the questionnaire used in the survey as racist, thereby confronting the whole exercise with this unfortunate controversy. Furthermore, some other developments, at the same time, such as the enactment of labour code and holding of regional and local elections, tended to charge the atmosphere with mistrust and fears.

Thus by March 1993 when the Tripartite Review Meeting was held, the total response stood at 2300 establishments, wherein most of the large establishments were among the non-respondents. It was decided in the TPR meeting to make additional efforts with particular focus on the well known large establishments. Various measures were undertaken to improve the coverage of the survey. The senior officials of the Ministry particularly the Permanent Secretary personally contacted the senior managers of large establishments for submission of their response. Efforts once again to allay the fears and misgivings of employers, were made by having discussions with influential organisations. In particular, a discussion programme on T.V. for 45 minutes was arranged. The Director of Manpower Directorate, the Chairman of the Namibian Agricultural Union, and one representative each from the Chamber of Commerce and Employer's Association participated in this programme. While employers' problems in this respect were frankly discussed, the governmental needs for the data were highlighted by the Director. In addition, major establishments were issued with reminders to submit their filled in questionnaires at their earliest. Because of these efforts, the coverage of the survey had improved from 2300 to 3500 establishments by July 1993, when the data collection phase was regarded to be completed.

ASSESSMENT OF THE COVERAGE OF THE SURVEY

Despite vigorous efforts to enhance the coverage of the survey and the resultant improvements, the number of establishments covered appears less than total in addition to varying levels of response to different questions (See Appendix Table No:1). The vexing issue, regarding the level of the undercoverage, its incidence across different industries, regions and by type of organization as well as other criterion, does not have a satisfactory answer. Major hinderance in this context, is simply the non-availability of any independent source of information to compare with the findings of the survey, although some available information was compared. For instance, a comparison of the survey data with the Chamber of Mines Annual Report for 1992, revealed that employment reported by survey is more than the one contained in this annual report. Such information is not available for the remaining industries. In order to have an idea about the likely undercoverage of the survey, the 1991 Population Census data, are therefore utilized to estimate formal sector employment using certain assumptions as discussed.

FORMAL AND INFORMAL SECTOR EMPLOYMENT ESTIMATES

In this exercise, the formal sector is defined, arbitrarily of course, to include all the establishments having 5 or more employee/workers, a definition adopted for survey, as already discussed. Conversely, establishments or enterprises having less than 5 employees are regarded to belong to the informal Sector. The size of the Formal Sector employment is estimated by using the following procedure:

1. Population Census data (1991) have been used as a basis for estimation, which reports 219391 as the total wage employees in Namibia out of the total 394341 employed in the country, the remaining being mostly self employed and unpaid family workers.

Wage employees are further classified according to Government (72541) and private wage employees (146850). The Census data also permit the industrial, regional and other relevant distribution of the wage employees which are used to arrive at an estimate of Formal Sector employment as described below.

(a) All Government wage employment is treated as Formal Sector Employment.

(b) All wage employees in Financial Intermediation (Banks) are assumed to fall under the Formal Sector.

(c) Ninety nine percent of wage employment in Electricity, Gas and Water and 95% in Mining is treated as Formal Sector employment.

(d) All wage employees in private households are treated as Informal Sector employees.

(e) Wage employees in Agriculture and Fisheries (excluding fish processing) are classified using the following assumptions:

  (i) Being predominantly the commercial farming region, ninety percent of all private wage employees in agriculture in the Region of Karas, Hardap, Khomas, Omahake and Otjozondjupa, are regarded to be in the Formal Sector.

  (ii) In cases of Erongo, Kunene and Oshikoto, Formal Sector is assumed to have a share of 50% of all private wage employees in agriculture.

(iii) For the remaining regions of Caprivi, Ohangwena, Omusati and Oshana, the Formal Sector is assumed to account for 30% of the wage employees in agriculture.

(f) In the case of Manufacturing which includes fish processing, 90% of urban and 80% of rural private wage employment is regarded to be Formal.

(g) For the remaining industries such as Construction, Trade/Hotels, Transport and Communication, Real Estate and Services 80% of urban and 60% of rural private wage employment is treated as Formal.

(h) Ninety percent of all employers are treated as part of formal sector employment.

The resultant estimate presented in table No.1, suggests that Formal Sector accounts for 78% of total wage employment. Government employment represents 42% of the Formal Sector while the remaining (58%) is private wage employment. Formal Sector employment for 1992 is estimated using a growth rate of 2% as indicated by information (on employees hired and left during the past one year) collected through Establishment Survey (1992).

UNDERCOVERAGE OF ESTABLISHMENT SURVEY

Formal Sector employment estimates, though tentative and subject to modification with the availability of more reliable data, provide an opportunity to frame an idea about the undercoverage of the Establishment Survey. In the above mentioned table, the employment by industrial classification covered by the Establishment Survey, is compared with the estimates based on the Population Census (1991). The overall coverage of the Survey amounts to 44% of the estimated Formal Sector. It appears that the coverage of the survey has been quite encouraging in Mining, Electricity and Gas, Transport and Manufacturing ranging from 70% to 95% of the estimated Formal Sector employment. The coverage of Trade and Hotels can also be regarded as reasonable (53%), however in cases of Agriculture, Construction and Services the establishment survey covered only around one-fourth of the estimated Formal Sector employment. It may be pointed out that undercoverage has been higher in the case of Government employees in Services than the private sector.

This disproportionate incidence of undercoverage on different industries, is likely to affect the findings of the Survey on industrial and regional distribution of both employment and establishments. Averages, such as wages, labour productivity, capital intensity and other similar information controlling for industrial category, is likely to be relatively less influenced by the undercoverage. In general, the data collected and analyzed could be regarded reliable to serve as a basis for policy formulation. Still the findings of the Survey discussed in the remainder of the report need to be interpreted keeping the above mentioned caveats in mind.

Table No 1
Formal Sector Employment - An Estimate

INDUSTRY	1991 POPULATION CENSUS				ESTIMATED		ESTABLISHMENT SURVEY 1992		TOTAL EMPLOYED 1991 POPULA-TION CENSUS
					FORMAL SECTOR	FORMAL SECTOR			
	TOTAL WAGE EMPLO-YEE	GOVERN-MENT EMPLOYEE	PRIVATE EPLOYEE	EMPLO-YERS	1991	1992	TOTAL	FORMAL SECTOR	
1. Agriculture and Fisheries	42154	1711	40 443	3731	34 065	34 746	10483	8977	189929
2. Mining and Quarrying	14498	315	14 183	65	13 831	14 107	13360	13353	14686
3. Manufacturing	12514	646	11 868	460	11 393	11 621	8529	8437	22979
4. Electricity,gas	2879	2039	840	33	2 879	2 936	2780	2756	2974
5. Construction	15934	3523	12 411	670	13 230	13 494	3287	3246	18638
6. Trade, Hotels, motor repairs	28045	1358	26 687	1843	22 990	23 450	13198	12441	37820
7. Transport and communication	8740	4443	4 297	160	7 849	8 006	7414	7389	9322
8. Finance,R/Estate	8007	1063	6 944	305	7 509	7 659	6710	6506	8547
9. Services	86620	57443	29 177	470	63 665	64 938	16780	16390	89446
10. Not Stated	-	-	-	-	-	-	85	-	-
TOTAL	219391	72541	146 850	7737	177 411	180 957	82626	79495	394341

SECTION - II

EMPLOYMENT STRUCTURE

Out of 3467 establishments providing response, slightly over one-third (37%) belong to Agriculture, followed by Trade/Hotels accounting for 27% of the reported establishments. Community + Social Services is the third largest industry with 474 establishments, while Manufacturing establishments are 212 in number-roughly 6% of the total. Establishments pertaining to the remaining are less than 100 in each industrial category excepting Finance and Real Estate with 314 establishments. See Appendix tables No. 2 and 3).

The industrial composition of employment however differs with the distributive pattern of establishments. In this breakdown, Community + Social Services, emerged to be the major employer representing one fifth of the total employment (82626) covered by the survey. This is followed by Mining with 31 establishments having 16% of the total employees. Trade and Hotels rank third while the Agriculture acquires fourth position in this context.

Regional distribution of establishments and employment is reflective of heavy concentration in the Khomas region wherein 35% of reported establishments and 51% of the employment is located. The other regions following Khomas are Otjozondjupa and Karas having 14% and 12% of establishments respectively. The ownership category of Sole owner dominates while Government ownership lies at the bottom (2% of Establishments). In terms of employment, Private Limited Companies emerge to be the largest category accounting for 33% of the employment,which is followed by Sole owners having 18% of the employment. The Government and Parastatal command shares in total employment of 10% and 15% respectively.

Because of the uneven coverage of the survey, as discussed in the preceding section, the industrial, regional and ownership distribution described above needs to be interpreted with care. The shares of Agriculture, Community and Social Services, Construction and Trade in employment have been underestimated by the survey; therefore the relative importance of the remaining sectors may have been exaggerated. Similarly, the share of the Government in total employment is an underestimate. In order to have an idea about the likely impact of non-uniform undercoverage of the survey on the industrial composition of employment, the percentage distribution of employment by industrial classification based on this survey, is compared with the 1991 Population Census and Estimated Formal Sector employment in Table No.2.

A comparison between the two estimates of Formal Sector one on the basis of Population Census and the one yielded by Establishment Survey, is indicative of the latter's disproportionate undercoverage by industries. In particular, the incidence of undercoverage has been high with regard to Services, Construction and Agriculture. The shares in total employment of the industries with the better coverage by the survey, have therefore been overestimated. These are for instance, Mining, Electric + Gas, Finance/Real Estates and Transport and Communication. It must be noted that it is the uneven or disproportionate coverage of industries which is problematic. Had the undercoverage been uniform across industries, the industrial distribution of employment would have approximated the actual situation.

In the rest of the report therefore, the findings of the survey mostly controlling for industrial category in terms of averages, percentages and proportions are discussed. This is likely to dilute the impact of uneven coverage and afford a better and reliable characterisation of each industry in terms of occupational composition, average wages, productivity and other relevant indicators.

Table No: 2

Industrial distribution of employed - various sources (Percentages)

INDUSTRY	1991 Census	1991 Census	MANPOWER SURVEY 1988	ESTIMATED FORMAL SECTOR 1992	ESTABLISH-MENT SURVEY	ESTABLISH-MENT SURVEY
	ALL EMPLOYED	WAGE EMPLOYEE			TOTAL	Formal Sector
1. Agriculture and Fisheries	48.2	19.2	19.5	19.2	12.7	11.3
2. Mining and Quarrying	3.7	6.6	5.4	7.8	16.2	16.8
3. Manufacturing	5.8	5.7	5.1	6.4	10.3	10.6
4. Electricity/Gas	0.7	1.3	0.7	1.6	3.4	3.5
5. Construction	4.7	7.2	6.8	7.4	4.0	4.0
6. Trade/Hotels	9.6	12.8	15.9	13.0	16.0	15.7
7. Transport and Communication	2.4	4.0	4.2	4.4	9.0	9.2
8. Finance/R/Estate	2.2	3.6	2.3	4.2	8.1	8.2
9. Services	22.7	39.6	39.9	35.9	20.3	20.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

See = Table No:1 for actual numbers

Establishments and Employment[1] by Size

Nearly one-third of the establishments reported their employment size to be less than 5 employees which strictly speaking according to the definition adopted by us fall under the Informal Sector. These establishments, however, account for only 3.7% of the employment covered in the survey. At the upper end of the distribution size only 3% of the establishments (109) having over 100 employees, represent 56% of total employment. A summarized version of these relationships is presented below in the Table. No. 3.

1> 1. Information on employment was provided in response to three different questions. Firstly Q.8 for total employment, Q.10 for employment by status as permanent or temporary employees and finally Q.11 sought employment by occupational categories. The response varied wherein fewer establishments responded to Q.10 and Q.11 than to Q.8 (See Appendix Table No.1). In addition total employment reported under Q.8 was larger than or equal to the ones reported under Q.10 and/or Q.11 in majority of the cases which responded to all the three questions. However there were cases where the reverse held which on closer scrutiny was found to be mostly due to exclusion of casual or temporary workers from Q.8. The total employment on the basis of Q.8 (82626) is larger than the estimates based on Q.10 (79464) and Q.11 (78728).

Table No. 3
Percentage Distribution of Employed by
Sex and Size of the Establishment

Size of establishment	No. of Establishment	Male	Female	Total	Male/ Female Ratio
1-4	1132	2099	961	3060	2.2
5-9	1013	4583	2160	6743	2.1
10-19	652	5826	2857	8683	2.0
20-50	383	7642	3896	11538	1.9
51-100	98	4718	1941	6659	2.4
101-250	71	8004	2959	10963	2.7
Above 250	38	29658	5322	34980	5.6
G/Totals	3467	62530	20096	82626	3.1

Source : Establishment Survey MLHRD 1992/93

Note : 80 Establishments included in the total 3467 did not report employment.

Size classification by Industry (see Appendix Table no.9) reveals that at the lowest end (less than five employee), Agriculture and Trade/Hotels together, account for three fourths of the employment in this class. In cases of the establishments having over 100 employees, the percentage share of Mining is 27 which is followed by Community + Social Services with 24% of employees. The distribution of establishments and associated employment by industries, is indicative of wide disparity in the average size of establishments. It is the lowest in Agriculture (8) while the largest being in Mining with 431 employees on the average in an establishment covered by the survey.

Industrial/Occupational Structure of Employment

Employment covered by the survey cross-tabulated by Industry and Occupation at one digit level classification in terms of actual numbers, is provided in Appendix tables while percentage distribution is given in Table No: 4. Occupational composition varies, as portrayed by table, substantially across various industries. In the case of Agriculture, for instance, almost four fifth (77.5%) of employment comprises of unskilled workers belonging to the category of elementary occupation. The proportion of this category, is the lowest in cases of Finance and Real Estate (13.8%) followed by Mining (24.7%). The share of Senior Officials and Managers in the employment of an industry, is the highest in Finance and Real Estate (11.9%) followed by Trade and Hotels (8.7%). Similarly, the representation of Professionals, is the highest in Community and Social Services accounting for 12.4% of the employment of the industry. While the occupational categories of Clerical and Service/Sales represent a sizeable proportion of employment in Trade, Transport and Finance, the representation of skilled workers (Craft related and Plant/Machine operators) is the highest in Mining followed by Manufacturing.

Table No. 4 Percentage distribution of Employees (both sex) by occupation and industry

Industry	Snr. Offi-cials +Mana gers	Pro-fes-sio-nals	Tech. and Ass. Prof. Worker	Cle-rical	Servi-ce + Sale worker	Skil-led Agri. Worker	Craft and Related worker	Plant + Machine opera-tor	Elemen-tary Occupa-tion	Not Stated	Total
1. Agricul-ture	2.2 (6.1)	0.3 (0.9)	4.4 (5.8)	3.0 (2.9)	1.3 (2.9)	5.2 (48.4)	2.2 (1.7)	3.9 (6.5)	77.5 (24.3)	-	100 (12.4)
2. Mining + Quarrying	2.3 (8.8)	4.4 (16.6)	5.6 (10.3)	3.7 (5.0)	0.5 (1.5)	(1.0)	44.1 (48.0)	14.6 (32.9)	24.7 (10.9)	0.1 (9.4)	100 (17.0)
3. Manufactu-ring	3.4 (7.5)	1.4 (3.1)	4.2 (4.4)	5.9 (4.6)	2.4 (4.2)	5.1 (7.8)	25.7 (16.0)	12.1 (15.7)	39.8 (9.8)	(3.6)	100 (9.7)
4. Electrici-ty + Gas	1.3 (1.1)	4.8 (3.8)	16.0 (6.1)	8.0 (2.3)	1.3 (0.8)	-	8.7 (2.0)	6.3 (2.9)	53.6 (4.8)	-	100 (3.5)
5. Construc-tion	0.9 (0.8)	1.5 (1.3)	4.7 (2.1)	2.8 (0.9)	-	-	20.9 (5.4)	7.9 (4.2)	61.3 (6.5)	-	100 (4.0)
6. Trade + Hotels	8.7 (30.0)	1.4 (4.9)	5.4 (8.8)	19.0 (23.2)	25.3 (70.0)	0.3 (4.0)	4.9 (4.8)	4.6 (9.3)	30.4 (11.9)	(1.0)	100 (15.3)
7. Transport Communica-tion	2.0 (4.2)	2.3 (4.8)	9.2 (9.3)	22.0 (16.5)	2.2 (3.8)	-	12.5 (7.4)	9.9 (12.5)	39.9 (9.5)	-	100 (9.4)
8. Finance + Real Est.	11.9 (21.9)	5.4 (9.8)	18.7 (16.3)	39.6 (25.8)	1.9 (2.7)	0.3 (2.0)	4.9 (2.6)	3.5 (3.7)	13.8 (2.9)	(10.0)	100 (8.1)
9. Community Social Services	4.1 (18.7)	12.4 (54.5)	17.1 (36.6)	10.0 (15.9)	4.0 (14.0)	0.4 (6.7)	9.3 (12.0)	4.6 (12.3)	37.6 (19.1)	0.5 (76.0)	100 (19.9)
10. Not Stated	4.4 (0.7)	2.1 (0.3)	4.7 (0.3)	51.0 (2.9)	1.0 (0.1)	0.2 (0.1)	1.0 (0.1)	1.0 -	34.6 (0.3)	-	100 (0.7)
TOTAL	4.4 (100)	4.5 (100)	9.3 (100)	12.5 (100)	5.5 (100)	1.3 (100)	15.6 (100)	7.5 (100)	39.2 (100)	0.1 (100)	100 (100)

Source = Establishment Survey 1992/1993 MLHRD

Occupational distribution by the type of ownership of the establishment, is reflective of above average intake of Professionals and Associate Professionals by the Government. The share of Managers, however, is the highest in Public and Private Limited companies. Those belonging to the category of elementary occupation (unskilled), tend to dominate the work force of the establishments run by sole owners.

Overall distribution which may be affected by undercoverage of the survey, is indicative of nearly two fifths (39.2%) of the total employed belonging to the category of elementary (generally unskilled) occupations. At the other end of the spectrum, Senior Officials and Managers together with Professionals, account for 9% of the total. While Technicians and Associate Professionals represent 9% of the total, those belonging to the occupational categories of Clerical and Service/Sale workers, make up 18% of the total employed. The remaining are mostly skilled workers such as Craft and Related workers (15.6%) and Plant/Machine operators (7.5%). (See Appendix Table No. 7 for details).

Sex Distribution of Employees

Females account for one-fourth (24.3%) of the employees covered by the survey, thereby yielding a Male/Female ratio of 3.1 to 1. Female representation varies across different industrial and occupational categories. The data suggest that some of the industries such as Construction, Electricity and Gas and Mining appear to be heavily dominated by males, yielding a male/female ratios of 32, 12 and 14 respectively. On the other hand the female intake is slightly less than male in cases of Trade/Hotels and Finance/Real Estate (See Appendix Table no.8 (b). The Percentage share of females in Community and Social Services is higher than the overall average. In order to identify female-intensive activities, a closer examination (at two digit level classification) reveals that females out-number males in textile manufacturing, hotels/restaurant, financial institutions and education/health services. In addition, the retail trade emerges to be one of the major female employers.

The percentage distribution of employees by sex and ethnic background by occupation, is provided in table no: 5. Sex composition of various occupational categories, is indicative of female domination in cases of Clerical and Sale/Service occupations, but female representation is almost negligible in cases of skilled workers such as Craft + Related workers and Plant/Machine operators with male/female ratios to be 14 and 29 respectively. This gives some credence to general perception that employers are reluctant to employ female as technician even if they are equipped with necessary skills. While females make up slightly less than half (44%) of Professionals, their representation in cases of Senior Officials and Managers is 22%. Proportions of female by type of ownership, are higher than the average in cases of the categories of partnership (38%) followed by Sole owner (29%). Parastatals, in this respect exhibit below average performance with 18% of their employees being female, Sex ratio in government employment is however at par with overall average. It may be of interest to note that female representation is well below average in the largest size category of establishments (will over 250 employees).

Nationality and Ethnicity of Employees

Around 4% of the employees covered in the survey, are reported to be Non-Namibians. One-third (33.6%) of these expatriates are employed in Mining where they account for 8% of the employment of the industry. Next in importance as an employer of expatriates, is the industrial category of Finance and Real Estate where 15% of them are absorbed. Although the strength of expatriates, in Community and Social Services is modest (3%) yet this industry employs 16% of the total Non-Namibians reported in the survey.

More than one-third of the expatriates (35%), are employed as Senior officials and Professionals, while additional 20% are engaged as Technician/Associate Professionals. Nearly one-fourth (23.2%) of this group, is reported to be working as skilled workers. While the Non-Namibian represent 4% of the total, their shares in the occupational categories of Senior Officials/Managers, Professionals and Associate Professionals, are 19%, 16.0% and 20% respectively.

Table No. 5
Percentage Distribution of Employees by Occupation/Sex/Ethnicity

Occupation	Male	Female	ALL	Male Female Ratio	Black	Coloured	White	Non Namibian	All
Senior officials and managers	78.0 (4.5)	22.0 (4.1)	100	3.54	18.3 (1.2)	11.5 (3.2)	52.1 (15.0)	18.1 (19.4)	100
Professionals	56.0 (3.3)	44.0 (8.4)	100	1.27	31.2 (2.2)	22.7 (6.6)	32.2 (9.6)	13.9 (15.5)	100
Technicians and Associate Professionals	72.0 (8.8)	28.0 (10.9)	100	2.57	33.5 (4.8)	18.1 (10.7)	39.7 (24.3)	8.7 (19.8)	100
Clerical	33.0 (5.4)	67.0 (35.4)	100	0.49	28.2 (5.3)	35.2 (27.4)	32.8 (26.3)	3.8 (11.4)	100
Service + Sale worker	48.0 (3.5)	52.0 (12.1)	100	0.92	62.2 (5.4)	21.6 (7.75)	14.2 (5.3)	2.0 (2.8)	100
Skilled agri-culture worker	79.0 (1.4)	21.0 (1.2)	100	3.76	80.0 (1.7)	14.2 (1.2)	4.8 (0.3)	1.0 (0.2)	100
Craft + Related worker	93.4 (19.0)	6.6 (4.4)	100	14.2	69.1 (16.6)	14.1 (14.0)	11.9 (12.2)	4.9 (18.5)	100
Plant + machine operator	96.7 (9.5)	3.3 (1.0)	100	29.3	78.6 (9.2)	11.7 (5.6)	7.1 (3.6)	2.6 (4.7)	100
Elementary occupation	86.6 (44.4)	13.4 (22.3)	100	6.5	88.5 (53.4)	9.4 (23.3)	1.2 (3.1)	0.9 (7.9)	100
Total	76.4 (100)	23.6 (100)	100		65.0 (100)	15.7 (100)	15.2 (100)	4.1 (100)	100

( ) Represents column percentage
Source = Establishment Survey 1992/1993 Ministry of Labour and Human Resources Development
Note = Sex-ratio is based on 78728 employees while ethnic composition of occupation is available for 72386 workers
(See Appendix Tables for detail)

Ethnicity of Employees

Distribution of employees by ethnic background (Black, Coloured and Whites) in different occupational categories, is presented in table No: 5. The ethnic distribution of different occupations, is indicative of relative domination of Whites in cases of Senior Officials/Managers, Professionals and Associate Professionals accounting for 52%, 32% and 40% of these categories. In contrast, the shares of Whites in blue collar skilled and unskilled workers are 10% and 1.2% respectively. Blacks experience just the reverse. For instance, their representation in the above cited top three occupational categories, is 18.3%, 31.2% and 33.5% while at the bottom 89% of those belonging to elementary (unskilled) occupation are black. The coloured occupy a relatively better position compared to blacks in having a better representation at the upper end of occupational hierarchy. Among industries, the share of Blacks is the highest in Agriculture (81%). In the case of Whites, the industries in order of importance are Finance and Real Estate and Electricity and Gas with 34.3% and 21.6% of the employees being of this group. Finance + Real Estate and Trade/Hotels are equipped with the above average proportions of Coloured, 26.7% and 20% respectively.

In terms of the ownership of the establishments, Blacks register an improvement in their respective share in cases of Senior Official/Managers, Professionals, Technician and Associate Professionals, accounting for 36%, 38.3% and 37.4% of the respective occupational categories in the establishments belonging to the Government. This level of representation, is substantially higher than is the case in private employment and parastatals. The details are provided in Table No. 6 which interestingly suggests that shares of blacks in the category of Senior officials/Managers is lower in parastatals (15%) than in the private sector (19%).

This disproportionately lower participation of blacks in the managerial and white collar occupation, is reflective of the effects of the past discriminatory practices. It may be added that this survey was conducted just after three years of independence, too short a time span to have any sizeable impact on occupational composition through education/training and other related policies which often require a long period to realise substantial changes in this context.

Table No. 16 Composition of employees by occupation, ethnicity and type of Establishment. (Percentage)

OCCUPATION	GOVERNMENT				PARASTATAL				ALL OTHER ESTABLISHMENT			
	Black	Coloured	White	Non-Nam	Black	Coloured	White	Non-Nam	Black	Coloured	White	Non-Nam
Senior officials and Managers	36.0	18.4	41.9	3.7	15.0	6.7	70.3	8.0	19.1	12.5	57.3	11.1
Professionals	38.3	29.0	23.6	9.1	31.1	25.3	39.3	4.3	28.1	18.5	32.3	21.1
Technicians and Associate Professionals	37.4	19.0	38.4	5.2	28.1	15.3	48.9	7.7	35.0	19.0	36.0	10.0
Clerical	38.7	36.2	22.5	2.6	28.1	31.5	38.0	2.4	26.0	35.0	34.0	5.0
Sales + Services	60.0	27.1	11.2	1.7	60.6	13.8	22.9	2.7	62.0	23.0	13.0	2.0
Skilled Agricultu-re worker	43.0	2.5	47.4	7.1	55.0	10.0	30.0	5.0	83.0	15.0	2.0	-
Craft + related worker	33.8	42.0	22.0	2.2	55.5	19.2	22.7	2.6	73.0	12.0	10.0	5.0
Plant and machine operator	77.0	12.9	8.2	1.9	67.4	15.0	15.7	1.9	81.0	11.0	5.0	3.0
Elementary occupations	84.4	12.9	1.1	1.6	91.6	6.4	0.9	1.1	89.0	9.4	1.3	0.3
TOTAL	62.2	20.2	14.5	3.1	59.3	15.5	22.3	2.9	67.0	15.0	14.0	4.0

Source = Establishment Survey MLHRD 1992/93
Note = The distribution in the table is based on 72386 employees.

Distribution of Employees by Employment Status

Information was solicited on the employment status of the employed in terms of permanent, temporary, seasonal and casual workers. Sex and ethnic background of workers according to these employment categories, was also sought. Over 90% of the establishments (3196) provided this information.

Permanent employees accounted for 84% of all Employees. The remaining categories of temporary, seasonal and casual workers had shares in the total employment of 7%, 4.7% and 2.3% respectively. Females had a higher representation (88%) in permanent employment than males (83%). In terms of ethnicity, Blacks registered the lowest representation (80%) in the category of permanent staff. The same was 95% in cases of Whites and Non-Namibian and 87% in cases of Coloured. According to industries, Construction had the largest proportion (33%) of non-permanent employees. This was followed by Agriculture having 27% of the employees as non-permanent. At the other end of the distribution, over 90% of the employees were reported to be permanent in Electricity/Gas, Transport, Finance and Real Estate. (The details are provided in Appendix Table No. 8).

Summing up the employment structure discussed in this section, is indicative of dominance of few large firms accounting for two thirds of the employment. Occupational composition of the employees of different industries, is reflective of variation. Occupational categories with higher level of education like

Professionals, account for a higher share of employment in Services than the rest. Similarly, one finds a higher than average intake of Senior Officials/Managers in Finance and Trade/Hotels. The representation of skilled workers, is the highest in Mining followed by Manufacturing.

Females account for only one-fourth of the total employees. Females dominate in the occupational categories of Clerical and Sale/Service workers, however, their representation is almost negligible in the category of Skilled workers (Craft + Related worker and Plant/Machine operator). Occupational composition in terms of ethnic background highlights again the impact of the past practices carried on under apartheid system. The data indicate a lower participation of blacks in the managerial and white collar occupation than whites or coloured.

SECTION III

Turnover and Vacancies

Information on hiring, separation and retirement of employees during the year preceding the survey was collected. Around 30% of the establishments (997) have reported to experience labour turnover during the period under review, while the remaining 2469 have not recorded any turnover. Out of those which reported turnover, 56 establishments reported simply hiring 157 new workers while 111 establishments reported that about 454 employees left and no replacement was made. The remaining 831 establishments reported both employees hired (7190) and left (5177) during the year preceding the survey. This suggests an increase of 1716 in the employment of the reporting establishments. It may be noted that through this survey one can not capture the information on the establishments which went out of business and were closed during the year. Under the assumption that such an extinction did not occur during the year preceding the survey, the above mentioned increase of 1716 in the number of employees represents a growth of 2% over the total employment yielded by the survey.

Turnover defined as employees hired plus those left during the year as percent-age of the total employment of the respective industrial category, are reported in table No. 7. The last column of the table presents hired as a ratio of those who left during the year. The turnover which averages 17% for the total, reflects inter-industrial variation. Construction for instance, registered 61% turnover followed by Trade/Hotels (27%). The other industrial categories registering above average turnover, were Agriculture and Finance/Real Estate. At the other end, Electricity/Gas, Mining and Transport were associated with low turnovers. A similar breakdown by major occupational categories, was reflective of the largest turnover yielded by Service workers (24.3%). Workers belonging to Elementary Occupation and Clerical categories, fell next in this ranking with 20% and 18% turnovers while Senior Officials and Managers exhibited the lowest (9.6%) turnover.

Labour mobility is a normal phenomenon and it is difficult to specify an optimal turnover for any labour market or its segment. Some activities can be seasonal while in other activities such as construction continuous availability of job may be difficult. In addition to the nature of activity, labour turnover is also influenced by wage levels and job security. A closer examination of the data for instance, is suggestive of higher turnovers for Retail trade, Construction and Farming. A breakdown by the size of the establishment, reflects that small sized businesses having lcwer than average wages, are associated with above average turnovers. Employees of the Government or Parastatals display the lower levels of turnovers 5.9% and 3.7% respectively as compared to their counterparts working in the businesses run by partners or sole owners. The turnover in the context of Namibian labour market is thus indicative of the worker's pursuit for secure jobs and better wages involving mostly blue colour skilled and unskilled and service workers.

Table No. 7

Turn over by Industry - summary

INDUSTRY	NO. OF REPORTING ESTABLISHMENT	TURN OVER	HIRED/LEFT
1. Agriculture	320	23	125
2. Mining	16	6	203
3. Manufacturing	63	13	159
4. Elec/Gas	8	3	140
5. Construction	22	61	134
6. Elec/Gas	275	27	122
7. Transport	34	6	98
8. Finance, R/Estate	138	26	117
9. Community/Social and Personnel Services	121	11	128
ALL =	997	17	130

Source = Establishment Survey MLHRD 1992/1993.

Table No. 8

Vacancies as percent-age of employment by type of establishments

Type of Establishment	Vacancies (%)	Vacancies As % of Employment
1. Government	44.9	24.7
2. Parastatal	13.6	5.1
3. Private	41.5	4.2
TOTAL NUMBERS	100.0 4738	5.7

The above table is reflective of a high level of vacancies/employed proportion (25%) for the governmental establishments.

The distribution of vacancies by occupational categories, reveals that the vacancies as a fraction of current employment of the respective categories, is the largest for Professional (15%) followed by Technicians and Associate Professionals (12%). However, it may be pointed out that the vacancies reported by the Government and Parastatals for these occupational categories, account for 75% and 58% respectively of the total. Interestingly, one-third of the total vacancies pertain to the elementary occupation (unskilled worker). This is rather esoteric given the fact that Namibia suffers from high level of unemployment, 20% of the labour force according to 1991 Population Census.

The reasons for not filling these vacant positions were solicited through the questionnaire. Lack of trained manpower emerged to be the single most important reason accounting for nearly two fifths of the total vacancies. It may be noted that an equivalent percentage of responses fell under the category of "other" as a reason, while the reasons such as low economic activity and recruitment procedures accounted for 5% and 3% of vacancies reported. Controlling for occupational categories, one finds that over 75% of the vacant positions of Professionals, Technicians, Craft and Related workers and Service workers, were not filled due to lack of trained workers. On the other hand, the majority (90%) of vacancies falling under Elementary (unskilled) Occupational category were ascribed to unspecified "other" reason. In terms of industrial classification, a higher proportion of vacancies (64%) for Manufacturing and Trade/Hotels owes to the lack of trained manpower. Similarly, nearly all the vacancies reported by Finance and Real Estate, are due to non-availability of trained manpower. On the other hand, Transport and Communication, attributed most of the vacancies being not filled to diverse reasons falling under the category of "other".

Qualification and experience required by employers

Since the lack of trained manpower is reportedly the major hinderance in filling the vacancies, it would be instructive to examine the norms and standards set by employers in this context. Responses provided by employers on minimum required academic qualification and experience by major occupational categories are reproduced in Table No: 9.

Table No. 9

Percentage Distribution of vacancies and by Required minimum Qualification and Experience by occupation

	EDUCATION REQUIRED					
OCCUPATION OF VACANCIES	POST GRAD + DEGREE	DIPLOMA	CERTIFI-CATION	OTHER	TOTAL	EXPERIENCE (YEARS)
1. Senior Officials/ Managers	35	30	27	8	(100)	4 to 7
2. Professionals	51	14	35	-	(100)	3 to 4
3. Technicians and Associate Profes-sionals	15	35	42	8	(100)	2 to 5
4. Clerical	3	7	82	8	(100)	2 to 6
5. Sales/Service	3	10	37	50	(100)	1 to 6
6. Skilled Agricul-ture + Fishery worker	-	-	-	-	(100)	-
7. Crafts/Related worker	1	41	44	14	(100)	3 to 8
8. Plant/Machine operator	-	1	41	58	(100)	1 to 4
9. Elementary occupation	-	-	10	90	(100)	1 to 3

Source = Establishemnt Survey MLHRD 1992/93

In an inter-occupational comparison, Service Workers have the largest fraction (11.8%) with less than required level of education, while Plant/Machine Operators yielded the lowest proportion (3.5%) in this respect. The categories of Professional and Associate Professionals, are also associated with above average (7%) proportion of workers regarded by employers to be less qualified. (See table no. 10)

Future Employment Prospects and the need for Additional Manpower

Expected changes in the employment levels during the next year as anticipated by the management of the establishments, were collected through the questionnaires. The majority of the establishments (71%) expected no change while 11.7% reported that employment will decrease and 13.3% anticipated an increase. According to industrial classification, a relatively pessimistic response pertained to agriculture and construction wherein the establishments expecting a decrease in employment, outnumbered those expressed likely increase as a response. By the type of employer, a similar tendency was exhibited by the category of Sole Ownership.

Technicians (18.4%). These percentages, however, present a broad order of magnitude which needs to be further and thoroughly investigated for actual training measures in this respect.

Table No. 10

Less Qulified, Vacancies and Additional Requirement as Percentage of Employed by Occupation

OCCUPATION	EMPLOYED WITH LESS THAN REQUIRED QUALIFICATION (1)	VACANCIES (2)	ADDITIONAL REQUIRED FOR EXPANSION (3)	TOTAL (2+3) (Skill Deficit)
1. Senior officials/ Managers	6.1	6.4	4.3	10.7
2. Professionals	7.0	15.1	9.3	24.4
3. Associate Professionals and Technicians	6.8	12.2	6.2	18.4
4. Clerical	4.6	4.2	3.0	7.2
5. Sales/Services workers	11.8	3.6	6.9	10.5
6. Skilled Agricultural worker	3.5	1.7	17.2	18.9
7. Craft + Related worker	4.7	3.7	4.6	8.3
8. Plant and Machine operator	3.5	4.6	2.2	6.8
9. Elementary Occupations	6.2	5.6	3.2	8.8
Total	6.0	6.0	4.4	10.4

Source = Establishment Survey MLHRD 1992/93

Note = All numbers are the percentages of the employed in the relevent occupations.

fourths of the establishments in these industries, identified inadequate market in contrast to two fifths which cited lack of capital as a problem. Similarly, establishments in Community + Social Services and Transport and Communication, registered above average fraction of responses attributable to inadequate market for the product. Lack of trained manpower as revealed by the data, appears to be a major constraint in cases of Finance/Real Estate, Services and Manufacturing industries.

Out of the total responses, those that acquired the ranking of the first three most important problems are separately examined. Leaving aside the problems falling under the category of "other", around 4500 responses qualified for the first three ranks. Table No. 11 reproduces the distribution by type of problem and level of importance.

Lack of Capital emerges to be the most important problem accounting for 36% of all the responses under the above mentioned three ranks, while its share of the first most important problem rises to 62%. The next most important problem is an inadequate market for the products representing 25% of the total responses for the three important problems and 19% of the first most important problem. Lack of trained manpower acquires third position in this comparison with 17% of all responses and 12% of the responses on the first most important problem. The remaining responses pertain to the lack of marketing facilities and a shortage of raw materials accounting for 13% and 8% respectively of the responses on the three most important problems.

Table No. 11

Percentage distribution of responses on three most important problems in Expansion of the Business.

Type of Problems	First Most important Problem	Second Most Important Problem	Third Most Important Problem	TOTAL
1. Lack of Capital	72.0 (62.5)	19.0 (24.0)	9.0 (10.5)	100 (36.1)
2. Shortage of raw material	15.0 (3.0)	39.0 (11.9)	46.0 (13.2)	100 (8.5)
3. Inadequate market for product	31.0 (18.6)	27.0 (24.5)	42.0 (35.7)	100 (25.4)
4. Lack of Marketing Facilities	11.8 (3.7)	33.8 (15.4)	54.4 (23.8)	100 (13.0)
5. Lack of skilled manpower	30.0 (12.2)	41.0 (24.2)	29.0 (16.8)	100 (17.0)
Numbers of responses	41.9 (100) 1884	28.5 (100) 1279	29.6 (100) 1333	100 (100) 4496

Note = Parenthesis denote the column percentages

Source = Establishment Survey MLHRD 1992/93

Government Regulations

Employers were asked on whether or not any government regulation or policy adversely affects the expansion and employment creation potentials of the business. While over 90% of the establishments responded, almost two thirds of the respondents (70%) replied in the negative, suggesting that the government policies are not inhibitive. Out of the remaining who said, yes, nearly one-third identified the Labour Act to have a negative influence on the expansion of their business. This was followed by bureaucracy as a source of hinderance. Few responses pertained to import policy, GST and Unionism. One suspects that the Labour Act, being promulgated just at the same time as the survey was being conducted, acquired prominence in the problems.

In this section the information pertaining to turnovers, vacancies and problems faced in expanding the business, are discussed. While the average turnover was found to be 17%, some industries like construction and agriculture, displayed above average turnover. The turnover appears to be a pursuit by workers for better wages and secure jobs, though taking its toll by denying the worker to accumulate a job-specific experience.

Overall, the vacancies worked out to 6% of the employed with the government establishment suggesting serious understaffing wherein vacancy/employed was reported to be 25%. Vacancies together with additional manpower needed to realise the anticipated expansion, suggest a skill deficit of around 10% of the employed in the

Formal Sector. Furthermore, employers rated around 6% of their employees as having less than required qualification and training. Major constraints to expansion of the business, according to employers, are lack of capital inadequate market for the products, and trained manpower.

SECTION IV

WAGE LEVEL AND STRUCTURE

The survey questionnaire solicited information on wages as yearly total employment cost including salary, cash and non-cash benefits. It also sought monthly employment cost for different occupational categories. The former is an average wage per establishment and the latter pertains to a given occupational category. These data in turn afford examination of wages from various perspectives. Establishment level data are provided for over 95% of the employees while the occupational wages are available for 75% of the employees covered in the survey. Despite this variation in coverage, the overall average wages yielded by these two different sets of information are close. For instance, the overall monthly average wage yielded by establishment level data, are N$ 1761, while, according to data on occupational wages, the same works out to N$ 1772. At more disaggregated and industrial level there are, however, differences between these two sources of data.

Roughly, one fourth of the wage represents cash and non-cash benefits while the remaining three fourths is the salary. The average wage seems to mask a tremendous variation and spread by various classifications. A frequency distribution of the average employee compensation by establishment, ranges from less than N$ 50 to over N$ 10,000. Around one third of the establishments (30%), are associated with N$ 300 per month or less. In fact at the bottom of ranking 3% of the establishments with 2.5%

employment reported N$ 51 as average monthly wage. In contrast 1% of the establishments having 3% of the employees reported N$ 6223 as average monthly wage (see Appendix Table No. 11). The table suggests that around 60% of the employees earn less than the average of N$ 1761. Since wages tend to vary with the industry, occupation, size of the establishment and other characteristics, an examination along these classifications is attempted below.

Wages by Industry/Occupation

The average monthly wages by broad industrial classifications represent a wide range as depicted in table no: 12. At this level of aggregation, Mining emerges to be the best paymaster (Monthly wage of around N$ 3 000) while Agriculture lies at the bottom with N$ 586. In a ranking of industrial classification, Finance, Electricity and Gas generation and Services, pay above the overall average of N$ 1761, in contrast, Construction, Trade and Transport are associated with below average wage levels. It may be pointed out that at a disaggregated level (at two digit level classification), Insurance Companies and Recreational/ Cultural Services, outrank Mining, while average wages of the workers employed in Textile and Apparel, turn out to be at the lowest rung of wage distribution lagging behind even workers in the Agriculture Sector.

Average monthly wages by occupation at the aggregate display the expected order wherein Senior Officials/Manager top the ranking

Table No. 12

Average Monthly Wages of Employees by Industry and Occupation

INDUSTRY	Senior officials and managers	Profes-sionals	Techni-cians + Associate Profes-sionals	Clerical	Service + sale worker	Skilled Agricul-ture + fishery worker	Craft + related worker	Plant + Machine operator	Elemen-tary occupa-tion	Total
1. Agri-culture	4401	5454	1383	2060	580	693	1055	2026	366	641 (586)
2. Mining	10728	6719	5660	3345	2158	1644	2825	2931	1094	2972 (3001)
3. Manu-factu-ring	4829	2070	3043	1749	1174	782	1263	1209	789	1265 (1201)
4. Elec/ gas/water	5546	4178	4132	2607	1100	-	3019	2101	870	2208 (2138)
5. Constr.	4065	4313	2701	1323	425	-	1131	1270	621	986 (1043)
6. Trade, Hotels	3693	2983	1932	1119	944	*	1303	913	540	1178 (1166)
7. Trans-port	4892	3599	4079	1845	2126	*	1590	2120	904	1779 (1588)
8. Finance R/State	5545	4534	3706	1930	1153	668	1191	1055	791	2538 (2677)
9. Servi-ces	6099	3284	3039	2154	1359	1965	2004	1337	638	1860 (1956)
10. Total	5448	4178	3403	1813	1085	830	2211	1980	656	1772 (1761)

Source = Establishment Survey 1992 MLHRD Windhoek

Note 1 = Under the column Total, wages reported in parenthesis pertain to establishment level data for industry which were reported by 3026 Establishments for 77858 employees while data on occupation wages were reported for 62394 employees only

2* = Few observations hence wages not reported

(with N$ 5 448) and the workers belonging to the unskilled, elementary occupation are the least paid (N$ 656). However controlling for industry a bivariate cross-tabulation (See table No. 12) is suggestive that all occupational categories generally get higher wages in Mining than their counterparts in other industries. The wage differentials get sharpened particularly in cases of the category of Senior Managers. For instance, in the Mining industry, this group on average earns N$ 10 728 per month which is roughly two to three times of the same occupational category in other industries. Similarly, at the other end, the lowest average wage of N$ 366 for elementary occupation in agriculture (farm workers) is roughly half (55%) of the overall average wage of the respective occupational category. This bivariate classification also reveals that average wages of Professionals are higher than the category of Manager in Agriculture and Construction. Since these two industries are mostly made up of small sized (less than 50 employes) establishments (See Appendix Table No.9) the educational level of the Managers could be lower with wages below the average of the occupational category.

WAGES BY TYPE OF ORGANISATION OF ESTABLISHMENT

Monthly average wage distribution by type of organisation or ownership is indicative of Public and Private limited companies being higher wage organisations than the Government and other. In this comparison, the employees of Sole Owner fare the worst having an overall average of monthly wage of N$ 582, around one third of the overall average. However, controlling for the occupational categories, the ranking appears to be modified. The Public and Private limited companies, outrank all other organisations in cases of all the occupational categories, excepting that of the Senior Officials where Parastatal and the Governmental establishments take the lead. It may be noted that high level of wages associated with Cooperatives for various occupational categories, is due to inclusion of AGRA, a parastatal in Cooperatives. Given that the employees belonging to elementary occupations in the Government, get monthly wages well below the overall average of this category, inter-occupational wage differentials are therefore wider in the case of the Government than the remaining organizational/ownership categories (See Appendix Table No. 13).

WAGES BY SIZE OF ESTABLISHMENT

The size of establishment whether measured in terms of employment or capital, appears to have a positive association with the level of average wages. For instance, the average monthly wages of employees engaged in establishments having investment size of N$ 100 thousand or less are N$ 1001, in contrast to N$ 2 488 for those employees working in over N$ 5 Million investment size firm. Similarly, one finds that the average monthly wages for establishments having 50 or less employees is N$ 1143 in comparison to N$ 2187 for their counterparts employed by firms with more than 100 employees.

WAGES BY SEX AND ETHNICITY

As already described wages are collected either at the level of establishment or at the level of an occupational category in reporting establishments thereby precluding the estimation of average wages by sex or ethnic background of employees. The information at our disposal therefore permits the level of association of a given sex or ethnic category in different wage groups estimated at the level of establishment or occupational categories of the establishments. In other words, it is the representation by sex or ethnicity in a specific wage slab which can be discerned. Male/Female representation in various wage slabs is indicative of above average share of female (16% in comparison to 10%) in the lowest slab N$ less than 300 and below average representation (30% in comparison to 35%) in the top wage group N$ 2000 plus (See Appendix Table No. 11 for details).

A similar comparison of black, coloured and white based on occupational data, suggests that 45% of blacks in contrast to 8% of white and 26% of coloureds, are associated with low wage groups (less than N$ 750). At the top of the wage hierarchy over 200 N$ per month, the share of blacks is substantially lower (21%) than the overall average (32%) or that of the Whites (70%) (See Appendix Table No. 12).

In order to further this investigation, the level of participation in a given wage bracket after controlling the occupation is examined. This reveals an association between the disadvantaged and lower than average representation in high wage group within a given occupation. For instance, only 5% of the Senior Officials and Managers are reported to have wages of N$ 750 or less per month. However, 16% of the blacks and 10% of the female of the same occupational category fall in this wage group. On the other hand in the top wage bracket (over N$ 2000) overall 80% employees of the same occupational category fall, in contrast, the level of participation of blacks and females, are lower than this overall average, being 56% and 63% respectively. The representation of disadvantaged in different wage slabs for other occupational categories, tend to bear out similar trends (See table No. 13 (a) and 13 (b).

Admittedly, in the absence of information on education, skill and other characteristics as well as wages of individual workers, one can hardly offer strong conclusions about the existence or non existence of labour market segmentation and discrimination, especially when the comparison is made at broader occupation levels. However, the data at our disposal tend to suggest the presence of these distortions indicating that the disadvantaged have less than proportionate access to establishments and jobs with average or above average wage levels. The data are also subjected to Multivariate Regression Analysis for deeper probing. The results reported in Appendix II, confirm the above findings of the bivariate cross-tabulations.

Table No. 13 A

Percentage Distribution of Employees by Occupations, Sex, by Monthly Wage groups

Occupation	Both Sexes				Male				Female			
	Up to 750 N$	751 - 2000	over 2000	Total	Up to 750 N$	751-2000	over 2000	Total	Up to 750 N$	751-2000	over 2000	Total
1. Senior Officials, Managers	5	15	80	100	3	13	84	100	10	29	61	100
2. Professionals	7	19	74	100	4	13	83	100	12	27	61	100
3. Ass: Prof/ Technicians	8	30	62	100	8	23	69	100	6	47	47	100
4. Clerical	11	53	36	100	10	49	41	100	12	54	34	100
5. Services + Sales	50	36	14	100	42	40	18	100	57	33	10	100
6. Skilled Agriculture	57	39	4	100	61	34	5	100	40	58	2	100
7. Craftsman	13	26	61	100	12	26	62	100	47	25	28	100
8. Plant and machine operator	13	35	52	100	12	35	53	100	35	49	16	100
9. Elementary Occupations	65	33	2	100	62	35	3	100	81	16	3	100
TOTAL	35	33	32	100	35	31	34	100	34	38	28	100

Source = Establishment Survey MLHRD 1992/93
Note = The Table is based on occupational wage and employment data (62394 employees).

Table No. 13 B

Percentage Distribution of Employees by Monthly Wage Groups by Occupation and Ethnicity

Occupation	All Employees				Blacks				Whites			
	Up to 750 N$	751 - 2000	over 2000	Total	Up to 750 N$	751-2000	over 2000	Total	Up to 750 N$	751-2000	over 2000	Total
1. Senior Officials, Managers	5	15	80	100	16	28	56	100	2	11	87	100
2. Professionals	7	19	74	100	16	31	53	100	2	10	88	100
3. Ass: Prof/ Technicians	8	30	62	100	15	46	39	100	3	15	82	100
4. Clerical	11	53	36	100	19	56	25	100	6	38	56	100
5. Services + Sales	50	36	14	100	62	31	7	100	18	39	43	100
6. Skilled Agriculture	57	39	4	100	62	36	2	100	23	36	41	100
7. Craftsman	13	26	61	100	13	28	59	100	13	14	73	100
8. Plant and machine operator	13	35	52	100	15	36	49	100	2	14	84	100
9. Elementary Occupations	65	33	2	100	65	33	2	100	60	33	7	100
TOTAL	35	33	32	100	45	34	21	100	8	22	70	100

Source = Establishment Survey MLHRD 1992/93

SECTION V

PRODUCTIVITY AND PROFITABILITY

Information on financial aspects of the business such as Gross Income, Pre-tax profit (or loss) and Market (replacement) value of the capital which includes land, building, machinery etc., was sought in the questionnaire. The response level for the financial information has been low. The number of establishments reporting Gross Income was 2261 while those provided information on capital was 2241. In cases of profit or loss, 1956 establishments reported their positions. It may be noted that only 1630 establishments provided information on all the above mentioned variables which is subjected to further examination below.

An overall impression lent by the financial data, is the substantial diversity. In fact, few establishments (5% or so) dominate all the financial values. For instance, while the average gross income per reporting establishment is N$ 2.9 Million, almost one-fourth of the establishments at the bottom, are associated with N$ 70 thousand or less annual gross income. Only 9% of the establishments reported gross income larger than average which appears generated by 4% of the top establishments having gross income of N$ 10 Million or more. This distribution pattern is replicated by other variables such as Capital, Profit and Loss. A summarized picture presented in table No. 14 bespeaks of this dispersion. Mode and Median are simply a minor fractions of Mean values.

Table No. 14

Mean, Median and Mode of Financial Data

	Mean (00)	Mode (00)	Median (00)	Number of reporting Establishments
Gross Income	29856	1500	1782	2261
Capital	42665	5000	3500	2241
Profit	4167	200	300	1529
Loss	1744	200	325	427

Inter-industrial comparison of the gross income per establishment, suggests that the maximum is in Mining (N$ 89 million) and the minimum (N$ 759 thousand) in the Agriculture. Gross Income per employee, however, is the largest in Electricity and Gas generation (N$ 278 thousand) while the smallest being in Community and Social Services. Out of 1630 establishments providing all the requested financial information, 1290 reported pre-tax profits while the remaining reported losses. Together, these establishments yield an overall average of profit of N$ 334 thousand per establishment and N$ 12.6 thousand per employee. The ranking by industries replicate the pattern observed in the case of gross income. Replacement/market value of capital with overall average values of N$ 5.2 million per establishment and

N$ 197 thousand per employee also conceal a wide range of values for different industries. Capital/labour is highest in Electricity and Gas (N$ 1.94 million) while the lowest being reported for Construction (N$ 20 thousand).

Productivity, Capital/Output ratio and Profitability

Output per employee, capital output ratio and rate of return to capital by industries are reported in Table No:15. These values, are provided separately for profit making units in parenthesis. It may be added that output per employee, is the sum of wages and profits (per employee). The rate of return to capital is a division of profit by capital while capital/output ratio is the division of capital by output. It may be added that pre-tax profit reported by establishments, is not adjusted for capital gains or losses and interest receipts or payments, the estimated output provided in the table is therefore not equivalent to the concept of value added.

Substantial inter-industrial differentials in the above cited values are noticeable. For instance, output per labour in Agriculture, is one-tenth of what is obtained in Electricity and Gas, which registers the largest value followed by Mining. These productivity indicators in Transport and Construction being N$ 12.6 and N$ 16.2 thousands respectively, are also well below the overall average of N$ 35 thousands.

Table No. 15

Output/Labour, Capital Intensity and Rate of Return by Industry

Name of Industry	Output per employee (000 N$)	Capital per employee (000 N$)	Capital/ Output ratio	Rate of return on capial % (Pre-tax)	Profit per employee (000 N$)	Number of Establishment (reporting)
1. Agriculture	(14.1) 9.7	(163.9) 139.0	(11.5) 14.3	(4.9) 1.9	(8.0) 2.7	(460) 639
2. Mining	(70.8) 58.1	(422.2) 320.0	(6.0) 5.5	(7.4) 6.7	(31.6) 21.8	(14) 23
3. Manufacturing	(30.4) 21.5	(176.3) 137.0	(5.8) 6.3	(8.0) 4.6	(14.1) 6.4	(72) 97
4. Elec/Gas	(119.9)117.9	(1978.0)1945.0	(16.5) 16.5	(4.1) 4.1	(81.2) 79.5	(10) 13
5. Construction	(17.4) 16.2	(20.9) 20.1	(1.2) 1.3	(12.4) 8.0	(2.6) 1.6	(32) 38
6. Trade/Hotels	(26.4) 22.7	(65.6) 58.6	(2.5) 2.6	(17.9)13.4	(11.8) 7.9	(409) 476
7. Transport	(12.3) 12.6	(52.3) 53.6	(4.2) 4.2	(5.0) 3.3	(2.6) 1.8	(25) 32
8. Finance etc.	(60.8) 49.7	(132.7) 108.5	(2.2) 2.2	(18.4)16.2	(24.4) 17.6	(109) 126
9. Community and Social services	(34.9) 31.1	(55.4) 58.9	(1.6) 1.9	(13.0)10.2	(7.3) 6.0	(59) 186
TOTAL	(42.9) 35.6	(241.2) 197.3	(5.6) 5.5	(7.6) 6.4	(18.4) 12.6	(1290)1630

Source = Establishment Survey MLHRD 1992/93
Note = Parenthesis denote the information pertaining to profit making units only.

With the exception of Agriculture, one finds a positive association between the levels of capital per labour and output per employee, an expected relationship. In the case of Agriculture, capital per employee is larger (N$ 139 thousands) than five out of nine industrial categories but output per employee is the lowest (N$ 9.7 thousands). These relationships are visible in the capital/output ratio which is larger for Agriculture (14.3) next only to Electricity and Gas, while the same ratio for all the industries together works out to 5.5, suggesting a capital intensive production structure. In the case of agriculture, it seems that the price of land has either been exaggerated and/or has little relationship with its underlying productivity.

The rate of return to the capital as reflected by the data, is 6.4 for the total with Agriculture having the lowest (1.9) and Trade/Hotels recording the highest (13.4%). In general, the commodity producing sectors are associated with below average while the remainder is associated with above average of rate of returns. Recalling that the rate of return based on our data utilises pre-tax profit in calculating procedure, the overall average of 6.4% is least comforting and reflects a depressive investment climate.

Since the coverage of the survey has been less than complete, besides response errors in the financial information can hardly be ruled out, thus making it imperative to have consistency checks on our findings with some other sources of information.

Unfortunately, there is no independent additional source of data having comparability to be used for assessing the reliability of the above mentioned findings. National Income Accounts are a result of nation wide compiled data hence they are not strictly comparable to this survey which is mostly confined to formal sector only. However, a perusal of these accounts, suggests a rate of return to capital of 9.9% and capital output ratio of 3.7 for the year 1992 for the entire economy. Similarly, a survey conducted by the Central Bank of Namibia covering all the establishments having foreign equity, reveals a rate of return (post tax) of 3.4% for 1991 and 3.9% for 1992 on foreign equity. They are close to the ones yielded by the data at our disposal.

Namibia currently is faced with a massive unemployment (almost one hundred thousand unemployed according to 1991 Census). The above mentioned findings such as high capital intensity and low rate of return to capital, hardly inspire confidence in the Formal Sector to create sufficient job opportunities to address the unemployment problem, however, a disaggregated picture appears somewhat comforting, as discussed below.

Productivity and Profitability by Size of Establishment

Further examination of the data by size of the establishment is indicative of a substantial dispersion around the average values. The rate of return for instance, is higher for small sized establishments than the large ones. The capital/output and capital/labour ratios tend to rise with the size of the establishment. These findings are reproduced below in Table No: 16.

Table No. 16

Rate of return and capital/output by size of Establishment

EMPLOYMENT SIZE	RATE OF RETURN (%)	CAPITAL/ OUTPUT RATIO	CAPITAL/ LABOUR (000)N$	OUTPUT/ LABOUR (000)N$
5- 20	8.2	4.9	88.6	18.2
21- 50	9.3	3.3	85.3	25.8
51-100	6.0	5.7	163.4	28.6
Above 100	6.0	5.8	254.4	44.0
TOTAL	6.4	5.5	197.3	35.6

A similar cross-tabulation by the size of total capital of the establishment more or less reproduces the above noted picture except that the differentials get sharpened. For instance, the group of establishments with half a million or less capital, yield a high rate of return (28.3%) with low capital output ratio of 1.5. At the other end of the spectrum, establishments with over N$ five million capital are associated with 5.8% rate of return and 6.3 capital output ratio. These findings are encouraging in that small and medium sized establishments with less capital/labour ratio, higher rate of return, and a reasonable productivity level, offer a potential to be considered for further expansion to generate needed employment opportunities.

SECTION VI

Summary and Concluding remarks

Notwithstanding the uneven coverage of the survey which precludes precise estimation of the size of the formal sector and its industrial/regional distribution, the Establishment survey yielded important data some of these hitherto non-existing and needed for a variety of policy relevant exercises. Among others, these include employment composition by sex, ethnicity and occupations, wages, capital intensity, vacancies and turnover for major industrial categories. These are briefly summarized below.

1. Occupational distribution is reflective of a good deal of variability across different industrial categories. Whilst the employment composition in Agriculture and Construction appears dominated by elementary or unskilled workers, Mining and to some extent Manufacturing are intensive in the intake of skilled workers, such as craft and related workers and plant and machine operators. The relative proportions of the top three occupational categories - Senior Managers, Professionals, and Associate Professionals are above average in Community and Social Services and Finance. The industrial categories of Trade and Hotels and Transport/ Communication are equipped with above average shares of Clerical/Sales workers.

- The sex composition of the employment yielded by the survey, indicates that roughly one-fourth of the employees are female. Some of the industries such as Mining, Construction and Electricity/Gas, are predominantly male dominated while the female intake is slightly less than male in Trade/Hotels and Finance. This variation is explicable in terms of occupational composition of industries and female participation in various occupations. Females dominate in cases of clerical and sales workers, their share is almost negligible in cases of skilled workers (Craft and Related workers). With respect to the top two occupations, female representation is 44% in the case of Professionals and 22% in the case of Senior Managers.

- Disproportionate participation by ethnicity of employees in various occupational categories, is discernible. The relative shares of blacks in the occupational categories of Managers and Professionals, are 18% and 31% in contrast to whites' representation being 52% and 32% respectively. Similarly Non-Namibians who account for four percent of the total employed, have a disproportionately large shares in the occupational categories of Senior Managers and Professionals. The participation of blacks in the occupational category of Managers is higher in the Government employment (36%) than in the Parastatals (15%) or in the private sector (19%).

The turnover on the average, works out to 17% of the employment covered by the survey. However, some of the industries such as Construction, Electricity + Gas and Agriculture, are associated with above average turn overs in particular, the construction industry, which could be due to intermittent availability of work or contracts. It is difficult to determine the optimality of the turn overs in a labour market but a negative association between the turn overs and wage levels and size of establishment smacks of the turn overs being a pursuit of worker for better wages and a secure job.

According to responses from the employers, vacancies at the time of the survey, were around 6% of the employed. Government establishments reported a high level of vacancies/employed ratio (25%) in comparison to parastatals (5%) or the private sector (4.2). Both the occupational categories of Professional and Associate Professionals, are associated with high level of vacancies/employment ratio than the remaining occupational categories. Lack of trained manpower emerges to be the single most important reason for not filling these vacancies. The educational requirements for various occupational categories as indicated by employers, hardly appear unrealistic wherein for Managers and Professionals mostly degree and diploma and in the case of the remaining occupations, generally, certificate level education are specified as requirement. Experience required by employers, generally, varies from 2 to 5 years for different occupational categories. This could be restrictive for those who remained in exile and failed to accumulate relevant job experience.

Nearly 13% of employers anticipate an expansion of their business while 11% hold the reverse. Additional manpower needs on account of this expected expansion amount to 4% of the currently employed. This fraction is found to be above average in the case of Professionals, Sales/Services, and Skilled Agricultural workers. Vacancies and additional manpower needs together can be regarded as a rough measure of skills deficit in the Formal Sector, which works out to 10% of the employed. In addition, it may be noted that employers also rated around 6% of their employees as having less than required qualifications. On the basis of employers' perceptions, the lack of capital, inadequate or limited market for the products and lack of trained manpower, are the major constraints to expansion and growth.

Wage structure is characterised by substantial variations both within and across the industrial and occupational categories. In an overall comparison, Mining and Finance top the wage distribution, while Agriculture lies at the lowest rung. For a given occupational category, employee compensation, is reflective of sizeable disparity.

For instance, farm workers associated with N$ 366 per month earn slightly less than half of the overall average (N$ 656) for elementary occupation. At the other end, the Senior Managers in the Mining industry get roughly twice of the overall average of the same occupational category. It may also be noted that the inter-occupational wage differentials are wider in the government employment than in the private sector. Most of the bivariate findings such as a positive association between average wages of an establishment with the output/labour, capital intensity, and size of the establishment are generally regarded as the expected relationships.

. The survey data do not afford an estimation of average wages by sex or ethnicity. However, their level of participation in different wage slabs controlling for occupational category suggests that disadvantaged have lower level of representation in top wage brackets than the average. Converse is the case for lower wage brackets. The data thus allude to the labour market segmentation and possibly discrimination, wherein disadvantaged are equipped with less than proportionate access to high wage jobs. This needs further investigation for conclusive evidence, using wage data on individual employees along with both the characteristics of job and that of the worker.

Financial information provided by the establishments indicates that only a minor fraction (4 to 5 percent) of establishments dominate the formal sector, accounting for over three fourths of income, profits and capital. With the exception of agriculture, one finds a positive association between capital/labour and output/labour an expected result. The overall rate of return to capital appears to be quite low, possibly reflecting the depression in general and effects of the 1992 droughts. A perusal of disaggregated picture, however, is not much discouraging wherein rates of returns are higher for establishments with medium size than that of the overall average or larger establishments.

Concluding Remarks

The 1991 Population and Housing Census provides the number of unemployed to be almost 100 thousand or 20% of the labour force. In addition, the Labour Force Sample Survey conducted in 1991, suggested a massive prevalence of underemployment in rural areas, particularly among females. The creation of employment opportunities to have a perceptible impact on the existing unemployment, would call for a search and assessment of potentials in all sectors of the economy, as well as influencing the choices of technology, projects and products through suitable policies. In addition, to encourage the promising sectors, such as fisheries and tourism, the employment situation requires development of other branches of the economy having prospects for job creation.

In this context, there is a need to explore the possibilities of developing the small and medium scale units through active encouragement and participation of the government. According to this survey these offer a less costly job creation opportunity. The government may provide risk capital as well as create a proper and conducive atmosphere while simultaneously maintaining the developmental tempo in other sectors. Given the limited domestic market, large sized establishments hardly appear a possibility, the small and medium sized manufacturing units both for exports as well as domestic market which will have the potentials to absorb the unemployed need to be identified and established. Household consumer goods, leather products, garments and light engineering products could be regarded as candidates for manufacturing. The growth in manufacturing sector will have a positive effect both on tertiary sectors as well as on the informal sector. Development of the manufacturing sector not only will require an encouraging package of macro-economic policies but guaranteed availability of skills in the country too.

Thus the technical and vocational training in the overall context of Human Resource Development constitutes an important undertaking. In fact, the existing conditions underscore the need to accord top priority to human resource development. Not only is there a need of the qualified and trained persons to improve the managerial and technical capacity of the workforce, but the shortage of skilled labour force can hamper the initiatives. A co-ordinated and well focused human resource development programme needs to be embarked upon. There is however a need to keep a broad balance between the demand and supply of skilled manpower in order to avoid subsequent under utilization of the skilled. Information provided by the survey pertaining to the occupational composition of existing industries can be a useful guide in this respect.

Narrowing the gap between the disadvantaged and privileged should also be the focus of Affirmative Action. The intent of the policy measures under this programme can be achieved through enabling the disadvantaged climb up the occupational ladder in the labour market. With the exception of the public service, the representation of blacks in management is low in the private sector as well as in parastatal as reflected by the survey. While parastatals can be subjected to some quota arrangements over a given period of time, a suitable package of incentives such as rebate in taxes, and preference in the award of governmental contracts for private sector as a boost, may be considered. These measures, however, must be accompanied by efforts to equip the disadvantaged with necessary academic background, skills, and training to qualify for those jobs.

Admittedly, it is difficult to determine the level and degree of consonance between wage structures and skills availability in the domestic labour market. However, the wage structure seems to have wide differentials wherein farm workers lie at the lowest rung of wage distribution. Equity considerations counsel an indepth investigation of the wage levels and payment practices in Agriculture for any corrective measure. In addition, the Public sector employees' compensation is likely to assume a leading role in the country simply because of its sheer size. It may be added that to the extent that the existing wage structure is out of line with neighbouring countries and enables the government to cream off the talent from the private sector, the corrective measures appear to be in order. If Namibia has to attract foreign investment and to embark upon a programme of small and medium sized manufacturing development strategy, the cost competitiveness particularly of labour can hardly be ignored. It may be added that some of Namibia's socio-economic problems such as unemployment, rural/urban migration and skewed income distribution can be addressed (partly of course) by a suitable wage policy. The need to collect more information related to wage levels in different segments of the labour market therefore can hardly be emphasized.

Appendix Table No. 1
Number of Reporting establishments by Type of information and Industry

Industry	Total Estab.	Estab. Repor-ted wages	Estab. Repor-ted Income	Estab. Repor-ted Profit	Estab. Repor-ted loss	Estab. Repor-capital	Estab. repor-ted employ turn over	Estab. repor-ted vacan-cies	Estab. repor-ted employ-ment Status cate-gory	estab. repor-ted occupa-tion	Estab. Repor-ted ethni-city of emplo-yees
Agriculture	1290	1205	892	541	223	873	320	146	1226	1149	1081
Mining	31	30	27	16	11	24	16	9	31	29	28
Manufactu-ring	212	183	130	84	30	145	63	40	206	191	173
Electricity Gas	27	25	16	10	3	18	8	2	27	26	25
Construc-tion	87	75	65	39	7	66	22	9	79	77	71
Trade/Hotel	941	786	621	485	82	622	275	107	900	839	798
Transport and Commu-cation	67	58	44	25	8	41	34	10	63	61	60
Finance, Real Estate	314	261	163	123	23	171	138	52	290	287	270
Community + Social Services	474	395	295	199	40	274	121	108	451	429	408
Not Stated	24	8	8	7	-	7	1	1	11	8	8
Total	3467	3026	2261	1529	427	2241	998	484	3284	3096	2922

Source = Establishment Survey 1992/93 MLHRD

Appendix Table No.2

Number of Reporting Establishments by Industry and Region

Region/ Industry	Agri cul- ture	Min ing	Manu fac- tu- ring	Elec/ Gas	Con- struc tion	Trade + Hotel	Trans/ Commu- nica- tion	Finan ce/ Real Esta- te	Commu- nity + Social Servi- ces	Not Stated	Total
Caprivi	2	0	2	0	1	5	0	1	3	0	14
Erongo	64	6	26	1	19	95	6	24	35	3	279
Hardap	201	0	6	2	4	31	0	8	27	3	282
Karas	239	5	17	3	5	75	7	17	44	6	418
Khomas	120	10	105	17	43	425	41	214	253	3	1231
Kunene	79	1	4	0	2	25	0	4	4	2	121
Ohangwena	1	0	0	1	1	8	0	0	3	1	15
Okavango	3	0	3	0	2	8	0	2	6	0	24
Omaheke	251	0	8	0	1	41	5	6	21	4	337
Omusati	0	0	0	0	0	8	0	0	0	0	8
Oshana	0	0	8	1	5	110	0	6	29	0	159
Oshikoto	36	3	4	0	0	22	2	9	8	0	84
Otjozondjupa	292	4	29	2	4	85	6	22	40	2	486
Others (Not Stated)	2	2	0	0	0	3	0	1	1	0	9
Total	1290	31	212	27	87	941	67	314	474	24	3467

Source = Establishment Survey 1992/1993 MLHRD

Appendix Table No.3

Number of Reporting Establishments by Region and by Type of Establishment

Industry\Ownership	Government	Parastatal	Public Limited	Private Limited	Cooperatives	Partnership	Sole owner	Other	Not stated	Total
Caprivi	-	10	-	3	-	-	1	-	-	14
Erongo	2	4	8	56	7	19	151	28	4	279
Hardap	13	3	4	41	7	11	181	18	4	282
Karas	22	8	7	77	9	17	240	35	3	418
Khomas	22	24	57	426	23	116	487	70	6	1231
Kunene	3	5	2	14	3	3	81	8	2	121
Ohangwena	-	-	-	1	-	-	11	3	-	15
Okavango	-	12	1	3	-	-	6	2	-	24
Omaheke	5	3	3	33	5	5	236	39	8	337
Omusati	-	-	-	-	-	-	8	-	-	8
Oshana	-	11	6	26	1	4	95	12	4	159
Oshikoto	-	3	3	12	4	6	49	7	-	84
Otjozondjupa	6	5	7	67	11	29	329	25	7	486
Others	-	-	1	5	-	-	-	1	-	7
Not stated	-	-	-	1	-	-	1	-	-	2
TOTAL	73	88	99	765	70	210	1876	248	38	3467

Source = Establishment Survey 1992/93 MLHRD

Appendix Table No.4

Number of Reporting Establishments by Industry and Ownership

Industry\Ownership	Govern-ment	Paras tatal	Public limi-ted	Priva-te Limi-ted	Coo-pera-tion	Part-ner-ship	Sole owner	Other	Not sta-ted	Total
Agriculture	5	11	3	132	28	49	956	91	15	1290
Mining	-	-	3	19	1	3	4	1	0	31
Manufacturing	-	6	6	75	12	16	93	2	2	212
Electricity	1	1	0	8	2	1	14	0	0	27
Construction	1	0	4	28	0	4	36	14	0	87
Trade & Hotels	6	20	30	289	15	70	486	15	10	941
Transport	0	6	2	31	1	2	19	5	1	67
Real Estates	3	4	44	105	11	40	74	31	2	314
Community	55	40	6	69	0	25	189	87	3	474
Other	2	0	1	9	0	0	5	2	5	24
Total	73	88	99	765	70	210	1876	248	38	3467

Source = Establishment Survey 1992/93 MLHRD

Appendix Table No.5
Number of Employed Persons by Industry and Region

Region/ Industry	Agri-culture	Mining	Manufacturing	Elec/ Gas	Construction	Trade + Hotels	Transport + Communications	Finance/ Real Estate	Community + Social Services	Not Stated	Total
Caprivi	54	0	41	0	47	98	0	10	31	0	281
Erongo	740	1594	535	28	165	881	93	244	835	0	5115
Hardap	1012	0	36	9	19	252	0	88	538	13	1967
Karas	1907	6882	628	13	29	713	37	190	740	32	11171
Khomas	1247	1126	4325	2682	1825	7439	6999	5495	11491	23	42652
Kunene	542	17	51	0	305	228	0	35	81	0	1259
Ohangwena	3	0	0	29	250	103	0	0	389	10	784
Okavango	100	0	150	0	29	99	0	32	84	0	494
Omaheke	1838	0	131	0	3	508	66	69	443	6	3064
Omusati	0	0	0	0	0	53	0	0	0	0	53
Oshana	0	0	397	5	591	1621	0	144	1252	0	4010
Oshikoto	350	3509	41	0	0	219	18	168	280	0	4585
Otjozondju	2674	223	2194	14	24	876	201	227	611	1	7045
Others (N/stated)	16	9	0	0	0	108	0	8	5	0	146
Total	10483	13360	8529	2780	3287	13198	7414	6710	16780	85	82626

Source = Establishment Survey 1992/93 MLHRD

Appendix Table No.6

Employment by Type of Establishment and by Region

Industry\Ownership	Govern-ment	Para-stal-tal	Public Limi-ted	Priva-te Li-mited	Coo-pera tion	Part-ner-ship	Sole owner	Other	Not sta-ted	Total
Caprivi	-	169	-	65	-	-	47	-	-	281
Erongo	42	463	1577	1001	56	297	1398	279	2	5115
Hardap	288	102	63	267	111	57	903	163	13	1967
Karas	261	390	678	8300	108	109	1105	187	33	11171
Khomas	7489	9890	2208	14131	1056	2239	4183	1420	36	42652
Kunene	180	89	9	282	40	25	539	90	5	1259
Ohangwena	-	-	-	29	-	-	366	389	-	784
Okavango	-	288	23	127	-	-	55	1	-	494
Omaheke	159	187	55	378	61	69	1718	380	57	3064
Omusati	-	-	-	-	-	-	53	-	-	53
Oshana	-	338	479	351	243	93	1430	1015	61	4010
Oshikoto	-	253	76	310	3455	49	388	54	-	4585
Otjozondjupa	166	400	93	1547	1258	481	2716	256	128	7045
Others	-	-	8	118	-	-	8	12	-	146
TOTAL	8585	12569	5269	26906	6388	3419	14909	4246	335	82626

Source = Establishment Survey 1992/93 MLHRD

Appendix Table no.7 Employment by industry and by occupation

Industry	Snr. offi-cials, man.	Profe-sio-nals	Tech-ni-cians, ass. Prof.	Cle-rical	Servi-ce + sale worker	Skilled agr. + fish workers	Craft + rel. worker	Plant + mach. opera-tor	Elemen-tary occ.	Not sta-ted	Total
1. Agriculture	214	33	423	290	128	502	213	382	7487	-	9672 (10483)
2. Mining	310	592	754	493	67	9	5891	1948	3313	9	13386 (13360)
3. Manufactu-ring	263	109	326	451	180	391	1963	922	3034	4	7643 (8529)
4. Elec/gas/ water	37	135	447	224	36	-	242	175	1499	-	2795 (2780)
5. Construction	29	48	151	86	4	-	662	251	1940	-	3171 (3287)
6. Trade + Hotels	1046	171	646	2284	3041	41	594	556	3663	1	12043 (13198)
7. Transport	148	171	680	1622	159	1	913	727	2938	-	7359 (7414)
8. Finance	763	349	1194	2534	119	22	315	221	885	9	6411 (6710)
9. Community	650	1942	2685	1561	611	70	1467	729	5893	72	15680 (16780)
10. Not stated	25	12	27	290	6	1	6	6	195	-	568 (85)
Total	3485	3562	7333	9835	4351	1037	12266	5917	30847	95	78728 (82626)

Source = Establishment Survey MLHRD 1992/93

Note = Information on occupation is available for 78728 employees only. A comparison of this information with the one provided in the parenthesis based on total industrial employment (under Q.8) suggests the degree of non response for occupational employment.

Appendix Table No. 8

Employment by Industry and by Status of Employees

INDUSTRY	PERMANENT	TEMPORARY	SEASONAL	CASUAL	OTHERS	Not Stated	TOTAL
Agriculture	8647	838	1127	566	597	25	11800 (10483)
Mining	11238	192	1770	76	53	-	13329 (13360)
Manufactu-ring	5280	465	312	241	262	-	6560 (8529)
Electricity/ Gas	2765	27	-	8	2	-	2802 (2780)
Construction	2176	615	118	236	60	-	3205 (3287)
Trade/Hotels	11478	511	55	339	58	2	12443 (13198)
Transport and Commu-cation	6885	21	290	9	78	-	7283 (7414)
Finance, Real Estate	5153	117	6	99	150	1	5526 (6710)
Community + Social Services	13293	2502	43	264	255	6	16363 (16780)
Not Stated	126	7	-	1	19	-	153 (85)
Total	67041	5295	3721	1839	1534	34	79464 (82626)

Source = **Establishment Survey 1992/93 MLHRD**

Note = **Information on employment category is provided for only 79464 employees, however a comparison of this table with Table no.5 (reproduced in parenthesis) suggests that in Agriculture and Electricity/Gas employment reported in the latter does not include some of the non-permanent employees.**

Appendix Table No. 8 (a)

Distribution of Employed by Occupation and Ethnicity

Occupation	Black	Coloured	White	Non-Namib	Total
Senior Officials and Managers	583	364	1659	576	3182
Professionals	1033	754	1067	461	3315
Technicians, Association Professionals	2262	1216	2679	586	6743
Clerical	2491	3116	2900	338	8845
Services + Sale Worker	2552	883	585	74	4094
Skilled Agriculture + Fish worker	794	140	48	6	988
Craft + Related worker	7801	1599	1348	549	11297
Plant + Machinery Operator	4345	647	393	139	5524
Elementary Occupations	25075	2664	338	235	28312
Not Stated	63	9	11	3	86
Totals	46999	11392	11028	2967	72386

Source = Establishment Survey MLHRD 1992/93

Note = Information on occupation as well as ethnicity is available only for 72386 employees.

Appedix Table No. 8 (b)
Percentage Distribution of Employed by Industry, Sex and Ethnicity

INDUSTRY	MALE	FEMALE	BOTH SEX	MALE/ FEMALE RATIO	Black	Coloured	White	Non Nami-bian	Total
1. Agriculture	81.6 (13.7)	18.4 (9.6)	100 (12.7)	4.4	81.0 (16.0)	11.6 (9.5)	5.8 (4.9)	1.6 (4.9)	100 (12.9)
2. Mining	93.6 (20.0)	6.4 (4.2)	100 (16.2)	14.6	73.8 (19.6)	7.5 (8.3)	10.6 (12.0)	8.0 (33.6)	100 (17.2)
3. Manufacturing	78.0 (10.6)	22.0 (9.4)	100 (10.3)	3.5	73.4 (9.4)	14.6 (7.7)	10.1 (21.6)	1.9 (3.8)	100 (8.3)
4. Electricity/ Gas	92.4 (4.1)	7.6 (1.0)	100 (3.4)	12.2	64.9 (3.8)	10.0 (2.4)	21.6 (5.4)	3.5 (3.2)	100 (3.8)
5. Construction	97.0 (5.0)	3.0 (0.5)	100 (4.0)	32.3	78.6 (5.1)	12.6 (3.4)	4.3 (1.2)	4.5 (4.6)	100 (4.2)
6. Trade/Hotels	56.0 (12.0)	44.0 (28.6)	100 (16.9)	1.3	59.1 (13.7)	20.0 (19.1)	17.8 (17.6)	3.1 (11.4)	100 (15.1)
7. Transport and communication	82.3 (9.8)	17.7 (6.5)	100 (9.0)	4.6	56.6 (8.8)	19.8 (12.7)	20.6 (13.7)	3.0 (7.1)	100 (10.1)
8. Finance and Real Estate	56.0 (6.0)	44.0 (14.6)	100 (8.1)	1.3	30.0 (3.2)	26.7 (11.7)	34.3 (15.6)	9.0 (15.3)	100 (6.9)
9. Community + Social Services	70.0 (18.8)	30.0 (25.1)	100 (20.3)	2.3	62.0 (19.8)	17.5 (23.0)	17.5 (23.8)	3.0 (15.8)	100 (20.7)
Not Stated	42.0	58.0	-	-	48.3 (0.6)	43.2 (2.1)	7.2 (2.1)	1.3 (0.3)	100 (0.8)
TOTAL	75.6 (100)	24.4 (100)	100 (100)	3.1	64.0 (100)	15.8 (100)	15.2 (100)	4.1 (100)	100 (100)
TOTAL NUMBERS	62530	20096	82626		46999	11392	11028	2967	72386

Note = ( ) Represent column percentage
Source= ESTABLISHMENT SURVEY 1992/1993. Ministry of Labour and Human Resources Development.
Note = Information on ethinicity (race) is available for 72386 employees only.

APPENDIX TABLE NO:9

Establishments and Employment by Sex and Size of Establishment

INDUSTRY	1 - 4 EMPLOYEES				5 - 50				51 - 100				ABOVE 100			
	N	T	M	F	N	T	M	F	N	T	M	F	N	T	M	F
Agriculture	553	1506	1255	251	703	7021	5578	1443	5	310	268	42	7	1646	1444	202
Mining	2	7	4	3	15	282	264	18	6	425	384	41	8	12646	11854	792
Manufac-turing	35	92	59	33	139	2328	1769	559	14	942	760	182	21	5167	4036	1131
Electricity + Gas	8	24	21	3	16	200	183	17	1	78	60	18	2	2478	2307	171
Construc-tion	24	41	38	3	43	731	696	35	5	340	333	7	11	2175	2122	53
Trade/ Hotels	277	757	381	376	609	8421	4811	3610	22	1511	885	626	13	2509	1376	1133
Transport/ Communica-tion	11	25	20	5	39	647	509	138	6	323	282	41	9	6419	5294	1125
Finance, Real Estate	76	204	103	101	196	3200	1627	1573	19	1323	840	483	12	1983	1189	794
Community + Social	141	390	213	177	282	4063	2583	1480	20	1407	906	501	26	10920	8040	2880
Not Stated	5	14	5	9	6	71	31	40	-	-	-	-	-	-	-	-
Total	1132	3060	2099	961	2048	26964	18051	8913	98	6659	4718	1941	109	45943	37662	8281

Source = Establishment Survey 1992/93 MLHRD

Note (1) = N = Number of Establishment
T = Total Employees
M = Male
F = Female

Note (2) = Eithty Establishments did not report employment hence the total number of Establishments is 3387 while the total employment is 82626.

Appendix Table No.10

Number of Establishments by Industry by Type of Problems in Expansion of business

INDUSTRY	Lack of Capital	Shortage of Raw material	Inadequate Market	Lack of Marketing Facilities	Lack of Manpower	Other	Total Responses
Agriculture	772 (60)	428 (33)	552 (75)	474 (37)	468 (36)	565 (44)	3259
Mining	17 (55)	14 (45)	24 (77)	14 (45)	17 (55)	18 (58)	104
Manufacturing	142 (67)	108 (51)	132 (62)	112 (53)	120 (57)	82 (39)	696
Electricity/ Gas	15 (55)	10 (37)	10 (59)	12 (44)	12 (44)	15 (56)	74
Construction	39 (45)	25 (17)	28 (32)	21 (32)	32 (37)	33 (38)	178
Trade/Hotels	555 (58)	391 (71)	514 (54)	433 (46)	447 (48)	356 (38)	2696
Transport/ Communication	30 (45)	22 (49)	36 (54)	26 (63)	30 (45)	24 (36)	168
Finance and Real Estate etc.	127 (40)	61 (24)	139 (44)	99 (32)	170 (54)	134 (74)	730
Community and Social Services	241 (51)	133 (39)	160 (50)	136 (29)	192 (41)	153 (32)	1015
Not Stated	5	2	5	3	3	5	23
Total	1943 (56)	1194 (34)	1600 (46)	1330 (38)	1491 (43)	1385 (40)	8943

Note: 1. Parenthesis report the percent of establishment of the respective industrial category reporting the problem.
2. Since one establishment may report more than one problem hence the grand total will reflect the number of responses.

Appendix Table No: 11

Monthly wage by Employment

Monthly wage N$	No. Esta-blish-ment	EMPLOYMENT			Ave monthly wage N$
		Male	Female	Total	
<100	147	1023	865	1888	51
101-200	292	1755	1080	2855	154
201-300	478	2441	976	3417	251
301-400	364	2090	586	2676	353
401-500	258	3350	1127	4477	471
501-750	358	3582	1334	4916	620
751-1000	230	4326	1765	6091	885
1000-1500	314	10917	3162	14079	1266
1501-2000	194	8357	2241	10598	1768
2001-3000	245	8769	2874	11643	2483
3001-5000	118	10519	2076	12595	3360
Above 5000	28	2025	618	2643	6223
TOTAL	3026	59154	18704	77858	1761

Source : Establishment Survey MLHRD 1992/93

Appendix Table No. 12

Ethnic composition of Employed by Average monthly wage levels

Average monthly wage - Level	BLACK	COLOURED	WHITE	NON-NAMIBIAN	TOTAL
1 - 300	81 (15)	13 (10)	4 (4)	2 (5)	100 (12)
301 - 750	85 (30)	11 (16)	3 (4)	1 (7)	100 (23)
751 - 2000	69 (34)	19 (41)	10 (22)	2 (16)	100 (33)
2000 - Over	43 (21)	15 (33)	33 (70)	9 (72)	100 (32)
TOTAL	65 (100)	16 (100)	15 (100)	4 (100)	100 (100)

Note = 1. Average wage is worked out on the basis of wages reported for an occupational category by the establishment.

2. Information used in this table pertains to 61669 employees only, as provided in response to Q.11 on employment by occupational categories alongwith monthly wages and ethnicity.

Appendix Table No: 13

Average Monthly wages by occupation and Type of organization of Establishment

TYPE OF ESTABLISHMENT	OCCUPATIONS									
	Senior off. + Managers	Professionals	Technicians, Associated Proffessionals	Clerical	Service + sale worker	Skilled Agricultural worker	Craft + Related worker	Plant + Machine operator	Elementary occupations	Highest to lowest Ratio
1. Government	6328	3030	2329	1939	928	1818	2654	1243	522	12.1
2. Parastatal	7287	5074	4671	2160	1848	3015	1800	1866	910	8.0
3. Public Limited	6106	5672	4558	2018	1765	759	4222	3163	1014	6.0
4. Private Limited	5907	5434	3559	1715	1321	788	2327	1989	750	7.9
5. Cooperative	6923	6091	4312	2248	1427	-	2256	2911	871	7.9
6. Partnership	4005	4217	2431	1643	883	638	1552	1029	563	7.1
7. Sole owner	2218	2123	1464	869	721	440	1245	938	377	5.9
8. Others	3479	1581	1386	1756	533	594	967	1139	437	8.0
Total excluding Government and Parastatal	5114	4324	3184	1700	1001	736	2264	2062	613	8.0

Source = Establishment Survey MLHRD 1992/93

Note (1)= Highest to lowest ratio in the last column of the table is worked out at the highly aggregated level of occupational category, hence needs to be interpreted carefully.

(2)= The table is based on the occupational information for 62394 employees.

(3)= Number of skilled agriculture information worker are few for Government and Parastatal being 32 and 20 respectively.

Appendix Tab No. 14

Average wages by Industry and Type of Organization of Establishment

	TYPE OF ESTABLISHMENT								
INDUSTRY	Govern-ment	Parastatal	Public limited	Private limited	Coope-rative	Partner-ship	Sole owner	Others	Total
1. Agriculture and Fisheries	1070	1176	1236	521	2538	339	315	439	586
2. Mining	-	-	6080	2696	2497	2604	807	871	3001
3. Manufacturing	-	1503	851	1446	1121	867	712	762	1201
4. Electricity Gas and Water	1655	3466	-	2062	1725	1400	712	-	2138
5. Construction	1067	-	1440	952	-	2078	736	521	1043
6. Trade and Hotels	630	1388	2026	1514	1980	889	664	952	1166
7. Transport	-	1525	1902	2009	1087	1333	1062	1800	1588
8. Finance and Real Estate	2947	2786	3306	2691	1955	2409	1187	2396	2677
9. Services	1854	3102	617	1541	-	878	1002	832	1956
Total	1773	2240	3388	1952	2069	1178	582	1043	1761

Source = Establishment Survey MLHRD 1992/93

Note = The table is based on wages reported for 77858 employees in response to Q.9 seeking information on total employment and employment cost.

APPENDIX II

MULTIVARIATE ANALYSIS OF WAGE STRUCTURE IN NAMIBIA

Research on wage policy issues is almost non-existing in Namibia. The importance of such research studies can hardly be emphasized given that some of the Namibia's pressing problems - underutilization of its human resources, the distribution of income and rural-urban migration are influenced by wage levels and structure. Policies designed to cope with these problems will in most cases operate through changes in the level of wages in various branches of the economy. Admittedly, the structure of wages lends itself to few simple generalization because labour is not an homogeneous commodity. Wage levels tend to vary across regions, skill groups, and economic sectors as well as within sector among sub-sectors.

In this exercise just one facet of wage structure, the pattern of wage differentials at the establishment level in the formal sector of Namibia, is investigated. Needless to mention that conclusions drawn from empirical research are invariably tentative because the quality of data can not be ensured. In this exercise more than standard disclaimer is warranted because the non-availability of alternative source of information has precluded consistency checks of our data.

The determinants of inter-establishment wage differentials

The market forces involved in the process of wage determination are simply the unfettered competitive pressures of supply and demand. Workers acting individually, offer their services and employers bid for labour services in accordance with labour's marginal contribution to output. Non-market forces can interfere with the perfectly competitive determination of wages in various ways. Both workers and employers may collude to alter wage levels through concerted actions often sanctioned by law. Minimum wage legislation can place a floor below which wages are not permitted. Occasionally, exogenous factors may cause wages to be pegged to some outside standard unrelated to local supply and demand conditions.

In the section IV of the report, the wage structure has been examined in relation to a number of variables such as industry, size of the establishment and occupations. These bivariate cross-tabulations provided some insights into the process of wage determination at the level of establishment. This line of enquiry is further extended using multivariate regression analysis which may confirm or modify the bivariate associations discussed earlier.

Independent variables:

Whilst the average wages at the establishment serve as dependent variable, Industrial Category, Capital intensity, Output per labour and employment composition in terms of sex and ethnicity of the establishment are used as independent variables. Skill composition of the workers is of obvious relevance for any exercise aimed at understanding the factors associated with wage

determination. Independent information on skills being non-existent at the establishment level, the same is simulated through occupational composition of the work force. The results are reported in the table and discussed below.
The multiple regression results reported in the table, suggest that around 50% of the variance in the average wages at the establishment level, is explained by the semilogrithmic equation fitted to the data. Major findings are briefly summarized below.

1. All the independent variables used in the equation, have expected direction of association and acquire statistical significance. In addition, all the bivariate relationships pertaining to wages discussed in the section IV with - stood the test of multivariate empiricism.

2. Both the labour productivity and capital per labour are positively associated with wage level of the establishment controlling for all the remaining variables in the equation.

3. Size of the establishment bears upon its wage level. For instance, according to this equation the average wage is 60% higher in the case of the employment size being over 100 than if the same is less than 50 employees.

Table

Multiple Regression Results

INDEPENDENT VARIABLE	DEPENDENT VARIABLE LNW	
	REG. COEFF.	T VALUE
1. Intercept	3.14	37.6
2. Output/Labour	0.0002	7.64
3. Capital/Labour	0.00001	2.49
4. Black/Total Employed	- 0.14	- 3.4
5. Male/Total Employed	0.52	5.9
6. Size (of Employment) Dummy variable =1 if size (51-100) otherwize zero	0.22	1.91
7. Size (100+) Dummy variable =1 if size (100+)	0.60	5.39
INDUSTRIAL DUMMY VARIABLES		
8. Mining= 1 otherwise zero	1.04	5.3
9. Manufacturing= 1 otherwise zero	0.56	5.4
10. Elec/Gas= 1 otherwise zero	0.86	3.7
11. Construction= 1 otherwise zero	0.36	2.7
12. Trade/Hotel= 1 otherwise zero	0.76	12.4
13. Transport= 1 otherwise zero	1.00	6.2
14. Finance/R.Estate= 1 otherwise zero	1.06	11.3
15. Community/Social Services= 1 otherwise zero	0.77	9.9
OCCUPATIONAL RATIOES		
16. Senior Officials/ Managers/Employed	1.11	7.2
17. Professionals/Employed	1.12	9.4
18. Associate Profes- sional and Techni- cians/Employed	0.23	2.0
ADJUSTED R.SQUARED	0.49	
DF = DEGRESS OF FREEDOM 1574		
F VALUE	60	

Note = 1. In case of Industries Agriculture is the excluded category

2. Dependent variable is Average wages for establishments in Natural Logrithams.

Industrial differentials

In comparison to excluded industrial category of Agriculture, establishments in the three industries; Mining, Transport and Finance and Real Estate on the average, pay over 100% more than the establishments in Agriculture. Inter-industrial comparison of the regression co-efficient indicates that both manufacturing and construction command lower level of edge over Agriculture than the remaining industrial categories. The average wage at establishment level in Agriculture, however, are the lowest even if one accounts for other variables as detailed in the equation.

Occupational differentials

The occupational categories used to proxy (though imperfect) the level of skill used in the establishments reflect a premium for higher level of qualification. The regression co-efficient suggest that a rise in the relative proportion of the two top occupational categories increases the average wages of the said establishment.

Sex Ratio and ethnicity

The regression results confirm the findings discussed already regarding representation of female and blacks in the different wage groups. As indicated in the table, the higher the ratio of black to total employment in an establishment, the lower the average wage controlling for other variables. Similarly, establishments having higher level of male representation in their workforce, are associated with higher level of wages.

A major objective of the above cited multiple regression, was to get statistically robust results thrown up by bivariate cross-tabulation. That, these are confirmed, is a source of satisfaction. Given the importance of wage policy issues and particularly often cited labour market segmentation and discrimination which is also borne out by the regression results based on inter establishment wage differentials, there is a need to collect wage and other related information on workers along with the job characteristics through specially designed wage surveys for further investigation.

Mr. H. Shityuwete Ext. 2057

DD/DMP/09/A

Dear Sir/Madam

MANPOWER SURVEY AND ESTABLISHMENT OF LABOUR MARKET INFORMATION SYSTEM IN NAMIBIA

The Government of Namibia is very concerned about the current high level of unemployment and widespread underemployment of its workforce. It is government policy to promote renumerative and productive employment opportunities while at the same time encouraging efficient utilisation of the country's human resources.

It has, therefore, been decided that a nation-wide establishment and employer survey be carried out to collect information on employment, earnings, and other labour market related information about your establishment. Please complete the attached questionnaire and return in the enclosed envelop as soon as possible. It should be noted that these statistics are collected in collaboration with Central Statistical Office under the Statistics Act, No.66 of 1976. I assure that your answers will be treated in strict CONFIDENCE, as required under the Act and used for planning purposes only.

This questionnaire is being distributed to all employers and establishments throughout Namibia. For the purpose of the exercise, an establishment is defined as an economic unit engaged in production of one or predominantly one good or service at a single location e.g. a farm, mine, workshop, hotel office or store. The actual situation may differ. However, the information provided by you will be deemed to pertain to a single statistical unit.

Thank you very much for your cooperation.

S. TULI HIVELUAH
PERMANENT SECRETARY

ESTABLISHMENT SURVEY

FORM I

ESTABLISHMENT SURVEY - QUESTIONNAIRE

TO BE COMPLETED BY EMPLOYER/MANAGEMENT

PLEASE WRITE IN BLOCK LETTERS

A. GENERAL INFORMATIION ABOUT ESTABLISHMENT

---

1. Name of Establishment/Ministry/Department

   ----

2. Location: Region--------------------District-------------

   Town--------------------Locality/Street------------------

3. Postal Address ---------------Tel. -------------Fax.------

4. Type of Establishment (please tick)

   1. Government
   2. Parastatal/Semi Government
   3. Public Limited
   4. Private Limited
   5. Cooperative
   6. Partnership
   7. Sole Owner
   8 Other (specify)------------------------------------

5. Year when business/activity started--------- | 1 | 9 | | |

6. Nature of activity (describe the main product, activity or services provided by your establishment)

6.1 Major ------------------------------------ | | | | |

6.2 Other Activities -------------------------- | | | | |

   ----

7. What is the number of normal working/operating days per week for the establishment? | | days.

7.1 What is the number of normal working/operating hours per day for the establishment? | | | hours.

7.2 If you operate on the basis of shifts, please indicate the number and hours per shift.

Number of Shift	
Hours per Shift	

B: **EMPLOYMENT STATUS AND EARNING OF EMPLOYEES**

> Please provide the following information on employees irrespective of whether this establishment is the headquarters or branch office. The information should relate to the situation in this establishment.

8. How many persons are working in this establishment?

	Number
Males	
Females	
TOTAL	

9. What was the total remuneration or employment cost of the establishment for the last accounting year?

Wages and Salaries (Rand)	
Cash and Non Cash Benefits (Rand)	
Other (specify)	
TOTAL	

10. Please indicate category of employees by nationality and sex:

Category of Employees (Status)	NAMIBIANS						NON-NAMIBIANS		TOTAL
	Males			Females			Males	Females	
	B	C	W	B	C	W			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
a. Permanent Staff									
b. Temporary Staff									
c. Seasonal Workers									
d. Casual Workers									
e. Others (specify)									
TOTAL									

Note: B = Black
C = Coloured
W = White

C: <u>DISTRIBUTION OF EMPOYEES BY JOB TITLE/OCCUPATINAL CATEGORY</u>

11. Please indicate below the number of employees by job title/occupational category. Employees who are temporarily absent because of sickness or othe reasons but on the payroll should be included.

JOB TITLES	Required minimum qualification 1. Post Graduate 2. Degree 3. Diploma 4. Certificate 5. Other	N A M I B I A N S						NON NAMIBIAN		TOTAL		How many with less than required qualifications		SALARIES AND WAGES PAID IN AUGUST 1992	
		M			F			M	F	M	F	M	F	Gross Salary & wage including Alowances	Non Cash Benefit
		B	C	W	B	C	W								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11	(12	(13)	(14)	(15)	(16)

(attach additional papter if necessary)

D: VACANCY AND STAFF TRAINING

12 Please indicate below the existing vacant positions by job title/occupation and minimum required qualification.

FOR OFFICIAL USE (1)	JOB TITLES (2)	Total Number (3)	Minimum Requirements: Academic qualification 1. Post Graduate 2. Degree 3. Diploma 4. Certificate 5. Other (specify) (4)	Minimum Requirements: Experience in Years (5)	Reasons for not filling post 1. lack of trained manpower 2. low economic activity 3. recruitment procedures 4. Other (specify) (6)

(attach additional paper if necessary)

13. Does this establishmen make any provision for training of its staff?

Yes ☐ No ☐

14. If Yes, what kind? (please tick)

1. Own Training Institution
2. Apprenticeship
3. Sponsorship to other training institution
4. Other (specify)

E: FUTURE EMPLOYMENT SITUATION

15. How do you expect employment level in your establishment to change over the next one year?

Decrease [1] Remain the same [2] Increase [3]

16. If activities of your establishment are expected to increase, please indicate four (4) major job titles for which more staff will be needed.

Official Use	JOB TITLE	Number

17. Which of the above occupations, in your opinion, will be most difficult to fill?

----

18. Please list below those occupations in which you have experienced in the last year labour turn-over i.e engagement (appointments) and separations (termination of jobs by employer, leaving jobs by employees on their own or for other reasons such as retirement, migration, death etc.).

Official Use	Job Title	Number Hired	Number Left

19. Please indicate the major problems in expanding your business or activity. Please rank them in order of importance i.e 1= most important.....6= least important.

    Lack of capital ☐
    Shartage of raw material ☐
    Inadequate market for product ☐
    Lack of marketing facilities ☐
    Lack of skilled manpower ☐
    Other Reason (specify) ☐

20. Do you consider any goernment regulation adversely affecting the expansion and employment creation potential of your business?

    Yes ☐ No ☐

21. If Yes, please mention the specific government regulation(s).

F: FINANCIAL POSITION AND ASSETS

22. Does this establishment keep its own account?

    Yes ☐ No ☐

> Even if your establishment does not keep its own account, please answer the following questins giving your best estimates.