



Namibia 2023 Labour Force Report

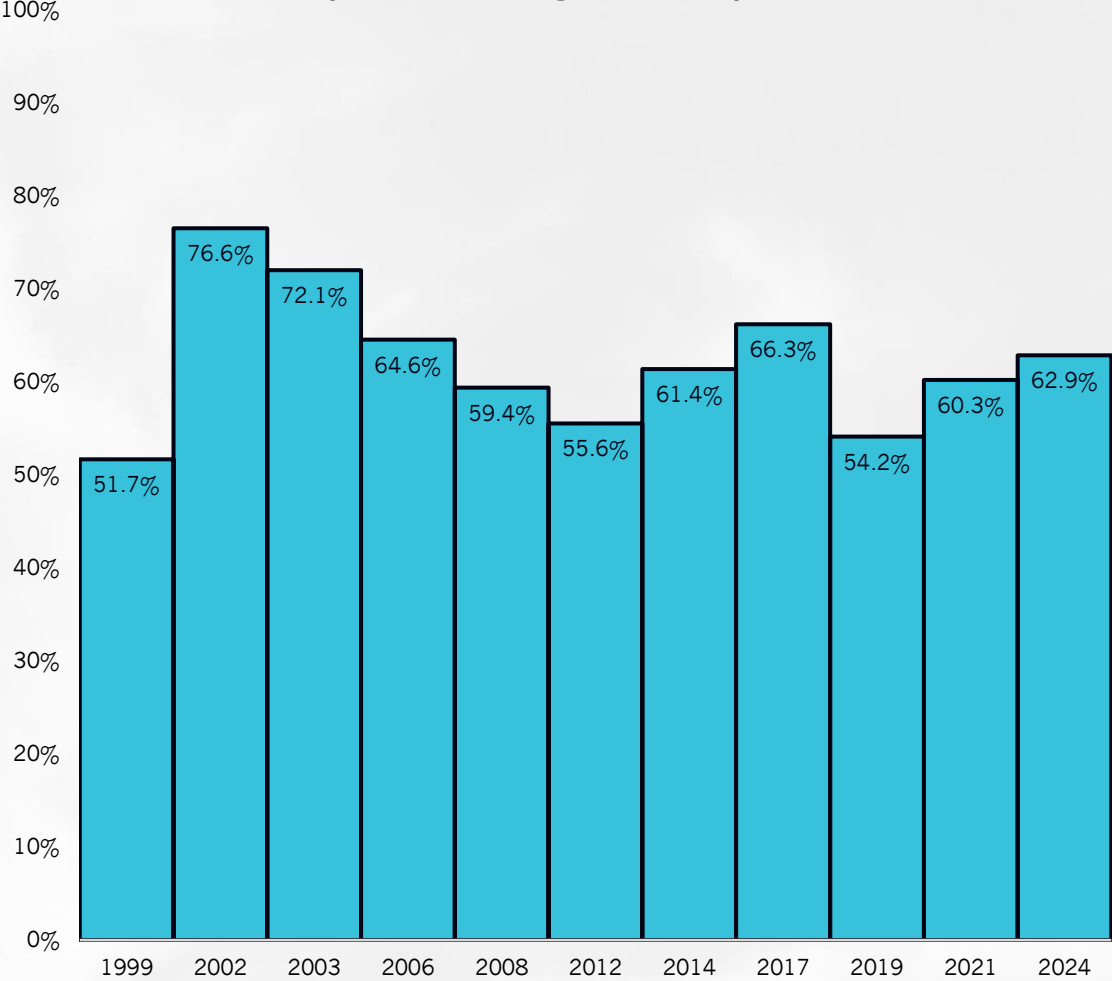
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31 Jan '25

Background: Pre-Release



Afrobarometer: Unemployment as a Main Issue (% of Respondents Stating as 1 of 3 Options)



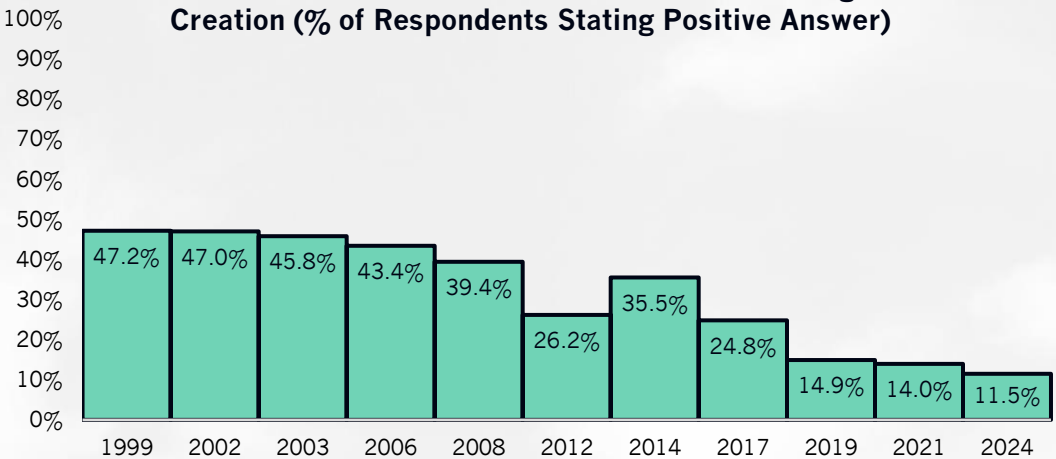
For the first time since '18, the Namibia Statistics Agency (NSA) has released data on the Namibian labour force.

While the population has long awaited the next release, Afrobarometer has collected Namibian opinions on the topic.

Since the '18 release, the percentage of respondents stating this as one of the most important problems government must address has gradually increased.

As for opinions on how government is handling job creation, the percentage of respondents stating 'fairly well' or 'very well' has gradually declined to an all-time low of 11.5% in '24.

Afrobarometer: Confidence in Government Handling Job Creation (% of Respondents Stating Positive Answer)





Key Labour Force Statistics

Indicators	2018	2023
Total Population	2,413,643	3,022,401
Working Age Population (15+ years)	1,531,967	1,876,122
Employed	725,742	546,805
Unemployed (broad definition)	364,411	662,373
Unemployed (strict definition)	179,292	320,442
Labour Force (broad definition)	1,090,153	1,209,178
Labour Force (strict definition)	905,034	867,247
Potential Labour Force (discouraged jobseekers)	185,119	341,931
Rates		
Labour Force Participation Rate (broad)	71.2%	64.5%
Labour Force Participation Rate (strict)	59.1%	46.2%
Employment to Population Ratio	47.4%	29.1%
Unemployment Rate (strict)	19.8%	36.9%
Unemployment Rate (broad)	33.4%	54.8%
Youth (15-34 Years)		
Youth Population	876,908	1,018,529
Employed	310,854	252,886
Unemployed (broad)	265,770	401,599
Unemployed (strict)	131,357	202,144
Labour Force (broad)	576,624	654,485
Labour Force (strict)	442,150	455,030
Potential Labour Force (discouraged jobseekers)	134,474	199,455

Since '18, the working age population increased by 22.5%, while the broad labour force increased by 10.9%. The youth makes up 54.1% of the labour force, up from 52.9% in '18.

The NSA classifies the **Potential Labour Force (PLF)** as those who either:

- Sought employment during the preceding seven days of the survey but were unavailable for immediate employment for a specific reason, **but were expecting to become available within the next two weeks**. This group makes up 3.2% of the PLF.
- Did not seek employment during the preceding seven days, **but wanted employment and were available**. This group makes up 96.8% of the PLF.

Thus, NSA still considers 'discouraged workers' as **those who did not seek employment during the reference period (preceding seven days) but nonetheless wanted employment**. It is therefore erroneous to exclude this group from the unemployment category, as they are still seeking employment in the foreseeable future.

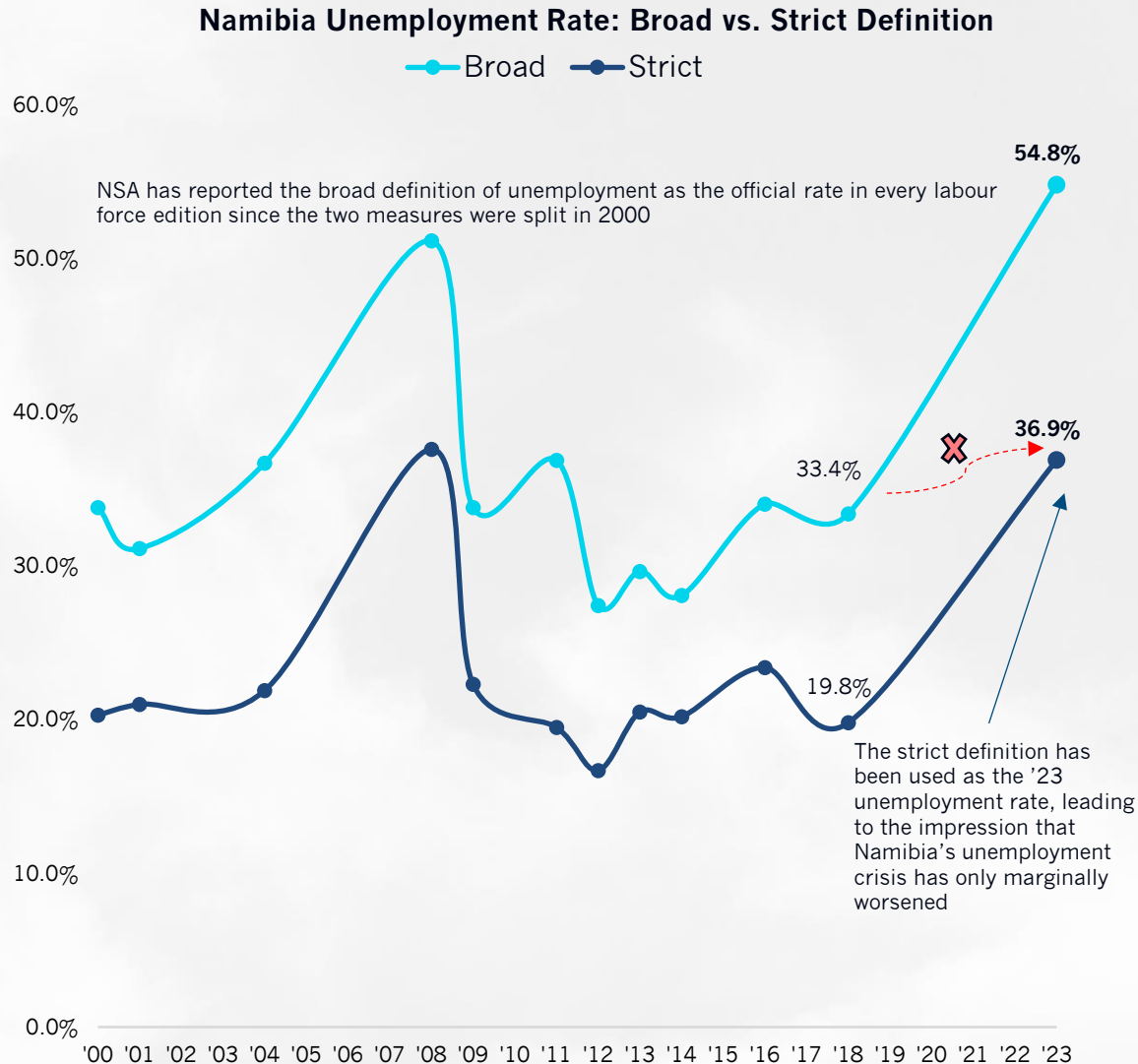
There is no specific indication of the number of individuals who *genuinely* do not seek employment going forward. The NSA classifies a separate group outside of the labour force as those who "do not want employment", which 666,944 individuals fall under. However, 579,048 (86.8%) of this group are occupied with studies, family responsibility, are ill/injured/disabled or are retired/pensioners.

A separate group under this is categorised as those who "do not want employment" due to "other reasons". Part of this group may thus include those who genuinely do not seek employment.

Note that the criteria for "actively seeking employment" is stated as that which was done during the reference period (preceding seven days) on the final report, although the questionnaire form states four weeks. No mention of four weeks is made in the results/descriptions.



Unemployment: Broad vs. Strict



Namibia's broad unemployment rate has increased from 33.4% in '18 to a staggering 54.8% in '23, while the strict unemployment rate has increased from 19.8% to 36.9%.

However, for the first time since Namibian unemployment rates have been split between the two definitions, the Namibia Statistics Agency (NSA) has reported the strict rate as the headline unemployment rate, erroneously citing an increase from 33.4% to 36.9%.

- This would be the equivalent of reporting a substantial improvement in GDP growth, without disclosing that the comparison is '23 real growth vs. '24 nominal growth.

The broad definition is now referred to as the 'Combined Rate of Unemployment and Potential Labour Force (CRUPLF)'. This includes discouraged jobseekers (and a small number of active jobseekers who were unavailable to work at the time of the survey), which is the standard used by Namibia, SADC nations, those in the African Union, and other developing nations.

National Planning Commission, 2020: "Namibia uses the broad definition which relaxes the requirement that a person actively looked for work. This is considered a better measurement and is very useful in developing economies such as Namibia, where work opportunities are limited, and potential workers may give up after an unsuccessful period of looking for work. *The Namibia Labour Force Survey makes use of the broad definition of unemployment.*"

For comparative purposes, the CRUPLF is simply referred to as the broad unemployment rate in this report, and is the main unemployment indicator to assess the change since '18.



Classification of the Labour Force

The '23 labour force now only refers to those who were either employed **during the reference period of seven days prior to the survey** or who actively sought employment. The traditional labour force classification is replaced with the *extended labour force*, which is the population used to calculate the broad unemployment rate (or the CRUPLF) in each NLFS edition before '23.

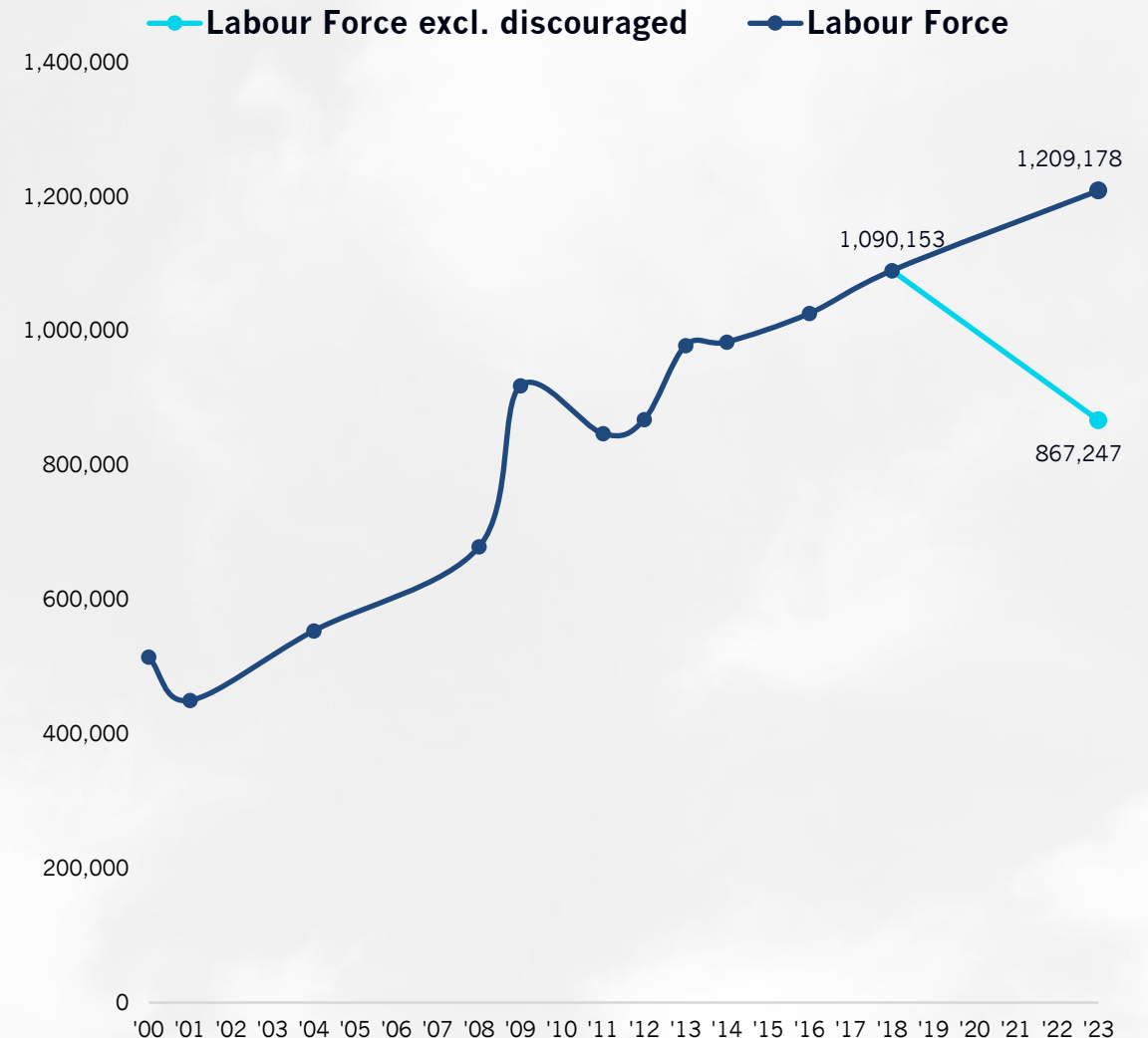
The labour force participation rate (LFPR) is thus reported to have fallen from 71.2% in '18 to just 46.2% in '23. However, under the traditional measure, the '23 LFPR is 64.5%.

Those outside the labour force include those who are studying, those occupied with family responsibilities, retirees and pensioners, those with illness, injury or disability, and other reasons.

The NSA classifies this category as those who “do not want a job”, with a definition in the comprehensive report stating: “these individuals explicitly indicate that they are not interested or available for a job due to various reasons”.

This is not necessarily true. The questionnaire form is structured as follows:

- Q1: “In the past 7 days, did you do any of the following for at least one hour?”.
- If the respondent states subsistence farming or no work, the respondent will be led to another round counted as employment: informal, unpaid, or has a paid job/activity but was temporarily absent. If the respondent still does not state they have conducted any sort of income-generating activity:
- The respondent is asked if they have looked for employment/tried to start a business in the past four weeks. **Whether yes or no**, the respondent is then asked if they could start working within the next two weeks if a job/business opportunity became available.
- The respondent is asked which of the following best describes what they are mainly doing at present: studying, taking care of the home/family, and so on. This group falls out of the labour force.

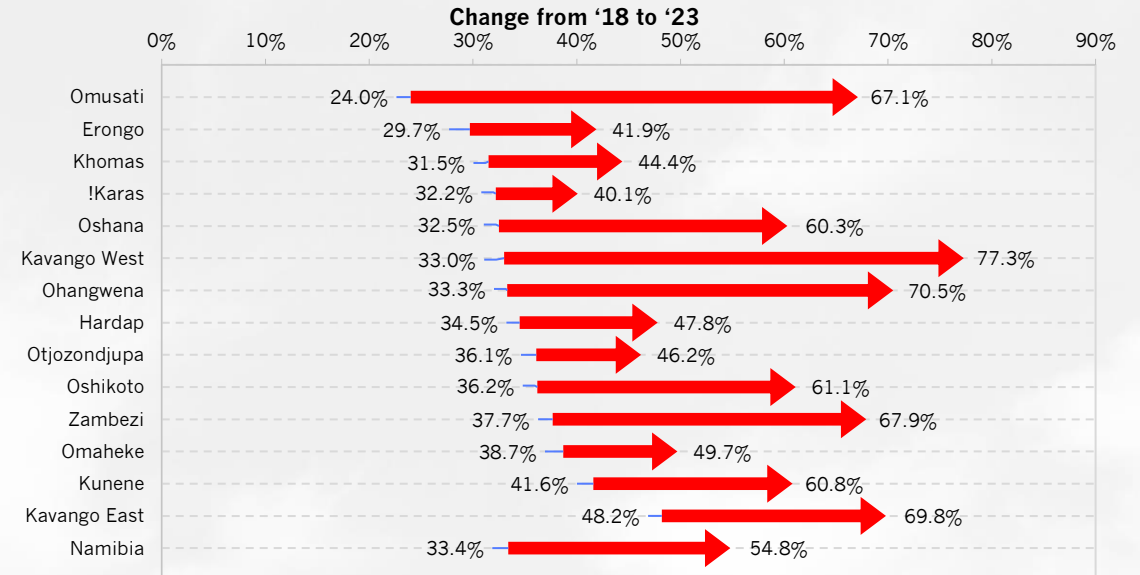


Map of South Africa showing the percentage of the population aged 15 years and over who are employed, by region. The values are displayed on the map, and the regions are color-coded according to the percentage.

Region	Percentage (%)
Western Cape	60.8
North-West	67.1
Free State	60.3
Northern Cape	70.5
North	61.1
Western	77.3
Eastern	69.8
South	40.1
Central	44.4
Eastern	49.7
Western	46.2

Note that own-use production work (such as subsistence farming) is no longer considered as employment. **However, this group is also not considered unemployed.** It remains a form of work, but is considered outside the labour force, alongside unpaid trainee work, volunteer work, and other work activities.

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Broad Unemployment Rate by Age

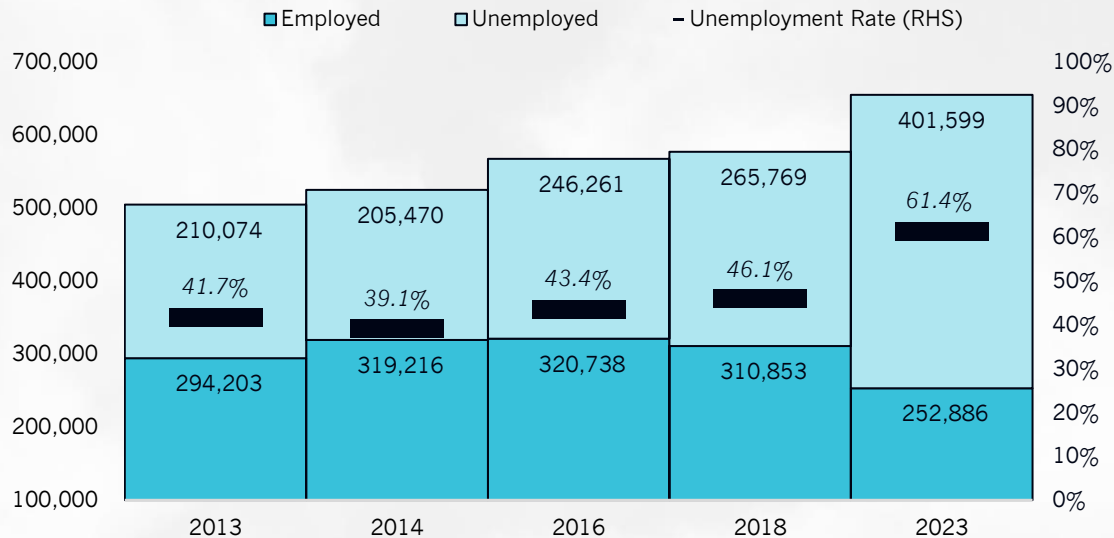
As age increases, unemployment drops steeply, and stabilises in the 30+ age group. Those aged 55-59 have the lowest broad unemployment rate at 41.6%.

Rural unemployment stabilises in the 20+ age group, although urban unemployment continues to drop steeply as age increases.

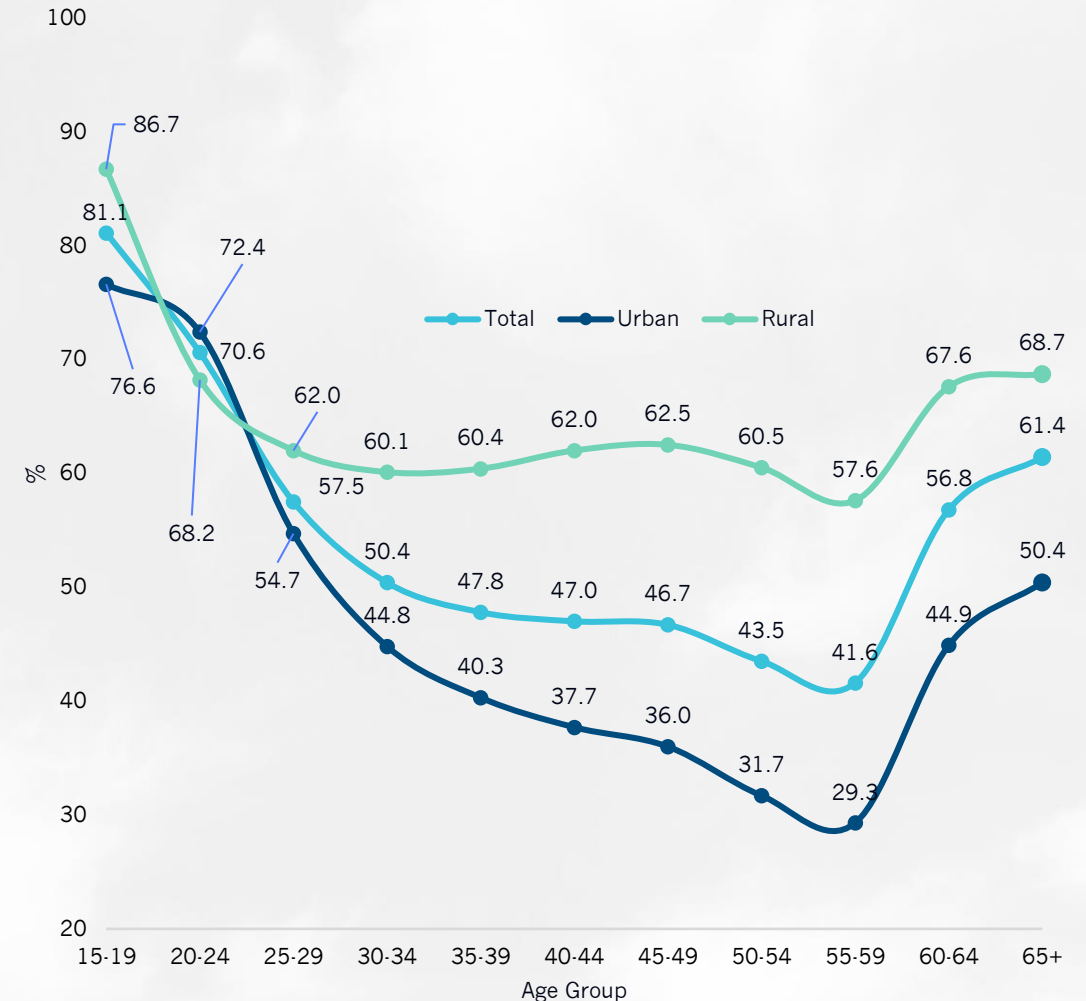
Those aged 60+ (but who are not retired) see a sharp increase in unemployment compared to the group aged 55-59.

The 15-19 age group who are not occupied by studies nor other reasons see a broad unemployment rate of 81.1%. This forms part of a relatively small group of all individuals aged 15-19, with the labour force participation rate at 10.7%. 41.9% of the youth are not in employment, education, or training (NEET).

Youth Employment and Broad Unemployment (Aged 15-34)

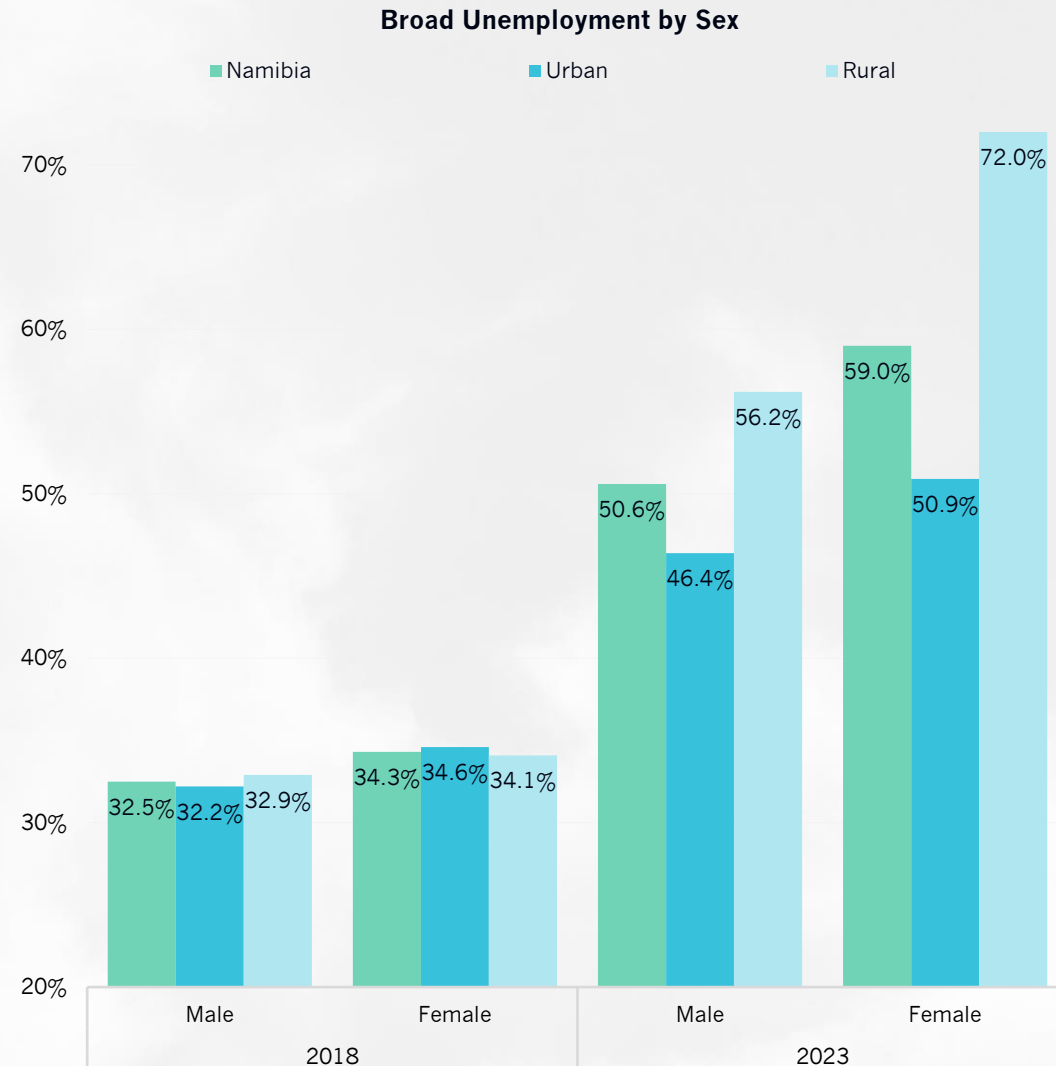


Broad Unemployment Rate by Age Group





Broad Unemployment by Sex

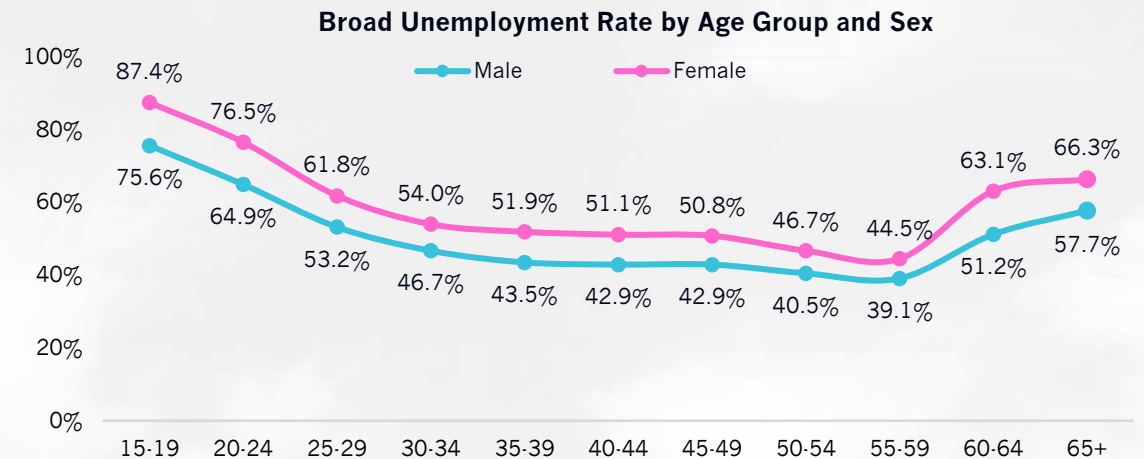


Female unemployment has risen significantly more than male unemployment. Male unemployment stands at 50.6%, compared to 59.0% for females.

The disparity is even greater in rural areas, where female unemployment stands at 72.0% compared to 56.2% for males.

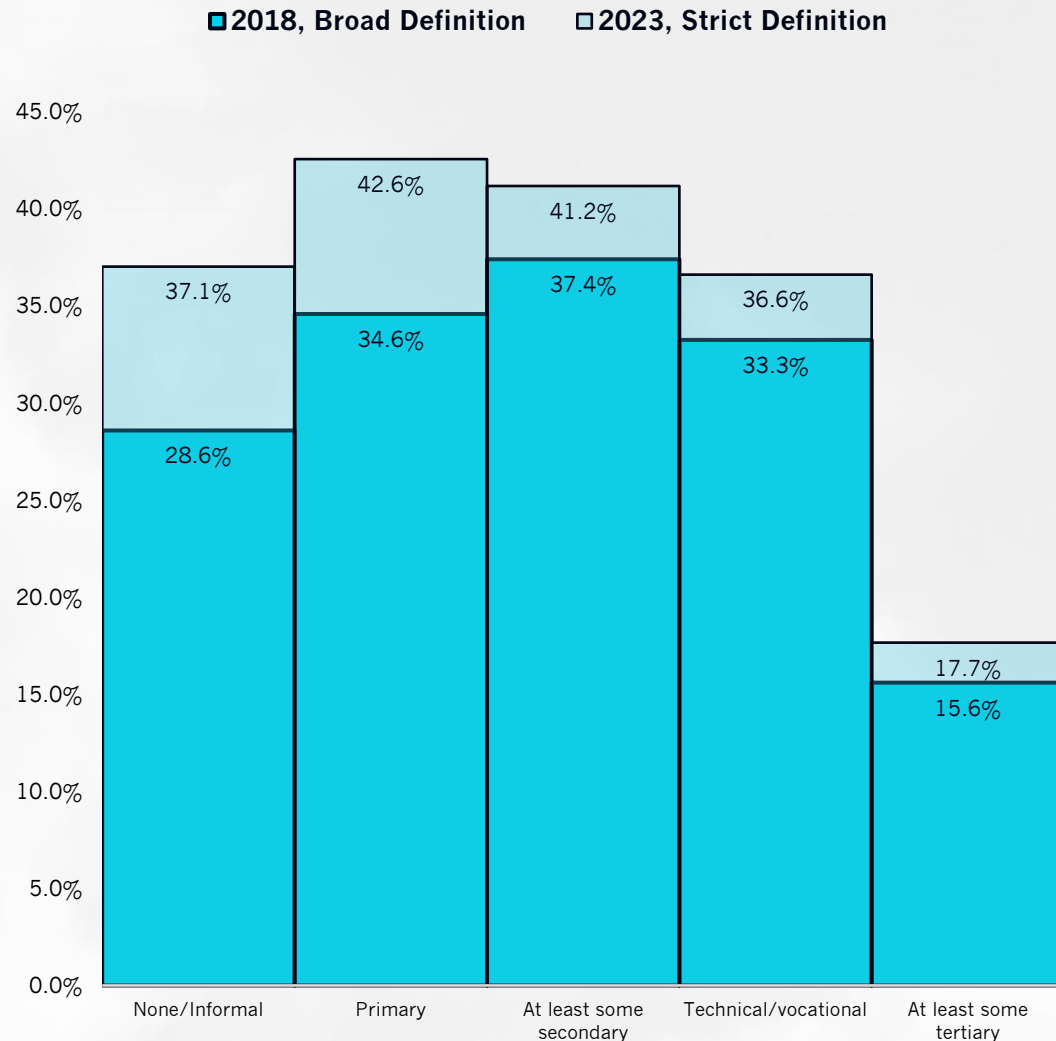
Female unemployment stands higher in each age category, with the same trend observed as age increases.

This is partially explained by larger employment losses in female-dominated industries, such as in accommodation and food services, where the number of employed persons fell by 65% compared to '18 due to a combination of the pandemic and weak domestic demand for tourism services.





Unemployment by Highest Level of Education Completed



Unemployment rates across all education categories have increased – even when comparing the '23 strict definition of unemployment against the '18 broad definition. The NSA has not included the broad definition across education categories in '23, but has also not included '18 employment by education under the strict definition.

Of those who are unemployed and have actively looked for employment in the preceding seven days following the survey, unemployment is greatest among those with only primary education. Little improvement is seen with those with at least some secondary education.

Those with technical/vocational education slightly improve their chances of employment, though a steep drop off is observed among those with at least some tertiary education.

Note: The 2023 NLFS reports education by simplified categories: e.g. "Primary", "Secondary", "Tertiary". The 2018 NLFS disaggregates this further, e.g. "Junior secondary" and "Senior secondary"; and "Completed year 1, 2, or 3 (in tertiary education)" and "University certificate, diploma, or degree". However, the respective groups are combined into one category in the 2023 report. The 2018 unemployment rate uses the broad definition, while 2023 uses the strict definition. Unfortunately, 2023 does not include this according to the broad classification.



Employment by Industry

The number of employed persons has declined by 24.7% from '18 to '23.

This is unsurprising. In the absence of labour force data, rough employment estimates could be derived by the size of the industry after '18 and the pandemic (see next page).

Namibia's post-COVID recovery has strongly been driven by the mining industry, with overall GDP topping '19 levels in '22. However, excluding the mining sector, real GDP has yet to recover. Sectors which were yet to fully recover in '23 collectively employed approximately two-thirds of the '18 labour force.

The agricultural sector saw employment decline by nearly half over this period, while employment in the accommodation and food services sector contracted by 64.7%. Wholesale and retail trade saw over 26,000 net job losses. These changes explain the disproportionate increase in female unemployment, now up to 59.0% compared to 50.6% for males.

Activities of households and undifferentiated producing activities of households for own use (e.g. domestic workers, gardeners and individuals producing food for household use) is down 40.2%.

Sectors which experienced an increase in employment include ICT (resilient through COVID-19, benefiting from work-from-home shifts and lockdowns and growing by 17.4% during '20), mining and quarrying (due to strong uptake in the two gold mines, Swakop Uranium, and a restarting of the Langer Heinrich Uranium mine), and financial services (growth in fund managers, insurance, microlending, etc. offsetting some shedding by banks).

Industry	2018	2023	'18 to '23 Change	% Change
Agriculture, Forestry & Fishing	167,242	88,277	-78,965	-47.2%
Mining & Quarrying	12,087	14,337	2,250	18.6%
Manufacturing	45,057	53,491	8,434	18.7%
Electricity, Gas, Steam & Aircon Supply	3,278	1,601	-1,677	-51.2%
Water Supply, Sewerage, Waste Management & Remediation Activities	4,095	2,379	-1,716	-41.9%
Construction	45,057	28,661	-16,396	-36.4%
Wholesale & Retail Trade, Repair of Vehicles	80,852	54,618	-26,234	-32.4%
Logistics	24,710	18,137	-6,573	-26.6%
Accommodation & Food Services	83,056	29,324	-53,732	-64.7%
ICT	7,141	8,164	1,023	14.3%
Financial Services	13,861	16,691	2,830	20.4%
Real Estate	1,050	1,011	-39	-3.7%
Professional, Scientific & Technical Activities	8,648	15,736	7,088	82.0%
Administrative & Support Service Activities	29,951	50,884	20,933	69.9%
Public Administration & Defence, Social Security	34,174	36,012	1,838	5.4%
Education	46,923	38,209	-8,714	-18.6%
Health & Social Work	19,527	18,448	-1,079	-5.5%
Arts, Entertainment & Recreation	4,910	3,175	-1,735	-35.3%
Other Service Activities	20,865	24,064	3,199	15.3%
Activities of Households, Undifferentiated Producing Activities of Households for Own Use	72,185	43,149	-29,036	-40.2%
Activities of Extraterritorial Organisations & Bodies	1,035	401	-634	-61.3%
Not elsewhere classified	37	36	-1	-2.7%
Total	725,742	546,805	-178,937	-24.7%

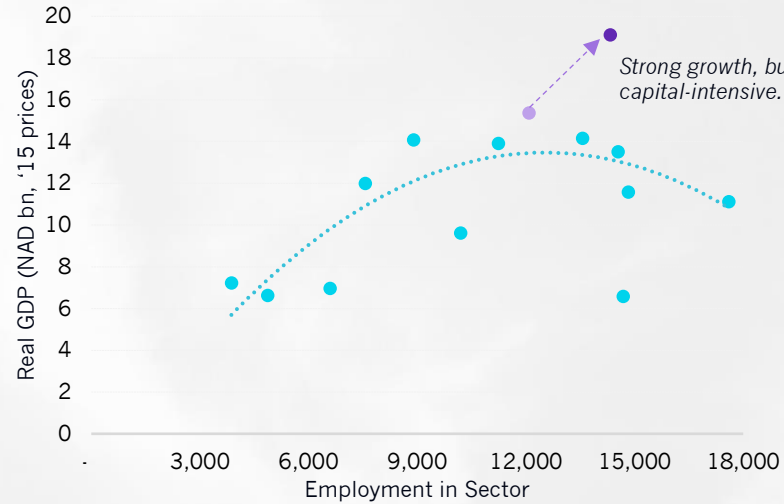
Source: Namibia Statistics Agency



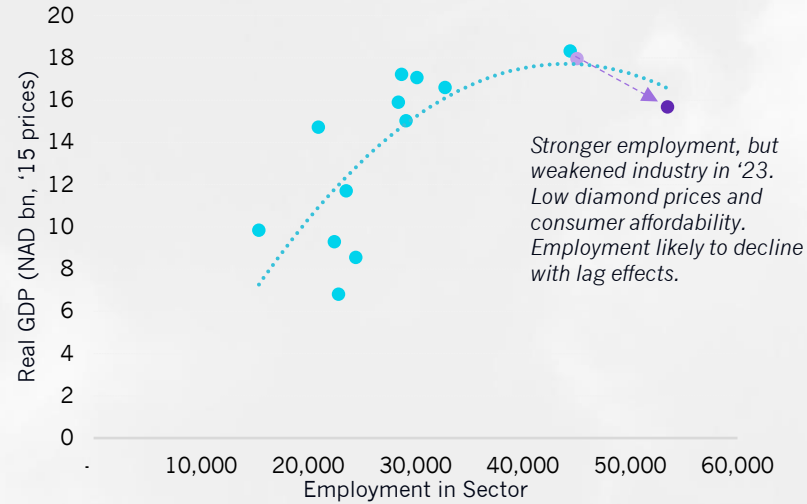
Employment and Sectoral GDP

● 2018 ● 2023 ● All other years where labour force data exists

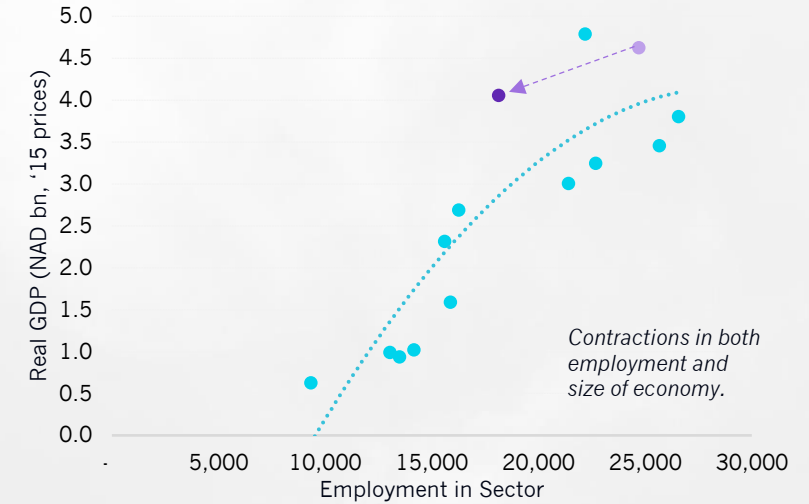
Mining & Quarrying



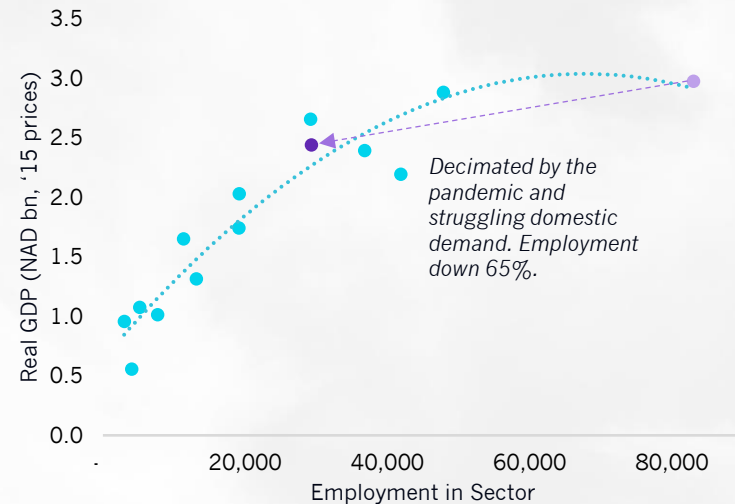
Manufacturing



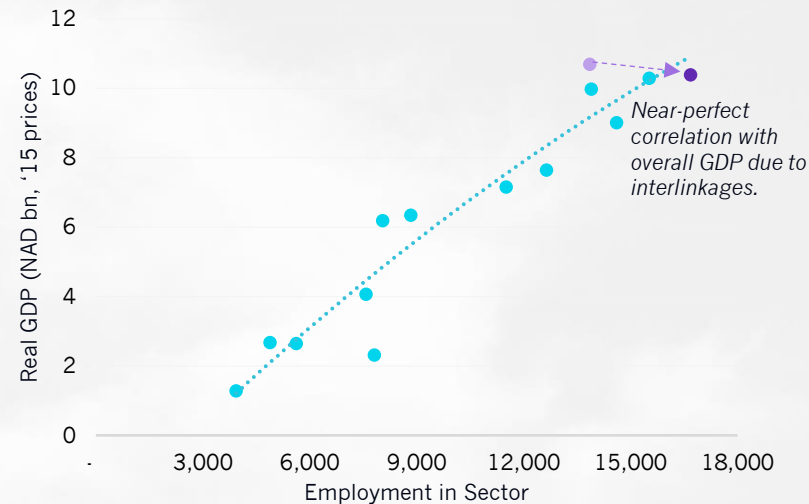
Logistics



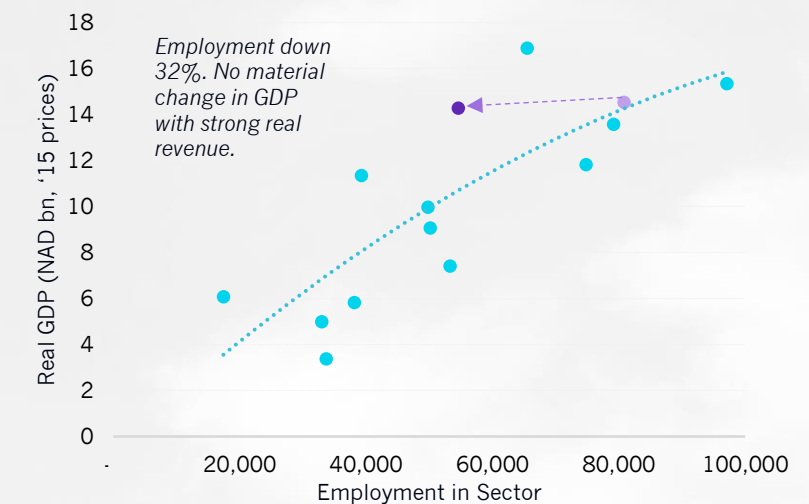
Accommodation & Food Services



Financial Services

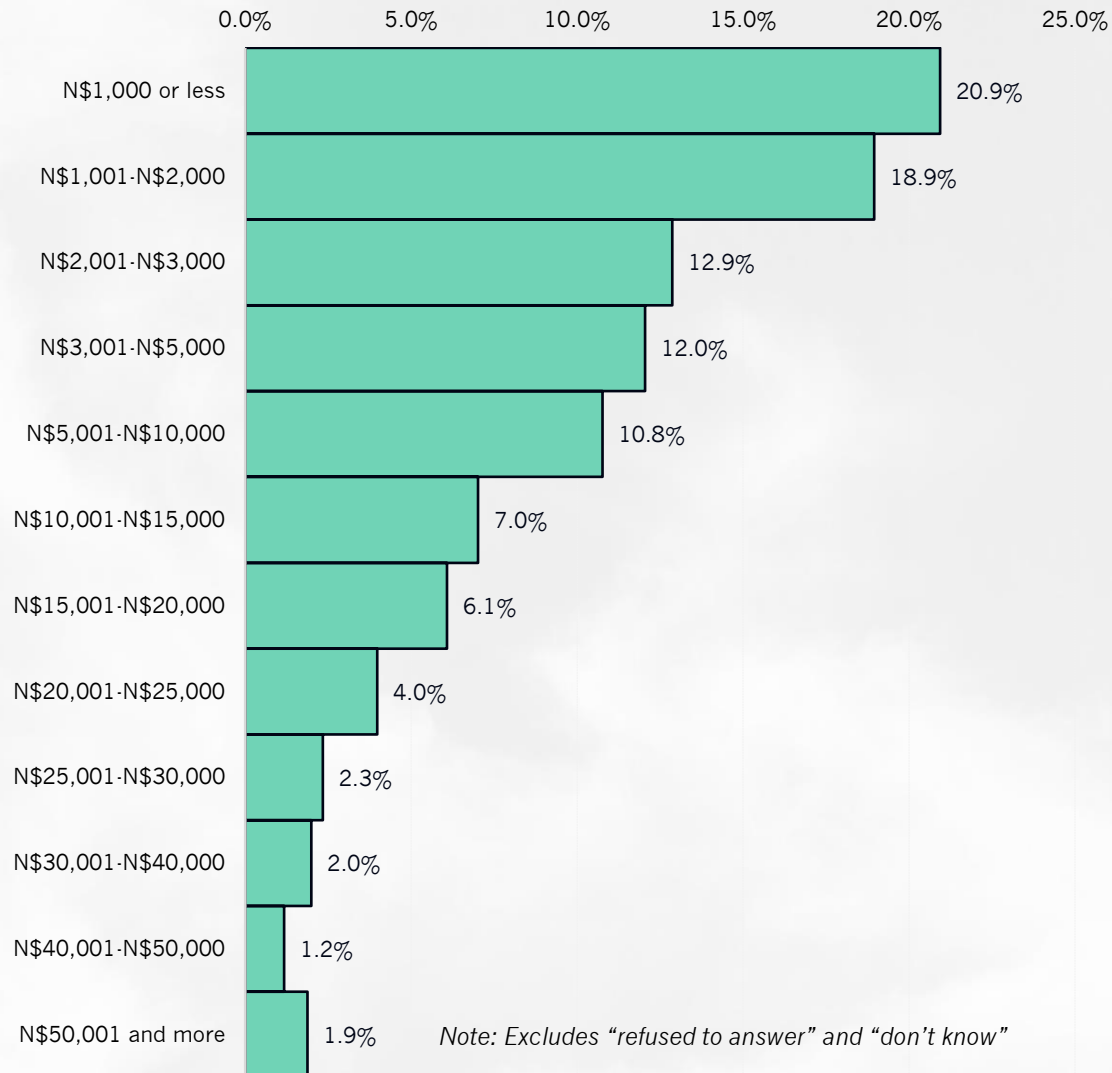


Wholesale & Retail Trade





Employed Population by Monthly Salary/Income



When employed respondents were asked about their monthly gross salary/income, the most common responses fell in the bracket of N\$1,000 or less.

After excluding those who did not give a concise answer ("refused" or "don't know"), 20.9% reported an amount in this bracket. 64.5% of the analysable group earned less than N\$5,000 per month.

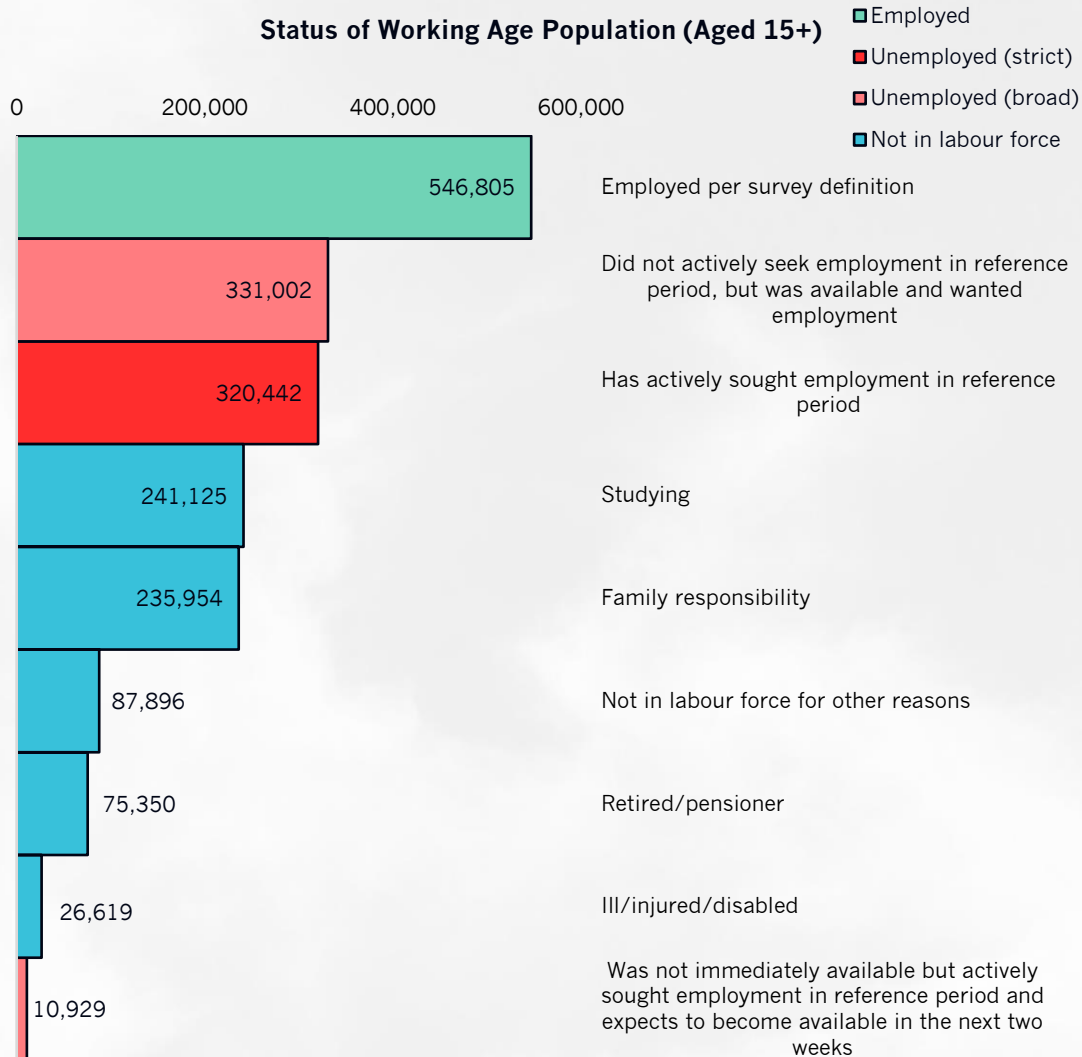
Based on this, and considering the new personal income tax brackets, it is estimated that no more than 114,567 individuals (3.8% of the population) represent the taxpayer base in Namibia. Under the new tax brackets*, every taxpayer supports at least 26.4 Namibians. This is compared to 12.1% of the population in South Africa representing the taxpayer base.

Personal Income Tax and Rough Contributions*

FY '23/'24 Income Tax Revenue		N\$ 18,560 Billion
Minimum taxable income in FY '23/'24		N\$ 4,167
Employed persons earning >N\$5,000 pm in '23		164,702 individuals
~ Average income tax contribution		N\$ 112,688
'23 population/contributors ratio		18.4
Minimum taxable income in FY '24/'25		N\$ 8,333
Employed persons earning >N\$10,000 pm in '23		114,567 individuals
~ Average income tax contribution		N\$ 162,001
'23 population/contributors ratio		26.4

*Rough calculations. Data is not disaggregated further, so the nearest income group above the minimum taxable income is used. Not all individuals earning these amounts pay income tax as some operate under the informal market. Population = 3,022,401 (2023 Census). No adjustments to values made (e.g. adjusting for inflation or expected employment and population change in FY '24/'25). FY not directly comparable with calendar year.

Conclusion



Regardless of the definition used, Namibia's unemployment crisis has worsened substantially. Under the strict definition, unemployment has worsened from 19.8% in '18 to 36.9% in '23. Under the broad definition, unemployment worsened from 33.4% to 54.8%.

Unfortunately, infrequent collection of crucial statistics such as labour force data means Namibia is not able to take a proactive approach to control the situation as it progresses. Namibia's neighbouring countries all collect labour force statistics every three months (bar Zambia, where it is conducted annually) and are thus able to steer policies and prioritisations in the right direction shortly after these changes happen – while Namibia has waited more than five years to measure its progress (or in this case, regress) in addressing job creation.

The economic malaise from '16 and the subsequent impact of the pandemic could be observed but were not measured at the time, and policies and priorities regarding employment and social welfare have largely been done in the dark and on gut feel. What the survey has shown is that none of these blindfolded efforts have worked, and something dramatically different is needed.

National policy planning on a 36.9% unemployment rate leaves nearly 350,000 unemployed individuals out of policy considerations – more than the number of individuals who are classified as unemployed under the strict definition.

Reliance on the strict definition is misplaced and inappropriate for Namibia given the large presence of an informal market and impoverished households who cannot actively seek employment through recruitment agencies, job advertisements, the internet, and the like. These households, typically in rural areas where home internet access sits at 5% and mobile connectivity sits at 16%, tend to suffer from geographical immobility and require migration to urban areas to have a slightly less unrealistic chance of obtaining employment.

An underlying issue throughout this is the lack of transparency by the NSA, who made no mention whatsoever that the 'official' unemployment rate and comparison from '18 were two very different measures.

A dramatic policy shift in conjunction with improved honesty and transparency from our institutions is desperately needed to tackle this unemployment crisis – and the group of nearly 350,000 cannot be treated as an optional statistic, as we would be ignoring the lived reality of hundreds of thousands of Namibians suffering without work.



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