ACCESS TO SOCIAL SERVICES FOR NON-CITIZENS AND THE PORTABILITY OF SOCIAL BENEFITS WITHIN THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

Namibia Country Report

A REPORT TO THE WORLD BANK

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INTRODUCTION

Social service schemes are mechanisms through which societies pool resources to protect themselves against certain risks through transfer payments to various categories of a society under a jurisdiction. In addition to measures to address threats to members’ earnings capacity, such as sickness, retrenchment, disability, and old age, they can also include the full range of preventive and ameliorative benefits that a society provides its members, including education, housing, and police protection.¹

Proponents of social service schemes believe that when directed to vulnerable groups they substantially reduce if not eliminate their vulnerability incidence to reduced living conditions. The schemes have also gained many supporters because of the belief that they redistribute wealth from the rich to the poor.²

Despite these justified (or unjustified) beliefs it is estimated that more than half of the world's population are excluded from any type of statutory social services. It is further estimated that worldwide, only 20 percent of the population enjoy adequate social security. In low-income countries, such as in sub-Saharan Africa and South Asia, more than 90 per cent of the population is generally not covered, while in middle-income countries this percentage tends to range between 20 and 60 per cent.³

In addition to, administrative shortcomings and general macro-economic malaise, limited coverage of social service schemes is often limited by legislative deficiencies. These deficiencies result in a segment of a nation’s inhabitants falling outside the scope of contribution-based social service schemes or tax-financed (non-contributory) schemes.

Some authors have recognised these legislative deficiencies and have explored their impact on different categories of employees e.g. formal versus informal, small and medium-scale enterprise versus large-scale enterprise employment, etc.\(^4\) The objective of this report, however, is to explore the access to social services and their portability for Namibia’s inhabitants as part of a World Bank commissioned research project aimed at understanding social services and forms of social security coverage and portability for international migrants living and working in Southern Africa.

This objective is in line with International Labour Organisation (ILO) conventions on migrant labour that call for equality of treatment i.e. for migrants to be subject to the same eligibility rules and receive the same levels of employment injury compensation as the national workforce. The ILO also calls for reciprocal agreements among governments to ensure that migrants can receive compensation either at home or abroad.\(^5\)

The scope of this report will be on formal provided social services and includes social security, old-age and disability pensions, unemployment, healthcare (including health insurance), sickness benefits, public housing, and schooling. The focus will be on the extent to which these forms of social services are accessible to citizens, permanent residents, temporary residents, refugees, asylum seekers and undocumented non-citizens living and working in Namibia and are portable across its borders.

It is important to note that most offices that administer social services benefits in Namibia do not collect information on beneficiary profiles so that it was difficult to assess the coverage distribution on the various categories of persons.\(^6\) In addition, statistics on migrant labor were largely unavailable.\(^7\)

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\(^5\) Fultz E, 2007
\(^7\) Fultz, ibid.
Following this introduction, the rest of this report is organized as follows. Section 1 presents a matrix that illustrates access to and portability of social services for various categories of persons in Namibia. Section 2 goes on to present and overview of social services in Namibia. Section 3 will then describe access to social services for various categories of persons in Namibia. Section 4 will go on to describe the portability of social services. Finally, Section 5 will assess how legal provisions for these forms of social services are implemented and identify gaps. It will focus on the practicability of provisions, assess the effectiveness of provisions, and identify main problems. It will try to identify the forms of social services to which non-citizens should have access; identify those that, in practice, non-citizens are able to access; identify gaps and shortcomings in the formal social service system as far as non-citizens are concerned; and, provide recommendations and priorities aimed at improving social protection for non-citizens.
## CHAPTER ONE: MATRIX

Table 1: Access to social services/social security

<table>
<thead>
<tr>
<th>Categories of persons covered</th>
<th>Social assistance</th>
<th>Old age pension*</th>
<th>Disability pension*</th>
<th>Unemployment*</th>
<th>Healthcare*</th>
<th>Sickness benefits*</th>
<th>Public housing</th>
<th>Schooling a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Permanent residents</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Temporary residents (including contract migrant workers)</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Refugees</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Asylum-seekers</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Undocumented non-citizens</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*public, occupational and private; a public and private; N/A not applicable.

**Source:** Haarman (2006), Abimbola (2006) and author interviews
### Table 2: Ex (portability) of social services/social security

<table>
<thead>
<tr>
<th>Categories of persons</th>
<th>Social assistance</th>
<th>Old age pension*</th>
<th>Disability pension*</th>
<th>Unemployment*</th>
<th>Healthcare*</th>
<th>Sickness benefits*</th>
<th>Public housing</th>
<th>Schooling*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens</td>
<td>Yes</td>
<td>Yes, but only for a 6 month period</td>
<td>Yes, as long as employer is the same</td>
<td>N/A</td>
<td>Yes, cross-border expenses re-imbursable</td>
<td>Yes, as long as employer is the same</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Permanent residents</td>
<td>Yes</td>
<td>Yes, but only for a 6 month period</td>
<td>Yes, as long as employer is the same</td>
<td>N/A</td>
<td>Yes, cross-border expenses re-imbursable</td>
<td>Yes, as long as employer is the same</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Temporary residents</td>
<td>No</td>
<td>Yes</td>
<td>Yes, as long as employer is the same</td>
<td>N/A</td>
<td>Yes, cross-border expenses re-imbursable</td>
<td>Yes, as long as employer is the same</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>(including contract migrants)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refugees</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Asylum-seekers</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Undocumented non-citizens</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*public, occupational and private, *a* public and private; N/A not applicable
CHAPTER TWO: OVERVIEW OF SOCIAL SERVICES

This section describes the forms of social services available in Namibia. It will explore social assistance, old-age and disability pensions, unemployment benefits, healthcare (including health insurance), sickness benefits, public housing and schooling that are available in Namibia.

Table 3: Social services in Namibia

<table>
<thead>
<tr>
<th>INFORMAL</th>
<th>FORMAL, PUBLICLY-FUNDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family and/or community-based sharing arrangements</td>
<td>Transfers without a work requirement</td>
</tr>
</tbody>
</table>

Source: Subbarao (1998)
2.1 Social Assistance

Social assistance in Namibia consists of cash transfers that are administered by the Division of Child Welfare in the Ministry of Gender Equality and Child Welfare. They include maintenance, foster child and foster parent grants, and place of safety allowances.

The maintenance grant is offered for a maximum of three children, with N$200 for the first child and N$100 for additional children, who must be less than 18 years of age. It needs to be collected every 3 months (quarterly) or else the payout is stopped.8

The foster parent grant is offered to any person who takes temporary care of a child, for reward or any other reason, who has been placed in her/his custody.9 An amount of N$200 for the first foster child and N$100 for every additional foster child is payable from the date of grant application until advice is received for the termination of the grant. It also needs to be collected quarterly or else the payment is stopped.10

A place of safety allowance is offered to persons or institutions that are taking care of abused children who are placed in their custody by a Commissioner of Child Welfare in terms of the Children’s Act11 or the Criminal Procedure Act.12 An amount of N$10 per day is offered for each child who is under 21 years of age.13

Social assistance is provided to about 6,500 refugees and asylum seekers living at the Osire refugee camp through the United Nations High Commission for Refugees (UNHCR) office in Namibia and its partners. This camp is managed jointly by the UNHCR and the Ministry of Home Affairs and Immigration.14

9 In terms of Section 31(1) or 50(1) of the Children Act No. 33 of 1960.
10 Haarmann, ibid.
11 33 of 1960.
12 51 of 1977.
13 Haarmann, ibid.
refugees and asylum seekers includes food rations, domestic provisions, water and sanitation, community services and police protection.

Based on a global memorandum of understanding the World Food Program provides monthly food baskets comprising of 12 kilograms of maize meal, 0.65 kilograms of vegetable oil, 0.15 kilograms of salt, 0.75 kilograms of sugar, 1.5 kilograms of CSB and 1.8 kilograms of beans to each person. Supplementary feeding is also provided to malnourished refugees.

The UNHCR together with individuals and corporate sponsors, domestically and internationally, provide domestic provisions in the form of kitchen sets, blankets, mattresses, plates, spoons, 3 litres of paraffin per person per month, etc.

The Africa Humanitarian Action (AHA), an international non-governmental organization, provides water, sanitation and community services to refugees and asylum seekers at Osire. The community services provided include counselling sessions.

UNHCR and AHA also ensure that special attention is given to vulnerable groups including the single heads of families and unaccompanied children to ensure they obtain the required provisions of food and other forms of social assistance.

Also, the Ministry of Home Affairs and Immigration through its Department of Refugee Administration, ensures the physical safety of refugees and asylum seekers through the provision of police protection. In addition, Namibia Legal Help, a law firm, interviews asylum seekers and prepares case files with recommendations to the Namibia Refugee Committee.

Finally, the UNHCR provides small grants of N$5,000 to N$6,000 for refugees to set up income-generating activities such as tailoring, welding, crop production, etc (Abimbola, 2006).
2.2 Old-age Pension

Namibia’s old age pension scheme is provided through a universal, tax-based (non-contributory) scheme. As opposed to mean-tested schemes, where transfers are limited to people with incomes below a certain point, universal schemes require no other test to determine eligibility other than residence and age.

Old-age pensions of N$370 per month are provided to individuals above 60 years of age (legal definition of old age in Namibia) by the Division of Social Welfare at the Ministry of Labour and Social Welfare. Pensions are also provided to war veterans. Institutions taking care of the elderly in Namibia, e.g. old-age homes, also receive a subsidy.

In addition, at the age of 60, all retirees, including temporary workers, are given a lump sum payment comprising of their and employers’ joint contributions to the Social Security Commission (SSC), which is a parastatal with a tripartite governing board that is overseen by the Social Welfare Division at the Ministry of Labor and Social Welfare. The SSC calls this lump sum payment a retirement benefit.

A National Pension Fund is planned by the SSC to pay an old-age pension to all those who are registered. This will then result in the SSC providing pensions through a contributory mechanism, which will offset the funding risks to the pay as you go system currently managed by the Social Welfare Division at the MLSW.

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15 Gwartney JD et al., 2003.
18 Fultz E, et al. (2007).
Currently the SSC focuses exclusively on the private sector and therefore excludes the civil service. Government workers are instead covered by a separate government pension fund known as the Government Institutions’ Pension Fund.

For refugees and asylum seekers no old age pension is provided. However, the UNHCR and AHA ensure that special attention is given to vulnerable groups including the elderly to ensure they obtain the required provisions of food and other forms of social assistance.\textsuperscript{19}

Private pension schemes are also offered by organisations such as Old Mutual and Sanlam for those who prefer to supplement the retirement provisions from the public schemes outlined in the paragraphs above.

### 2.3 Disability Pension

The Division of Social Welfare of the MLSW also administers the disability and blind person's grants of N$ 370 per month. This grant needs to be collected quarterly. A disability grant for children of N$300 per month is also provided.\textsuperscript{20}

For occupational disabilities the grant offered in Namibia is provided on the basis of an employment injury (workers compensation pension) scheme through the SSC. For temporary disabilities, 75% of monthly earnings up to N$3,000 per month is provided by the SSC for a maximum period of 24 months. No compensation is payable for the first three days. For permanent disabilities between one percent and 30 percent a lump sum based on 15 times earnings up to N$1680 is paid by the SSC with a maximum amount payable N$25,200. For permanent disabilities of more than 30%, compensation takes the form of a monthly pension.\textsuperscript{21}

### 2.4 Unemployment

\textsuperscript{19} Abimbola S, 2006.
\textsuperscript{20} Haarmann C.D., 2006.
Namibia is currently not providing public unemployment protection. However, the introduction of a basic income grant of N$100, to cover unemployment is currently a highly debated topic in Namibia and a pilot scheme to test its feasibility is currently being implemented by the Basic Income Grant (BIG) coalition. In addition, there are no occupational unemployment schemes. Private means of coping with periods of unemployment are limited to reliance on savings or other private coping mechanisms.

2.5 Healthcare

Public healthcare in Namibia is administered through the Ministry of Health and Social Services (MHSS). There are various state hospitals that provide subsidised healthcare to citizens. In addition, rehabilitation for substance abuse is also provided through the MHSS.

The SSC has an Accident Fund through which a transport allowance is provided for the conveyance of an employee injured in an accident to a hospital or to his/her residence. In addition, all reasonable medical expenses incurred by or on behalf of an employee may be defrayed by the Accident Fund in accordance with a scale prescribed by the SSC.22

Private health insurance cover is provided by 10 medical aid schemes. Four of these are ‘open’ medical aid schemes and include Namibia Medical Care, Namibia Health Plan, Renaissance Health and Nammed. The rest are ‘closed’ schemes, i.e. they are limited to employees of certain companies or industrial sectors, including the Public Service Employees Medical Aid Scheme.

These medical aid schemes are used to provide occupational based healthcare for all workers including temporary workers through co-pay arrangements between employee and employer.

22 Social Security Administration, 1995.
Because medical aid schemes are registered as Section 28, non-profit organisations with a board of trustees, commercial administrators administer the schemes. These are Medscheme, which administers Namibia Health Plan, Methealth Namibia Administrators, which administers Namibia Medical Care, Paramount Healthcare, which administers Nammed and Prosperity Health, which administers Renaissance Health. These four administrators also administer the closed schemes.

Healthcare to refugees and asylum seekers is provided through the MHSS, which manages a clinic (health centre) at the Osire camp. When necessary, medical referrals are made to a Government district hospital in Otjiwarongo and other hospitals. Basic drugs are provided by UNHCR and supplemented by the District Hospital in Otjiwarongo.

Through its sister agencies such as the United Nations Population Fund and the United Nations Children’s Fund the UNHCR provides life skills health training to refugees. Examples of this training include HIV/AIDS awareness training to refugees and distribution of female condoms.\(^\text{23}\)

Although undocumented non-citizens are not eligible for state or medical scheme provided healthcare they can obtain outpatient medical care at full-cost.

### 2.6 Sickness and Death Benefit

Public sickness benefits are provided to citizens and permanent residents in clinics and state hospitals at a minimal fee of N\$ 15 as a user fee, which can be waived in certain circumstances.

The occupational sickness benefit scheme in Namibia is administered by the SSC. The sickness benefits provided cover the short-term contingencies of maternity leave, sick leave and death. They consist of periodic payments based on the principle of social insurance, which are financed by contributions and set to replace a portion of a worker’s earnings.\(^\text{24}\)

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\(^{23}\) Abimbola S, 2006.

The SSC also provides a once off payment to surviving spouses for fatal injuries that occur while the deceased was on duty. This payment is in the form of a lump sum of N$2250 or two months’ earnings, whichever is lesser. In addition, a monthly payment of 40% to the widow/widower and a monthly pension of 20% to each child under 18 years of age is provided. These are calculated up to a maximum earnings of N$3,000 per month. The maximum total monthly amount payable to the widow/widower and children (3 or more) is N$2,250 per month. The widow/widowers pension only ceases on his/her death, while a child's pension continues until the age of 18 years is reached. In addition, the SSC also provides a funeral grant. The Social Welfare Division of the MLSW also provides an in-kind funeral benefit of N$2000.

Table 4: Short-term Benefits in Namibia

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Amount</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity</td>
<td>80% of wages</td>
<td>12 weeks</td>
</tr>
<tr>
<td>Sickness</td>
<td>60% of wages (6 months)</td>
<td>2 years</td>
</tr>
<tr>
<td></td>
<td>50% of wages (18 months thereafter)</td>
<td></td>
</tr>
<tr>
<td>Death</td>
<td>N$2,250</td>
<td></td>
</tr>
</tbody>
</table>

2.7 Public housing

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25 Social Security Administration (1995)
The public shelter and housing program is administered by the Ministry of Local Government and Housing. Through the National Housing Enterprise, a parastatal, the government assists in the provision of housing by providing low-interest loans.

The Build-Together housing programme was also established by the government to assist low-income households who have little access to private sector housing finance, or to the finance offered by the National Housing Enterprise. The average Build Together program loan amount is coupled with contributions from the beneficiaries themselves. The loans carry a positive interest rate ranging from 9 to 14 percent, depending upon the size of the loan. The programme has won many international awards as an example of joint efforts of government and communities to build affordable housing.

In addition to provision of formal housing, the upgrading of informal squatter settlements is also emphasized through the provision of consessional loans by the government.

A subsidy is also provided to housing apartments with defaulters as a remission for defaulted rent.

Furthermore, the Ministry of Health and Social Services provides housing subsidies to registered welfare organisations.

Private housing is mainly financed through mortgage loans provided by commercial banks.

Civil society initiatives focused on providing housing also exist. The Shack Dwellers’ Federation of Namibia is one such initiative. The federation is the owner of the Twahangana fund, which enables communities to build low cost houses. They also facilitate the formation of savings groups, which get together to build houses. Once this group has saved an amount worth five per cent of the loan amount,


\[28\] Supra.

\[29\] Supra.
they qualify for a soft loan from the Twahangana fund. The programme is aimed at households earning less than N$2,000 per month. The average income of participating households is about N$800 a month. The fund began disbursing loans in 1996, and by February 2007 more than 1,080 houses had been built.

The government’s Build Together Programme supplies one-third of the capital in the Twahangana fund. One third is supplied by donor agencies and through repayments from debtors and the final third by the government. The Namibia Housing Action Group provides technical services to the Shack Dwellers’ Federation of Namibia, such as helping administer the Twahangana fund, helping draw up house and area plans, teaching basic building skills, and advising on the hiring of professional builders.  

For refugees and asylum seekers, the UNHCR provides building materials that enable this category of persons to build their own houses.

2.8 Public Schooling

The Ministry of Education in Namibia provides basic, vocational and tertiary education in Namibia through a system of pre-primary (kindergarten), primary (Grades 1 to 7), junior secondary (Grades 8 to 10) and senior secondary (Grades 11 and 12) schools, community skills development centres, vocational training centres, a polytechnic and public university. Public schooling is still heavily subsidized by the government in Namibia at all levels.

The Ministry of Education also runs a school-feeding programme. The institutions covered include the primary schools, preschools, private hostels, and informal hostels. In addition, bilateral donors provide milk powder and oil. In addition to

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29 It means “We are united”.
30 Ellis, H. “Microfinance- From sharks to dolphins, Namibia”, Financial sector review, 2007
31 Interact/Intermedia FCB.
public institutions, private basic education (pre-primary, primary and secondary) institutions also exist in Namibia. Private tertiary institutions are few but do exist.

For refugees and asylum seekers the UNHCR in partnership with the Jesuit Refugee Services, an international NGO, and the Ministry of Education provides pre-primary education to just over 500 students, primary education to about 1,800 students and junior secondary education to about 530 students. Deserving students are offered scholarships by the Jesuit Refugee Services to pursue senior secondary education outside the Osire refugee camp. 33

Also, refugees in need of special education, e.g. the hearing impaired, are enrolled at the Government run National Institute for Special Education. 34

In addition, a foreign language school was established in the Osire camp that aims to develop the communication skills of the refugees and enhance their job opportunities upon their return to their home countries. The foreign languages taught at this school include English, Portuguese and French. A literacy class for adults who did not have the opportunity to go through formal education is also provided at the refugee camp.

Vocational education for the refugees is also provided by UNHCR. At the Okakarara and Windhoek Vocational Training Centers, six refugees were undergoing training in these centers as of 2006. 35

Refugees can pursue tertiary education in Namibia but only through scholarships. This was previously provided mainly by the German government through its DAFI project. However, this project is no longer operational in Namibia. The salaries of the 57 primary and junior secondary school teachers are covered by the UNHCR and complemented by the Ministry of Education. The Ministry of Education also assists with the distribution of books and school supplies.

34 Supra.
35 Supra.
CHAPTER THREE: ACCESS TO SOCIAL SERVICES

This section describes the access to the social services defined in the previous section for citizens, permanent residents, temporary residents, refugees, asylum seekers, and undocumented migrants

3.1 Social Assistance

For the public social assistance benefits described in the previous section, Namibian citizenship or permanent residence is required. Furthermore, the maintenance grant is offered only to the child or children’s biological parents whose gross income is not more than N$500 per month and whose spouse (mother/father or child) is receiving an old age or disability grant, has passed away, or is serving a prison sentence of three months or longer.

Social assistance to refugees and asylum seekers is provided in the form of food rations, domestic provisions, water and sanitation, community services and police protection.

3.2 Old-age pension

Namibia’s old age pension scheme extends to all individuals age 60 and above who are citizens or permanent residents. Furthermore, these citizens and permanent residents must reside in Namibia.

Temporary workers can get their contributions to the SSC at age 60 or on termination of their contracts. They and other documented non-citizens are able to access pension schemes managed by private institutions by saving independently.

3.3 Disability Pension

To be eligible for public disability grants an individual must be a Namibian citizen or permanent resident and must reside in Namibia. In addition they have to above 16 years of age and medically diagnosed by a state doctor as being temporarily or permanently disabled or blind. If they have full blown AIDS, it needs to be certified by a medical doctor. Except for requiring a maximum age limit of 16 years of age, the same eligibility restrictions apply to the disability grant for children - special maintenance grant.38

For occupational-based disability coverage in Namibia, individuals must be registered by the SSC as employees. Despite the fact that the Social Security Act of 1994 defines an employee as a citizen and/or permanent residents, administrators at the SSC emphasize that the benefits are available to all registered members, who are legally working in Namibia, including temporary workers. However, Namibia excludes outworkers e.g. agents and certain sailors and share-catch fishermen.39

### 3.4 Unemployment

Public unemployment benefits are not provided in Namibia.

### 3.5 Healthcare

Public healthcare is only limited to Namibian citizens and permanent residents. This same requirement applies to rehabilitation for substance abuse. However, relative to private healthcare facilities, the state hospitals provide subsidised health care even to non-citizens and permanent residents.

The healthcare provided by the SSC is available to its registered members, who are all workers in Namibia, younger than 65 years of age.40 Private healthcare provided by medical aid schemes is provided to all who are registered and pay their monthly premiums through employer schemes or independently. Therefore, temporary

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39 Fultz et al., 2007.
40 Social Security Administration, 1995.
workers are also eligible for treatment. However, an identification document is required for the private schemes therefore undocumented persons are ineligible.

Refugees and asylum seekers obtain healthcare through the MHSS in collaboration with UNHCR.

3.6 Sickness and Death Benefits

The public sickness benefits provided through the SSC are targeted to its registered members, who are all workers in Namibia, younger than 65 years of age. Despite the fact that the Social Security Act of 1994 defines an employee as citizen and/or permanent residents, administrators at the SSC emphasize that the benefits are available to all registered members, who are legally working in Namibia, regardless of status. Therefore, temporary workers are covered as well.

Although the scheme excludes outworkers e.g. agents, and certain sailors and share-catch fishermen, employees who work more than two days in any week and receive or are entitled to receive any remuneration are covered. A worker becomes eligible for short-term sickness benefits after exhausting their rights to employer-provided benefits under the Labour Act. Benefits can then continue for up to two years.41

The Namibia labor force survey of 1997 showed that 55.3 percent of the employed labor force was registered with the SSC, which tends to focus on the formal sector work force. However, the self-employed are welcome to join and are offered voluntary coverage.42 This is intended primarily as a means of reaching the informal sector, where employers typically do not keep records that make mandatory coverage possible. However, response rates are low with only 142 self-employed individuals joining.

3.7 Public housing

The 2000 Namibia labour force survey estimates that about 70,000 households are in need of public housing. While the National Housing Enterprise and the private sector cater to the non-poor, the Build Together Programme targets households with incomes below N$1250 per month. About 60 percent of all urban households, who do not have decent housing, fall in this category.

This public housing is restricted to Namibian citizens who are at least 21 years old, earning N$3,000 or less per annum and resident in the area where the public house is for at least a year.

In addition, shelter is provided to refugees and asylum seekers at refugee camps.

3.8 Public Schooling

Basic education to everyone in Namibia is a constitutional right. Therefore, all categories of persons identified in this paper have access to at least basic education.

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42 Subbarao, K., 1998.
CHAPTER FOUR: PORTABILITY OF BENEFITS

This section investigates the extent to which and under what conditions acquired forms of social services are portable abroad, in particular old-age pension and healthcare (including health insurance) benefits, but also sickness and disability benefits.

4.1 Social Assistance

Social assistance in the form of child welfare grants are portable cross-border. The Division of Child Welfare in the Ministry of Gender Equality and Child Welfare partners with its counterparts in the region to investigate cases and to confirm eligibility for social assistance.

4.2 Old-age Pension

Old age pension is portable cross-border but only for a maximum period of six months.

4.3 Disability Pension

The disability grant provided by the Social Welfare Division of the MLSW is portable cross-border.

For occupational-based disability, schemes typically offer little help to migrant workers who return home after being injured on the job or who develop an employment-related occupational disease caused by work in another country.\(^{44}\) However, the SSC covers all workers cross-border as long as they are still working for a company in Namibia as outlined in the Social Security Act \(^{45}\), which states that the individual must be working for “an employer who carries on or conducts business mainly within Namibia... and (the employee should be working for the)

\(^{44}\) Fultz, E., 2007.
employer outside Namibia or assisting such employer in the carrying on or conducting of such business outside Namibia”.

4.4 Unemployment

Since unemployment benefits are not provided in Namibia this section is not applicable to this report.

4.5 Healthcare

Although, healthcare provided by medical schemes is not directly portable, registered members who incur medical expenses while outside Namibia can have them reimbursed upon return to the country upon providing receipts and proof of treatment.

Sickness Benefits

According to the Social Security Act, short-term sickness benefits are portable as long as the employee maintains employment with her/his Namibian employer.

45 1994.
CHAPTER FIVE: DISCUSSION & RECOMMENDATIONS

This section will discuss coverage of social services and the types of social services needed by non-citizen in Namibia and the portability of benefits across borders. Finally, the section will conclude with some recommendations that focus on hindering factors and strategies that can be pursued to alleviate these.

5.1 Social Service Coverage

Coverage of public social services schemes in Namibia is limited to certain categories of persons by legislation where the respective Acts limit their coverage to citizens or permanent residents in Namibia. This constraining impact of legislation on coverage in Namibia is often as reflective of historical legacy as it is shaped by practical administrative considerations. 46 Despite these limitations the segment of the nation’s inhabitants falling outside the scope of these legislation are covered by flexible implementation, superseding legislation or private social service schemes.

Although the Social Security Act No 34 of 1994, which governs the SSC, states that its services are limited to citizens and permanent residents; its administrators emphasize that they cover short-term contingencies i.e. disability, sickness and death benefits and provide the lump-sum payment at retirement to all workers, including temporary non-citizen contract workers, as long as they are registered with them.

The Namibian Refugee (Recognition and Control) Act of 1999 falls under the United Nations Convention on refugees and asylum seekers that establishes the rights of this category of persons. Therefore, in terms of social service coverage the superseding United Nations legislation makes this category of persons eligible for social services provided by specialized agencies.

Finally, where public mechanisms for social service provision do not exist private schemes are available e.g. private medical aid schemes or private savings for pensions.
However, even these efforts to fill gaps created by legislative deficiencies are not enough to ensure adequate social service coverage to all of Namibia’s inhabitants. The SSC’s efforts are focused on formal employment, which usually includes highly educated and/or younger individuals. The focus on the formal sector is at the expense of subsistence farming, urban informal activity, and other forms of self-employment and less formal economy employment that consists of more marginalized social groups, including older workers.\(^{47}\)

However efforts to extend the coverage at the SSC and private medical aid schemes depend on the relative 'degree of informality'. The self-employed, comprise a significant and growing element in the overall national labour force. The SSC permits the formal self-employed to acquire coverage voluntarily but they need to be capable of paying the combined equivalent of the employer and employee contributions. To the extent that they are small businesses with limited cash flows, this might be a large percentage of their revenues. Also, private medical aid schemes require identification, which may be a barrier for undocumented persons, who can still access healthcare using outpatient services.

Legislative reform can progressively remove what may often be unnecessary and somewhat artificial blockages to coverage extension for informal economy workers, including the self-employed and the employees of micro-enterprises. However, it can be expected that the incremental extension of coverage will prioritise relatively less informal occupations and larger-scale employers first, normally over those in smaller-scale and more informal modes of employment.\(^{48}\)

For occupational social service schemes covering the national work force, a significant gap exists between legal requirements and actual compliance with the law.\(^{49}\) The SSC expects that employees of very small enterprises are registered. However, the increasing level of informal economy employers results in the total

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\(^{46}\) Fultz E, 2007.
\(^{47}\) Supra.
\(^{48}\) Fultz E, ibid
\(^{49}\) Fultz E, ibid.
number of active contributors being even lower than the published figures of registered members. The 1998 labour market survey showed that only 50 percent of Namibian workers are registered with the SSC.  

With the universal old-age pension scheme provided in the country, one would expect the rate of coverage for the target population (beneficiaries as a percentage of the covered population) to be 100%, except for measurement errors. However, in Namibia the rate of coverage is 85%. Assuming that the underlying demographic statistics are accurate, the reason for this is due to an error of exclusion where pensions fail to reach those who are entitled to receive them. This problem is widespread in the northern provinces of Namibia.  

Coverage by the universal old-age scheme could also be less than 100% in practice due to geographic factors such as long distances and low population densities that exist in Namibia and restricted administrative funding. This shortfall can be mitigated by coordinating social security administration with other public and private activities to achieve economies of scale.

In some countries where errors of inclusion result in coverage ratios exceeding 100%, individuals receiving pensions may be younger than the age of eligibility, or they may be deceased. In fact, through extended family channels, social services provided for old age through universal schemes cover members who face other problems (e.g., underemployment or orphanhood), creating a broad ripple effect that poverty reduction proponents strongly support. For example, in Namibia “instances of children and grandchildren drawing pensions of parents and grandparents long dead are not infrequent.”

5.2 Social Protection for Temporary Non-Citizen Workers

50 Fultz & Pieris 1999.
52 Supra.
54 Subbarao, ibid.
Since temporary non-citizen workers are not in a country for a long time it can be argued that they prefer sickness and health benefits that cover short-term contingencies, to pension schemes that are more for long-term contingencies such as retirement.\textsuperscript{55}

However, various social assistance programs that are tax-financed are not provided to all categories of persons, except citizens and permanent residents, even though they pay tax. It can be argued that fiscal discipline issues prevent extending social services schemes such as child welfare grants, public housing, etc. to a wider category of persons.

It is important to note that undocumented non-citizens are not catered for in public or private social service schemes in Namibia, except in the case of healthcare where they are eligible for private medical services and public schooling in the case of basic education.

\textbf{5.3 Portability}

The ILO conventions on migrant labour call for equality of treatment, i.e. for migrants to be subject to the same eligibility rules and receive the same levels of employment injury compensation as the national work force. The conventions also call for reciprocal agreements among governments for the coverage of migrant workers to ensure the acceptance of applications of payments of benefits across national borders so that eligible migrants and their families can receive compensation either at home or abroad.

The logical starting point for such reciprocity is occupational social service schemes e.g. occupational sickness benefits and disability grants because they exist throughout the Southern African Development Community (SADC) including Namibia. In Namibia, occupational social services are portable across borders for citizens, permanent residents and temporary contrary workers. In addition, private healthcare provided by medical schemes and social assistance in the form of child

\textsuperscript{55} \textit{Supra.}
welfare grants is also portable. However, for the latter this is only for citizens and permanent residents.

Even with this existing portability, there is always room to make scheme administration more responsive to the needs of workers, liberalize the conditions for filing a claim and developing reciprocal agreements among SADC countries for the payment of benefits across national borders.56

5.4 Recommendations

1. The limitation of social services to certain categories of persons who pay taxes *viz.* temporary documented workers, results in arguments that they should be eligible for full access to social services in a country, while they are resident there. Where there are strains on the fiscus, only certain forms of social services can be provided to this category.

2. Since healthcare, disability and sickness benefits are already provided to temporary documented workers in Namibia and are portable across the border the issue of concern falls on the undocumented non-citizens. This category of persons is not eligible for any social services except healthcare (at their own cost) either publicly, occupationally or privately. With the large number of economic refugees in the region, specifically from Zimbabwe, it is important in further studies to explore ways to enable access to social services of economic refugees, who are undocumented as well as other special categories of workers such as those sent out on a foreign contract and frontier workers who live in one country and work in another because they are currently not catered to by legislation or practice.57

3. Errors of inclusion and exclusion, which offset each other, result in a recorded coverage ratio near 100% and do not indicate that a universal system of pensions is, indeed, providing benefits to all eligible residents. This problem can be mitigated

56 Supra.
57 Supra.
by investing in public education and labor market information at an early stage in public pension scheme development.\(^{58}\)

Coverage limitations of the universal old-age pension scheme due to geographic factors such as long distances and low population densities that exist in Namibia and restricted administrative funding can be mitigated by coordinating social security administration with other public and private activities to achieve economies of scale.\(^{59}\)

4. In countries with social service schemes that pool risks broadly across the work force, non-participation by the government results in higher average contribution rates.\(^{60}\) This phenomenon is evident in Namibia where in terms of employer contribution rates for social security; the highest average rate of 3.9 percent is in Namibia, which has borrowed from South Africa in constructing its rate structure, with a range from 0.14% to 7.95%.\(^{61}\) (Fultz & Pieris, 2007).

Namibia is currently planning to restructure its rate structure to simplify it and to provide for greater risk sharing and encourage compliance by employers. As part of its consolidation of employment injury with its new national pension scheme that is based on social insurance, it is planned to replace its steeply graded, 104 category rate structure with three categories of risk - high, medium and low. Further strategies that it can explore are to provide regular adjustments for inflation in contributions. This is of importance because inflation has eroded tariffs for medical care to 75 percent of standard doctor and hospital charges, which are pegged to South African rates. As a result, a growing number of doctors in Namibia are refusing to provide care for scheme beneficiaries.\(^{62}\)

\(^{58}\) Supra.

\(^{59}\) Supra.

\(^{60}\) Supra.

\(^{61}\) Fultz & Pieris, 2007

\(^{62}\) Supra.
5. A regional body at the SADC level could be established to serve as a resource to
governments in negotiating agreements and overseeing their implementation. Over
the longer term this Subcommittee could also provide a forum for harmonizing
benefits across the region. The Subcommittee could also address additional matters
such as information dissemination to migrant workers, the transmittal of applications,
hearings and appeals,
Selected Bibliography