



Pic: Larrri

NUNW members challenge privatisation.

fact that restructuring is not being directly associated with any privatisation drive. Employees are merely being transferred to new undertakings on similar terms and conditions of employment. By transferring employees to new undertakings, government is deferring the responsibility for downsizing to these companies (and their boards of directors). In other words, downsizing will now become a more fragmented and de-politicised process.

Government believes that reducing its expenditure and contracting out functions and activities to the newly established commercialised entities will reduce fiscal deficits to targets viewed necessary for macroeconomic growth.

Improving efficiency is another factor behind the restructuring exercise. There is a realisation that government is not performing as well as it should. There is widespread concern that government output (in terms of productivity and service delivery) does not justify the

amount of (financial and human) resources invested. Underlying this objective is the (neoliberal) belief that organisations running on market-principles (as do commercialised entities) are inherently more efficient than government. Government believes that outsourcing and commercialisation will improve delivery of government services. Since the late 1990s sector restructuring in the form of outsourcing and commercialisation has occurred within the key parastatals. The Ministry of Works, Transport and Communication (MWTC), for example, had about 10 500 employees at independence. The creation of commercialised companies (Telecom, Namibia Post, and TransNamib) resulted in a reduction of about 3 000 employees by 1998. The MWTC 2000 project was then introduced to reduce staff further to about 300 while the remainder would be transferred to outsourced companies. These new entities will receive

government contracts for a period of three years only and thereafter, will have to compete for government jobs through open tenders.

The privatisation debate

The privatisation debate has been shaped by the commonly held perception that privatisation is not happening in Namibia. The processes of commercialisation and outsourcing in the public service as well as outsourcing and public-private partnerships in the municipalities is not seen to be an integral component of privatisation. In Namibia, privatisation is generally defined in its narrowest sense as the 'transfer of ownership to the private sector', rather than the intrusion of market forces into public activities and services (as in the broad definition).

Therefore, to answer the question 'Is privatisation happening in Namibia?' will depend on how one defines privatisation. In the narrow sense (transfer of ownership to the private sector), privatisation has not yet commenced. But even if there is no direct transfer of ownership, this does not preclude private sector involvement in public sector activities and services. This can take the form of joint ventures, partnerships, and ownership in subsidiaries of State-Owned Enterprises (SOEs) etc.

There are indications that a number of SOEs are soon to be (partly) privatised. This is especially the case with those SOEs, which are performing particularly badly (such as Air Namibia), where it will be argued that private sector involvement can turn companies around and actually generate revenue for government. Given that SOEs like Air Namibia are costing the government hundreds of millions of dollars, government may find such scenarios too tempting to resist. Also in the context of a failing export-oriented

industrialisation strategy (built around EPZs), government is becoming increasingly desperate to attract foreign investment and generate foreign exchange earnings.

Effects of outsourcing

Commercialisation, outsourcing, as well as the privatisation of service provision in the municipalities, represents a serious challenge for trade unions. These processes can lead to changing the organisation of work. In the public service, all 'non-essential' work is being eliminated, and all necessary services and activities are being divided into 'core' and 'non-core' functions, with 'non-core' activities being outsourced, mostly to newly established commercialised companies like Namibia Wildlife Resorts, Airports Company etc.

These companies are run on commercial principles and they too could further outsource activities if they are operating inefficiently. Retrenchments could result. A similar restructuring process is happening within municipalities. 'Non-core' services (security, cleaning, refuse removal, parks and gardens etc) are being outsourced (through tendering) to private firms or Small and Medium Size Enterprises (SMEs) - sometimes in the name of black economic empowerment.

This privatisation of municipal service provision may represent a major setback, not only for workers who may lose their jobs, but also for poor communities who may suffer increased user charges and a loss of accountability. This is especially the case where private companies operate concessions and become responsible for collecting rates and tariffs (as in some forms of public-private partnership).

Partnerships between transnational corporations (TNCs) and municipalities have started with the first contract signed

between Swakopmund municipality and a German water and sanitation multinational.

So far, workers who have been transferred from the public service to commercialised companies have not suffered any decrease in their terms and conditions of employment. Worrying though, in the case of the public service, is the fact that often no grace period has been negotiated. Given the escalating levels of outsourcing in commercialised companies, this means that job insecurity among transferred workers remains high. This insecurity will increase if the SOEs start resorting to more widespread use of casual labour in order to reduce costs (to meet efficiency and performance targets).

Workers who have been transferred to new undertakings find themselves no longer protected by collective bargaining agreements. Trade unions once again need to prove that they represent the majority in order to be recognised as the exclusive bargaining agent. This can often prove to be a tedious and time-consuming process, especially when a rival union is active in the new undertaking. What may even happen is that after being transferred, workers find themselves represented by a different union. This has already happened in the case of workers transferred from the Ministry of Works, Transport and Communication (where they were represented by the Namibia Public Workers Union - NAPWU) to the Airports Company (where the Public Service Union of Namibia - PSUN - represents the majority).

In this sense, restructuring divides bargaining units, and may even represent a net loss of members for certain unions (and a gain for others).

NUNW general secretary Ranga Haikali has completely rejected privatisation because it only benefits large

multinationals. Citing the case of Zambia, Haikali suggests privatisation will only result in retrenchments and higher unemployment and poverty. At the same time the trade union federation understands that public sector restructuring is inevitable, and has been told as much by the Office of the Prime Minister. The concern of the NUNW (and its affiliate NAPWU) has therefore, been to limit the damage in terms of their members' interests.

The NUNW and NAPWU have both been involved in consultations with the Office of the Prime Minister. They have made it clear that full-scale privatisation would be rejected outright. Indeed, the feeling is that this is one of the reasons why the government has been backtracking (or at least postponing) discussions around privatisation. NUNW acting general secretary Peter Nevonga argues that: 'Privatisation will lead to a civil war in the country. We will fight it.' However NAPWU has given qualified support to the process of commercialisation, because government 'is still in control' and can therefore, be pressured to intervene on behalf of workers and the unions.

Nevonga, however, is unhappy with the way in which core and non-core activities are being categorised. Referring to the establishment of Namwater he argues: 'Water is life. It cannot be regarded as non-core. Now it means that the price of water will increase.' He is also critical of the process underway in municipalities. 'The municipalities are trying to run away from their responsibilities. If they are weak they should look at solving their problems, not just handing over their responsibilities to the private sector. We see what happens in the private sector ... they don't care about workers ... they don't give benefits ... they still have the colonial mentality with