Labour Market Dynamics: Case studies of Eswatini, Namibia, South Africa, and Zimbabwe

Contents

List of Abbreviations and Acronyms

AU	African Union
AfDB	African Development Bank
BTI	Bertelsmann Transformation Index
CAS	Committee on the Application of Standards
CBA	Collective Bargaining Agreement
CBE	Central Bank of Eswatini
CCZ	Consumer Council of Zimbabwe
CMAC	Conciliation, Mediation and Arbitration Centre
COVID-19	Coronavirus disease 2019
CPI	Corruption Perception Index
CSC	Civil Service Commission
CSOs	Civil Society Organisations
CSO	Central Statistics Office
EDWCP	Eswatini Decent Work Country Programme
EEC	Eswatini Electricity Company
EIPA	Eswatini Investment Promotion Authority
ESEPARC	Eswatini Economic Policy Analysis & Research Centre
EU	European Union
FATF	Financial Action Taskforce
FESWATU	Federation of Swaziland Trade Unions
GDP	Gross Domestic Product
GII	Gender Inequality Index
GoKE	Government of the Kingdom of Eswatini
GSoD	Global State of Democracy *(initiative of the IDEA)*
HDI	Human Development Index
HPP	Harambee Prosperity Plan
ICT	Information and Communication Technology
IDEA	International Institute for Democracy and Electoral Assistance
IIAG	Ibrahim Index of African Governance
ILC	International Labour Conference *(of the ILO)*
ILFS	Integrated Labour Force Survey
ILO	International Labour Organization
ILS	International Labour Standards
IMF	International Monetary Fund
IRALE	International Research Academy for Labour and Education

IRA	Industrial Relations Act
ITUC	International Trade Union Confederation
JSC	Judicial Service Commission
LAB	Labour Advisory Board
LFCLS	Labour Force and Child Labour Survey
LaRRI	Labour Resource and Research Institute
MSMEs	Micro, Small and Medium Enterprises
MoA	Ministry of Agriculture
MoEPD	Ministry of Economic Planning & Development
MoF	Ministry of Finance
MoLSS	Ministry of Labour & Social Security
MSF	Multi-Stakeholder Forum
NEC	National Employment Council
NEET	Not in Employment, Education or Training
NGOs	Non-Governmental Organisations
NDS1	National Development Strategy 1
NMC	National Maize Corporation
NSA	Namibia Statistics Agency
OPC	Olof Palme Centre *(of Sweden)*
PAYE	Pay-As-You-Earn
PDL	Poverty Datum Line
PUDEMO	People's United Democratic Movement
PVO	Private Voluntary Organisation
RBZ	Reserve Bank of Zimbabwe
SACU	Southern African Customs Union
SADC	Southern African Development Community
SME	Small and Medium Enterprise
SSA	Sub-Saharan Africa
SSN	Swaziland Solidarity Network
SWAPO	South West Africa People's Organisation
SWAYOCO	Swaziland Youth Congress *(PUDEMO Youth League)*
SZL	Swazi Lilangeni
TUCOSWA	Trade Union Congress of Swaziland
TSC	Teaching Service Commission
UCDW	Unpaid Care and Domestic Work
UHC	Universal Health Coverage
US$	United States Dollar
UNESWA	University of Eswatini
UNFPA	United National Population Fund
WAP	Working Age Population
WB	World Bank

WHO	World Health Organisation
ZANU-PF	Zimbabwe African National Union – Patriotic Front
ZIBAWU	Zimbabwe Banks & Allied Workers' Union
ZiG	Zimbabwe Gold
ZIMSTAT	Zimbabwe National Statistics Agency

Foreword

Acknowledgements

Special thanks to the Olof Palme Centre (OPC) for partnering with the Southern Africa labour service institutions to develop this publication. Acknowledgement goes to editors Michael Akuupa, Prosper Chitambara and Ms. Kudzai Chireka for editing the reports. Special thanks are extended to authors of the various chapters namely Percy Masuku and Musa Ngubeni of International Research Academy for Labour and Education (ILAREI) Eswatini, Michael Akuupa, Kudzai Chireka, Carolina Beukes and Sophia Isala of the Labour Resource and Research Institute (LaRRI) Namibia, Salomé Teuteberg and George Mthethwa of the Labour Research Service (LRS) South Africa and Prosper Chitambara, from the Labour and Economic Development Research Institute of Zimbabwe (LEDRIZ).

Introduction

The economies of Eswatini, Namibia, South Africa, and Zimbabwe face structural challenges that have adversely affected their labour markets, economic growth, and development. Most of the labour force is in the informal economy. The unemployment rates are relatively high, and informal employment is widespread. Informal employment is often characterized by lack of secure tenure, lower productivity, lower pay, limited social protection coverage, high levels of working poverty, and lack of rights. The lack of decent jobs is complicating efforts to end poverty and ensure sustainable development. Economic growth in these countries has not been inclusive and fast enough to absorb the growing labour force into the formal economy.

Traditional employment relationships have been changing with new forms of work emerging. In particular, the gig economy has been gaining momentum in the four countries, driven by technological advancements, evolving workplace preferences, and rising demand for flexible work arrangements. While the gig economy offers immense benefits that include flexibility and autonomy, there are risks and concerns around job security, income volatility, workers' rights, social protection, and employment benefits. Gig workers do not have access to the same social security benefits as traditional employees do. Gig workers are faced with unpredictable income as they do not have consistent employment. No employment legislation exists to protect the interests of gig workers, and they are open to exploitation by clients. Moreover, as gig workers are independent contractors, they do not have the right to organize collectively and join trade unions.

The four countries have been undergoing rapid demographic and urban transitions that are impacting their labour markets and economies. Given these trends, the creation of a sufficient number of decent work opportunities is one of the most pressing challenges in the region, especially given the fact that young workers face huge labour market challenges. A significant proportion of youth are not in employment, education, or training (NEET). The growth of working age presents an opportunity to reap a 'demographic dividend'. This potential 'demographic dividend' can only be harnessed and leveraged through investments in skills, education, healthcare and social protection, and infrastructure among other key areas.

There is a need to make the economies, including the labour markets, more resilient and sustainable through implementing a job-rich, inclusive, sustainable and equitable development strategy based on social dialogue among the social partners. The four governments must develop and implement employment policies and integrate employment into all their national and sectoral policies. Explicit employment creation targets must be incorporated in national budgets, monetary policies, investment policies, as well as national development strategies. It is also imperative to put in place legislative frameworks that provide adequate protection and benefits to gig workers and thereby prevent widespread exploitation in the gig economy.

This publication provides insights and comparative analysis into the political, socio-economic contexts, trade union activities, labour market trends and development of Eswatini, Namibia, South Africa, and Zimbabwe. An understanding of the labour market dynamics is critical in informing the country's employment, macroeconomic, and development strategies and policies. The publication is structured as follows: Chapter 1 is the Eswatini case study; Chapter 2 is the Namibia case study; Chapter 3 is the South Africa case study; Chapter 4 is the Zimbabwe case study; and chapter 5 is the conclusion.

Chapter 1 Eswatini

Introduction

This research paper provides key trends and developments within the political, socio-economic and employment relations contexts in Eswatini. As noted by the International Monetary Fund (IMF) *(African Department),* Eswatini faces a huge challenge in the production of Gross Domestic Product (GDP) forecasts due to broader institutional capacity deficiencies within critical public institutions mandated with the production of such information, including the Central Bank of Eswatini (CBE), the Central Statistics Office (CSO), the Ministry of Finance (MoF) and the Ministry of Economic Planning and Development (MoEPD), respectively *(IMF, September 2024)*. The governance and political situation in Eswatini continue to worsen with human and worker rights being undermined; corruption continues to increase alongside deepening poverty[1]. Labour market analysis presents very unfavourable circumstances for workers, as trade unions continue to face challenges through victimisation and intimidation of its leaders with pervasive violation of worker rights without any consequences to the perpetrators/violators[2]. Overall, the Eswatini labour market reflects high unemployment, a growing informal sector, and structural barriers to decent work.

Section 1: Political Context

Eswatini continues to be governed under the absolute monarchy of King Mswati III, with a political structure rooted in the traditional '*tinkhundla*' system. This system restricts democratic participation, bans political parties (since the 1973 King's Proclamation), and centralizes power in the monarchy. Despite the adoption of a national constitution in 2005, real political reform remains absent. One of the most significant political events in recent history was the assassination of human rights lawyer and Multi-Stakeholder Forum (MSF) Chairperson Thulani Maseko in January 2023. This incident followed the 2021 unrest in which over 80 civilians, including pro-democracy activists, were killed. No official investigations have been completed, contributing to growing public disenchantment (Human Rights Watch, 2024).

King Mswati III continues to hold broad executive, legislative, and judicial powers, including appointments of judges, ministers, and other key officials. These powers reinforce a lack of accountability, with widespread allegations of corruption and misuse of public funds. Reports

[1] Freedom House, (2024), *The World Country Reports, 2024: Eswatini.*

Human Rights Watch, (2024), *World Report 2024: Eswatini.*

[2] ITUC, (2024), *2024 Global Rights Index: The World's Worst Countries for Workers,* ITUC Headquarters, Brussels, Belgium; .

from the Public Accounts Committee (PAC) indicate consistent losses of up to SZL 91 million (USD 4.9 million) monthly due to corruption, especially in the health sector. The country is reported to lose approximately 1,2 billion Swazi Emalangeni (SZL), which is USD 65,133 million, annually to corruption, especially through the health sector (Times of Eswatini, n.d.). The Public Accounts Committee (PAC 2022) report stated that since the 2019/2020 financial year, the country has been losing about SZL 91million (equivalent to USD 4,9 million) per month to corruption. The correlative relationship between corruption and unlimited powers of the royalty, and the '*tinkhundla'* system of government have been the focus of several scholarly articles and institutional/organisational reports over the past few decades.

The 2023 national elections, conducted under the '*tinkhundla*' system, failed to introduce significant democratic reforms. Political representation remains limited to individuals rather than parties, further marginalising opposition voices. According to Freedom House (2024), civic and labour activism is met with repression, and laws such as the Suppression of Terrorism Act (2008) and Sedition Act (1938) are used to stifle dissent.

Trade unions, particularly the Trade Union Congress of Swaziland (TUCOSWA), operate in a hostile environment. The King's Proclamation meaningfully inhibits political association and assembly, expression of freedom and procession in the guise that these 'implant foreign ideologies that are not compatible with the Swazi way of life' (Swazi Government, 1973). In 2008, a few years after the promulgation of the country's Constitution (2005), the Suppression of Terrorism Act No. 11 was enacted to further restrict civic liberties and democracy in the kingdom. This has resulted in a civic space that is increasingly restrictive and characterized by a decline in freedom of expression and association, representation and a disregard for the rule of law.

With the deteriorating political and governance situation in the country, workers' rights are also seriously affected. The International Trade Union Confederation (ITUC) showed in its Global Rights Index Report (2024) that Eswatini continues to occupy a high ranking among the ten countries considered the world's worst violators of worker rights. ITUC lists Eswatini among the worst countries for workers for the fifth consecutive year. In its 2024 session, the ILO's Committee on the Application of Standards (CAS) urged the Eswatini government to investigate violations against unionists, protect freedoms of association and assembly, and respect international labour conventions.

The existence and enforcement of a repressive legislative environment is primarily through three principal laws, namely: the Sedition and Subversive Act (1938); the King's Proclamation (1973), and the Suppression of Terrorism Act of (2008). The confluence and overlap in the application of these laws leads to effective inhibition of rights and freedoms of association, assembly, expression and self-determination. Non-governmental organisations (NGOs), community-based organisations (CBOs), faith-based organisations (FBOs), social movements, women and youth associations respectively are all affected by the existence and enforcement of the laws. The Suppression of Terrorism Act (2008), for instance, 'criminalises' any other organisation that is ‘perceived to be sympathising with proscribed entities like the Peoples’ United Democratic Movement (PUDEMO), the Swaziland Youth Congress (SWAYOCO) and the Swaziland Solidarity Network (SSN) and all their activities. The operation of entities like NGOs, CBOs, FBOs, and trade unions can be effectively banned should any of their undertakings be construed or perceived to align with the work of these proscribed bodies. The primary intention of the Suppression of Terrorism Act is to isolate and obliterate those organisations that seem to present a threat to the existence of the royal-centred political system known as ‘*tinkhundla’*. Recently, activism on issues of governance, human rights and economic justice has diminished as more and more civil society organisations prefer to engage in ‘safe’ programmatic work, especially in the health sphere. That type of civil society work does not adopt a rights-based approach, and it does not question the status quo.

TUCOSWA and the Federation of Swaziland Trade Unions (FETUSWA) are the only trade union federations in the country. TUCOSWA has nineteen (19) affiliates, whilst the number of unions affiliating to FESWATU is unclear. Both these federations are registered and recognised in law; hence, they partake in national bargaining platforms, like the Labour Advisory Board (LAB) and the Social Dialogue Forum.

The highly repressive political context continues to breed an unhealthy, adversarial, and unbalanced employment relations environment in which actors (within tripartite and bipartite relations) exhibit mistrust, lack confidence in the labour relations governance and (at times) exhibit distaste and frustration with the system as a whole (especially trade unions). The political environment in Eswatini still remains deeply repressive. Civic space is shrinking, democratic reforms are absent, while trade unions and civil society continue to face systemic persecution. The international community, including multilateral institutions, has called for substantial reforms, but government action remains minimal.

Section 2: Socio-Economic Context

2.1 Structure of the Swazi Economy

Eswatini's economy has evolved from agriculture, forestry, and mining towards a more service-oriented and industrial structure. According to the African Development Bank (2023), services contributed 53.5% to GDP in 2023, industry 33%, and agriculture 8.1%. Manufacturing, particularly sugar and soft drink concentrates, dominates exports, while coal, gold, and quarry products also contribute significantly to the economy.

The country maintains strong trade ties with South Africa, its primary trading partner. The local currency, the Swazi Lilangeni (SZL), is pegged to the South African rand. Eswatini's economic openness and dependency on the Southern African Customs Union (SACU) revenues expose it to external shocks and fiscal volatility.

The country's trade is significantly undertaken with neighbouring South Africa - for both imports (75%) and exports (65%). Eswatini's currency (the Lilangeni) is a hard-peg to the South African Rand and relies on the South African Reserve Bank for the issuance and application of its monetary policy and interest rates, through the Central Bank of Eswatini (CBE)[3]. The economy is heavily dependent on proceeds from SACU, alongside Lesotho, Namibia, and South Africa, and this is primarily why the Swazi economy is considered open and vulnerable. Presently, the sectoral employment share of services sector to the Gross Domestic Product (GDP) rose from 45.6% in 2000, to 53.5% in 2023, whilst agriculture's share dropped from 12.3% (2000) to 8.1% in 2023. Further, industry's share also dropped from 39.1% in 2000 to 33% in 2023. The services sector includes the functions of government services; wholesale and retail; accommodation and food services (tourism and hospitality); information and communications technology (ICT) and public administration, and defence and security functions[4]. Table 1 below illustrates these changes over a 23-year period.

Table 1: GDP per sector changes in the period 2000 - 2023 (%)

Sector	**Year**	
	2000	**2023**
Services	45.6	53.5
Industry	39.1	33
Agriculture	12.3	8.1

Source: African Development Bank Statistics, 2023.

2.2 Key Macro-Economic Indicators

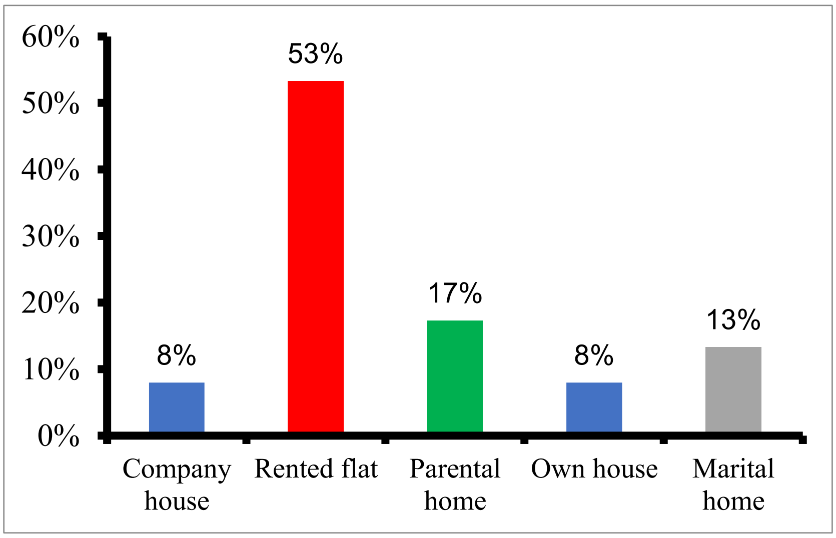
The World Bank (2024) estimates GDP per capita at US$3,823 in 2023. Real GDP grew by 4.8% that year, recovering from 0.5% in 2022, mainly due to strong performance in the services sector and increased SACU receipts. The strong performance of the tertiary (or services) sector accounted for about 4.4% of the overall GDP outcomes (CBE 2023). SACU receipts grew by over 50% from E5.8 billion (US$317 million) in 2022/23 to E11.750 billion (US$643 million) in 2023/24 (CBE, 2023/2024). This increase enabled both capital and recurrent expenditure programmes, further enhancing growth in selected sub-sectors of the economy. Further, the secondary sector recovered slightly in 2023 from muted growth in the previous year, and the primary sector contracted in the same period. The primary sector - comprising agriculture, forestry and mining and quarry- is estimated to have contracted by 1.8% in 2023, from a 5.3% recorded growth in 2022. (CBE, 2024). Inflation averaged 5%, with food inflation at 12.3%, driven by global supply disruptions. Electricity tariffs rose by 9.7%, impacting household expenses. Housing and utility costs increased by 4.8%, with rent and electricity accounting for major components.

[3] https://www.economy.com/eswatini-swaziland/indicators
[4] Integrated Labour force Survey (ILFS), 2021

A 2019 International Research Academy for Labour and Education (IRALE) study showed that many workers spend over 30% of their income on food, and over half of female workers spend their entire salary on basic living expenses.

Meanwhile, the price index for 'housing and utilities' grew by 4.8% in 2023, compared to 2.8 % in the previous year and accounted for about 27% of overall inflation outcome. Higher rental costs and electricity hikes were the main drivers of inflation acceleration. Housing rental costs rose by 3.6%, while electricity tariffs averaged 9.7% in 2023 compared to 4% in 2022 (National Development Plan 2023/2024). The Eswatini Energy Regulatory Authority (ESERA) granted the Eswatini Electricity Company (EEC) multi-year tariff increases of 10.1% in 2023/24 and 8.0% in 2024/25, respectively. Juxtaposing this data with the study conducted by IRALE in 2019, reveals that of the 75 workers interviewed for the study, 57% of female workers reported spending their entire salary on food, rent, water, electricity and on micro-lenders. About 53% of interviewed workers did not own their places of residence but rented them, and only 8% lived in houses they own or marital homes (and therefore do not pay rent). This, therefore, means that such increases in the cost of utilities, food and rentals consume a huge portion of the real incomes of workers. Figure 1 below illustrates this point distinctly. The price index for the 'clothing and footwear' grew from 4.4% to 5.7% in the period under review.

Figure 1: Worker Expenditure on Accommodation/Residence



Source: IRALE, 2019.

2.3 Poverty & Inequality

Despite slight reductions, poverty levels remain high. The proportion of the population living below the poverty line declined from 76.4% in 2000 to 58.1% in 2016. However, the United Nations Population Fund (2019) notes that around 70% still live in poverty, with 25% facing extreme poverty. The Gini coefficient of 51.5 (2020) highlights persistent income inequality, ranking Eswatini among the most unequal countries in the SACU region. Women and youth remain particularly disadvantaged, with higher vulnerability to economic shocks, lower access to opportunities, and heavier burdens from inflation. In summary, while the structure of Eswatini's economy has modernized, challenges persist. External dependence, structural inequality, and cost-of-living pressures limit economic resilience and inclusivity, particularly for marginalized populations.

Section 3: Labour Market Key Trends and Developments

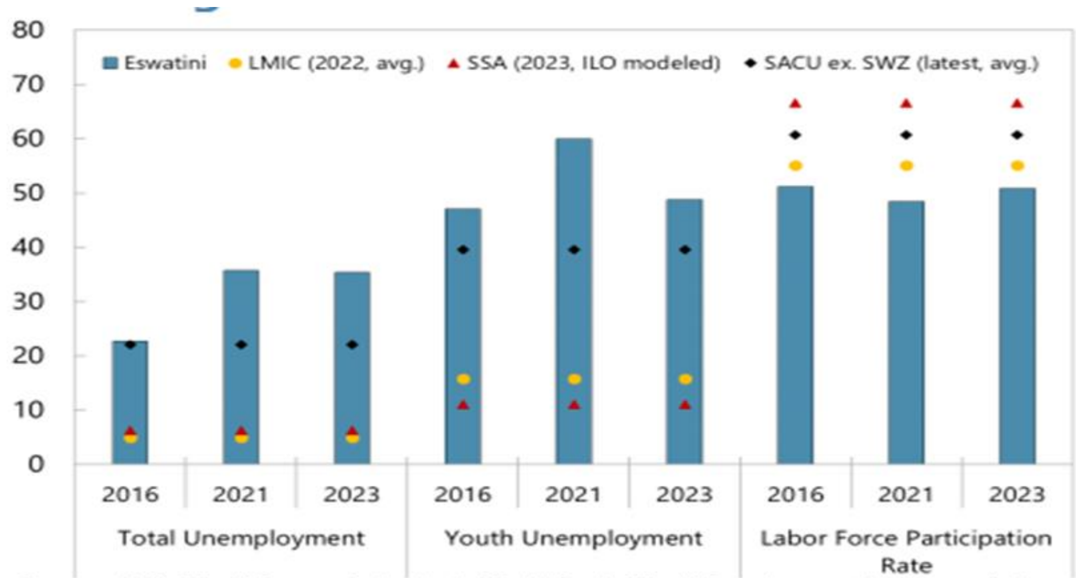
3.1 General Labour Market Trends

Eswatini's unemployment rate remains persistently high. According to the IMF (2024), the national unemployment rate stood at 35.4% in 2023, with youth unemployment particularly concerning at 48.7%. Although this represents a modest improvement from over 60% during the COVID-19 pandemic, the situation remains critical. Alarmingly, 52.5% of the unemployed have been without work for a year or more, with youth disproportionately affected. The data also highlights that 11% of the people employed are underemployed, and work less than 35 hours a week but are willing and available to work more time (Labour Force Survey, 2023).

Between 2000 and 2023, employment in the services sector increased by 5.2%, while jobs in agriculture and industry declined by 4.3% and 1.3%, respectively (IMF, 2024). Climate change, weak institutional support, and corruption have contributed to the collapse of employment in agriculture, as evidenced by inefficiencies within the Ministry of Agriculture's Mechanisation Unit.

Eswatini's labour force participation rate was 50.8% in 2021, with women participating at a lower rate (48%) compared to men (54.1%) (ILFS, 2021). Despite slight improvements from 2014 levels, a large share of the working-age population remains economically inactive. Approximately 34.9% of youth are not in employment, education, or training (NEET), suggesting widespread discouragement and skill mismatches. Figure 2 shows the labour market indicators.

Figure 2: Labour Market Indicators



Sources: IMF, *World Economic Outlook*; World Bank, *World Development Indicators*; Labor Force Survey; and IMF staff calculations.
Note: All data are national estimates, unless specified.

Young people in employment are largely concentrated in low-skilled sectors such as retail, hospitality, and elementary occupations. According to ILFS (2021), over 65% of employed youth work in services, sales, or elementary positions, often under short-term contracts without social protection. Many of these jobs are outside union representation, limiting collective bargaining and labour rights protection.

Table 2 shows the percentage distribution of employed youth in the country. It shows that the majority of young workers are found in the service and sales sectors, as well as in elementary occupations. Most of these jobs are atypical work in which trade unions are not permitted to organise as they are on short-term contract basis or non-pensionable occupations. A majority of young female workers are employed in the service and sales sectors as well as in elementary occupations.

Table 2: Percentage distribution of employed youth (15-24) by sex and occupation

Youth (15-24) employed population	**Sex**		
	Male	**Female**	**Both sexes**
	14, 440	**11,780**	**26,220**
Managers	0.9	2.9	1.8
Professionals	2.2	1.6	1.9
Technicians & Associate Professionals	1.7	2.8	2.2
Clerical Support Workers	1.8	2.5	2.1
Services and Sales Workers	22.2	46.5	33.1
Skilled Agricultural, Forestry and Fishery Workers	13.9	2.4	8.8

Craft and Related Trades Workers	13.5	3.1	8.9
Plant and Machinery Operators and Assemblers	8.8	4.6	6.9
Elementary Occupations	32.0	33.1	32.5
Not elsewhere classified	2.9	0.4	1.8
All occupations	**100.00**	**100.00**	**100.00**

Source: ILFS, 2021

While the Eswatini Investment Promotion Authority (EIPA) has led private-sector job creation through investment incentives such as tax holidays and factory shells, gains have been uneven and many sectors still suffer from informal or precarious employment. The COVID-19 pandemic reversed gains in manufacturing and services, with several companies downsizing or closing operations.

The gig economy remains limited, but there is a visible rise in temporary, atypical employment, especially for interns and graduate trainees. These arrangements often lack social protection, increasing labour market vulnerability. Overall, the Eswatini labour market reflects high unemployment, a growing informal sector, and structural barriers to decent work.

3.2 Labour Market Dynamics

The Integrated Labour Force Survey of 2021 *(as indicated in Table 3)* shows that there is a clear relationship between educational attainment and employment opportunities. High labour force participation rates are observed within the categories of vocational and tertiary educational attainment levels. Interestingly, a high rate of 90.2% is also observed with females with vocational educational levels. Unfortunately, the country has, of late, witnessed a crumbling of the public education system, particularly embodied by the myriads of challenges that confronts the University of Eswatini (UNESWA). Technical and vocational institutions have also suffered due to de-funding and neglect, corruption and political interference; hence, some lie idle or are underutilised, yet they are crucial potential workforce generators for the country's economy. Table 4 indicates that there is a high percentage distribution of workers with either a primary, lower or upper secondary education who are out of labour force participation of any kind, more so than even those without schooling and with early childhood education. It further affirms the relationship between educational levels and employment outcomes.

Table 3: Labour force participation rate by sex and educational attainment

Educational Attainment	Sex		
	Male	**Female**	**Both Sexes**
No schooling	36.7	21.1	26.7

Early childhood education	67.8	0.0	19.4
Primary education	42.7	35.2	38.8
Lower secondary education	39.9	39.1	39.5
Upper secondary education	56.5	46.6	51.1
Post-secondary non-tertiary education	56.5	77.4	68.6
Informal education	29.5	0.0	11.6
Vocational education	82.4	90.2	84.2
Tertiary education	74.6	73.5	74.0
Not classified elsewhere	60.8	63.7	62.3
All levels	**49.4**	**43.0**	**45.9**

Source: ILFS, 2021.

Table 4: Percentage distribution of out of labour force by sex and educational attainment

Out of labour force	**Sex**		
Educational Attainment	**Male**	**Female**	**Both Sexes**
No schooling	6.1	9.9	8.3
Early childhood education	0.0	0.3	0.2
Primary education	30.2	26.9	28.3
Lower secondary education	31.8	29.7	30.6
Upper secondary education	25.5	27.2	26.5
Post-secondary non-tertiary education	0.3	0.1	0.2
Informal education	0.3	0.4	0.3
Vocational education	0.3	0.0	0.2
Tertiary education	4.8	5.1	5.0
Not classified elsewhere	0.5	0.4	0.5
All levels	**100**	**100**	**100**

Source: ILFS, 2021

Wages councils are sectoral wage determination platforms comprised of workers' representatives (trade unions in the sector), employers or their representative bodies in the sector and government, through the Ministry of Labour & Social Security (MoLSS) (Wages Act, 16 of 1964). Wages councils set wages per occupation in each sector through a consensus-based engagement within the tripartite structure. Wage determination processes and efforts are confronted by several challenges, as parties do not congregate as per required schedule. The responsible line ministry is expected to convene such sittings as periodically scheduled and should also ensure proper follow-up to enforce and enhance compliance with the gazetted outcomes of the sittings. The Integrated Labour Force Survey of 2015/16 shows that about 43.6% of the workers stated that the employer unilaterally determines their wage increases or non-increase thereof. As a result, the Government of the Kingdom of Eswatini fails dismally at performing this regulatory function[5].

Table 5: Percentage distribution of employees by salary negotiation & sex

	Sex		
	Male	**Female**	**Both**
Number of employees	**100 405**	**79 177**	**179 582**
Negotiation between myself and employer at company	19.4	18.4	18.9
Negotiation between union and employer	21.9	20.8	21.5
Bargaining council	7.6	6.0	6.9
Employer Only	42.4	45.0	43.6
No regular annual salary increases	5.8	5.9	5.8
Other	2.4	2.8	2.6
Not stated	0.5	1.1	0.7
All Employees	**100.0**	**100.0**	**100.0**

Source: ILFS, 2016, p.44

Labour mobility

Labour mobility across the country is determined by distribution of job opportunities and perceptions about such availability and demand for certain skills. Rural-urban migration, for instance, is primarily catalysed by the search for better employment opportunities and prospects, including informal work in urban centres. Employment opportunities and occupations that are found in rural areas are largely those in the public services sector, like health (health centres and clinics), agriculture and education (schools in rural communities). A few others include construction (both public works and private homesteads) and community development, which include community development practitioners who reside in these rural communities with a purpose to guide communities about issues of their own development.

Technology and fourth industrial revolution

Evidence suggests that technological advancements have occurred in several sectors, including banking and finance, commercial and retail, including energy. Currently, there is a pilot project that aims to introduce automation and digitalisation within the public education system. It is, however, still at its infancy stage. With these changes comes possibilities of job losses, re-deployments, and/or re-skilling.

[5] https://www.swazilandnews.co.za/fundza.php?nguyiphi=1137

During the introduction of the prepaid electricity system, the Eswatini Electricity Company (EEC)[6] had to re-train and re-skill meter readers since there was no longer a need to have that function. Further, with the automation of some equipment in the various hydro-power stations, there were no job losses nor were there any unfavourable changes to workers' working conditions and terms of employment. Overall, the country has a slow uptake of new technologies, and there is no empirical evidence to suggest that there have been significant impacts on employment or its terms and conditions.

The Government of the Kingdom of Eswatini is exploring re-engaging the Enhanced Voluntary Early Retirement Scheme (EVERS) to encourage workers who are close to the retirement age of 55 years to consider early retirement. The primary aim of this scheme was to reduce the workforce by 10% and in turn reduce the wage bill, but also to create employment opportunities for new entrants into the public service and the labour market (IMF, 2023). However, without adequate planning or capacity to absorb these new entrants into formal employment, this approach may not significantly alleviate youth unemployment.

Blue-collar job holders, particularly young workers, face stagnant wages and limited prospects for upward mobility. A mismatch persists between the skills produced by the education system and labour market demands. Vocational and technical education remain underfunded, and even when graduates possess marketable skills, job absorption capacity in the private sector is limited.

The Government of the Kingdom of Eswatini recently launched a national skills audit which seeks to assess available skills in the labour market vis-à-vis the needs of the economy, and several gaps were identified, particularly in the Science, Technology, Engineering and Mathematics (STEM) fields (ESEPARC, 2022).

3.3 Labour Market Policy

The Industrial Relations Act (IRA) of 2000 provides for the fundamental rights of workers, which includes the right to form and join a trade union, as well as their registration. It also provides for the establishment of employers' bodies or their representative organs. Further, it provides for the establishment of means to resolve industrial disputes, which include the Industrial Court and the Conciliation, Mediation and Arbitration Commission (CMAC). The Industrial Relations Act also provides for the establishment of the tripartite consultative forum called the Labour Advisory Board (LAB) and the Social Dialogue (IRA, 2000).

[6] The EEC is a Category a Public Enterprise.

The Government has initiated feasibility studies for the establishment of an unemployment benefit scheme as part of its measures to establish comprehensive social security reforms and efforts to mitigate the intensity of poverty and impact of future crises. The United Nations Development Programme (UNDP), in conjunction with government ministries, has designed and launched the Eswatini Youth Empowerment Programme (EYEP) which is premised on five (5) tracks, namely:

Track 1: A Graduate Placement and Mentorship Programme
Track 2: An Artisanal Skills Training and Mentorship Programme.
Track 3: A Leadership and Sustainable Energy Academy
Track 4: A Tech-hub
Track 5: An Entrepreneurship Development Programme

This EYEP programme aims to empower about 4,000 graduates that are unable to join the labour market. Most companies currently take interns and graduate trainees into their employ, a trend that, however, has the risk of employers engaging the interns on atypical employment terms and conditions. The EYEP is a relatively new initiative; it is yet to be seen what it can cover. However, with the continued mismatch between the supply and demand of skills and competencies required in the market, the impact of this initiative has to go with modest expectations as it is likely to have minimal impact. The public service in the country needs to extensively confront corruption which continues to hamper all efforts associated with improving inclusivity and equity in the labour market.

Conclusion and Recommendations

Eswatini's political system remains highly centralised and repressive, with minimal progress toward democratization. Despite civic mobilisation and international pressure, political dissent is frequently met with violence, and trade unions continue to face suppression. The rule of law is compromised by unchecked executive power and widespread corruption.

Economically, the country has undergone structural transformation toward services and manufacturing, yet it remains highly dependent on South Africa and SACU revenues. While recent growth trends are positive, inflation and high food costs continue to erode workers' incomes. Deep-seated poverty and inequality persist, with women and youth disproportionately affected.

Labour market indicators reveal high unemployment, particularly among youth, and a decline in agricultural and industrial jobs. Labour force participation remains low, especially among women, while precarious work and atypical contracts grow in prominence. The education-to-employment pipeline is weakened by systemic underinvestment in skills development.

Policies such as the Enhanced Voluntary Early Retirement Scheme (EVERS) retirement plan, national skills audit, and the Eswatini Youth Empowerment Programme (EYEP) show attempts at reform but lack the scale or coordination to significantly shift outcomes. Labour institutions are constrained by inconsistent enforcement, political interference, and lack of resources.

To foster inclusive growth, Eswatini needs bold reforms anchored in democratic governance, inclusive social dialogue, strategic investment in education and skills, and support for youth employment and decent work. Labour market policies must be integrated into national development strategies to achieve sustainability, equity, and resilience.

Chapter 2 Namibia

Introduction

Namibia, a country located in the southern part of Africa, has made considerable socio-economic strides since gaining independence in 1990. The nation is characterised by its vast landscapes, rich natural resources, and a diverse populace. However, despite its potential, Namibia faces significant challenges in terms of socio-economic development and labour market dynamics. This chapter provides a comprehensive overview of Namibia's political context, socio-economic environment, and labour market trends, shedding light on the persistent challenges and the evolving opportunities within this unique African nation.

Section 1: Political Context

Namibia's political landscape is rooted in a struggle for independence from South African rule, culminating in independence in 1990. Namibia is a democratic republic with a presidential system. The president serves as both head of state and government, and the legislature is bipartite, consisting of the National Assembly and the National Council. The judiciary operates independently. The country operates with a multi-party system, characterised by regular elections and a high level of political stability. The Southwest Africa People's Organisation (SWAPO), which played a vital role in the liberation struggle, has been the dominant party since independence in 1990.

The consolidated government has focused on building a democratic society, promoting human rights, and ensuring social justice. Despite political stability, Namibia grapples with lingering racial inequalities rooted in its colonial past. Disparities in land ownership and wealth distribution persist and continue to influence socio-economic dynamics. The government's efforts to promote inclusivity through policies such as the Land Reform Act aim to redress historical grievances. However, implementation challenges remain, with many citizens still feeling marginalised. Namibia's political environment is further characterised by its commitment to regional cooperation within the Southern African Development Community (SADC) and adherence to international agreements related to human rights and environmental sustainability (Shikondja, 2021).

The death of President Hage Geingob in early 2024 added further complexity to the political landscape. His successor, Vice-President Nangolo Mbumba, took over but did not plan to run in the upcoming election. As of April 2025, the country navigates a critical political transition following the successful elections held in 2024. SWAPO's presidential candidate Netumbo Nandi-Ndaitwah made history by becoming Namibia's first female president. She was inaugurated in March 2025. Her presidency has ushered renewed public interest in governance reform, with an emphasis on issues such as anti-corruption, youth employment, and inclusive economic development. Policy debates in Parliament now place greater attention on legislative proposals that address transparency, employment generation, public service delivery, and equitable economic participation.

The ruling SWAPO party's control over Namibian politics has remained steady for decades. However, internal party disputes and waning public confidence have presented new challenges (The Africa Center for Strategic Studies, 2024). The party's leadership has come under scrutiny for failing to address key socio-economic issues, such as unemployment, poor service delivery, and unfulfilled promises remained key issues for the electorate, especially in rural areas, as citizens pushed for meaningful change in areas such as healthcare, housing, and education (New Era, 2024). Although Namibia is relatively peaceful, these concerns create political tension, especially with youth voters who demand tangible improvements.

Section 2: Socio-Economic Context

STRUCTURE OF THE ECONOMY

Namibia's economy was classified as upper-middle income, a designation based on its gross national income (GNI) per capita (World Bank, 2023). However, as of June 2025, Namibia was downgraded to a lower-middle income country due to a decline in its GNI per capita. The country's economic growth slowed from 4.4% in 2023 to 3.7% in 2024, with the mining and quarrying sector contracting by 1.2% (World Bank, 2025). The drop in per capita income is attributed to slower GDP growth , weakened mining output , and a significant population revision (Agambila, 2025).

The economy is heavily reliant on natural resources, with mining, agriculture, and fishing playing central roles in both employment and revenue generation. According to the Namibia Statistics Agency (2023a), the mining sector contributed approximately 12.2% to the country's Gross Domestic Product (GDP) in 2022, with key outputs including diamonds, uranium, and copper. Agriculture, which includes both commercial and subsistence farming, contributed around 6.6%, while fishing added approximately 3.5% to the country's GDP.

The mining sector remains the primary source of government revenue and foreign exchange earnings (Namibia National Planning Commission, 2021), and despite vulnerability to drought and climatic variability, agriculture, continues to sustain rural livelihoods. The fishing industry, though smaller in GDP share, provides vital employment and export value. Additionally, the tourism sector contributes significantly to the economic diversification by capitalising on Namibia's unique landscapes and biodiversity, which attracts visitors from all over the world (Namibia Tourism Board, 2023).

In early 2025, Namibia's economic outlook was cautiously positive. Provisional data from the Bank of Namibia indicated GDP growth of 4.8% in the first quarter of the year, driven by higher global demand for green hydrogen exports, a rebound in tourism, and improved performance in construction and financial services (Bank of Namibia, 2025). Namibia's burgeoning green hydrogen initiative, which has drawn significant foreign direct investment, is projected to create over 30,000 jobs by 2030 (Green Hydrogen Council, 2025). Government is also piloting Universal Basic Income (UBI) initiatives in selected regions to assess poverty alleviation outcomes.

ECONOMIC PERFORMANCE AND KEY MACROECONOMIC INDICATORS

Namibia's economy remains highly dependent on primary industries, yet it continues to face persistent structural challenges, including a narrow industrial base and high levels of unemployment. After experiencing steady growth in the early 2000s, recent years have seen slower growth rates. The economy contracted by 8.5% in 2020 due to the COVID-19 pandemic, since then, the country has entered a phase of moderate recovery. Real GDP growth reached 5.3% in 2022 but slowed to 4.2% in 2023. The deceleration was primarily driven by weaker global demand and a contraction in the agricultural sector. The most recent estimates from the Bank of Namibia indicate that the economy expanded by 4.7% in 2024, supported by increased mining output, improved service sector performance, and stronger regional trade integration (Bank of Namibia, 2024).

Inflation moderated slightly from 6.1% in 2022 to 5.9% in 2023, influenced by slower demand for key exports like diamonds, a significant contributor to the Namibian economy. In 2024, inflation further declined to 4.8%, reflecting lower food and fuel prices, and a more stable exchange rate environment (Namibia Statistics Agency, 2024). Despite this moderation, inflation continues to affect real household incomes, particularly for low-income groups (Bank of Namibia, 2023). The fiscal position improved steadily over the past two years. The national budget deficit declined from 5.1% of GDP in 2022 to 3.8% in 2023. Further, preliminary data for 2024 suggests a further reduction to 3.2%, owing to enhanced tax administration and increased revenues from mining royalties and value-added tax collections (African Development Bank (AfDB, 2024); Ministry of Finance, 2024).

The Namibian dollar, which is pegged to the South African rand, depreciated by approximately 6.4% against the U.S. dollar in 2023. In 2024, the average exchange rate stood at N$18.33 per USD, reflecting a milder annual depreciation of 1.85%, thereby indicating reduced exchange rate volatility (Exchange-Rates.org, 2024). Meanwhile, Namibia's external debt rose slightly to 65.3% of GDP in 2024, up from 63.9% in 2023, driven by a weaker currency and expanded borrowing. Despite this increase, the country retained its status as one of the least externally indebted economies in Africa, ranking sixth in terms of lowest debt burden (African News Agency, 2024). Unemployment remains a pressing issue, particularly among the youth, with rates above 46% in 2024. Namibia ranks among the top countries in Africa with regard to income inequality, with a Gini coefficient of 0.59, indicating significant disparities in wealth distribution (Afrobarometer, 2022).

A summary of selected macroeconomic indicators is provided in Table 1 below.

Table 1: Selected Macroeconomic Indicators for Namibia (2020–2024)

Indicator	2020	2021	2022	2023	2024 (est.)
Real GDP growth (%)	-8.5	2.4	5.3	4.2	4.7
Inflation rate (%)	2.2	3.6	6.1	5.9	4.8
Fiscal deficit (% of GDP)	9.2	6.7	5.1	3.8	3.2
Exchange rate (N$/USD, avg.)	16.5	14.8	15.4	16.4	15.9
Gini coefficient	0.59	0.59	0.59	0.59	0.59
Unemployment rate (%)	33.4	34.2	34.0	36.9	36.5

Source: Labour Force Survey 2018

POVERTY SITUATION

Poverty remains a critical socio-economic challenge in Namibia, with significant disparities across regions and demographic groups. According to the Namibia Statistics Agency (2023 PHC Labour Force Report), approximately 28.7% of the population is classified as poor, while 15% live in conditions of extreme poverty. These rates are particularly severe in rural areas where limited access to basic services, infrastructure, and formal employment opportunities exacerbates vulnerability (Statistics Namibia, 2023). The country has a high level of income inequality, with poverty concentrated in certain regions and among vulnerable groups. Namibia is rated as a high middle-income country, yet poverty and inequality levels are among the highest, with about 28.7% of the population being poor, while 15% are extremely poor (National Planning Commission, 2023a). High poverty rates are driven by multiple, interconnected factors including high unemployment (36.9% in 2023), underemployment, and a significant informal economy that lacks social protection mechanisms. Moreover, the rural economy remains dependent on subsistence agriculture, which is highly susceptible to climatic shocks, including recurrent droughts.

Labour market exclusion, especially among youth and women, further entrenches poverty. In 2023, the NEET (Not in Employment, Education or Training) rate among youth aged 15–34 reached 41.9%, with young women disproportionately affected (44.1%) compared to young men (39.7%) (Namibia Statistics Agency, 2023b). The low rate of productive and protected employment contributes to household income insecurity and intergenerational poverty cycles.

POVERTY REDUCTION POLICY FRAMEWORK

Over the years, Namibia has implemented several poverty reduction efforts, focusing on social protection, economic inclusion, and regional development. These efforts are aimed at addressing high levels of income inequality, improving access to essential services, social protection and reducing the overall poverty rate (National Planning Commission (2023b). Government initiatives aimed at poverty alleviation, such as the provision of social protection programs (old-age pension, child, and disability grants), have had some impact, but challenges remain regarding sustainability and inclusivity (Subbarao, 2024). According to the Namibia Statistics Agency (2023c), the old-age grant program has helped reduce extreme poverty, particularly among older generations and in regions where formal employment is scarce. The impact of social grants extends beyond individual beneficiaries. Child and disability grants help households afford necessities such as food, healthcare, and school supplies, reinforcing the country's social safety net framework (Friedrich Ebert Stiftung, 2022). However, these programs still face challenges related to sustainability, coverage, and integration into broader development strategies (Subbarao, 2024).

The Harambee Prosperity Plan (HPP), first launched in 2016 and currently in its second phase (2021–2025), is one of Namibia's key policy frameworks for poverty and inequality reduction. The plan focuses on creating employment opportunities, improving access to housing, education, healthcare, and public service delivery while fostering job creation and inclusive economic growth (Office of the President, 2021). It includes measures to enhance service delivery and governance, aimed at improving living standards of all Namibians. The HPP also emphasises sustainable development and aims to reduce unemployment, especially among youth, while fostering small and medium enterprise (SMEs) growth to diversify the economy away from its heavy reliance on natural resources *(Harambee Prosperity Plan 2016/17 - 2019/20).* In addition, region-specific programs, like the Namibia Rural Development Programme, have worked to improve infrastructure, promote agricultural productivity, and increase access to clean water and sanitation in rural areas (Ministry of Finance and Public Enterprises, 2023). These initiatives aim to empower rural communities and reduce dependency on subsistence farming by improving basic services and boosting agricultural productivity (Ministry of Finance and Public Enterprises, 2023).

The Namibia Youth Credit Scheme (NYCS), managed by the Ministry of Sport, Youth and National Service (MSYNS), seeks to empower young people through entrepreneurship by providing financial resources and training. Preliminary assessments of the scheme indicate that it has facilitated the establishment of small enterprises and helped participants gain financial literacy and management skills (MSYNS, 2023). Additionally, efforts are being made to enhance vocational training and skills development to create a workforce that can participate in diversified industries such as renewable energy, manufacturing, and technology (MSYNS, 2023). Namibia's poverty reduction strategy integrates social grants, youth empowerment, regional development, and infrastructure investment. While progress has been recorded in improving welfare in certain areas, enduring structural reforms and broad-based economic diversification remain essential for achieving sustainable and inclusive poverty reduction.

Section 3: Labour Market Key Trends and Developments

Namibia continues to face high unemployment rates, especially among youth and women. In 2023, the national unemployment rate stood at 36.9%, as per the Population and Housing Census report, with youth unemployment and gender disparities remaining prominent. The youth (15–34 years) labour force participation rate was 44.7%, but only 24.8% of youth were employed, while 19.8% were unemployed (Namibia Statistics Agency, 2023b). Furthermore, the youth NEET (Not in Education, Employment or Training) rate was 41.9%, with females accounting for a higher proportion (44.1%) compared to males (39.7%).

Recent investments in oil and gas exploration, along with green hydrogen projects, have created prospects in infrastructure and skilled labour markets. While these developments are expected to generate long-term employment opportunities, their immediate impact on unemployment levels has been modest (African Development Bank Group, 2024). The informal sector remains a critical employment source, particularly for low-skilled workers (IPPR, 2024). In 2018, informal employment accounted for an estimated 57.7% of total employment, with higher prevalence in agriculture (up to 87.6%), construction (65.3%), and household services (91%) (Namibia Statistics Agency, 2018). The 2023 PHC did not report on informal sector data, thus representing a critical gap.

The revival of the tourism sector post-COVID-19 has positively influenced informal employment, although stricter visa policies may constrain future growth. Labour migration trends indicate that Namibia remains both a sending and receiving country within the Southern African region. The labour migration policy is currently under review to facilitate regional skills exchange and enable the mutual recognition of qualifications under SADC protocols (Ministry of Labour, Industrial Relations, and Employment Creation (MLIREC), 2025a). To address persistent unemployment, the Namibian Government launched the revised National Labour Market Strategy in February 2025, emphasising digital literacy, apprenticeships, and green economy jobs. These interventions align with vocational training reforms spearheaded by the Namibia Training Authority, aiming to strengthen the link between training systems and labour market needs. Despite these policy measures, Namibia is yet to implement legal protections for workers in the digital platform economy, who often operate in unregulated environments. Moreover, the labour migration policy is under review to accommodate regional skills exchange within SADC, ensuring mutual recognition of qualifications.

The Namibian labour market has demonstrated resilience despite structural barriers such as high youth unemployment, skills mismatches, and economic dependence on primary sectors. It has shown adaptability through the growth of informal employment, government-backed employment creation schemes , and vocational training initiatives. Additionally, sectors like renewable energy, tourism, and logistics have begun absorbing labour, reflecting gradual diversification and workforce adjustment to shifting economic dynamics.

GENERAL LABOUR MARKET TRENDS

The 2023 PHC Labour Force Report shows that Namibia's working-age population (WAP) was 1,876,122, with 867,247 people (46.2%) in the labour force. Of these, 546,805 were employed. Sectoral employment reveals that services employed 57.9% of the labour force, followed by industry at 26.1%, and agriculture at 16.1% (NSA, 2023b). The youth (ages 15–34) remain particularly vulnerable, with a NEET (Not in Employment, Education or Training) rate of 41.9%, higher among females (44.1%) than males (39.7%). The gig economy is growing across transport, delivery, and freelance sectors. However, Namibia lacks legal structures to protect digital platform workers, thereby leaving them outside traditional employment benefits. The revised National Labour Market Strategy acknowledges this and emphasises digital skills, apprenticeships, and support for green jobs.

Namibia's labour market continues to exhibit persistent structural constraints, including high unemployment rates, particularly among youth, labour underutilisation, and informality. According to the Namibia Statistics Agency (2023b) Population and Housing Census Labour Force Report, the national unemployment rate stood at 36.9%. Gender disparities were evident, with unemployment among females recorded at 39.6% compared to 34.6% for males. The youth (aged 15–34) unemployment rate was particularly severe, with 24.8% employed and 19.8% unemployed, contributing to a 41.9% NEET rate. Regional variations also highlight rural-urban imbalances, with rural areas facing higher unemployment and fewer formal sector opportunities. While official racial breakdowns are not publicly disaggregated in the 2023 PHC, historical inequalities persist in labour outcomes due to legacy spatial and economic divides. The labour force participation rate has fluctuated around 56%, indicating that a significant number of individuals remain outside formal employment (Bank of Namibia, 2023). Labour force participation was estimated at 46.2% of the working-age population (aged 15 and above), with higher rates among males (53.9%) than females (39.8%). These patterns reflect ongoing structural transformation, where employment is shifting from low-productivity agricultural sectors toward services and industry, despite lagging industrial diversification as shown in Table 2.

Table 2: Employment by Sector, 2023

Sector	Number Employed	Share of Total Employment (%)
Agriculture, Forestry & Fishing	88,277	16.1
Industry	142,656	26.1
Services	315,836	57.9
Not Recorded	36	0.0
Total	**546,805**	**100.0**

Source: Namibia Statistics Agency, 2023 PHC Labour Force Report

Despite persistent challenges in creating high-quality, secure jobs, the data confirms the continued dominance of the service sector in employment. Interventions are required to align workforce skills with demand in the industrial and digital economies while ensuring legal protections for non-standard forms of work.

The gig economy is expanding, driven by technological advancements and changing workforce dynamics. Sectors such as ride-hailing, transport, delivery services, and online freelance services are growing but remain largely unregulated. Gig workers typically operate without access to social security, health insurance, and collective bargaining. The absence of dedicated legal frameworks leaves these workers vulnerable to exploitation and precarious working conditions. This situation mirrors a broader trend observed across many African nations where the rapid growth of digital labour platforms has outpaced the development of corresponding labour protections. Consequently, gig workers frequently lack access to mechanisms that ensure fair wages, job security, and safe working environments.

LABOUR MARKET DYNAMICS

Education plays a crucial role in employment outcomes. However, a persistent mismatch between qualifications and labour market demands has led to elevated levels of underemployment, especially among graduates who are unable to secure positions commensurate with their training (National Planning Commission, 2021). Sectors such as agriculture and informal services absorb many jobseekers but typically offer low wages and limited job security. Wage disparities across economic sectors further illustrate the structural imbalances in the labour market. Based on data from the Namibia Statistics Agency (2023b), average monthly earnings vary widely, with workers in mining and finance earning significantly more than those in agriculture and services. Table 3 presents average monthly earnings across key sectors.

Table 3: Average Monthly Wages by Sector in Namibia, 2023

Sector	Average Monthly Wage (N$)
Mining and Quarrying	12,500
Financial and Insurance	10,200
Manufacturing	7,800
Public Administration	7,100
Construction	5,600
Wholesale and Retail Trade	4,900
Agriculture, Forestry & Fishing	3,200
Domestic Work	2,800

Source: Namibia Statistics Agency, 2023 PHC Labour Force Report

These figures should be viewed in light of Namibia's Poverty Datum Line (PDL), which was estimated at approximately N$ 1,562 per person per month in 2023 (National Planning Commission, 2023a). While most formal sector wages exceed this threshold, a considerable number of workers in informal employment or part-time roles earn below the PDL, reinforcing patterns of working poverty.

Labour mobility in Namibia is influenced by various factors, including geographical constraints, education, and social networks. While urban areas often attract individuals seeking better job opportunities, low mobility rates hamper economic integration and development in rural regions. Technological advancements are reshaping the labour market by displacing traditional jobs while creating new opportunities in fields like information technology, telecommunications, and digital services. Yet, unequal access to digital skills and infrastructure risks deepening existing labour market inequalities (Afrobarometer, 2023).

LABOUR MARKET CHALLENGES

Namibia's labour market continues to face deep-rooted challenges, including persistently high unemployment, skills mismatches, and growing informality. The national unemployment rate rose to 36.9% in 2023, up from 33.4% in 2018, thus indicating limited success in generating sufficient employment opportunities (Namibia Statistics Agency, 2023b). Youth unemployment is particularly severe, with 36.9% of young women and 34.6% of young men unemployed. Among individuals aged 15–24, 38.03% were actively seeking employment but could not find work, and the broader youth labour underutilisation rate, combining unemployment and the potential labour force, reached 61.4% (Namibia Statistics Agency (NSA), 2023b). Furthermore, 41.9% of Namibian youth aged 15–34 was not in education, employment, or training (NEET), with the rate higher among females (44.1%) than males (39.7%) (Namibia Statistics Agency, 2023b) .

These figures highlight a concerning disconnect between the qualifications held by young job seekers and the practical skills demanded by employers. Many young Namibians enter the labour market with inadequate technical training, leading to underemployment and extended job search periods. While the ageing population poses future labour force sustainability concerns, current labour market participation remains skewed toward urban and male workers, exacerbating generational and gender disparities.

Informal employment constitutes a significant portion of the labour market. As of 2018, the latest year for which comprehensive figures are available, 418,674 workers were informally employed out of a total workforce of 725,742, accounting for approximately 57.7% of the total employment (Namibia Statistics Agency, 2018). Informality was especially high in agriculture (87.6%), household services (91.0%), and construction (65.3%). Workers in these segments typically lack access to labour protections, social security, health insurance, and occupational safety, thereby exposing them to heightened vulnerability.

The growth of the informal economy reflects both its role as a safety net for those excluded from the formal sector and the structural inability of the economy to generate decent work at scale. Informal work contributes to the casualisation of labour, undermines decent work standards, and erodes the tax base required to fund social protection systems. These dynamics exacerbate socio-economic inequality, especially among women and historically marginalised groups who are disproportionately represented in low-wage and informal jobs.

To address these challenges, a transformation in labour market dynamics is essential. This requires a multifaceted approach, including enhancing education and vocational training to align more closely with market needs and promoting economic diversification to reduce dependency on primary sectors.

LABOUR MARKET POLICICES

The Namibian Government has implemented various policies to address unemployment, such as the National Employment Policy and the Youth Employment Strategy. However, the effectiveness of these policies has been affected by underfunding and lack proper implementation mechanisms (Ministry of Labour, Industrial Relations and Employment Creation (MLIREC), 2022). To promote inclusivity and equity, labour market policies should prioritise vocational training, entrepreneurship development, and tailored support for vulnerable groups. A concerted effort to align policies with labour market realities and engage stakeholders will be essential in fostering a more equitable and sustainable employment landscape in Namibia. As described below, Namibia has undertaken several significant initiatives to reform and enhance labour policies.

NATIONAL MINIMUM WAGE IMPLEMENTATION

In August 2024, the Namibian Government introduced a national minimum wage to improve workers' livelihoods and reduce poverty. Effective January 1, 2025, the national minimum wage is set at N$18.00 per hour (approximately USD 0.95 per hour, based on the average 2024 exchange rate of N$18.90 per USD) for most employees. For a standard 45-hour work week, this translates to approximately N$3,510 per month (USD 186). Domestic and agricultural workers are subject to a phased implementation, with wages expected to reach parity by January 2027. When compared to Namibia's 2023 Poverty Datum Line (PDL), which stood at approximately N$1,562 per person per month, the minimum wage exceeds the basic poverty threshold. However, this margin is limited, particularly in larger households with single earners. Additionally, inflation and cost-of-living variations across regions may reduce the real value of this wage in practice.

The regulation mandates that employers pay wages in cash or via bank transfer and prohibits deductions for in-kind contributions; however, compliance remains a concern. According to preliminary assessments by the Ministry of Labour, there is uneven adherence to the minimum wage policy, particularly in the domestic and agricultural sectors where enforcement mechanisms are still being strengthened. Further monitoring, capacity building, and awareness-raising are required to ensure full implementation and compliance across all sectors.

NATIONAL EMPLOYMENT POLICY DEVELOPMENT

The Ministry of Labour has been facilitating consultations to develop a new comprehensive National Employment Policy. This policy seeks to provide an up-to-date analysis of Namibia's labour market, focusing on challenges like unemployment and future work transitions. Namibia launched a comprehensive strategy to enhance its labour market by reforming Technical and Vocational Education and Training (TVET) (Namibia Training Authority, 2025). A key initiative is the transformation of state-owned Vocational Training Centres (VTCs) into specialised TVET colleges capable of offering qualifications from National Qualifications

Framework (NQF) Levels 4 to 6. This effort aims to bridge the "missing middle" in vocational qualifications, facilitating career progression and aligning training with industry demands . Additionally, as from 2026, the Government plans to provide free higher education at state-run universities and vocational training centres, removing tuition and registration fees so as to improve access for the youth (Namibia Training Authority, 2025). To further enhance the TVET system, a technical committee has been established to develop a TVET sub-framework within the National Qualifications Framework, ensuring clear pathways for qualification progression . These initiatives are part of the broader efforts to equip the workforce with the necessary skills to meet the evolving demands of the labour market.

CODE OF GOOD PRACTICE FOR LABOUR INSPECTORS

In October 2024, a new code was issued to establish ethical standards and professional behaviour for labour inspectors. This code emphasises principles such as professionalism, transparency, equality, and integrity in enforcing labour laws and protecting workers' rights (MLIREC, 2024).

COLLECTIVE AGREEMENTS

1. Construction Sector

The Construction Industries Federation of Namibia (CIF) and the Metal and Allied Namibian Workers Union (MANWU) signed a two-year collective agreement effective from June 2024. The agreement includes a 5% wage increase in the first year and an additional 4% in the second year. It also mandates pension fund membership for all construction workers, thus ensuring broader social protection.

2. Security Industry

In December 2024, the Security Association of Namibia (SAN) and the Namibia Security Labour Forum signed a resolution with the Government to implement a new wage order. This order increases the minimum wage for security officers from N$8.75 to N$13.50 per hour, effective January 2025. The agreement aims to improve working conditions and ensure fair remuneration.

3. Healthcare Sector

The Namibia Institute of Pathology (NIP) and the Namibia Public Workers Union (NAPWU) finalised a collective wage agreement for the 2024/2025 financial year. This agreement underscores NIP's commitment to fostering a positive and collaborative relationship with its employees, recognising their valuable contributions.

4. Beverage Industry

Namibia Breweries Limited (NBL) and the Namibia Food and Allied Workers Union (NAFAU) signed an 18-month wage agreement covering July 2024 to December 2025. The agreement provides a 2.5% salary increase from July to December 2024 and a 6% increase from January to December 2025. It also includes a housing allowance and maintains an incentive scheme offering a bonus equal to a monthly salary.

5.Retail Sector

Pick n Pay Namibia, part of the Ohlthaver & List Group, concluded a one-year wage agreement with NAFAU, effective from July 2024 to June 2025. The agreement includes an increase in basic salary for bargaining unit employees, who constitute over 70% of the company's workforce, reflecting a commitment to fair and competitive compensation.

These collective agreements across various sectors demonstrate Namibia's commitment to structured labour relations and efforts to enhance workers' welfare through collaborative negotiations. While the agreements mark progress in regulating these industries, compliance remains uneven. According to the Ministry of Labour, Industrial Relations and Employment Creation (2024), some employers continue to violate provisions, particularly regarding wage floors and working hour limits. Limited inspection capacity and a lack of awareness among workers contribute to enforcement challenges. In contrast, similar agreements have not yet been extended to other sectors of the economy, many of which face parallel challenges. Sectors such as domestic work, agriculture, and hospitality also experience low wages, informal work arrangements, and limited legal protections. The absence of collective agreements in these areas limits the scope of national efforts to improve working conditions and reduce labour market vulnerabilities.

Overall, the construction, retail, health, food, and security sector agreements represent an important step toward sectoral regulation. However, broader implementation of collective bargaining frameworks across industries is necessary to ensure fair and inclusive labour practices nationwide.

Conclusion and Recommendations

Namibia stands at a critical juncture in its socio-economic and political development. The country has maintained a stable democratic system and continues to show commitment to human rights, regional cooperation, and sustainable development. However, deep-rooted structural challenges persist, especially in the labour market. Economic growth has shown signs of recovery, particularly through investments in mining, tourism, and emerging sectors such as green hydrogen. Nonetheless, inequality and unemployment especially among youth and women remain persistent barriers to inclusive growth. Efforts such as the implementation of a national minimum wage, social protection grants, and targeted development programs are crucial but must be scaled up and adapted to address regional disparities and the informal economy.

Labour market challenges are compounded by skills mismatches, a growing informal sector, and limited social protection for emerging forms of work, such as digital platform employment. While the Government has introduced forward-looking strategies such as the

National Labour Market Strategy, revised TVET reforms, and employment-focused policies, there is a clear need for improved policy implementation, investment in education, and stronger institutional coordination. For Namibia to fully realise its development potential, it must prioritise inclusive policies that enhance human capital, create quality employment opportunities, and promote economic resilience. Cross-sector collaboration and evidence-based policymaking will be essential in transforming current labour dynamics into a foundation for sustained and equitable growth.

Chapter 3 South Africa

Introduction

South Africa is among the most urbanised countries in Africa, with 63% of South Africans already living in urban areas predicted to rise to 71% by 2030.[7] South Africa's youth (individuals aged 15–34 years) make up nearly one-third of the population, with over 21 million young people in South Africa in 2024[8]. This demographic feature presents both opportunities and challenges, particularly in terms of education, employment, and infrastructure development.[9] The opportunities include a large potential workforce and hubs for education and innovative ideas. However, cities need more housing, transport, and services for this growing youth population. There's also huge pressure to provide enough quality education and jobs so these young people can thrive and contribute to the economy, rather than face unemployment and inequality. This document delves into a detailed analysis of South Africa's political context, socio-economic context, and key trends and developments within its labour market.

Section 1: Political Context

South Africa is a constitutional democracy that emerged from the end of apartheid in 1994. The African National Congress (ANC) has been the dominant political force, winning every national election until the 2024 election. In 2024, the ANC lost its parliamentary majority for the first time, winning a 40.2% share of the national vote. The decline in support for the ANC has been attributed to the growing disillusionment with the party due to perceptions of widespread corruption and mismanagement of state resources. The internal divisions within the party led to the formation of splinter parties. The emergence of the MK party, formed by supporters of former president Jacob Zuma, further fragmented the ANC's support base. The MK party, known for its militaristic style and challenging of democratic institutions, secured 14.6% of the vote in 2024.

The 2024 election resulted in a fragmented political landscape, with no party holding a majority in parliament. The ANC sought to form a Government of National Unity (GNU), requiring negotiations and compromises among the major parties the ANC, the Democratic Alliance (DA), the MK party, and the EFF. This has presented some significant challenges.

[7] https://pmg.org.za/page/Urbanisation

[8] https://www.statssa.gov.za/?p=18083#:~:text=South%20Africa's%20youth%2C%20defined%20as,increased%20by%2013%2C9%25.

[9] AfCFTA South Africa Fact Sheet, 2024.

South Africa remains committed to democratic processes the 2024 election was conducted in a transparent and fair manner, with all parties able to campaign freely and access the Independent Electoral Commission (IEC).[10] South African society is marred by high unemployment, crime, poverty and income and wealth disparities. The Quarterly Labour Force Survey (QLFS) reports an unemployment rate of 31,9% in the fourth quarter of 2024[11]. South Africa has a high crime rate, particularly for violent crimes like murder, robbery, and sexual assault. In 2023/2024, the murder rate was 45 per 100,000, making it the second highest globally for countries that publish crime data.[12] The country also has the most consistently high GINI coefficient in the world, with a Gini coefficient of around 0.67. [13] These challenges continue to shape the political landscape and influence policy debates in South Africa.

Section 2: Socio-Economic Context

What is the structure of the economy?

South Africa has a mixed economy, classified as an emerging market economy by the International Monetary Fund (IMF). The economy is primarily based on private enterprise, with businesses owned and operated by individuals and corporations. The government plays a significant role in the economy through various State-Owned Enterprises (SOEs) and regulatory bodies. According to the latest available data (2020), SOEs' assets amounted to 34 percent of GDP.[14] The key sectors driving the economy include finance, mining, manufacturing, agriculture and tourism.

The economy is facing many challenges. South Africa has an extremely high unemployment rate, there is an extremely prominent level of income inequality, poverty is a significant problem, South Africa's infrastructure needs investment, and reports of corruption undermine economic development.

[10] https://www.elections.org.za/pw/
[11] https://www.statssa.gov.za/?p=18028
[12] https://theconversation.com/violent-crime-in-south-africa-happens-mostly-in-a-few-hotspots-police-resources-should-focus-there-criminologist-248233#:~:text=Crime%20researchers%20use%20murder%20(or,per%20100%2C000%20in%202023/24.
[13] https://www.wits.ac.za/news/latest-news/opinion/2023/2023-09/south-africa-cant-crack-the-inequality-curse-why-and-what-can-be-done.html#:~:text=According%20to%20the%20most%20recent,period%2C%20though%20it%20has%20fluctuated.
[14] https://www.elibrary.imf.org/downloadpdf/journals/002/2022/038/article-A002-en.xml#:~:text=General%20Characteristics2,(2.8%20percent%20of%20GDP).

According to the IMF, South Africa is projected to remain Africa's largest economy in 2025 with a GDP of $410.34 billion.[15] The economy has, however, struggled to recover from the impact of COVID-19. High unemployment has a significant and varied negative impact on families, communities, and the economy as a whole. The consequences include increased poverty and inequality, social unrest, and a slowdown in economy growth. Additionally, there has been a rise in crime and greater demand for social grants, which can strain government resources. To address the increase in crime, more police have been recruited, and additional funds have been allocated to support social grant beneficiaries. More capital initiatives are needed to tackle the challenges associated with the high unemployment rate in South Africa. Electricity shortages due to ongoing load shedding across the country have intensified economic challenges. Many companies, particularly small businesses, have had to reduce their workforce or shut down entirely. As a result, workers who lost their jobs had to joined the ranks of the already unemployed.

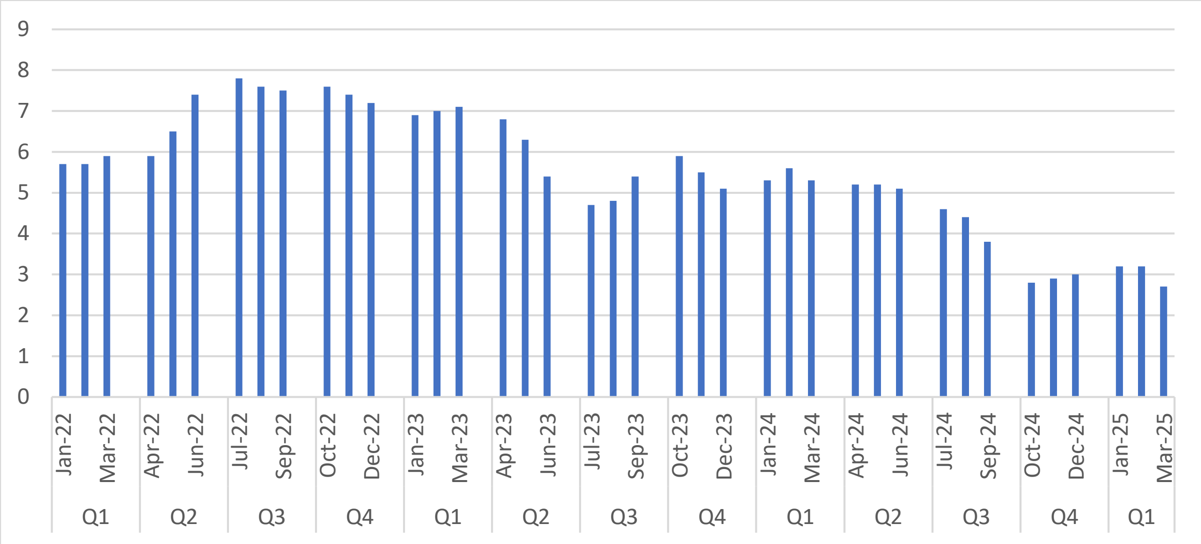
How has the economy been performing in terms of key macroeconomic indicators?

The graphs illustrate that inflation in South Africa fluctuated monthly from January 2022 to March 2025. The highest inflation rate occurred in July 2022, reaching 7.8%, while the lowest rate was recorded at 2.7% in March 2025. A declining inflation rate indicates that prices are rising at a slower pace. The decrease noted in March 2025 can be attributed to lower fuel prices and reduced costs for food and education.

Since 2021, the lending rate has been on the rise, reaching 11% per annum for March 2025. The Rand depreciated by 3% against the US Dollar in 2024, with an exchange rate of R19 to US$1 (Seth Thorne 9 January 2025 Business Tech News)

Figure 1: Consumer Price Index (CPI) 2022 - 2025

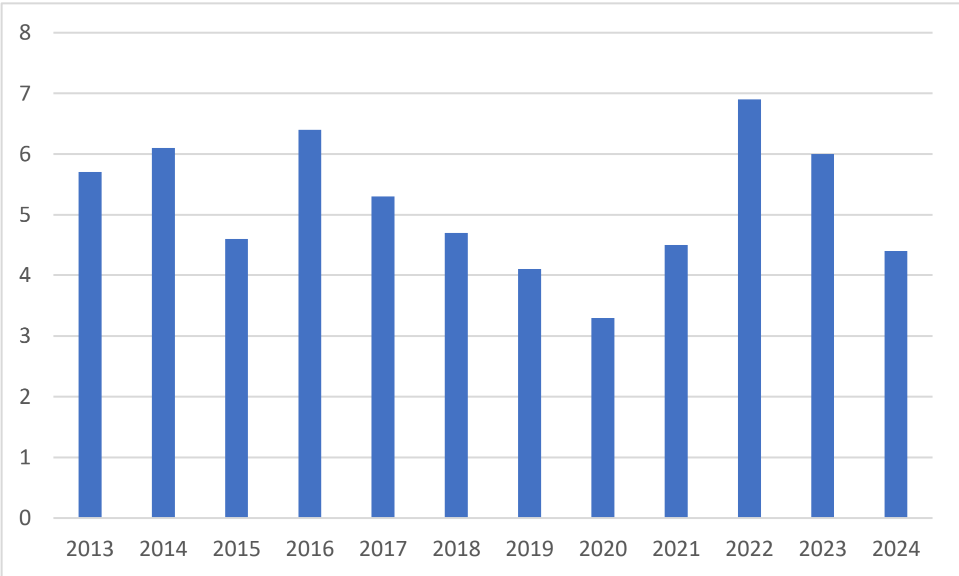
[15] https://africa.businessinsider.com/local/markets/top-10-african-countries-with-the-highest-gdp-in-2025/fkqf8xz#google_vignette



Source: Statistics South Africa 2020 – 2024

The average inflation rate was 5,7% in 2013 and declined to 4,4% in 2024. The highest average inflation rate was recorded in 2022 and the lowest was in 2020. Note that the average CPI for 2025 will only be available in January 2026. The National Treasury has projected average inflation rate to decline to 4,3% in 2025 from 4,4% in 2024, with a slightly increase of 4,6% in 2026. (National treasury budget 2025)

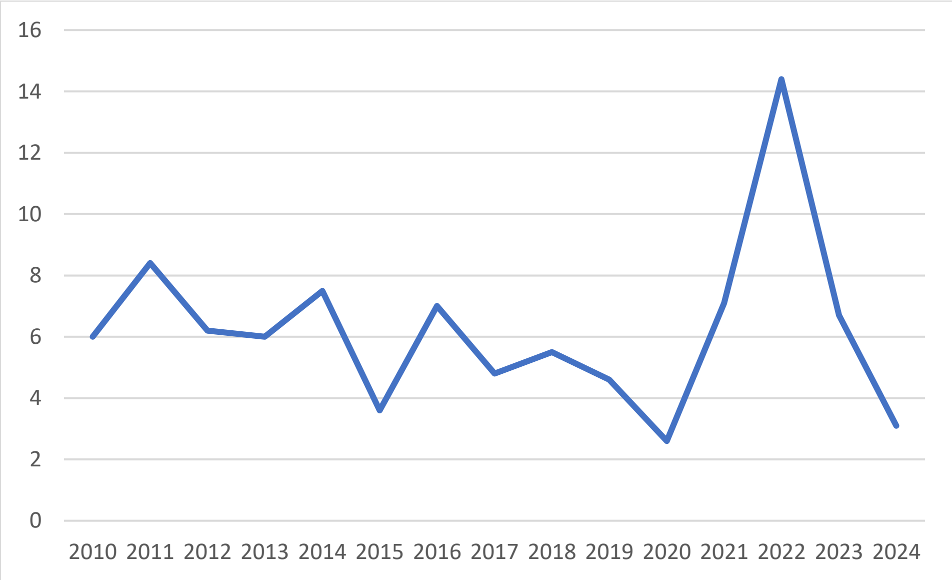
Figure 2: Average Inflation Rate (CPI) 2013 -2024



Source: Statistics South Africa 2020 – 2024

The Producer Price Index (PPI) measures the average change in prices for a basket of representative goods and services sold by manufacturers and producers in the wholesale market. Please note that the average PPI for 2025 will only be available in January 2026. Figure 3 illustrates the average Producer Price Index (PPI) from 2010 to 2024. The average PPI increased from 6% in 2010 to 14.4% in 2022, before dropping to 3.1% in 2024.

Figure 3: Average Producer Price Index (PPI) 2010-2024



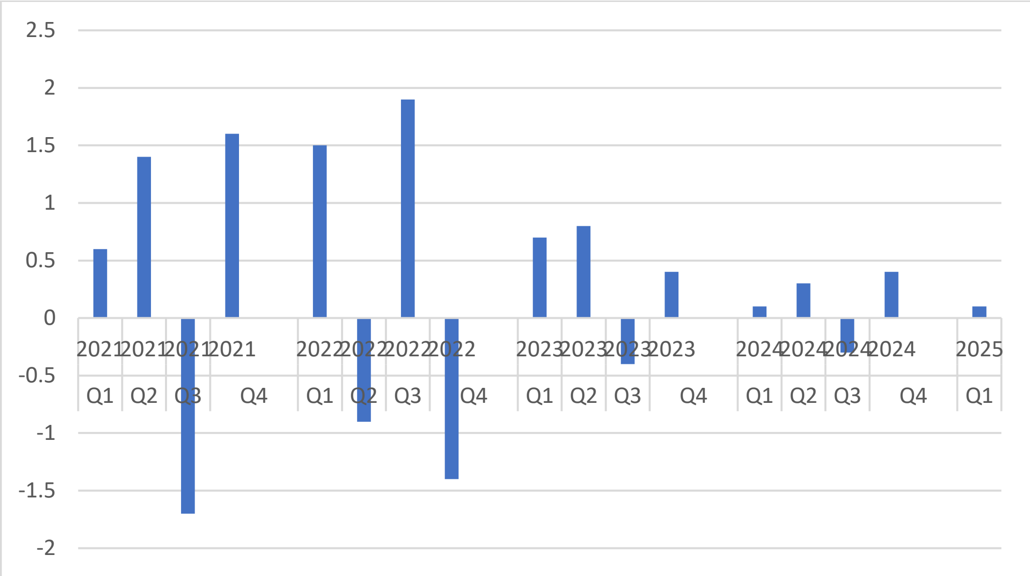
Source: Statistics South Africa 2010 - 2024

Economic Growth and GDP Q1 2025

The Gross Domestic Product (GDP) represents the total market value, or prices, of all final goods and services produced in an economy during a period. GDP is expressed as a comparison to the previous year or quarter. Real GDP measured by actual production declined by 0.1% in the first quarter of 2025, following a 0.4% increase in the fourth quarter of 2024, which was driven by growth in agriculture, transport, finance, and trade sectors. Household consumers have also positively impacted the economy through their spending.

The outlook is weakly positive, with GDP growth projected at 1.3% in 2024 and 1.6% in 2025, as new infrastructure investments support construction and recovery of other sectors. The average inflation rate for 2024 in South Africa came to 4.4%. In the monetary policy meeting that took place in April 2025, the National Treasury projected an average inflation rate of 3.6% for 2025.

Figure 4: Growth in GDP % 2021 - 2025

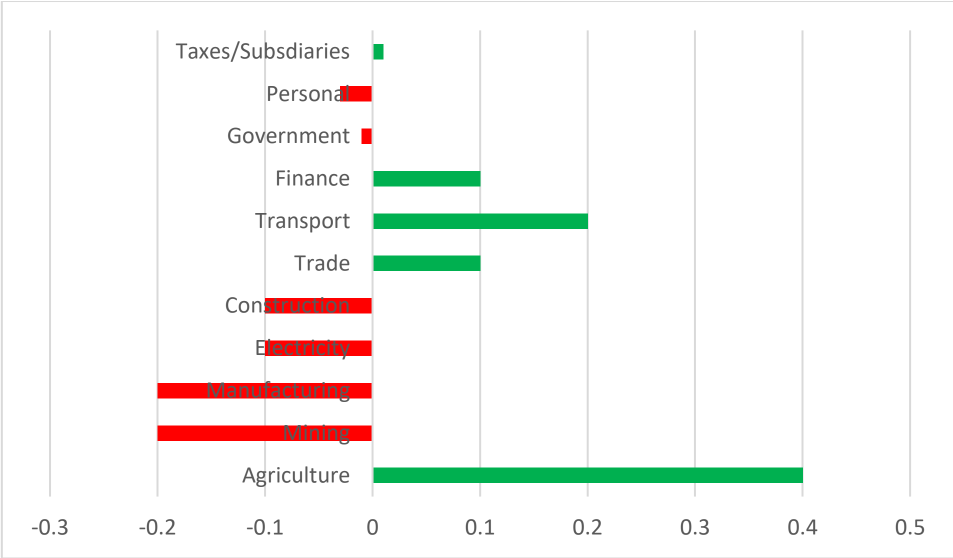


Source: Statistics South Africa 2021 – 2025

What are the primary industries driving job growth?

According to Statistics South Africa (STATSSA), four industries recorded growth between the fourth quarter of 2024 and the first quarter of 2025. The agriculture industry was the largest positive contributor, increasing by 15.8% and contributing 0,4 of a percentage point to the positive GDP growth. The transport industry increased by 2.4%, contributing 0.2 of a percentage point. The finance industry increased by 0.2%, contributing 0,1 of a percentage point. The manufacturing industry was the largest negative contributor, decreasing by 2.% and contributing -0.2 of a percentage point.

Figure 5: Contributions to growth in GDP, Q1 2025 (% points)



Source: Statistics South Africa Q1-2025

How has the economy fared in terms of poverty, i.e., the poverty situation?

According to the latest available data from the World Bank, in 2023, the GDP per capita stood at US$6,253.2.[16] However, the country faces extreme inequality, with a Gini coefficient of 0.6, one of the highest rates globally. This indicates that, despite having a relatively high GDP per capita compared to the rest of the continent, the figure does not accurately reflect the wellbeing of the majority of South Africans.[17] The poverty rate was estimated at 21.6% in 2023.[18] High poverty in South Africa is primarily driven by high unemployment, historical and ongoing structural inequalities (including racial disparities from apartheid), and a sluggish economy that hasn't created enough jobs to absorb the growing population.

Section 3 Labour Market Key Trends and Developments

South Africa faces considerable labour market slack, characterized by an excess supply of labour compared to the number of available jobs. This situation is particularly evident in the challenge of youth unemployment in the country (Stats SA, 2024B).[19]

GENERAL LABOUR MARKET

What are the current unemployment rates and trends in South Africa?

---

[16] https://datatopics.worldbank.org/world-development-indicators/

[17] AfCFTA South Africa Fact Sheet, 2024.

[18] https://www.afdb.org/en/countries/southern-africa/south-africa/south-africa-economic-outlook#:~:text=The%20poverty%20rate%20was%20estimated,10%20most%20unequal%20countries%20globally.

[19] AfCFTA Report (Year of Report?)

STATSSA indicates a 45.5% unemployment rate among young individuals (aged 15-34 years), in contrast to the national average of 32.9% in the first quarter of 2024.[20]South Africa is among the top 10 most unequal countries globally (African Development Bank, 2024). The unemployment crisis is particularly severe among women, young people, and those without a matric (secondary) qualification, with conditions being worse in rural areas. In South Africa, the NEET rate (Not in Employment, Education or Training) for young people aged 15-24 was 37.1% in Q1:2025, with a slightly higher rate for young women (37.5%) compared to young men (36.7%). The NEET rate for the broader 15-34 age group was 45.1%, with women (48.1%) being more affected than men (42.2%).[21] [22]
The informal sector serves as a vital source of employment in South Africa. Estimates vary, but the informal economy likely contributes around 5-6% to South Africa's Gross Domestic Product (GDP).[23]

According to the Quarterly Labour Force Survey (QLFS) for the fourth quarter of 2024 (Stats SA) released in March 2025, there were approximately 3.3 million people employed in the informal sector in South Africa, approximately 19.5% of the total employed population in SA.[24] Overall, employment is increasingly concentrated in the services sector, as job numbers in agriculture and mining continue to decline.[25]

Table 1: Employment by Industries

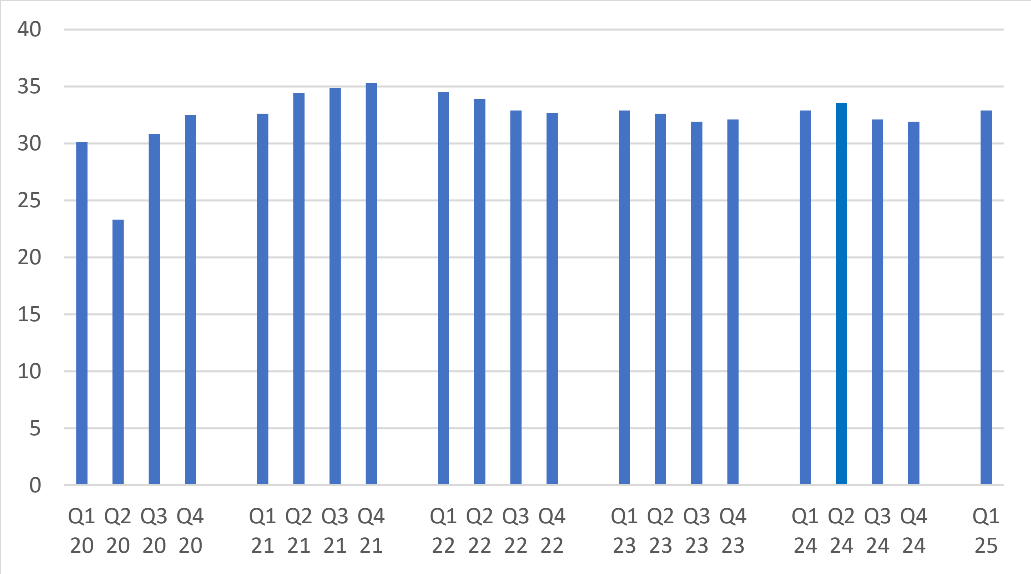
	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
Thousand				Per cent			
Industry Total*	16 745	17 078	16 787	-291	43	-1,7	0,3
Agriculture	941	924	930	6	-11	0,7	-1,2
Mining	454	466	431	-35	-24	-7,5	-5,2
Manufacturing	1 606	1 675	1 677	2	71	0,1	4,4
Utilities	105	111	145	35	40	31,6	38,1
Construction	1 215	1 359	1 240	-119	25	-8,8	2,0
Trade	3 471	3 421	3 228	-194	-244	-5,7	-7,0
Transport	1 062	1 064	1 131	67	69	6,3	6,5
Finance	2 914	2 948	3 008	60	94	2,0	3,2

[20] https://www.statssa.gov.za/?p=17266
[21] https://www.statssa.gov.za/?p=17266
[22] https://www.who.int/data/gho/indicator-metadata-registry/imr-details/proportion-of-young-people-aged-15-24-years-not-in-education-employment-or-training
[2323] https://www.emerald.com/insight/content/doi/10.1108/ijssp-11-2022-0289/full/html
[24] https://www.statssa.gov.za/?p=18255
[25] AfCFTA Report

Community and social services	3 791	3 959	3 914	-45	123	-1,1	3,2
Private households	1 178	1 146	1 078	-68	-100	-6,0	-8,5

Source: Statistics South Africa

Figure 6: Unemployment Rate (%) Q1 2020- Q1 2025

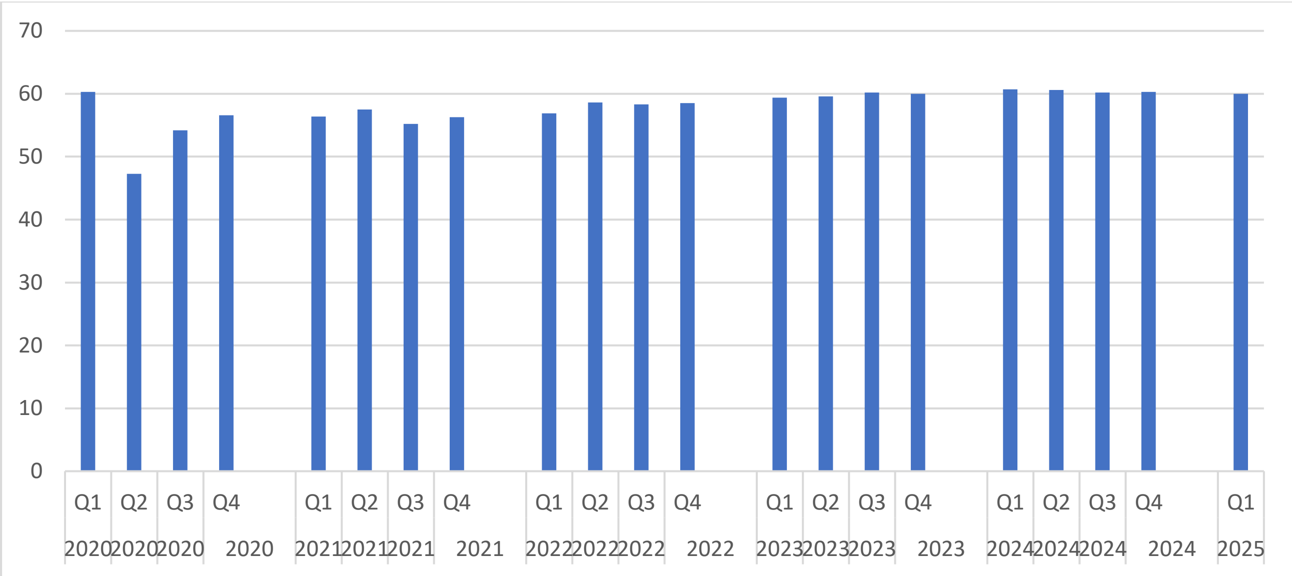


Source: Statistics South Africa 2020-2024

How has the labour force participation rate changed over time?

The STATSSA indicated that a 60.3% increase in the Labor Force Participation Rate was recorded in the first quarter of 2020 and fell below 50% in the second of quarter of 2020 due to the closure of the economy associated with the pandemic (COVID 19). An increasing labour force participation rate in South Africa suggests more people are actively seeking work, potentially driven by perceived opportunities or economic pressures. The labour force participation rate declined to 60% in the first quarter of 2025 from 60.3% in recorded in the last quarter of 2024.

Figure 7: Labour Force Participation rate 2020 -2025



Source: Statistics South Africa 2020 - 2024

How has the gig economy impacted the overall labour market?

Gig work has undermined full-time employment further, replacing it with an independent contractor status for workers, while still exerting the kind of control associated with traditional employment. Companies can effectively scale their workforce with fluctuations in demand without having to carry any of the costs of reserving a workforce through more permanent employment relationships.

The "independent contractors" in gig work carry most or all the costs of operating, and do not enjoy any of the benefits and protections associated with permanent full-time employment. Workers can choose when to work and where, although the choice is really one of earning: if you choose not work, you choose not to be earning. High skill gig workers may find genuine opportunity in gig work, but lower skill gig workers participate in highly competitive and increasingly saturated markets.

Gig work can systematise exploitative labour markets, as in the case of domestic work platforms in South Africa, which reproduce ultra-low wages.

LABOUR MARKET DYNAMICS

What is the relationship between education level and unemployment outcomes?

Based on recent data from Stats SA's Quarterly Labour Force Survey - Q4 2024, university graduates typically experience the lowest unemployment rates. In Q4 2024, the unemployment rate for university graduates was around 10.2%. Other Tertiary Qualifications (e.g., diplomas, certificates with matric) had a significantly higher unemployment rate of over 26% in Q4 2023 (though more recent specific Q4 2024 data for this category wasn't explicitly stated). Individuals with only a matric certificate face considerably higher unemployment, with rates around 47.6% in Q1 2025. Those with less than a matric qualification has the highest unemployment rates, at approximately 51.6% in Q1 2025.

How do wage levels vary across different industries and occupations?

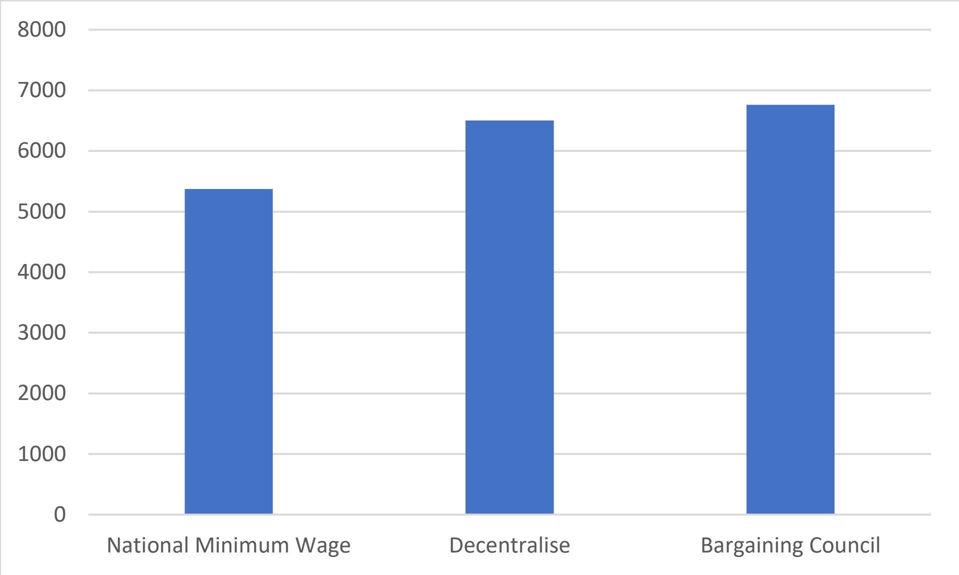
Wage levels vary significantly across different industries and occupations in South Africa. These differences arise from several factors, including skill demand, educational qualifications, experience, sector or company profitability, as well as considerations of race and gender, and the bargaining power of trade unions. For instance, high-demand fields such as information technology (IT) and medicine typically offer higher salaries, whereas workers in agriculture and retail often earn less. Additionally, trade unions with strong bargaining power can negotiate better wages and salaries for their members and workers.

In South Africa, collective bargaining take place at centralised level (through a bargaining council), company level or decentralised level (plant level). The main objective of collective bargaining between employers and trade unions is to negotiate and conclude agreements that cover nominal minimum wages and working conditions.

The South African Labour Relations Act defines bargaining councils as bodies established to facilitate collective bargaining and resolve disputes between employers and employees within specific industries or sectors. Decentralized bargaining is negotiating at the plant, company level, or a single workplace. The bargaining agreement will only apply to employees in that specific workplace.

Sectoral determinations which regulate the terms or conditions of employment for vulnerable employees in sectors where workers 'are likely to be exploited, or where worker organisations and trade unions are absent' (DPRU, 2010:15). The Employment Conditions Commission convenes public hearings to gather proposals from both employers and employees and then makes recommendations to the Minister of Labour. Once the Minister approves the recommendations, they are published in the Government Gazette as new wage rates or sectoral determinations (Basic Conditions of Employment Act, Act No. 75 of 1997 Section 51/62). The minimum wage in the South African economy is higher in bargaining council than in decentralise bargaining agreements. centralized agreements cover a far greater number of workers.

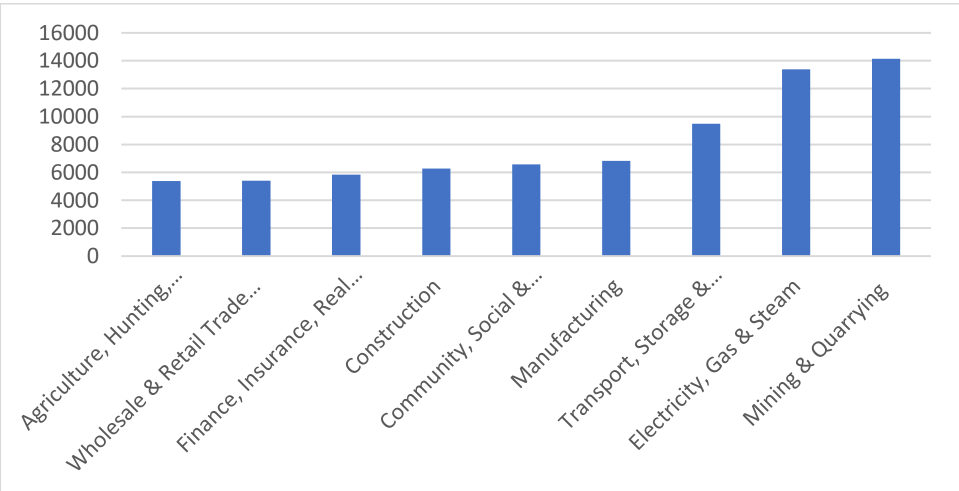
Figure 8: National Minimum Wage, Median Minimum Wages for Decentralise and Bargaining Council Level 2024



Source: Labour Research Service (Actual Wage Rates Database)

Figure 9 shows that the median entry-level wages are highest in the mining and quarrying industries, followed by electricity, gas and water and transport. The lowest median wage rates are found in agriculture, wholesale and retail trade, finance and insurance, construction, community and social services, and manufacturing.

Figure 9: Median Minimum Monthly (entry level Wage Floor) Wages by Industries 2024

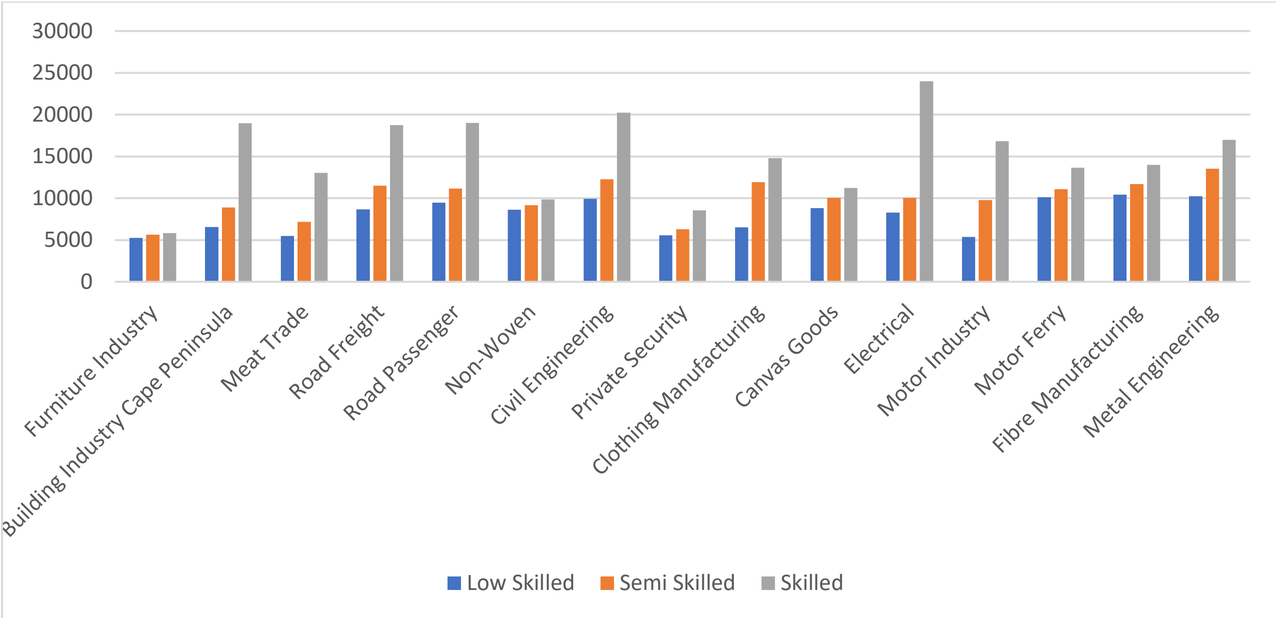


Source: Labour Research Service (Actual Wage Rates Database)

Several factors influence differences in wage levels, with company location being one of the most significant. Companies situated in large urban areas tend to offer higher wages and better employment conditions compared to those in rural or non-metropolitan regions.

Additionally, not all industries are viewed equally within the economic landscape; for instance, workers in professional sectors typically earn more than those employed in agriculture or construction. The size of the company also plays a crucial role in determining remuneration and working conditions; larger firms have more favourable policies regarding wages and employment conditions than smaller firms.
The bargaining power of the trade unions also influences the earnings and conditions of employment for workers in different industries or occupations. For example, organised workers tend to earn more than unorganised workers and have better conditions of employment.

Figure 10: Minimum Monthly (entry level Wage Floor) Wages by Occupation Level for Various Bargaining Council 2024



Source: Labour Research Service (Actual Wage Rates Database)

What are the main factors influencing labour mobility within the country or region?
In South Africa, there is significant migration between provinces, with individuals frequently relocating from rural areas to metropolitan cities in search of better job opportunities. Additionally, workers from other countries migrate to South Africa for employment, seeking higher wages, improved working conditions, and a better quality of life, particularly in regions where job opportunities are limited.

In 2022, approximately 3.9% (2.4 million) of South Africa's population were immigrants, predominantly from the SADC region. By Q3 2022, immigrants constituted 8.9% of the employed workforce, with a higher labour force participation rate (78.3%) and a lower unemployment rate (18.2%) compared to South African-born individuals. Key employment sectors for immigrants include private households, construction, and wholesale/retail trade.[26] How has technological advancement impacted job creation and displacement?

Technological advancements have significantly influenced job creation and displacement, presenting both advantages and disadvantages. While some individuals benefit from these developments, others may experience job insecurity.

The banking sector presents a good example of these changes. In response to the technology changes in workplaces, the South African Society of Banking Officials (SASBO), the finance union representing employees in South African banks, initiated industrial action in 2019 to express their concerns about job losses in the sector. It has been estimated that over 7,000 employees lost their jobs through the dominance of digital banking.[27]

LABOUR MARKET CHALLENGES

What are the primary challenges faced by young people entering the labour market?

Youth unemployment is a major challenge in South Africa, largely due to a lack of work experience. Despite being more educated than their parents, young people face limited employment opportunities. The education system often fails to equip them with essential skills like literacy and numeracy, which employers demand. Schools provide limited career guidance, leaving young people uninformed about aligning their skills and interests with their studies.

Moreover, young people lack social networks to access information about education, the labour market, job availability, and job access. A substantial number of young people not in employment, education, or training (NEET) come from households with no employed members. Even when young people secure employment, it is often on short-term or contract-based positions, limiting access to essential benefits like medical aid, pension funds, and paid leave.

How is the labour market adapting to an aging population?

Additionally, South Africa, while relatively young compared to BRICS nations like Brazil, Russia, India, and China, is aging faster than many African countries. In 2022, 5.9% of the population was 65 or older, and the UN projects this figure to reach 7% by 2030, marking the country as an aging population.[28] By 2060, seniors could constitute 14% of the population. Despite this

[26] https://www.statssa.gov.za/?p=18042
[27] https://businesstech.co.za/news/banking/793660/south-africas-big-banks-quietly-cut-over-7000-jobs/
[28] https://www.statssa.gov.za/?p=16280

trend, the government's focus on other pressing socioeconomic issues limits its attention to aging-related challenges.[29]

What are the implications of income inequality on the labour market in South Africa?

In South Africa, the raw gender pay gap is 32.5% at the monthly level and 20.1% at the hourly level, according to UN Women and UN Women Africa. This means women earn significantly less than men, even when working for similar hours, according to UN Women.[30] STATSSA reports that men are more likely to be employed and have relatively better-paying jobs compared to females.[31] From STATSSA[32]:

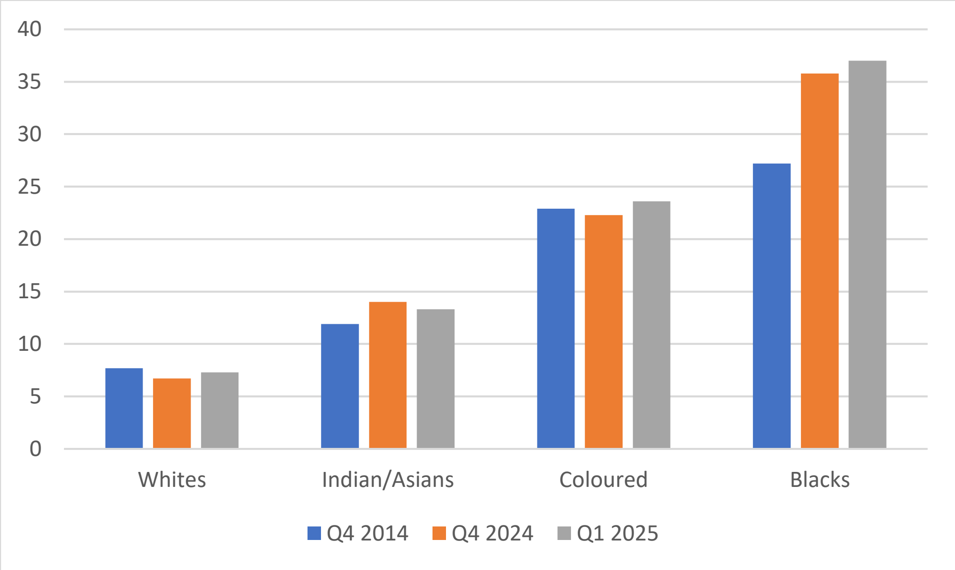
Black Africans earn the lowest wages when they are employed. Whites, in contrast, earn higher wages than all the other population groups. To put things into perspective, the mean real earnings between 2011 and 2015 amongst employed Black Africans was R6 899 (real earnings) per month. For coloureds and Indians/Asians, the corresponding figures are R9 339 and R14 235 per month, respectively. Amongst whites, it was R24 646 per month, or more than three times as high as it was amongst Black Africans.

How do labour market conditions vary across different demographic groups (gender, race, ethnicity).

The STATSSA report from the first quarter of 2025 indicates that black individuals faced the highest unemployment rate at approximately 37%. In comparison, the unemployment rate for Coloured 23.6%, Indian/Asian individuals was 13.3%, while white individuals had a rate of just 7.3%. Additionally, there are differences in employment conditions and wages among these groups, with black individuals earning less than their white counterparts, who typically receive higher wages or salaries.

[29] https://theconversation.com/south-africas-ageing-population-comes-with-new-challenges-how-best-to-adapt-to-them-219155#:~:text=In%20general%2C%20an%20ageing%20population,for%20their%20health%20and%20welfare.
[30] https://africa.unwomen.org/sites/default/files/2024-03/un_women_south_africa_gender_pay_gap_report.pdf
[31] https://www.statssa.gov.za/?p=12930#:~:text=1.,R14%20235%20per%20month%2C%20respectively.
[32] IBID.

Figure 11: Unemployment Rate by Population Group Q4 2014-Q1 2025



Source: Statistics South Africa 2024

Statistics South Africa identifies significant disparities in the labour market, with black workers, especially women, facing higher unemployment rates and lower wages compared to men and white workers in South Africa.[33] The unemployment rates for black African males and females were 33.9% and 38%, respectively, and increased to 34.6% and 39.8% in the first quarter of 2025. white males and females' unemployment rate were very low at 5.8% and 7.9% in the last quarter of 2024 and slightly increased to 6.3% and 8.3% respectively in the first quarter of 2025.

Table 2: Unemployment Rate by Gender Q4 2024 and Q1 2025

	Quarter 4 2024			Quarter 1 2025	
	Male	Female		Male	Female
Whites	5.8	7.9		6.3	8.3
Indian/Asian	11.6	17.6		10.7	17.3
Coloured	22.1	22.6		23.2	24
African Black	33.9	38		34.6	39.8

Source: Statistics South Africa 2024-2025

LABOUR MARKET POLICY

Policies to Address Unemployment in South Africa

33 https://www.statssa.gov.za/?p=14606#:~:text=The%20rate%20of%20unemployment%20among,of%20the%20Decent%20Work%20Agenda.

The South African government has implemented numerous policies to combat unemployment, a persistent challenge since 1994. The policies include a range of macroeconomic and sector-specific policies, with a particular focus on the manufacturing sector.

Macroeconomic Policy Plans

- **Reconstruction and Development Programme (RDP) (1994):** This initial post-apartheid plan prioritized addressing historical inequalities in basic services such as water, sanitation, and healthcare. While it recognized the importance of manufacturing, its focus remained on social equity. However, it faced hurdles like bureaucracy and funding issues, and didn't fully overcome deep inequalities due to challenges like corruption and slow land reform.
- **Growth, Employment and Redistribution (GEAR) strategy (1996):** This strategy shifted focus toward economic growth and stability, promoting foreign investment and trade. The manufacturing sector was identified as a strategic sector for achieving targets like GDP growth and job creation. GEAR achieved some macroeconomic stability, such as reducing the fiscal deficit and inflation. However, it fell short of its ambitious growth and employment targets, with job losses occurring in some sectors.
- **Accelerated and Shared Growth Initiative for South Africa (AsgiSA) (2006):** AsgiSA aimed for "shared growth," reducing poverty and unemployment while growing the economy. It specifically targeted certain manufacturing industries, such as chemicals and agro-processing, to achieve growth and development goals. AsgiSA helped spur economic growth and reduce unemployment from over 31% in 2003 to around 22% by late 2008. However, infrastructure issues, skills gaps, and the global financial crisis prevented it from fully achieving its goals of shared growth and significantly lower poverty.
- **New Growth Path (NGP) (2010):** The NGP aimed to stimulate economic growth and reduce unemployment through a "labour-absorbing growth path". While it provided a framework and identified key sectors for job creation like manufacturing, agriculture, and the green economy, its impact on significantly reducing unemployment to the targeted 15% by 2020 was limited
- **National Development Plan (NDP) (2011):** The NDP, South Africa's long-term vision for 2030, targets accelerated economic growth to reduce unemployment, poverty, and inequality. It identifies specific manufacturing industries, including agro processing, as having potential to contribute towards these objectives.
- **Expanded Public Works Programme (EPWP) (implemented in 2004):**

This program aims to create jobs through public works projects, particularly in rural areas.

- **Youth Employment Service Initiative (March 2018):**

This initiative aims to provide paid work experience for young South Africans through internships, apprenticeships, mentorship, and entrepreneurship programs.

- **Presidential Employment Stimulus and Youth Employment Intervention (December 2020):**

These programs have created job opportunities and provided livelihood support, particularly for young people.

These programs sought to address the specific needs and challenges faced by various industries, providing targeted support and incentives to promote growth and job creation. Despite these policy responses, South Africa has experienced persistent challenges in reducing unemployment and stimulating economic growth. [34]

What are the potential impacts of different labour market policies on employment and wages?

The introduction of the National Minimum Wage (NMW) in South Africa in January 2019 has significantly elevated wage rates for workers in vulnerable sectors. This important policy not only safeguards the livelihoods of those earning below the NMW but also empowers organized workers to negotiate better pay in line with this standard. Trade unions are actively leveraging the national minimum wage as a crucial benchmark to secure fair entry-level wages in the sectors they represent. Unlike many countries that have multiple minimum wages, South Africa adopts a single national minimum wage, ensuring consistency and fairness across the board.

The South African Quarterly Labour Force Survey for the second quarter of 2023 reveals that around 3.8 million workers have experienced the positive impact of the national minimum wage, highlighting its vital role in improving the economic well-being of many citizens.

South African labour legislation, such as the Labour Relations Act (LRA), the Basic Conditions of Employment Act (BCEA), the Employment Equity Act (EEA), the Occupational Health and Safety Act, and the Unemployment Insurance Fund (UIF), plays a crucial role in enhancing workplace conditions. These laws not only promote effective collective bargaining but also establish essential minimum standards for employment. By addressing past inequalities, they foster fairness in the workplace. Furthermore, they safeguard workers from hazardous conditions and provide vital financial support when they face a job loss, contributing to a healthier and more equitable labour market.

[34] https://www.intechopen.com/chapters/1124289

Some policies can negatively affect the labour market if wages increase faster than productivity, potentially leading to job losses in certain industries. This situation might result in employers reducing work hours without a corresponding reduction in pay or failing to comply with labour market policies. For example, the implementation of the National Minimum Wage (NMW) led to wage increases in vulnerable sectors but also caused job losses in sensitive areas like domestic work and agriculture. In response, some employers chose to reduce workers' hours to avoid complying with the policy.

How can labour market policies be designed to promote inclusivity and equity?

The Employment Equity Act (EEA) is a policy designed to promote fair treatment and equal opportunities in the workplace. Employers who fail to comply with this policy are subject to strict measures. Section 5 of the Employment Equity Act (EEA) stipulates that every employer must take steps to promote equal opportunity in the workplace by eliminating unfair discrimination in any employment policy or practice. Section 13 of the Act further states that employers must implement affirmative action measures to achieve equity for people from designated groups, by engaging employees when conducting an analysis and preparing and implementing an employment equity plan. While the EEA has established mechanisms for monitoring and reporting, its effectiveness has been limited and the pace of transformation slow, particularly in senior management roles.[35] Several challenges hinder its full implementation, including resistance from some employers, a lack of understanding and compliance (especially in smaller businesses), skills shortages within designated groups due to historical inequalities, and insufficient enforcement by the Department of Employment and Labour.[36] Recent amendments to the EEA and stricter enforcement measures, including the appointment of more inspectors and the introduction of sector-specific targets, signal a renewed effort to ensure compliance and accelerate workplace transformation. [37]

[35] https://www.gov.za/news/media-statements/employment-and-labour-reflects-spirit-employment-equity-act-context-june-16
[36] https://www.iqacademy.ac.za/addressing-barriers-to-implementing-the-employment-equity-amendment-act-iq-academy/
[37] https://www.labour.gov.za/publication-of-the-two-sets-of-employment-equity-regulations-following-the-commencement-of-the-ee-amendment-act-no-4-of-2

Conclusion and Recommendations

South Africa's politico-socio-economic landscape is marked by political fragmentation, economic stagnation, and deep inequality. The 2024 election saw the ANC lose its majority, reflecting public frustration with corruption and mismanagement. Meanwhile, the economy struggles with high unemployment (32.1%), electricity shortages, and a Gini coefficient of 0.6, making it one of the most unequal countries globally. Efforts like the National Minimum Wage and sector-specific policies aim to boost growth, but progress is slow. The labour market remains under pressure, with youth and women disproportionately affected. The government can implement several recommendations to combat poverty. First, it should create and promote decent job opportunities. Additionally, providing quality education and fast-tracking skill development, especially for low-earning workers, will enhance their earning potential and enable them to participate fully in the economy. The government must foster job opportunities and encourage youth entrepreneurship. It is essential to invest in and support small and medium enterprises. Additionally, combating corruption is crucial for building and reinforcing good governance, which will attract more investments. Finally, it is important to provide basic services such as water, electricity, education, housing, and healthcare, particularly for the underprivileged in the country.

Chapter 4 Zimbabwe

Introduction

Promoting inclusive and sustainable economic growth, employment and decent work for all, remains one of the most daunting challenges facing the country. Past economic growth in the country has not been inclusive and fast enough to absorb the growing labour force into the formal economy. In fact, the majority of the labour force is in the informal economy. The fact that that economic growth has largely been driven by the mining sector, which is highly capital intensive, has limited its employment intensity and capacity for structural transformation, technological upgrading and poverty reduction in the country.

While the unemployment rate remains relatively low, informal and vulnerable employment is prevalent. The country faces a scarcity of regular wage employment for all who would like wage jobs and are capable of performing them. Would-be wage employees cannot afford to remain unemployed and continue to search so they find it better to create their own self-employment opportunities in the informal economy. The economic slowdown and the resultant company closures have resulted in a boom in the non-formal economy through informalisation with the 2024 Third Quarter Labour Force Survey Report by the Zimbabwe National Statistics Agency (ZIMSTAT) showing that the share of informal employment to total employment is estimated at 85.5% from 76% in 2019. Informal employment is often characterised by lower productivity, lower pay, limited social protection coverage, high levels of working poverty, and lack of rights. There are also more women than men in informal employment. The lack of sufficient full, productive and decent jobs complicates efforts to end poverty in the country.

In order to reduce the high levels of poverty and inequality, it is imperative for the country to implement a job-rich, inclusive, and sustainable development strategy through social dialogue among government, organised business and workers. Macroeconomic policies such as the National Budget can enhance the quality/pattern of economic growth in the country through facilitating structural transformation, technological upgrade, and diversification by shifting resources from low value-added activities to those with higher value added. Such a bold transition necessitates prioritisation of both public resources and private investments in sectors with strong decent job creation potential, including the care economy, the health sector, the green economy, and education on a more significant scale than the current levels.

Furthermore, employment creation must be integrated and mainstreamed in all macroeconomic policies. Integrating employment creation in budgets requires that ministries in charge of labour to have adequate fiscal resources and capacity to implement labour market policies and coordinate the implementation of national employment policies with key productive ministries such as the Ministries of Agriculture and Industry among others. On the other hand, sectoral ministries must also make employment a central and accountable target of their sectoral policies and budget and must also be sufficiently resourced and equipped to assess the impact of their policies on employment.

This paper examines and reviews the key labour market trends, dynamics, challenges, and policies in the country. The paper begins by providing an overview of the political and socio-economic context as well as implications on the labour market. An understanding of the labour market dynamics is critical in informing the country's employment, macroeconomic, and development strategies and policies.

Section 1: Political Context

The political environment in Zimbabwe is marked by extreme polarisation. Zimbabwe is ranked as the most politically polarised society among all the 30+ Afrobarometer countries (Afrobarometer, 2018). Masunungure and Zvoushe (2023) argue that the current forms of politics and policymaking are exclusionary in nature, and rely on centralised governance approaches, with the central government and the ruling party unilaterally making governance decisions and formulating policy without consulting citizens and other key stakeholders. This culture of exclusionary governance is entrenched in Zimbabwe, and they argue that this modality of governance has been nurtured by the adopted 'command and control' approaches that draw from the militaristic nature of the politics in the country (Zvoushe, 2024).

Zimbabwe holds harmonised elections (presidential, parliamentary and local government elections) every five years. Past elections have been highly contested, with the elections particularly over the period 2000 to 2018, being marred by irregularities and incidences of violence. The last elections were held in August 2023, and the ruling ZANU-PF party won an overwhelming majority in parliament. The SADC Electoral Observer Mission (SEOM), in their final report, noted that some aspects of the harmonised elections fell short of the requirements of the Constitution of Zimbabwe, the Electoral Act, and the SADC Principles and Guidelines Governing Democratic Elections (2021).

The country scores relatively poorly on the major governance indicators and rankings. For instance, according to the Freedom in the World 2024 report from the Freedom House, Zimbabwe has a score of 27 out of 100 and is considered not free. The report highlights that endemic corruption, a vast patronage governance system, weak rule of law, and poor protections for workers and land rights remain critical challenges in Zimbabwe. Zimbabwe's economic freedom score is 35.1, making its economy the 173rd freest in the 2025 Index of Economic Freedom. Its rating has decreased by 3.1 points from the previous year, and the country is ranked 47th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Zimbabwe's economy is considered "repressed" according to the 2025 Index. According to the Economic Freedom of the World, 2024 Annual Report by the Fraser Institute, Zimbabwe is among the ten lowest-rated countries in the world after Yemen (156th); Libya (157th); Iran (158th); Argentina (159th); Myanmar (160th); Algeria (161st); Syria (162nd); Sudan (163rd); Zimbabwe (164th), and Venezuela (165th).

According to the 2023 Ibrahim Index of African Governance (IIAG) scores and rankings, Zimbabwe scores 47.1 out of 100.0 in overall governance, ranking 31st out of 54 countries in Africa. Zimbabwe scores lower than the African average (49.3) and lower than the regional average for Southern Africa (54.6). While Zimbabwe's overall governance score has improved over the last decade (2014-2023), deterioration over the most recent five years (2019-2023) is worrisome.

Table 1: Zimbabwe: Overall Governance Score and Rank

	2014	**2023**	**10-year change**
Score	45.5	47.1	+1.6
Rank	35	31	+4

Source: Governance Profile: Zimbabwe, Mo Ibrahim Foundation – 2024 IIAG 2014-2023 Results

Zimbabwe has improved in three of the four IIAG categories since 2014, namely security & rule of law, foundations for economic opportunity, and human development. However, Zimbabwe has deteriorated in participation, rights & inclusion, driven by decline in the sub-categories' participation and inclusion & equality.

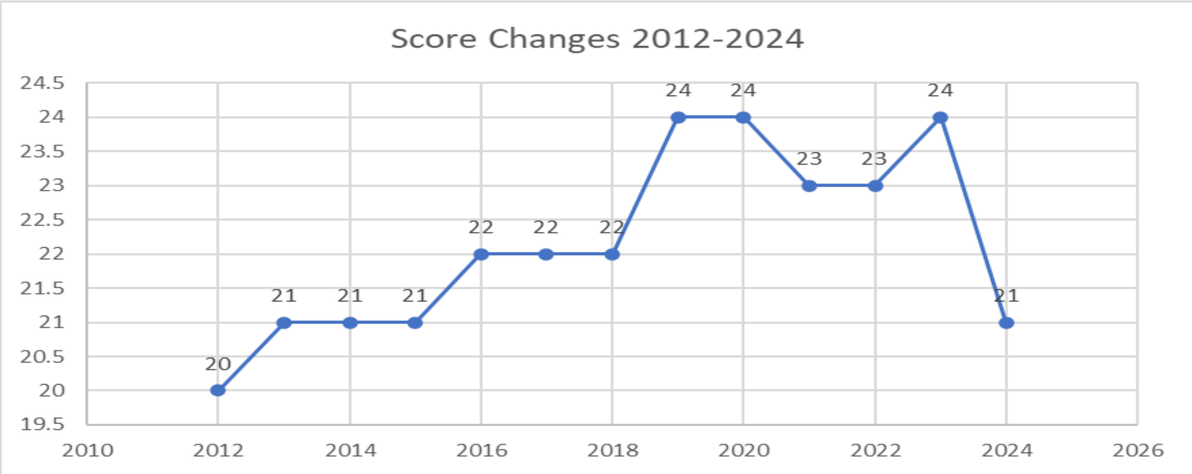
Table 2: Zimbabwe: Overall Governance and category scores (2014-2023)

Measure	**Score (2023)**	**10-year change**
Overall Governance	47.1	+1.6
Security & Rule of Law	44.5	+1.0
Participation, Rights & Inclusion	43.5	-0.7
Foundations for Economic Opportunity	48.7	+5.5
Human Development	51.9	+0.7

Source: Governance Profile: Zimbabwe, Mo Ibrahim Foundation – 2024 IIAG 2014-2023 Results

The state of corruption in Zimbabwe has been described as systemic and endemic and is often cited as one of the biggest obstacles to economic growth and development. Figure 1 shows Zimbabwe's performance on the corruption perceptions index (CPI). The CPI score relates to perceptions of the degree of corruption as seen by business people and country analysts. The CPI score is on a scale from 0 (highly corrupt) to 100 (very clean). Zimbabwe ranks as one of the most corrupt countries in the world. The Corruption Perceptions Index is a leading global indicator of public sector corruption. Zimbabwe has a score of 21 out of 100 in 2024, representing a change of -3 from 2023. The country is ranked 158 out of 180 countries.

Figure 1: Zimbabwe Corruption Perceptions Index (CPI) scores, 2012-2024



Source: Transparency International

Corruption in Zimbabwe has manifested itself in many ways and sectors, and it has harmed the economy. Some of these manifestations of corruption include bribery, embezzlement; fraud; favouritism; exorbitant salaries for public officials, extortion; illicit payments, money laundering; smuggling; poor corporate governance, and tax evasion. Poor corporate governance has become systemic in the public enterprises, local authorities and the financial sector as audit reports by the Auditor General have continued to expose poor corporate governance, fraudulent activities, financial irregularities and weaknesses in the internal control systems at most of the parastatals and government departments. Parastatals have remained a major drain on Zimbabwe's fiscal resources, and that has negatively affected the standard of living of citizens. A substantial share of administrative corruption in Zimbabwe is practised by tax and customs officials, resulting in lower tax and customs payments by firms who have to make unofficial payments to these tax and customs officials.

The Private Voluntary Organisations Amendment Act was signed into law on 11 April 2025. The Act amends the Private Voluntary Organisations Act [Chapter 17:05]. The definition of a Private Voluntary Organisation (PVO) is now wide and includes trusts. Trusts in their variations are now required to be registered as PVOs. Organisations must apply to register within 30 days, (i.e. within 30 days of the Act's commencement or within 30 days of commencement of its operations in Zimbabwe). The Act only outlines that PVOs should pay a prescribed fee and apply for registration, together with the Constitution, and in some instances an affidavit sworn by the secretary and a member of the governing body of the organisation disclosing the name of the beneficial owner. The Act repeals the role of the PVO Board in the registration of PVOs. The PVO Board will be completely dissolved. As such, the roles and functions of the PVO Board will be assumed by the Registrar.

The PVO Amendment Act, by restricting the activities of NGOs, is likely to have a negative impact on the economy. For example, international experience from 134 countries shows that bilateral (official) aid flows dropped by 32% in the years after aid-recipient governments introduced new restrictions on NGOs, largely because donors could no longer fund preferred activities. As many NGOs implement social protection and other anti-poverty interventions, reductions in foreign aid have implied cuts to critical productivity-enhancing sectors of the economy. In other studies, there is even a greater impact on aid flows, with 45% less foreign aid channelled towards countries that restrict Civil Society Organisations' ability to engage in advocacy. Zimbabwe is unlikely to be an exception (Chitambara et al, 2022).

Section 2: Socio-Economic Context

According to the 2025 National Budget Statement, economic growth in Zimbabwe slowed down to an estimated 2.0% in 2024, from 5.3% in 2023. The economic slowdown was on account of a combination of the drought, weak commodity prices, and high public indebtedness. The El Nino-induced drought had strong recessionary and inflationary impacts on the economy. Economic growth in the country over the past years has neither been employment-intensive nor poverty-reducing. Economic growth is vital for sustenance and finance of critical productivity-enhancing sectors such as education, health, and social protection. Erratic economic growth has contributed to limited domestic resources being channelled to critical productivity and welfare-enhancing sectors such as health, social protection, and education. Consequently, the country continues to experience high levels of poverty and inequality.

The poverty rate was estimated at 39.8% in 2023, down from its peak of 49% in July 2020 (World Bank, 2024). This is far from Zimbabwe's aspiration to reduce the share of the population below the food poverty line to 10% by 2025 according to the National Development Strategy 1 (NDS1). According to the 2023-24 Human Development Report, the Gini coefficient rose from 42 in 2011 to 50 in 2019 and 50.3 in 2023 respectively, implying that the gulf between poorer and richer in the population widened exponentially. The El-Nino-induced drought resulted in a significant reduction in crop production, and it increased food insecurities thereby exacerbating the poverty situation. The high levels of poverty, inequality and food insecurity, especially among the vulnerable and marginalised groups, therefore necessitated greater public spending on critical productivity-enhancing and poverty-reducing sectors of the economy such as social protection, health, and education.

The country's health sector continues to face myriad challenges that include: inadequate and depleted healthcare workforce; high disease burden; inadequate and poor maintenance of healthcare infrastructure and ill-equipped hospitals; prohibitive cost of emergency and specialist services with a lack of decentralisation of such services; lack of financial risk protection mechanism; inadequate budgetary allocation and gross public under investments, and public health threats including pandemics against a background of a fragile health delivery system. According to the World Health Organisation (WHO), in terms of the Universal Health Coverage (UHC) Service Coverage Index, the country has an index of 55.04 as at 2021, up from 54.00 in 2017. Comparably, Zambia has an index of 55.84 while South Africa has an index of 70.95. The Universal Health Coverage (UHC) Service Coverage Index is measured on a scale from 0 (worst) to 100 (best) based on the average coverage of essential services including reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases, and service capacity and access[38].

The country faces limited social protection coverage, largely as a result of low spending coupled by high levels of informality. The high level of informality means that vast majority of workers are not covered by key labour rights or social protection standards, which exposes them to a variety of economic and life-cycle-contingent risks. The low level of formality among workers and enterprises also negatively impacts government revenue through diminished social security contributions and tax receipts. The 2019 Labour Force and Child Labour Survey (LFCLS) revealed that about 249,000 people, representing two percent of the population, were receiving a monthly pension or some social security funds. Most of the recipients of social security funds were in the older age groups. Occupational pension was a major source of pension or any other social security funds. About seven percent of the population in Zimbabwe were members of a medical aid scheme. Among those who benefitted from medical insurance, most of them were in private enterprises, non-financial sector, households and central government.

The country remains in debt distress with total public debt rising from an estimated US$10.7 billion in 2020 to US$17.7 billion as at the end of September 2023, ZiG287.2 billion (US$21 billion) as at June 2024[39] and ZiG524.3 billion as at end of September 2024[40] (US$21.1 billion). Of the total public debt stock, external debt amounted to US$12.3 billion with domestic debt amounting to US$8.7 billion. Zimbabwe's debt situation remains an impediment to both

[38] https://www.who.int/data/maternal-newborn-child-adolescent-ageing/indicator-explorer-new/mca/uhc-service-coverage-index-(sdg-3.8.1)
[39] Zimbabwe 2024 Mid-term Budget and Economic Review.
[40] Zimbabwe 2025 National Budget Statement.

external sustainability and economic development. The unsustainable stock of external debt has constrained access to concessional financing and to international markets, retarded economic growth and has hampered socio-economic development. The huge public debt stock has reduced the availability of both local and external resources for social spending. The high public debt has crowded out public resources from key welfare-enhancing sectors such as health care, education, and social protection. In 2025, the country will incur high debt servicing obligations amounting to ZiG19.2 billion (US$760 million) which is equivalent to 7% of the overall budget. Saimbombe and Hupile (2024) argue that sanctions imposed on Zimbabwe by the West worsened the country's economic challenges through restrictions of Zimbabwe's access to trade, investment, aid, and debt relief, as well as its participation in regional and global markets.

Table 3 is a summary of the macroeconomic performance of the country over the period 2020 to 2025. The erratic economic growth pattern has weakened aggregate demand in the economy which has constrained private consumption and investments in the economy. The chronic high inflation environment, with an average annual inflation rate of 184% in 2022, 204.6% in 2023 and 24.9% in 2024, has eroded real incomes and overall competitiveness in the economy. The high informal economy economic activities have worsened competitive pressures on the overburdened formal businesses. The doing business environment remains very challenging. Competitiveness has been seriously eroded by the high cost of doing business. According to the 2023 CZI Manufacturing Sector Survey, capacity utilisation in Zimbabwe's manufacturing sector fell by 2.9%, to 53.2% in 2023 down from 56.1% in 2022 and 56.3% in 2021. Furthermore, the manufacturing sector's contribution to GDP fell to 9% in 2023 down from 14.8% in 2018.

Table 3: Selected Macroeconomic Indicators, 2020-2025

	2020	**2021**	**2022**	**2023**	**2024**	**2025**
Real GDP (% change)	-8	-7.8	6.5	5.3	2	6.0
NDS 1 Real GDP Growth Target (%)	-4.1	7.4	5.5	5.2	5.2	5.0
Average Inflation (%)	557.2	144	184	204.5	24.9	17.4
NDS 1 Average Inflation Target (%)	654.9	134.8	23.7	10.5	7.5	5.8
Public Debt (% of GDP)	102.5	66.9	92.5	64.9	96	82
FDI (% of GDP)	1.24	0.90	1.04	1.50	2.23	-
Budget Balance (% of GDP)	0.4	-1.74	-0.61	-6.5	-1.3	-1.5
Current Account Balance (% of GDP)	2.9	1.1	0.6	0.3	0.1	-

Source: Ministry of Finance; IMF World Economic Outlook database; World Bank World Development Indicators; UNCTAD database, AfDB database. The 2025 figures are projections.

As shown in Tables 4 and 5, the Zimbabwean Government spends a relatively small share of its Gross Domestic Product (GDP) on key productive and social sectors. For instance, the inadequate public financing of health resulted in an overreliance on out-of-pocket and external finance which is highly unsustainable. According to the 2025 National Budget Statement, the health sector was expected to receive development assistance support amounting to US$461 million, which would go towards HIV/AIDS, malaria & tuberculosis prevention, maternal and child health programmes. According to the WHO, the out-of-pocket expenditure per capita on healthcare as of 2019 in Zimbabwe was US$50.8[41] which is way above the public spending per capita of US$7. Empirical evidence has shown that higher out-of-pocket costs in healthcare exacerbate household poverty, especially among women-headed households (Eze et al., 2022).

As shown in Table 4, infrastructure spending for 2024 was projected at 4.3% of GDP down from 6.3% of GDP in 2024. Investments in infrastructure have a multiplier effect on the economy through boosting economy-wide productivity growth and facilitation of job creation. Public spending on infrastructure investments can make a meaningful contribution to job creation. A one percentage point of global GDP- in additional spending on public investment-can create more than seven million jobs worldwide through its direct employment effects alone, i.e., about 5.4% of the full-time equivalent jobs lost in 2021 relative to the fourth quarter of 2019. The total labour impact of one percent of GDP—through direct and indirect macroeconomic effects—is estimated at 20–33 million jobs. In the same vein, US$1 million of public spending on infrastructure can create 3–6.6 jobs in advanced economies, 10.4–17.2 jobs in emerging market economies and 16–30.2 jobs in low-income developing countries[42].

Table 4: Sectoral spending targets and performance for Zimbabwe, 2020-2025

Sector	Agreement	Target	2020	2021	2022	2023	2024	2025
Social Protection	Social Policy for Africa (2008)	4.5% GDP	0.7%	0.8%	0.9%	0.6%	1.5%	1.4%
Health	Abuja Declaration (2001)	15% government expenditure	10.1%	13.0%	10.6%	11.2%	10.6%	10.2%
Education	Education for All Initiative (2000)	20% government expenditure	13.3%	13.1%	13.4%	14.9%	17.7%	20.6%
Water & Sanitation	eThekwini Declaration (2008)	1.5% GDP	0.7%	0.2%	0.5%	0.1%	0.4%	0.2%

[41] https://ourworldindata.org/grapher/out-of-pocket-expenditure-per-capita-on-healthcare
[42] Moszoro, M. (2021). The Direct Impact of Public Investment. IMF Working Paper, WP/21/131.

	Sharm El-Sheik Commitment (2008)							
Agriculture	Maputo Agreement (2003)	10% government expenditure	17.5%	11.0%	13.6%	8.5%	7.3%	8.1%
Infrastructure	African Union Declaration (2009)	9.6% GDP	7.2%	5.5%	4.8%	5.3%	6.3%	4.3%

Source: Calculations based on the National Budget statements.

Table 5: Trends in Public Health Expenditure, 2020-2025

	2020	**2021**	**2022**	**2023**	**2024**	**2025**
Public Health Expenditure (Percent of Total Public Expenditure)	10.1	13.0	10.6	11.2	10.6	10.2
Per Capita Public Health Expenditure (US$)	14	45	20	48	71.8	65
Public Health Expenditure (Percent of GDP)	1.4	2.5	1.7	2.2	4.0	2.1

Source: Calculations based on Ministry of Finance figures.

As shown in Figure 2, as a result of the limited public social spending, the financing gaps across different social sectors are large. Moreover, the greater percentage of the burden in terms of the financing of these social sectors is being borne by donors.

Figure 2: Financing gaps in social spending

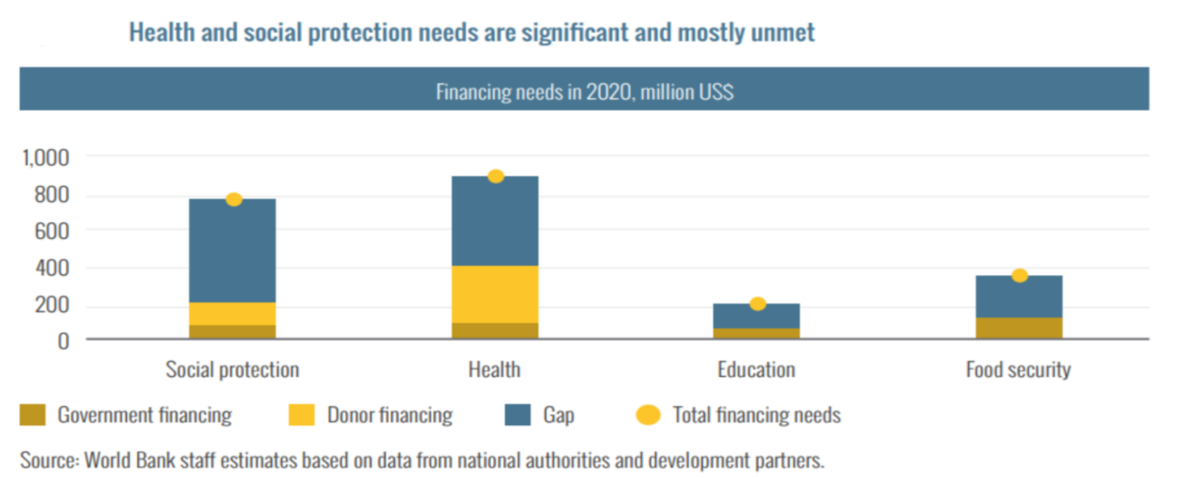


Table 6 shows the financing gap for universal social protection as a percentage of both GDP and government expenditure. The country faces a significant challenge in achieving universal coverage for social protection, with a financing gap of 13.8% of GDP and 66.7% of government expenditure. The country has a financing gap of 12.6% of GDP and 60.7% of government expenditure for essential health care, and 1.2% of GDP and 5.9% of government expenditure for the five social protection cash benefits, namely: children, disability, maternity, old age, and unemployment.

Table 6: Financing gap for universal social protection as % of GDP and public spending, 2024

	% of GDP	% of Government Expenditure
Social protection (including essential health care)	13.8	66.7
Essential health care	12.6	60.7
Five social protection cash benefits	1.2	5.9
Social protection cash benefits - children	0.7	3.1
Social protection cash benefits - disability	0.2	1
Social protection cash benefits - maternity	0.1	0.3
Social protection cash benefits - old age	0.2	0.9
Social protection cash benefits - unemployment	0.1	0.6

Source: Cattaneo, U., Schwarzer, H., Razavi, S., Visentin, A. 2024. Financing gap for universal social protection: Global, regional and national estimates and strategies for creating fiscal space, ILO Working Paper 113 (Geneva, ILO). https://doi.org/10.54394/FGPM3913

2.3 Trends in Inflation and Poverty Lines

Table 7 shows trends in inflation and poverty lines over the period January 2024 to April 2025. The country has a long history of chronic high inflation and episodes of hyperinflation. The main drivers of inflation in Zimbabwe are unsustainable money supply growth, exchange rate developments, as well as energy and fuel price developments. Following the introduction of the new currency, the Zimbabwe Gold (ZiG) in April 2024, Zimbabwe has been reporting three sets of inflation figures namely:

- the US$ inflation rates (both monthly and annual).
- the ZiG inflation rates (both monthly and annual).
- the weighted/blended inflation rates (both monthly and annual).

The January 2024 annual US$ inflation rate was -2.9% in January 2024 before ending the year at 2.5% in December 2024, while the January 2024 monthly US$ inflation rate was -0.3% and rose to 0.6% by December 2024. The average annual US$ inflation rate in 2024 was 2.7%. The Zimbabwean economy is now predominantly dollarised, with more than 80% of domestic expenditure being in US dollars. The ZiG monthly inflation rate was -2.4% in May 2024, and it rose significantly to 37.2% in October 2024 following the massive depreciation of the ZiG on

27 September. The ZiG monthly inflation rate closed the year at 3.7%. The monthly weighted/blended inflation rate has declined from 6.6% in January 2024 to 1.1% by end of year. The decline in the ZiG inflation has been on account of the tight liquidity situation that has been prevailing from the last quarter of 2024. However, the January 2025 inflation rates increased significantly as shown in Table 7. The weighted or blended month-on-month inflation rate was 11.6% in January 2025, gaining 10.5 percentage points on the December 2024 rate of 1.1%. The United States dollar (US$) month-on-month inflation rate increased to 11.5%, a 10.9 percentage point increase from December 2024's 0.6%. The Zimbabwe Gold (ZiG) currency month-on-month inflation rate stood at 10.5%, rising by 6.8 percentage points from 3.7% in December 2024. The April 2025 US$ annual inflation rate was 14.4% from 15.0% in March; the April 2025 ZiG annual inflation rate was 85.7%; the April 2025 annual weighted/blended inflation rate was 26.2%.

The Food Poverty Line (FPL) is the amount of money needed to buy the minimum amount of food to maintain a daily energy intake of 2,100 calories, and the Total Consumption Poverty Line (TCPL) or the Poverty Datum Line (PDL) is the minimum amount of money a person needs to buy food and non-food items to avoid being considered extremely poor. The FPL and the PDL are measured per person. As shown in Table 7, the ZiG FPL per person increased by 89.7% from ZiG424.95 (US$31.64) in April 2024 to ZiG805.95 (US$31.26) by December, while the ZiG PDL rose by 77.9 % from ZIG650.26 (US$48.42) in April 2024 to ZiG1,156.67 (US$44.87) by December 2024. The FPL for one person in April 2025 was ZiG862.06 (US$32.14), while the TCPL for one person stood at ZiG 1,263.41 (US$47.11) in April 2025.

The World Bank international or global poverty line, used to define extreme global poverty, is US$2.15 per day per person. However, the poverty line for lower middle-income countries like Zimbabwe is US$3.65, while the poverty line for upper middle-income countries is US$6.85.

Table 7: Trends in Inflation and Poverty Lines

	Monthly Inflation Rate (US$)	**Monthly Inflation Rate (ZiG)**	**Monthly Inflation Rate (Weighted)**	**Annual Inflation Rate (US$)**	**Annual Inflation Rate (ZiG)**	**Annual Inflation Rate (Weighted)**	**Food Poverty Line (FPL)**	**Poverty Datum Line (PDL)**
Jan-24	-0.3	N/A	6.6	-2.9	N/A	34.8	155,360.39	198,981.37
Feb-24	-0.2	N/A	5.4	1.6	N/A	47.6	432,454.90	552,745.80
Mar-24	0.2	N/A	4.9	2.2	N/A	55.3	701,236.89	916,225.50
Apr-24	0.8	N/A	2.9	3.2	N/A	57.5	ZiG424.95	ZiG650.26
May-24	0.1	-2.4	-0.6	3.5	N/A	N/A	ZiG401.36	ZiG624.44
Jun-24	-0.1	0	-0.2	3.8	N/A	N/A	ZiG399.83	ZiG623.40
Jul-24	-0.1	-0.1	-0.1	3.6	N/A	N/A	ZiG396.89	ZiG620.77

Aug-24	0.2	1.4	0.4	3.7	N/A	N/A	ZiG405.41	ZiG631.86
Sep-24	0.7	5.8	1.9	4.2	N/A	N/A	ZiG446.56	ZiG681.79
Oct-24	0.7	37.2	7.3	4.1	N/A	N/A	ZiG666.49	ZiG976.40
Nov-24	0.1	11.7	2.2	3.3	N/A	N/A	ZiG770.84	ZiG1,110.72
Dec-24	0.6	3.7	1.1	2.5	N/A	N/A	ZiG805.95	ZiG1,156.67
Jan-25	11.5	10.5	11.6	14.6	N/A	N/A	ZiG861.14	ZiG1,255.78
Feb-25	0.2	0.5	0.3	15.1	N/A	N/A	ZiG868.16	ZiG1,263.86
Mar-25	0.1	-0.1	0.0	15.0	N/A	N/A	ZiG864.20	ZiG1,260.52
Apr-25	0.2	0.6	0.3	14.4	85.7	26.2	ZiG862.06	ZiG1,263.41

Source: Zimbabwe National Statistics Agency (ZIMSTAT)

Table 8 shows the trends in the Consumer Council of Zimbabwe (CCZ) family basket. The CCZ produces the cost of a basket of commodities on a monthly basis for an average family size of 6. The CCZ draws its sample from the five urban areas where they have regional offices namely, Harare, Bulawayo, Gweru, Mutare and Masvingo only. The CCZ basket is based on private research done by the CCZ on what urban poor households generally consume from the following items: food, toiletry and housing, transport, health and clothing and the cost of that basket. As shown in Table 8, the CCZ family basket rose by 38.9% from US$450.29 in January to US$625.43 by December 2024.

Table 8: Trends in the Consumer Council of Zimbabwe (CCZ) Family Basket

	Amount (US$)	% Change
Jab-24	450.29	-
Feb-24	451.38	0.24
Mar-24	460.73	2.07
Apr-24	502.74	9.11
May-24	529.91	5.40
Jun-24	549.82	3.76
Jul-24	560.16	1.88
Aug-24	603.21	7.69
Sep-24	605.18	0.33
Oct-24	635.33	4.98
Nov-24	609.08	-4.13
Dec-24	625.43	2.68

Table 9 shows the trends in annual average inflation for the period 2020 to 2025 based on estimations from the African Development Bank (AfDB), the International Monetary Fund (IMF), and the World Bank (WB).

Table 9: Trends in Average Inflation

	2020	2021	2022	2023	2024	2025
AfDB	12.1	19.7	41.9	29.4	24.9	17.4
IMF	557.2	98.5	193.4	667.4	635.3	23.6
WB	581	94.1	160.2	257.0	787.7	8.3

Sources: African Development Bank (AfDB) 2024 Country Focus Report for Zimbabwe; IMF DataMapper sourced at https://www.imf.org/en/Countries/ZWE#; World Bank Country Engagement Note for Zimbabwe 2024.

Section 3: Labour Market Key Trends and Developments

Zimbabwe continues to face huge labour market challenges related to poor job quality and high levels of working poverty. This situation is directly related to the high prevalence of informal and vulnerable employment. The country faces a scarcity of regular wage employment for all who would like wage jobs and have the relevant skills. Would-be wage employees cannot afford to remain unemployed and continue to search, so they find it better to create their employment opportunities in the informal economy. The country has recorded high rates of population growth averaging 2% per annum. Owing to the erratic economic growth, employment creation has not been expanding fast enough to keep up with the growing labour force.

A major challenge for creating decent employment opportunities is the challenging process, environment and regulatory framework to do business. Estimates from Enterprise Surveys for the African continent reveals that about 1.3–3.0 million jobs are lost every year due to administrative hurdles, corruption, inadequate infrastructure, poor tax administration, and other red tape[43]. Doing business reforms aimed to simplify and streamline the investment environment is vital in order to realise the full potential of the private sector to create decent job opportunities.

As shown in Table 10, labour force participation is relatively low in Zimbabwe at 47.6% as at Q3 2024. This can be attributed to limited economic opportunities in the shrinking formal economy. The male labour force participation rate is 60.6%, while the female rate is lower at 36.8%. This can be explained by the unequal distribution of unpaid care and domestic work, as well as limited economic opportunities for women.

Table 10: Quarterly Percentage Changes in Labour Force Participation Rates by Sex

	Male	Female	Total

[43] African Economic Outlook 2019, AfDB.

2023 Q3	55.6%	34.3%	44.1%
2023 Q4	58.0%	36.3%	46.3%
2024 Q1	59.7%	38.2%	48.0%
2024 Q3	60.6%	36.8%	47.6%

Source: Various Quarterly Labour Force Survey, Zimbabwe National Statistics Agency (ZIMSTAT).

According to the Q3 2024 QLFS from ZIMSTAT, the unemployment rate was 21.8%. As shown in Table 11, the male unemployment rate was 19.7% with the female unemployment rate at 24.6%. The youth (15-24 years) unemployment rate was 41.2%, while the youth (15-35 years) unemployment rate was 30.1%. A great proportion of college and university graduates struggle to get formal jobs due to lack of requisite skills or skill mismatches with market requirements. Youth (15-24 years) Not in Education, Employment or Training (NEET) was 48.1%, while the youth (15-35 years) NEET was 49.5% (see Table 12). The high youth unemployment and NEET rates is a ticking time bomb and potential threat to peace, stability, and security.

Table 11: Unemployment Rates by Sex

	Male	**Female**	**Total**
2023 Q3	19.0	23.7	21.0
2023 Q4	19.2	22.8	20.7
2024 Q1	19.1	22.5	20.5
2024 Q3	19.7	24.6	21.8

Source: Various Quarterly Labour Force Surveys, Zimbabwe National Statistics Agency (ZIMSTAT).

Table 12: Youth not in employment, education, or training (NEET)

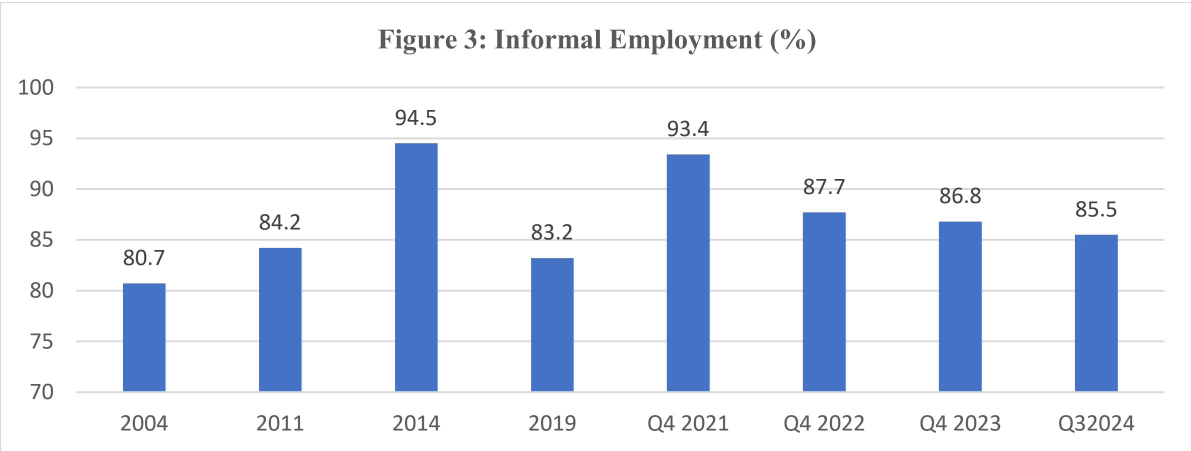
	2023 Q3	**2023 Q4**	**2024 Q1**	**2024 Q3**
Youth (15-24) NEET	47.1	45.4	49.0	48.1
Male youth (15-24) NEET	40.2	39.8	42.2	40.3
Female youth (15-24) NEET	53.9	51.1	55.5	55.6
Youth (15-35) NEET	50.2	48.5	48.9	49.5
Male youth (15-35) NEET	40.0	39.4	40.3	38.6
Female youth (15-35) NEET	59.5	56.9	56.6	59.1

Source: Various Quarterly Labour Force Surveys, Zimbabwe National Statistics Agency (ZIMSTAT).

Structurally, the economy remains highly informalised. According to the Q3 2024 QLFS Report by ZIMSTAT, informal employment constitutes 85.5% of total employment from 75.6% in 2019. Informal employment is characterised by lower productivity; limited access to finance/credit; lower pay; limited social protection coverage; high levels of working poverty, and poor working conditions in general. More importantly, high levels of informality limit the capacity of the State to sustainably mobilise domestic resources and also effectively deploy micro and macroeconomic policies such as the national budget and monetary policies to promote decent work. Informality results in reduced government tax revenues as many informal businesses and workers operate outside the formal tax system. Moreover, informal businesses and workers often lack access to formal credit markets.

In terms of contribution to GDP, Zimbabwe was estimated to have the third largest informal economy in the world over the period 1991-2015 at 60.6%, after Bolivia with 62.3% and Georgia with 64.9%.[44] According to the Finscope MSMEs Survey Zimbabwe 2022, there are 1,639,807 MSMEs owners employing 1,704,454 employees with an estimated turnover (annual) US$ 14,2 billion with US$ 8.6 billion contribution to GDP. In terms of the size and scope of the MSME sector, 81.4% are individual entrepreneurs; 14.8% are micro-enterprise (1 to 5 employees); 3.4% are small enterprise (6 to 30 employees), and 0.4% are medium enterprise (31 to 75 employees).

Figure 3 Informal Employment by year and percentage



Source: Various Labour Force Surveys from ZIMSTAT

People who work in the informal economy are usually more susceptible to different kinds of shocks. Women are more likely to work in the informal economy and are therefore also more likely to experience precarious work environments. The COVID-19 pandemic highlighted the vulnerabilities of the informal economy, especially in urban areas.

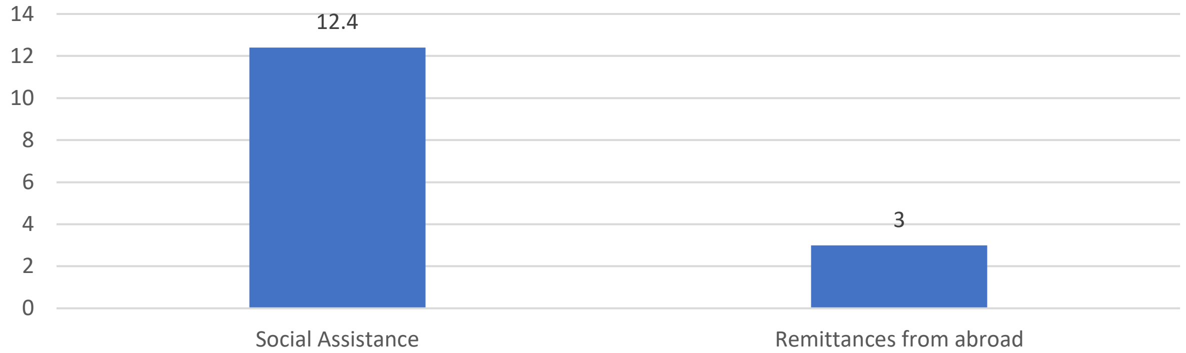
Countries or regions with high informality thus tend to grow less than their potential. High informality is, moreover, associated with high inequality; workers tend to earn less in the informal sector than formal sector peers with similar skills, and the wage gap between formal and informal workers is higher at lower skill levels. This explains why the large decline in informality in Latin America observed over the past 20 years was associated with significant reductions in inequality. There are several causes/drivers of informality that vary from: low economic development; inequality of access to health, education, and other basic public

[44] IMF (2018) 'Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?' IMF Working Paper WP/18/17, African Department, by Leandro Medina and Friedrich Schneider, January.

goods; the state of the legal and regulatory environment, notably in labour and product markets; the design of tax and social protection system, and the quality of institutions (Deléchat, C. and L. Medina, 2021).

Most of those informally employed work without formal contracts in low-earning activities and without social insurance benefits. As shown in Figure 4, 12.4% of informal workers benefits from social assistance (non-contributory benefits), while only 3% benefit from remittances from abroad. While remittances are not a form of social protection according to international social security standards, they do offer informal mechanisms of limited social protection.

Figure 4: Percentage of informal workers benefiting from social assistance and remittances, 2023



Source : https://blogs.worldbank.org/en/africacan/social-protection-approaches-increasing-welfare-among-informally-employed-case-zimbabwe

Table 13 shows selected key social protection indicators where data is available for South Africa, Zambia, and Zimbabwe. In terms of SDG 1.3.1 – population covered by at least one social protection benefit (excluding health), South Africa has the highest coverage of 63.4%, followed by Zambia with 30.3%, and Zimbabwe with 16.4%. South Africa also has the highest proportion of vulnerable persons that receive social assistance benefits at 54.6%, with Zimbabwe having the lowest at 2.2%. South Africa has the highest coverage in term of beneficiaries receiving an old-age pension as percentage of persons above statutory retirement age followed by Zambia with 25.8% and Zimbabwe with 19.6%.

Table 13: Social Protection Indicators

	South Africa	**Zambia**	**Zimbabwe**
SDG 1.3.1 – Population covered by at least one social protection benefit (excluding health)	63.4	30.3	16.4
Workers protected by social protection in case of work injury	38.8	6.7	26.3

Vulnerable persons receiving social assistance benefits	54.6	26.9	2.2
SDG 3.8.1 – Universal health coverage (WHO)	71	55.8	55
Beneficiaries receiving an old-age pension as percentage of persons above statutory retirement age	79.9	25.8	19.6
Active contributors to a pension scheme as percentage of the labour force 15+	5	15.2	26.3
Active contributors to a pension scheme as percentage of the working age population 15+	2.9	9.2	17.4

Source: ILO World Social Protection Report 2024–26

As shown in Table 14, the wholesale and retail sale and repair of motor vehicles and motor cycles sector, employs the largest share of the total employed population at 22.8%, with 32.6% being female while 16.1% are male. The agriculture, forestry and fishing sectors employ the second largest share of the total employed population at 20.3%, followed in third place by mining and quarrying sectors which employ 9.4% of the total employed population, with 13.6% being male, while 3.3% are female.

Table 14: Distribution of Employed Population by Major Contributing Industries to Employment, 3rd Quarter 2024

Sector	Male	Female	Total
Wholesale and retail; sale and repair of motor vehicles and motor cycles	16.1%	32.6%	22.8%
Agriculture, forestry and fishing	21.1%	19.0%	20.3%
Mining and quarrying	13.6%	3.3%	9.4%
Manufacturing	11.1%	4.7%	8.5%
Education	4.9%	11.4%	7.5%
Activities of households as employers of domestic personnel	4.0%	9.3%	6.1%
Construction	7.5%	0.4%	4.6%
Public administration and defence; compulsory social security	4.4%	4.2%	4.3%
Transportation and storage	6.1%	0.8%	3.9%
Other service activities	1.9%	4.6%	3.0%
Number	1,987,198	1,298,792	3,195,991

Source: 2024 Third Quarter Labour Force Survey, Zimbabwe National Statistics Agency (ZIMSTAT).

Table 15 shows the distribution of the informally employed persons by industry. The wholesale and retail; sale and repair of motor vehicles and motor cycles has the largest share at 25.5%, followed by the agriculture, forestry and fishing sector at 22.4%. Gender discrimination consigns many women into insecure, low-productivity, and low-paying jobs. Women also bear a disproportionate burden of unpaid care and domestic work.

Table 15: Distribution of Informally Employed Persons by Industry and Sex, 3rd Quarter 2024

Sector	Male	Female	Total
Wholesale and retail; sale and repair of motor vehicles and motor cycles	17.6%	37.1%	25.5%
Agriculture, forestry and fishing	23.3%	21.1%	22.4%
Mining and quarrying	15.3%	3.8%	10.6%
Manufacturing	10.7%	4.9%	8.4%
Activities of households as employers of domestic personnel	4.8%	10.9%	7.3%
Construction	8.4%	0.3%	5.1%
Education	2.6%	6.4%	4.1%
Transportation and storage	6.4%	0.7%	4.1%
Other service activities	2.2%	5.2%	3.4%
Administrative and support service activities	3.1%	2.1%	2.7%
Number	1,621,359	1,111,028	2,732,387

Source: 2024 Third Quarter Labour Force Survey, Zimbabwe National Statistics Agency (ZIMSTAT).

Table 16 shows the selected Sustainable Development Goals (SDGs) labour market indicators for Zimbabwe, Zambia, South Africa, Botswana, and the World. Some progress has been registered on some indicators; however, daunting challenges still remain in a number of indicators. Moreover, the COVID-19 pandemic has reversed the gains that had been made in recent years.

Table 16: Selected SDG labour market indicators

Indicator	Year	Zimbabwe	Zambia	South Africa	Botswana	Sub-Saharan Africa
1.1.1 Working Poverty Rate	2024	34.6%	59.9%	7.8%	9.3%	32.7%
1.3.1 Social Protection Coverage Rate	Latest Year	16.4%	25.8%	63.4%	13.5%	15.4%
5.5.2 Women's Share of Managers	Latest Year	33.4%	36.7%	39.3%	52.7%	-
8.2.1 Labour Productivity Rate	2025	2.9%	2.8%	0.9%	2.6%	1.2%
8.3.1 % Informal Employment Rate	Latest Year	88.1%	83.8%	34.9%	76.1%	86.3%

8.5.2 Unemployment Rate	Latest Year	9.4%	5.9%	32.3%	23.4%	5.9%
8.6.1 NEET Rate	Latest Year	30.0%	28.9%	34.6%	37.6%	21.8%
8.8.1 Non-fatal Work Injuries per 100,000 Workers	2022	322	-	-	-	-
8.8.1 Work Fatalities per 100,000 Workers	2022	6	-	-	-	-
8.8.2 - Level of National Compliance with Labour Rights (Freedom of Association and Collective Bargaining)	2023	6.0	2.2	0.98	2.9	2.3
9.2.2 - Manufacturing Employment as A Proportion of Total Employment	2023	4.9%	4.9%	9.4%	6.5%	8.0%
10.4.1 Labour Income Share	2024	51.6%	37.1%	56.5%	41.3%	51.3%

Source: https://ilostat.ilo.org/topics/sdg/ downloaded on 9/4/2025.

Table 17 shows the industry value added per worker for Zimbabwe, Zambia, South Africa, Botswana, and Sub-Saharan Africa (SSA) over the period 2014 to 2023. Value added per worker is an important measure of worker productivity in an economy. As of 2023, Botswana has the highest value added per worker of US$43,003.21, followed by South Africa with US$22,282.08. Zimbabwe lags with an industry value added of US$6,645.28 below the SSA average of US$7,473.44.

Table 17: Industry (including construction), value added per worker (constant 2015 US$), 2014-2023

	Zimbabwe	**Zambia**	**South Africa**	**Botswana**	**SSA**
2014	12,091.2	12,642.21	23,082.29	44,232.81	9,545.88
2015	11,147.95	12,458.07	21,930.1	40,408.1	9,249.12
2016	10,390.42	12,325.24	22,523.4	41,286.82	8,961.88
2017	9,645.62	12,087.28	22,341.3	43,061.01	8,928.73
2018	8,923.1	15,022.89	22,083,86	44,923.25	8,895.51
2019	7,354.74	15,133.12	22,744.17	43,863.32	8,876.7
2020	6,197.63	15,232.92	23,471.41	39,001.27	8,214.19
2021	5,866.01	13,451.34	26,341.23	42,651.58	8,072.17
2022	6,678.97	13,538.79	23,280.41	45,663	7,600.54

2023	6,645.28	12,993.3	22,282.08	43,003.21	7,473.44

Source: World Development Indicators, April 2025.

Table 18 shows the GDP per person employed over the period 2014 to 2023 for Zimbabwe, Zambia, South Africa, Botswana, and SSA. GDP per person employed measures output per unit of labour input and is a measure of labour productivity. As at 2023, Botswana had the highest GDP per person employed (US$53,199), followed by South Africa (US$46,605). Zimbabwe's GDP per person employed as at 2023 is below the SSA. Low productivity is one of the root causes of the 'working poor'. Raising productivity is therefore critically important to reduce poverty as increased productivity leads to higher incomes and improved living standards [45].

Table 18: GDP per person employed (constant 2021 PPP $), 2014-2023

	Zimbabwe	**Zambia**	**South Africa**	**Botswana**	**SSA**
2014	9,500	11,939	48,673	51,531	11,590
2015	9,611	11,788	47,028	48,324	11,658
2016	9,587	11,725	47,571	50,978	11,556
2017	9,845	11,635	47,430	52,095	11,622
2018	10,188	11,757	47,535	52,986	11,651
2019	9,409	11,355	47,462	53,492	11,687
2020	8,731	10,464	46,937	49,768	11,368
2021	9,261	10,763	50,774	54,144	11,473
2022	9,706	11,129	49,209	55,905	11,431
2023	9,892	11,319	46,605	53,199	11,309

Source: World Development Indicators (WDI), April 2025.

Labour Market Dynamics

Table 19 shows the unemployment rates by the highest level of education completed and sex as at the third quarter of 2024. Those who have completed lower secondary education have the highest unemployment rate at 24.3%, with the female unemployment rate being higher at 27.7% than the male unemployment rate at 21.9%.

Table 19: Unemployment Rates by Level of Education Completed & Sex, 3rd Quarter 2024

	Male	**Female**	**Total**
Lower Secondary	21.9%	27.7%	24.3%
Primary	21.9%	27.0%	23.9%
Early Childhood Education (ECE)	0.0%	31.3%	23.8%
Vocational Certificate	22.7%	25.1%	23.8%

[45] https://www.ilo.org/global/topics/dw4sd/themes/productivity/lang--en/index.htm

Upper Secondary	16.2%	29.9%	21.2%
Tertiary Short Cycle	16.7%	18.4%	17.6%
Never been to school	8.8%	17.3%	12.9%
Tertiary HND/bachelor's degree	7.7%	11.4%	9.6%
Vocational/Apprenticeship/Teacher College	7.3%	8.6%	8.0%
Master/Medical Doctorate Courses	4.2%	6.5%	5.0%
Vocational National Foundation Certificate	8.4%	0.0%	4.7%
Doctorate	0.0%	0.0%	0.0%
Number	466,594	423,567	890,161

Source: 2024 Third Quarter Labour Force Survey, Zimbabwe National Statistics Agency (ZIMSTAT).

Collective bargaining for all workers in the private sector and state enterprises (parastatals) is governed by the Labour Act (Chapter 28:01). Section 74 (2) of the Labour Act mandates trade unions and employers or employers' organisations to negotiate collective bargaining agreements (CBAs) as to any conditions of employment which are of mutual interest to the parties thereto. Workers and the employers can negotiate and agree on any issue as long as it relates to conditions of employment. In this regard, sectoral National Employment Councils (NECs) were established to determine sectoral wages which are legally binding to all employers and employees falling within the scope of the sector or industry, irrespective of whether the employers or employees belong to the respective trade union or employers' association. The NECs comprises of equal representatives of employers drawn from a registered employers' organisation or federation of employers on one hand and representatives of employees drawn from a registered trade union or federation of trade unions. The NECs play a critical role in Zimbabwe's industrial relations and social dialogue.

Table 20 shows the minimum wages across different sectors in the economy. The average minimum wage in Zimbabwe as of January 2025 was about US$350 from US$330 in December 2023. The banking sector is the highest paying sector with a minimum wage of US$709.49 followed by the insurance sector with a minimum wage of US$538.44. One of the challenges that workers face is the erosion of wages by chronic high inflation. In addition, due to the challenging environment to do business, a number of companies have struggled to pay wages on time and to remit pension contributions incurring significant arrears. A survey by Muchichwa (2016), based on 442 companies, revealed that a total of 82,776 workers were affected by non-payment (wage theft) in 2015. The worst affected sectors were urban councils (22,228); agriculture (12,034); motor industry (7,622); security (7,514), and railways (7,354). The least affected was the banking sector with 10 workers at one company.

Table 20: NEC Monthly Minimum Wages

Sector	Effective Date	Amount

Banking	January 2025 -	US$709.49. Minimum 73% (US$517.93) payable in US$; maximum 27% (US$191.56) payable in ZiG.
Insurance	July - September 2024	US$538.44. 50% payable in US$ and 50% payable in ZiG at the interbank rate.
Mining	January 2024 -	US$355. US$230.75 payable in US$ and the remainder in ZiG at the prevailing exchange rate on the date of payment.
Agriculture	July 2023 -	US$70 (US$28 in US$ and the rest payable in ZiG at the interbank rate)
Engineering	March 2024 -	US$280. 80% to be paid in US$, and 20% in ZiG at the interbank rate.
Transport	April 2024 -	US$235. 50% payable in US$.
Commercial	March 2024 -	US$295.

Zimbabwe experiences significant labour migration, acting as both a sending and receiving country for migrant workers. It has a long history of labour migration, with economic and political factors that drive both outward and inward flows. In particular, Zimbabwe has been experiencing the outward migration of health professionals to other countries. The outmigration of health workers has been driven by heavy workloads, inadequate compensation exacerbated by the high inflation, limited career development opportunities, challenging working conditions, and inadequate tools of trade among others. The adverse implications of the COVID-19 pandemic, coupled with the increased demand for healthcare workers in developed economies experienced during the pandemic, also triggered more outward migration of healthcare workers. In 2020, the International Council of Nurses estimated that there is a global shortage of six million nurses, and the effects of the pandemic will drive health worker migration from the low- and middle-income countries. The outmigration of health workers has led to longer waiting times, reduced patient care time, and compromised health outcomes. The country has, however, benefitted from remittances which have acted as a form of social protection for many families, thereby helping to mitigate the high levels of poverty. As shown in Table 21, diaspora remittances have significantly risen by 115% from about US$1 billion in 2020 to about US$2.2 billion in 2024.

Table 21: Diaspora Remittances, 2020-2024

	2020	2021	2022	2023	2024
Diaspora remittances (US$ Millions)	1,002.10	1,430.14	1,688.40	1,804.0	2,152.5
% contribution to total foreign currency receipts	15.9	15	15	16	16.2

Source: 2025, 2024, 2023, 2022 Monetary Policy Statements, Reserve Bank of Zimbabwe (RBZ)

As shown in Table 22, as at third quarter 2024, Zimbabwe had a total of 37,801 labour migrants. Mozambique had the highest number of labour migrants in Zimbabwe, contributing 51.9% of the total followed in second place by South Africa with 10.9% and Malawi in third place with 10.3% of the total labour migrants.

Table 22: Distribution of Labour Migrants in Zimbabwe by Country of Origin, 3rd Quarter 2024

Mozambique	51.9%
South Africa	10.9%
Malawi	10.3%
Zambia	9.5%
Asian Countries	4.8%
Botswana	4.7%
Other African Countries	4.5%
American Countries	2.0%
Other European Countries	1.4%
Total Number of Migrants	37,801

Source: 2024 Third Quarter Labour Force Survey, Zimbabwe National Statistics Agency (ZIMSTAT).

Labour brokering is highly prevalent across all sectors of the Zimbabwean economy. Labour brokering is recognised in Zimbabwean labour legislation. Persons provided under labour brokerage arrangements are employees recognised in terms of the Labour Act. NEC contributions, union dues, and Pay-As-You-Earn (PAYE) are deductible from an employee's wage or salary.

Automation and advanced digital technologies are changing the nature of work through both job creation and displacement. For example, AI-driven automation in the banking sector has resulted in a number of jobs being displaced. For instance, according to the Zimbabwe Banks & Allied Workers' Union (ZIBAWU), since 2024, Zimbabwe's banking sector has retrenched 453 workers, with CBZ Bank driving most job cuts (347), followed by First Capital Bank (52), ZB Bank (33), and Steward Bank (21). These job losses stem from technological advancements such as automation, artificial intelligence, and digital banking[46].

Labour Market Policy

There are various sources of labour law in Zimbabwe. The main sources of labour law in the country are the Constitution and the Labour Act (Chapter 28:01). The Constitution of Zimbabwe is the supreme law of the land, and any law inconsistent with it is invalid. There are

[46] https://businesstimes.co.zw/lenders-wipe-out-nearly-500-jobs/

key provisions of the Constitution which are part of the Zimbabwean labour law, for instance the Declaration of Rights Chapter, which include labour rights, equality and non-discrimination, freedom of assembly and association and freedom of profession, trade or occupation. The Constitution also has provisions which regulate employment by the State such as the civil service, security service, employees of independent commissions and other employees of Parliament. The principal Act of Parliament in labour legislation is the Labour Act (Chapter 28:01). The Act applies to all employers and employees except those whose conditions of employment are specifically provided for by the Constitution.

The National Development Strategy 1 (2021-25) has integrated employment objectives and targets. However, employment is not yet treated as a cross-cutting issue across all government ministries, agencies and departments and across the various social partners and stakeholders. The conduct of macroeconomic management retains a narrow focus on price and financial stability, with conventional targets on inflation, budget deficit and public debt. Even the budgets are not formulated with a deliberate pro-employment thrust based on pro-employment budgeting (PEB). Pro-employment budgeting is not simply about increasing the number and percentage of people in a country who are employed, it is also about ensuring that existing jobs and any new jobs that are created are decent and in line with international labour standards. There are also no explicitly pro-employment sectoral and industrial policies for inclusive structural transformation.

The Ministry of Public Service, Labour and Social Welfare has developed the National Employment Policy Framework. The National Employment Policy Framework provides a roadmap for sustainable job creation and inclusive economic growth. The Framework however is yet to be formally adopted by Cabinet. The Ministry of Public Service, Labour and Social Welfare has also developed the National Formalisation Strategy. The Strategy is however yet to be formally adopted by Cabinet. The Strategy provides appropriate inclusive policies, measures and strategies to enable the transition of workers and economic units from the informal to the formal economy for the realisation of decent work for all.

The Zimbabwean Government enacted the Tripartite Negotiating Forum (TNF) Act in June 2019. The TNF is an institutionalised platform for social dialogue that brings together Government, organised business and organised labour to engage in consultation, cooperation, and negotiation on social and economic issues. According to Section 3 of the TNF Act, the functions of the forum shall be to:
(a) consult and negotiate over social and economic issues and submit recommendations to Cabinet.
(b) negotiate a social contract as and when necessary.
(c) foster cooperation of the tripartite constituents and consult other key stakeholders and contribute to the formulation and implementation of social and economic policies.
(d) follow up and monitor the implementation of agreements.

(e) generate and promote a shared national socio-economic vision, and
(f) consult and negotiate Zimbabwe labour laws in line with the Constitution and other international best practices.

Conclusion and Recommendations

Economic growth in Zimbabwe has not been fast and inclusive enough to absorb the growing labour force in the formal economy and to have a significant poverty reduction impact. Most of the labour force in the country is employed in the informal economy. Both the total population and the working age population in Zimbabwe are projected to continue to increase at a faster pace than growth in the economy which will exert pressure on limited public resources and the labour markets which will further exacerbate unemployment and informality in the economy. Employment creation requires a proactive, comprehensive and gender and disability-responsive approach employment policy that includes coordinated demand-and supply-side measures. There is a need to ensure that the creation of jobs is mainstreamed in all macroeconomic and development policies and that all such policies contain clear employment targets and benchmarks. The rapid growth in the country's working age population and increasing poverty levels make employment creation in the high value added/productivity sectors a major priority. To achieve inclusive and sustained economic growth in the country, requires the transformation of productive activities from low to high productivity and to diversify away from the production and exportation of primary commodities to the manufacturing and exportation of finished products.

More efforts need to be put in place to ensure an expansion of full and productive employment opportunities, especially for women and young people; reduce informal employment and labour market inequalities; promote safe and secure working environments, and improve access to financial services that ensure sustained and inclusive economic growth. Importantly, ensuring job-rich growth will have a positive effect on ending poverty (SDG 1) and also reduce inequalities (SDG 10). There is a need for the adoption of employment-friendly macroeconomic policies underpinned by effective, inclusive and equitable labour market institutions. It is critical to support the role of the private sector as a principal source of economic growth and job creation through the promotion of an enabling environment for entrepreneurship and sustainable enterprises in particular micro, small and medium-sized enterprises.

Integrating informal enterprises into the formal economic fabric is particularly vital for effective domestic resource mobilisation as it expands the tax base. Moreover, most formal businesses have strong linkages with informal enterprises which can be leveraged. The country must formally adopt and provide adequate funding for the full implementation of a National Employment Policy Framework and the National Formalisation Strategy.

Chapter 5 Conclusion and Recommendations

The four case studies highlight critical labour perspectives and trends with stark similarities and unique challenges. The case studies investigated political and socio-economic contexts including their implications for labour. The papers also sought to understand labour market dynamics and its influence on macroeconomics, development strategies and policies.

All countries except for Eswatini which is a monarchy, held elections in the last two years. For instance, in Zimbabwe, the ruling ZANU-PF party won the August 2023 elections with an overwhelming majority. The process was described as falling short of constitutional requirements in some critical aspects as reported by the SADC Election Observer Mission (SEOM). On 29 May 2024, South Africa held its general elections. The outcome of the elections led to the establishment of a government of national unity because no political party secured a majority. The African National Congress (ANC) party received more votes but not sufficient to form a government on its own formed a coalition government with other parties. Namibia held its elections in November 2024, and a first ever female president was elected. Although there were legal contestations on certain components of the elections, the courts resolved disputes in time before the new government was inaugurated. Namibia's political environment remains relatively stable in comparison to other SADC countries.

The Zimbabwean economy is highly dollarized with US$ transactions constituting more than 80% of the total transactions. The total Public Debt rose from US$10.7 as recorded in 2020 to US$21.1 billion by 2024[47]. Of the estimated public debt stock, external debt amounts to US$12.3 billion with the remainder being local debt. The rising debt situation of Zimbabwe is an obstacle to economic development and is crowding out social spending. The chronic high inflationary environment, with an average annual inflation rate of 184% in 2022, 204.6% in 2023 and estimated 25% in 2024, has eroded real incomes as well as overall competitiveness in the economy. Interestingly, the unemployment rate as reported in the Third Quarter 2024 Quarterly Labour Force Survey was 21% a relatively low rate when compared to Namibia with 36%, Eswatini 35,7% and South Africa 31.9%. While Zimbabwe has the lowest unemployment rate of 21%, it has a high informal employment rate of 85.5%, with South Africa having the least informal employment rate of 19.5%.

Increased informality in Southern Africa remains a concern as it means that the vast majority of workers are not covered by key labour rights or social protection, which exposes them to a variety of economic and life-cycle-contingent risks. The low level of formality among workers

[47] Zimbabwe 2024 Mid-term Budget and Economic Review.

and enterprises also negatively impacts government revenue through diminished social security contributions and tax receipts.

Namibia is now a lower middle-income country, like Zimbabwe and Eswatini while South Africa is an upper middle-income country as classified by the World Bank. The Namibian currency (the Namibian dollar) and the Eswatini currency (Swazil Lilangeni) are pegged to the South African Rand. Thus, the South African economic developments significantly affect the two economies. The Namibian economy relies on extractive industries in mining, fisheries and agriculture. The mining sector contributes about 12.2% to Gross Domestic Product (GDP) with agriculture contributing 6.6% and fisheries contributing 3.5%. The Namibian economy grew by 4.7% in 2024. The growth was driven by steady investment inflows in the mining sector. Inflation moderated from 6.1% to 4.8% between the years 2022 and 2024. The steady decline in inflation is attributed to a stable exchange rate and lower food and fuel prices.

The national unemployment rate in Namibia stood at 36.9%, with the youth not in employment, education or training being 41.9%, with young women disproportionately affected (44.1%) compared to young men (39.7%) as per the census data of 2023. Employment in the informal economy was 57.9% in 2018. The service sector is the largest employer employing 57.9% followed by industry with 26% and agriculture with 16%.

The 2023 population and housing census report revealed that 28.7% of the total Namibian population were poor with about 15% classified as being extremely poor. Eswatini has the highest poverty rate at 54.8% followed by Zimbabwe at 39.8%, and South Africa at 21.6%. The high levels of poverty can be attributed to slow economic growth, high indebtedness, climate-induced shocks, inadequate infrastructure, institutional weaknesses, high levels of unemployment and informal employment, and high levels of income inequality.

Namibia like Zimbabwe, South Africa, Eswatini has tripartite social dialogue institutions that bring together organised labour, organised business, and government. Trade unions, employer federations and the Ministry of Justice and Labour Relations deliberate labour matters in the Labour Advisory Council. Namibia introduced a national minimum wage policy of N$18 (US$0.95) per hour, effective January 1, 2025, with a phased implementation for domestic and agricultural workers.

South Africa has the largest economy in the region with a GDP of USD410 billion. The South African economy is projected to grow by 1.6% in 2025. The inflation rate is expected to decline from 4.8% during the last quarter of 2024 to 3.7%[48] in 2025. Agriculture was the highest contributor to GDP followed by finance and trade during the last quarter of 2024.

48 https://www.treasury.gov.za/documents/National%20Budget/2025May/2025%20Budget%20presentation.pdf

The South African national unemployment rate is 32.9% with a46.1% youth unemployment rate as at the first quarter of 2025. Informal employment was 19.5% while the labour force participation rate was slightly above 60%. The National Economic Development and Labour Advisory Council (NEDLAC) was established in 1995 to promote the goals of economic growth, participation in economic decision making and social equity and to reach consensus and conclude agreements on matters relating to social and economic policy. NEDLAC ensures inclusive participation in the labour market and socio-economic policy and legislation, and facilitates consensus and cooperation between government, labour, business and the community in dealing with South Africa's socio-economic challenges. Wages are determined through centralised and decentralised bargaining levels. There is a steady percentage of migration internally and also from neighbouring countries. As of 2022, the total employed immigrants' rate was at 8.9% and increased by 2.9% since 2012.

The Eswatini case presents a unique dimension in comparison to other countries considered in this publication. Eswatini is a kingdom and constitutional powers are centralised in the monarchy. It is also one of the poorest countries with poverty levels at 54.8%, and is classified as a lower middle-income country. The civil society space is described as too restrictive and characterised by repressive laws and killings of people considered to be against the monarchy.

The economy of Eswatini is founded on agriculture, forestry and mining. The service sector and construction industry are also predominant. The kingdom derives proceeds from the Southern African Customs Union (SACU) to supplement its economy. The economy grew by 4.8% in 2024 from 3.4% in 2023.

There are two labour federations in Eswatini namely, the Trade Union Congress of Swaziland (TUCOSWA) and the Federation Of Swaziland Trade Unions (FESWATU) and both interact with business and government through the Labour Advisory Board. A number of reported cases about workers and human rights abuse reached the International Labour Organisation at its 112th International Labour Conference held in 2024 after which the Committee on the Application of Standards made remedial determinations to be considered by the government of Eswatini. The National unemployment rate stood at 35.4 during 2023, with 48.7 % of youth not in employment, education, or training (NEET). The labour force participation rate was recorded as 50.8% during the last labour force survey in 2021.

The gig economy has also been growing in the four countries, driven by technological advancements, evolving workplace preferences, and rising demand for flexible work arrangements. While the gig economy offers immense benefits that include flexibility and autonomy, there are risks and concerns around job security, income volatility, workers' rights, social protection, and employment benefits. Gig workers do not have access to the same social security benefits as traditional employees do.

The following key recommendations are vital in order to deal with the challenges facing the countries:

1. The countries must diversify their economies and create decent jobs for the growing youth population.
2. Develop and implement national employment policies through social dialogue.
3. Ensure that the creation of jobs is mainstreamed in all macroeconomic and development policies, and that all such policies contain clear employment targets and benchmarks.
4. Facilitate and ensure effective and comprehensive action to achieve transition to formality in line with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).
5. Implement incentives for foreign and domestic investments that are linked to local content and local employment.
6. Put in place legislative frameworks that provide adequate protections and benefits to gig workers and thereby prevent widespread exploitation in the gig economy.
7. Promote women and youth entrepreneurship through targeting and addressing barriers such low skills and education levels as well as lack of access to cheap finance. Additionally, facilitating forward linkages of youth and women-owned informal enterprises with the formal economy.
8. Enhance trade union collaboration and advocacy at SADC level through the Southern African Trade Union Coordination Council (SATUCC).
9. Advocate for regular and updated data that can inform advocacy work of research centers.

References

Eswatini

African Development Bank. (2023). African economic outlook. https://www.afdb.org/en/documents

Bertelsmann Transformation Index. (2024). *Eswatini country report: BTI 2024.* Bertelsmann Transformation Index. https://bti-project.org/en/reports/country-report/SWZ

Central Bank of Eswatini. (2024). Annual economic review report 2023/24. https://www.centralbank.org.sz

Eswatini Economic Policy Analysis & Research Centre. (2022). Eswatini national skills audit report.

Freedom House. (2024). Eswatini. https://freedomhouse.org/country/eswatini/freedom-world/2024

Hlophe, E.M. (1995). *A country paper on Swaziland.* Ministry of Economic Planning & Development.

Human Rights Watch. (2024). World report 2024: Eswatini. https://www.hrw.org/world-report/2024/country-chapters/eswatini

International Labour Organization. (2022). The next normal: The changing workplace in Eswatini.

International Labour Organization. (2024). Report of the Committee on the Application of Standards.

International Monetary Fund. (2023). Kingdom of Eswatini: 2023 Article IV consultation report. https://www.imf.org/en/Publications/CR/Issues/2023/05/03/Kingdom-of-Eswatini-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-533226

International Monetary Fund. (2024). Labour markets and unemployment in Eswatini. https://www.imf.org/en/Publications/WP/Issues/2024/02/15

International Research Academy for Labour and Education. (2019). Preliminary findings on the motivations for a national minimum wage in Eswatini.

International Trade Union Confederation. (2024). Global rights index: The world's worst countries for workers.

International Research Academy for Labour and Education. (2012). *Our history, our struggles: celebrating 52 years of unbroken workers' struggles in Swaziland (1960 - 2012).* Trade Union Congress of Swaziland.

Mabundza, S. (2020). *Assessment of the Impact of the Coronavirus (COVID-19) on the economy and labour market in Eswatini.* Business Eswatini.

Ministry of Labour & Social Security. (2021)._ *Integrated labour force survey: Key findings result, 2021.* Ministry of Labour & Social Security.

Ministry of Labour & Social Security. (2014). *Integrated labour force survey 2013/14.* Ministry of Labour & Social Security.

Ministry of Labour & Social Security (1964). *Wages Act*. Ministry of Labour & Social Security.

Ministry of Labour & Social Security. (1996). *Industrial Relations Act.* Ministry of Labour & Social Security.

Ministry of Labour & Social Security. (1980). *Employment Act*. Ministry of Labour & Social Security.

Ministry of Labour & Social Security. (2016). Integrated labour force survey 2013/14.

Ministry of Labour & Social Security. (2021). Integrated labour force survey 2021.

United Nations Population Fund. (2019). Kingdom of Eswatini: Sexual and reproductive health and rights factsheet.

World Food Programme. (2019). *Eswatini country strategic plan (CSP): 2020-2024.* World Food Programme.

World Bank. (2022). Inequality in Southern Africa: An assessment of the Southern African Customs Union.
World Bank. (2024). *Macro-poverty outlook (MPO).* World Bank Group. http://documents.worldbank.org/curated/en/099502504052413299/IDU1f7a7787e1567a14b8a1af9f143363a513451

Namibia

African Development Bank Group. (2024). *Namibia's Economic Outlook 2024*. https://www.afdb.org/en/countries/southern-africa/namibia/namibia-economic-outlook

African News Agency. (2024). *Namibia's government debt up 10 pct: Central bank*. https://africannewsagency.com/namibias-government-debt-up-10-pct-central-bank/

Afrobarometer. (2022). *Namibia Country Data 2022*. https://afrobarometer.org

Afrobarometer. (2023). *Namibia Digital Skills and Labour Market Survey*. https://afrobarometer.org

Business Insider Africa. (2025). World Bank Strips Namibia of Uppper Middle income status over falling Gross National income. Author: Dorcas Agambila. https://africa.businessinsider.com/local/markets/world-bank-strips-namibia-of-upper-middle-income-status-over-falling-gross-national/7hlc655

Bank of Namibia. (2023). *Annual Economic and Labour Outlook 2023*. Windhoek.

Bank of Namibia. (2024). *Macroeconomic Outlook Update Q1 2024*. Windhoek.

Bank of Namibia. (2025). *Quarterly Economic Bulletin Q1 2025*. Windhoek.

Construction Industries Federation of Namibia. (2024). *Industry Agreement on Minimum Standards*. Windhoek.

Exchange-Rates.org. (2024). *USD to NAD Average Exchange Rate 2024*. https://www.exchange-rates.org

Friedrich Ebert Stiftung. (2022). *Social Protection in Namibia: Mapping and Gaps*. Windhoek.

Green Hydrogen Council. (2025). *Namibia's Energy Transition Progress Report*.

Harambee Prosperity Plan 2016/17 - 2019/20. *Republic of Namibia Namibian Government's Action Plan towards Prosperity for All*.

Institute of Public Policy Review (IPPR). 2024 . *Namibia's Economic Report*.

International Labour Organization. (2023a*). Gig Economy Trends in Southern Africa*. Geneva, Switzerland.

International Labour Organization. (2023b). *Youth Employment Challenges in Sub-Saharan Africa*. Geneva, Switzerland.

IPPR. (2024). *Namibia Economic Performance Report 2024*. Windhoek.

Metal and Allied Namibian Workers Union (MANWU). (2024). *Collective Bargaining Outcome Summary*. Windhoek.

Ministry of Finance and Public Enterprises. (2023). *Namibia Country Report 2023*. Windhoek.

Ministry of Finance and Public Enterprises. (2024). *Fiscal Review and Budget Execution Report*. Windhoek.

Ministry of Labour, Industrial Relations and Employment Creation. (2022). *National Employment Policy Implementation Review*. Windhoek.

Ministry of Labour, Industrial Relations and Employment Creation. (2024). *National Minimum Wage Policy Implementation Report*. Windhoek.

Ministry of Labour, Industrial Relations and Employment Creation. (2024). *Sectoral Collective Bargaining Review Report*. Windhoek.

Ministry of Labour, Industrial Relations, and Employment Creation. (2023). *Annual Labour Market Review*. Windhoek.

Ministry of Labour, Industrial Relations, and Employment Creation (MLIREC).(2025a). *Labour Migration Policy Draft Review*. Windhoek.

Ministry of Labour, Industrial Relations, and Employment Creation (MLIREC). (2025b). *National Labour Market Strategy 2025–2030*. Windhoek.

MSYNS. (2023*). Namibia Youth Credit Scheme: Progress Report. Ministry of Sport, Youth and National Service*. Windhoek.

Namibia Statistics Agency. (2018). *Labour Force Survey Report 2018*. Windhoek.

Namibia Statistics Agency. (2023a). *National Accounts 2022*. Windhoek.

Namibia Statistics Agency. (2023b). *Population and Housing Census Labour Force Report 2023*. Windhoek.

Namibia Statistics Agency. (2023c). *Poverty and Inequality Report*. Windhoek.

Namibia Statistics Agency. (2024). *Inflation Bulletin March 2024*. Windhoek.

Namibia Tourism Board. (2023). *Annual Performance Review 2023*. Windhoek.

Namibia Training Authority. (2025). *National TVET Transformation Strategy*. Windhoek.

National Planning Commission. (2021). *Labour Market Dynamics and Structural Inequality Report*. Windhoek.

National Planning Commission. (2023a). *Poverty and Human Development Report 2023*. Windhoek.

National Planning Commission. (2023b). *Harambee Prosperity Plan II: Mid-Term Review*. Windhoek.

New Era. (2024). Opinion – Namibian politics, governance through a magnified lens. *New Era*. https://neweralive.na

Office of the President. (2021). *Harambee Prosperity Plan II (2021–2025)*. Windhoek.

Shikondja, J. (2021). *Namibia's Political Development and Regional Commitments*. University of Namibia Press.

Subbarao, K. (2024). *Strengthening Social Protection in Southern Africa*. HSRC Press.

The Africa Center for Strategic Studies. (2024). *Namibia: November 27, 2024, Elections*. https://africacenter.org

World Bank. (2023). *Namibia Country Profile*. https://data.worldbank.org/country/namibia

South Africa

https://www.bbc.com/news/world-africa-14094760
https://africacenter.org/spotlight/south-africas-seismic-political-shift/
https://www.thepresidency.gov.za/political-context
https://www.gov.za/news/media-statements/employment-and-labour-implementation-employment-equity-tool-transform-economy
https://www.studysmarter.co.uk/explanations/macroeconomics/international-economics/labour-mobility/
https://conference.iza.org/conference_files/worldb2010/burns_j5993.pdf
https://businesstech.co.za/news/banking/793660/south-africas-big-banks-quietly-cut-over-7000-jobs/

Zimbabwe

Bratton, M. & Masunungure, E., V. (2018). Afrobarometer. (2018). *Heal the beloved country: Zimbabwe's polarized electorate*. (Afrobarometer Policy Paper No. 49). Accra, Ghana: Bratton, M., & Masunungure, E.V.https://www.afrobarometer.org/wp-content/uploads/2022/02/ab_r7_policypaperno49_heal_the_beloved_country_zimbabwes_polarized_electorate.pdf

Chitambara, P., Musonza, C. and P. Zamchiya (2022). *Punching holes into a fragile economy? the possible economic impact of the Punching Holes into A Fragile Economy? The Possible Economic Impact of the Private Voluntary Organisations Amendment Bill* gazetted on 5 November 2021.

Eze P., L.O. Lawani, L. O., U.J. Agu, U. J., and & Y. Acharya, Y. (2022). *Catastrophic health expenditure in sub-Saharan Africa: Systematic review and meta-analysis*. Bulletin of the World Health Organization, 100 (5), 337 - 351J. World Health Organization (WHO).

Masunungure, E.V. and & H. Zvoushe, H. (2023). An analysis of the existing form of governance politics in Zimbabwe and proposals for a new kind of policymaking. *AJIS: African Journal of Inclusive Societies 2*(1), 14-30.
Muchichwa, N. (2015). *Working without pay: Wage theft in Zimbabwe* Working Without Pay: Wage Theft in Zimbabwe. Solidarity Center/Jemal Countess.
Siambombe, A. and & M. Hupile, M. (2024). Zimbabwe's economic challenges beyond sanctions. *African Journal of Inclusive Societies*, *4* (1) Volume 4 Issue 1.
Southern Africa Human Rights Defenders Network (SAHRDN). (2022)., *Zimbabwe Human Rights NGO Forum, and Accountability Lab Zimbabwe Research Report*. February 2022.
Zvoushe, H. (2024). Some Reflections on the Contextual Preparedness for the Policy Innovation Labs Initiative in Sub-Saharan Africa. *Pan African Journal of Governance and Development*, *5* (2), 105-130 .Vol. 5, No. 2, August 2024