Bank of Namibia

UNITED NATIONS
NAMIBIA

DIAGNOSTIC OF INFORMALITY IN NAMIBIA

Sectoral Analysis Report

September 9, 2025

Step 02

ACKNOWLEDGEMENT:

This diagnostic was jointly led by the Bank of Namibia, the Ministry of Industries, Mines and Energy, the Ministry of Justice and Labour relations, with the support of the United Nations in Namibia.

Special acknowledgement is extended to the consulting partners who undertook the study and produced the diagnostic outputs: Synergy Business Advisory & Consultancy (Synergy BAC), Genesis Analytics, and UN-Habitat/UNITAC Project.

The project was overseen by the National Working Group on Informality, chaired by Dr. Michael Humavindu, and supported by the Secretariat team from the Bank of Namibia: Dr. Emma Haiyambo, Mr. Erwin Naimhwaka, Ms. Sesilia Nekwaya, Mr. Petrus Indji, and Ms. Loise Katanga, together with technical representatives from the partnering Government Ministries and UN agencies: Mr. Festus Oscar (MIME), Ms. Eunice Ajambo (UN RC), Ms. Florence Bonnet (ILO) Ms. Anna Marie Kiaga (ILO), Dr. Luatumezi Abele (MJLR) Ms. Tuwilika Shaimemanya (UN-Habitat) and Ms. Omagano Kankondi (UNDP).

Broader National Working Group Contributors:

- Mr. Joseph Garoeb – NANLO
- Ms. Tangeni Shindondola – DITA
- Mr. Josef Veripi Kandenge – Namibia Informal Sector Organisation
- Mr. Mahongora Kavihuha – Trade Union Congress of Namibia
- Mr. Pendapala Nakathingo – Namibia Bus and Taxi Association (NABTA)
- Mr. Onesmus Shalonda – Namibia Statistics Agency (NSA)

The Bank of Namibia expresses its appreciation to all institutions and individuals whose contributions made this national diagnostic possible.

Table of content

Abbreviations

Abbrev.	Meaning
AAN	Accommodation Association of Namibia
AFF	Agriculture, Fishing and Forestry Sector
ALAN	Association for Local Authorities in Namibia
ANTA	Association of Namibian Travel Agents
APHLIS	African Postharvest Losses Information System
BCC	Benguela Current Commission
BIPA	Business & Intellectual Property Authority
BoN	Bank of Namibia
BDS	Business Development Services
CBNRM	Community Based Natural Resources Management
CBOs	COMMUNITY-BASED ORGANISATIONS
CC	Closed Corporation
CCFN	Community Conservation Fund of Namibia
CFs	Community Forests
CNFA	Confederation of Namibian Fishing Associations
DAPEES	Directorate of Agricultural Production, Extension and Engineering Services
DBN	Development Bank of Namibia
DITA	Dynamic Vision Informal Traders' Organization
DWSSC	Directorate of Water Supply and Sanitation Coordination
ECF	Employees' Compensation Fund

Abbrev.	Meaning
EIF	Environmental Investment Fund
ESJT	Economic Social Justice Trust
FAO	Food and Agriculture Organization
FCM	Forest Community Management
FENATA	Federation of Namibian Tourism Associations
FES	Friedrich-Ebert-Stiftung
FGD	Focus Group Discussion
FGDs	Focus Group Discussions
FLI	Financial Literature Initiative
FMC	Forest Management Community
FOA	Fisheries Observer Agency
FSC	Forest Stewardship Council
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit
HAFA	Hanganeni Artisanal Fishing Association
HAN	Hospitality Association of Namibia
ICT	Information and Communication Technology
ILO	International Labour Organization
IOM	International Organization for Migration
IRLUP	Integrated Regional Land-Use Plan
KAZA-TFCA	Kavango–Zambezi Transfrontier Conservation Area
KII	Key Informant Interview

Abbrev.	Meaning
LAC	Labour Advisory Council
LLPB	Livestock Products Board of Namibia
LaRRI	Labour Resource & Research Institute
M&E	Monitoring and Evaluation
MAFWLR	Ministry of Agriculture, Fisheries, Water, and Land Reform (new)
MAWLR	Ministry of Agriculture Water & Land Reform (old)
METF	Ministry of Environment, Tourism and Forestry
MFMR	Ministry of Fisheries and Marine Resources (old)
MF	Ministry of Finance (new)
MFPE	Ministry of Finance and Public Enterprises (old)
MIT	Ministry of Industrialisation and Trade (Old)
MIME	Ministry of Industries, Mines and Energy (new)
MJ	Ministry of Justice (Old)
MJLR	Ministry of Justice and Labour Relations (new)
MLIREC	Ministry of Labour, Industrial Relation and Employment Creation (old)
MSDF	Maternity Leave, Sick Leave and Death Benefit Fund
MSP	Market Share Promotion
MURD	Ministry of Urban and Rural Development
NAB	Namibian Agronomic Board
NACOBTA	Namibia Community Based Tourism Association
NAFAU	Namibia Food and Allied Workers Union
NAFSAN	Nutrition and Food Security Alliance of Namibia

Abbrev.	Meaning
NAFWU	Namibia Farm Workers' Union
NAHOP	National Association of Horticulture Producers
NALAO	Namibia Association of Local Authority
NamRA	Namibia Revenue Agency
NANASO	Namibia Networks of AIDS Service Organisations
NANLO	Namibia National Labour Organization
NAPHA	Namibia Professional Hunting Association
NAPWU	Namibia Public Workers Union
NASAWU	Namibia Seaman and Allied Workers Union
NATH	Namibian Academy for Tourism and Hospitality
NAU	Namibia Agricultural Union
NAWIB	Namibia Women in Business
NCCI	Namibia Chamber of Commerce and Industry
NDAWU	Namibia Domestic and Allied Workers Union
NDCN	National Disability Council of Namibia
NDP	National Development Plan
NDT	Namibia Development Trust
NEA	Namibia Employers Association
NECFU	Namibia Emerging Commercial Farmers' Union
NEF	Namibia Employers' Federation
NEP	National Employment Policy
NFCPT	Namibian Fish Consumption Promotion Trust

Abbrev.	Meaning
NFPDN	National Federation of People with Disabilities in Namibia
NFUA	Namibia Fisherman United Association
NFVI	Namibian Federation of the Visually Impaired
NGGA	Namibia Grape Growers Association
NGO	Non-Governmental Organisation
NIDAWU	Namibia Informal, Domestic & Allied Workers' Union
NIESED	National Informal Economy, Startups, and Entrepreneurship Development Policy
NISO	Namibia Informal Sector Organization
NITSWU	Namibia Informal Traders and Shebeen Workers Union
NLFS	National Labour Force Survey
NMBF	National Medical Benefit Fund
NNF	Namibia Nature Foundation
NOYD	Namibian Organization of Youth with Disabilities
NPC	National Planning Commission
NPF	National Pension Fund
NRWA	Namibian Rural Women's Assembly
NSA	Namibia Statistics Agency
NTA	Namibia Training Authority
NTB	Namibia Tourism Board
NUNW	National Union of Namibian Workers
NUST	Namibia University of Science and Technology
NWR	Namibia Wildlife Resorts

Abbrev.	Meaning
NYC	National Youth Council of Namibia
NYS	National Youth Service
O/M/As	Offices/Ministries/Agencies
OMAs/RCs/ LACS	Offices/Ministries/Agencies/Regional Councils/Local Authorities sector
ORN	Out-Right Namibia
PAYE	Pay-As-You-Earn
PDNFU	Previously Disadvantaged Namibian Farmers Union
POPA	Potato and Onion Producers Association
PPP	Public-Private-Partnership
RDCC	Regional Development Coordinating Committee
SDG	Sustainable Development Goal
SLF	Sustainable Livelihoods Foundation
SSC	Social Security Commission
TASA	Tour and Safari Association
TN	Telecom Namibia
TRENABA	Tourism Related Namibian Business Association
TUCNA	Trade Union Congress of Namibia
UHC	Universal Health Coverage
UNAM	University of Namibia
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNRCO	United Nations Resident Coordinator Office
UN-Habitat	United Nations Human Settlements Programme

Abbrev.	Meaning
UNWFP	United Nations World Food Programme
USAID	United States Agency for International Development
UW	Urban Works
VAT	Value-Added Tax
VCF	Veterinary Cordon Fence
VISET	Vendors Initiative for Social Economic Transformation
WB	World Bank in Namibia
WFP	World Food Programme
WWF	World Wildlife Fund

Executive Summary

This report provides an in-depth assessment of informality within two key sectors of the Namibian economy: Agriculture, Fishing, and Forestry (AFF), and Food and Accommodation Services. It aims to dissect the extent and characteristics of informal activities, identify the specific drivers and challenges faced by informal workers and economic units, and propose a comprehensive suite of interventions to support their gradual transition towards formality, ultimately enhancing livelihoods, productivity, and overall economic inclusion.

Informality is a pervasive feature of Namibia's socio-economic landscape, contributing an estimated 25 percent to GDP in 2024 and accounting for 57.7 percent of total employment. The informal economy serves as a critical source of income, particularly for vulnerable populations, including women, who constitute 53 percent of the informal workforce, and youth. However, this vital sector is largely characterized by precarious working conditions, limited access to social protection, finance, and markets, and systemic exclusion from formal support structures and regulatory frameworks. This report adopts a broad conceptualization of the transition to formality, viewing it as a multi-dimensional process that extends beyond mere registration to encompass the enhancement of security, productivity, and sustainability for informal actors, aligning with national strategies like the National Informal Economy, Startups, and Entrepreneurship Development (NIESED) Policy and international initiatives such as the UN's Global Accelerator on Jobs and Social Protection. The analysis is informed by extensive desk research, key informant interviews, focus group discussions with stakeholders across various sectors, and an opportunistic survey of informal workers.

In the Agriculture, Fishing, and Forestry (AFF) sector, where informal employment stands at a staggering 87.6 percent, the report finds that own-account workers and employees dominate. Employees often operate without formal contracts or social security coverage. Key challenges, especially for own-account workers and all independent workers more generally, include insecure land tenure, particularly on communal lands; the economic and logistical constraints imposed by the Veterinary Cordon Fence ("VCF" or "Redline"); limited access to affordable inputs, finance, and extension services; and significant market access barriers due to poor infrastructure and aggregation difficulties. Spatial hotspots of informality are prevalent in smallholder farming in the northern communal lands, charcoal production, harvesting of timber and non-timber forest products from community forests, and both coastal and inland small-scale fisheries. Drivers of informality in AFF are multifaceted, ranging from limited access to land and high input costs to regulatory complexities and inadequate infrastructure.

The Food and Accommodation Services sector, intrinsically linked to tourism, sees informal employment at approximately 68.6 percent (with tourism-related industries showing 63.9 percent informality) and is predominantly comprised of women (around 77 percent of the sector's workforce) and own-account workers. Informal business owners face significant hurdles, including complex and costly licensing procedures, difficulties in meeting health and safety standards, insecure access to strategically located trading spaces, and intense competition. Spatial analysis reveals hotspots in mobile and stationary street vending, open markets, taverns and bars within township economies, and various informal tourism and accommodation offerings. The drivers of informality in this sector include the ease of entry, volatile demand and seasonal income patterns, prevalent informal hiring practices, high costs and complexities of formal registration, and insufficient policy support and business development services.

Across both sectors and the broader informal economy, several cross-cutting challenges persist. These include profound social protection deficits, leaving workers vulnerable to shocks; significant legal, policy, and regulatory gaps that fail to recognize or adequately support informal activities and the workers and economic units that carry out those activities; weak institutional coordination leading to fragmented and inefficient support; a lack of comprehensive, disaggregated data hindering evidence-based policymaking; limited financial inclusion due to unsuitable products and literacy gaps; constrained market access; a digital divide coupled with insufficient digital skills; and inadequate representation of informal economy actors in social dialogue and policy-making processes.

To address these complex issues, this report proposes a dual strategy of cross-cutting and sector-specific interventions. Cross-cutting recommendations focus on:

- Legal, Policy, and Regulatory Reform: Advocating for comprehensive legal recognition of the informal economy, simplification of registration and compliance procedures, and reform of local authority by-laws.
- Skills Development, Productivity Enhancement, and Access to Services: Expanding tailored skills training, improving access to Business Development Services (BDS) and mentorship, and investing in basic infrastructure.
- Institutional Coordination and Governance: Strengthening inter-agency coordination mechanisms and enhancing the capacity of local authorities.
- Evidence, Data, and Monitoring: Investing in comprehensive data collection and establishing a national M&E framework for informality interventions.
- Enhancing social and labour protection: Implementing awareness campaigns for existing schemes and progressively extending a suite of tailored, contributory and subsidised social insurance; extend the scope of labour protection when relevant and ensure the implementation of rights in practice (minimum wage, working time, and other labour policies).
- Improving Financial Inclusion: Developing tailored financial products and expanding financial literacy programmes.
- Strengthening Market Access: Facilitating access to formal markets through cooperatives and developing market infrastructure and information systems.
- Leveraging Technology: Expanding digital infrastructure, reducing data costs, and rolling out ICT skills training.
- Representation and Social Dialogue: Strengthening the voice of informal actors and promoting public-private partnerships for their support.

Sector-specific interventions for AFF include reforms related to land tenure security, addressing the "Redline" issue, strengthening cooperatives for market aggregation, investing in rural transport and storage, and developing a small-scale fisheries licensing framework. For the Food and Accommodation Services sector, interventions target the simplification of licensing and health compliance, establishment of designated trading spaces, promotion of linkages with formal tourism businesses, sector-specific skills training (including digital marketing), and facilitating access to micro-finance.

The report concludes by emphasizing the need for a phased, integrated, and participatory approach to supporting Namibia's informal economy. This involves a commitment to gradual transition of workers and economic units to formality that prioritizes improved livelihoods, decent work, and enhanced productivity, underpinned by strong political will, robust stakeholder collaboration, and adaptive management informed by continuous monitoring and the direct involvement of informal economy actors in shaping their future. Such a strategy is crucial for unlocking the informal economy's potential to contribute more fully to Namibia's inclusive and sustainable development.

Introduction

The purpose of this report is to assess the informality situation of two key sectors in Namibia: Agriculture, Fishing and Forestry and Food and Accommodation Services.

Fishing and Forestry and Food and Accommodation Services.

The sectoral analysis aims to:

1. Assess the extent of informality in the two priority sectors and the characteristics of informal workers and economic units compared to the average situation;
2. Investigate the relationship between the spatial characteristics of identified hotspots (such as location, accessibility, proximity to markets, infrastructure) and the prevalence of informality;
3. Identify specific factors of informality as well as drivers of formalization associated for instance to (i) the characteristics of workers and economic units; (ii) the prevalent forms of employment in the sector(s); (iii) the level and form of organization within the sector(s); or (iv) the legal and institutional framework (with particular provision or absence of provision) for the specific sector(s);
4. Provide the mapping of actors and policies given the particular sector(s) under focus; and
5. Provide recommendations for addressing informality and promoting the transition to formality in Namibia.

The report considers the informal economy as consisting of informal productive activities carried out by persons and economic units (and/or enterprises). In the Namibian context, informality is primarily defined by the absence of registration with formal institutions. Persons are classified as formal when they are enrolled in systems such as (statutory) pension schemes, medical aid, and social security. Such enrolment entails, for employees, the recognition and formal declaration of the employment relationship, along with access to the protections derived from employment and compliance with associated obligations for both the employer and employee. Similarly, economic units are considered formal by the NSA (2023) when they are registered with official bodies such as the Ministry of Trade and Industry (MIT), the Namibia Revenue Agency (NamRA), the Social Security Commission (SSC), or other recognised regulatory institutions. This understanding of informality within the Namibian contexts adopts a binary conceptualisation of informality based on registration. The report recognises that this can be broadened to include that a person, an enterprise or an activity can either be formal or informal based on whether they are covered in practice by 'formal arrangements': registered, formally recognized by government authorities as distinct market producers for enterprises and their owner (all independent workers); and recognized employment relationship and effective access to labour and social protection for employees. This dichotomy across the different dimensions of informality—enterprises, employment, and production—acknowledges that employees can be informally employed within formal enterprises, and that individuals holding formal jobs may still engage in partially informal activities, such as undeclared hours, wages, or profits.

Within a binary conceptualisation, transition to formality is currently viewed in Namibia narrowly as a process of legal recognition through registration. Within this conceptualisation, many economic units have registered primarily to meet procurement compliance requirements, often without addressing compliance related to their employees. Thus, this approach overlooks some of the nuanced realities of informal economic engagement such as economic units that are registered with a formal institution but do not assist their employees to be enrolled for pension schemes, medical aid and social security. While the binary approach simplifies classification, it may not fully capture the spectrum of informal practices that exist within the Namibian economy and importantly that should be complemented with another dimension related to levels of protection against personal and economic risks that cut across informality-formality. Consequently, a broader conceptualisation of formalisation is to recognise the different levels of protection, vulnerabilities but also compliance within the informal and formal economy. It is to recognize informality and the process of transition to formality as a multi-dimensional and gradual process, going beyond registration of persons and economic units to enhance their livelihoods, security, productivity, and sustainability.

Thus, for the two sectors under consideration, transitioning to formality means developing the Agriculture, Forestry and Fishing and Accommodation and Food and Accommodation Services sectors and their participants into commercially viable and mainstream economic sectors that could contribute to the economic growth of Namibia and its inhabitants in a sustainable manner, and ensuring that participants in these sectors are socially supported and are reaping the benefits of social development, among others in the areas of health care, housing, social protection and nutrition. This involves addressing challenges faced by the informal economy through infrastructure development, entrepreneurial and institutional support, capacity transformation programmes, targeted support mechanisms, access to labour and social protection and social services, institutional coordination and monitoring and evaluation.

This report will assist with the development of a roadmap towards the development of a national strategy for addressing informality in Namibia that will contribute to the UN's Global Accelerator. The Global Accelerator on Jobs and Social Protection for Just Transition represents a unified UN effort to tackle the intersecting crises that risk undermining development gains. The initiative seeks to fast-track progress towards the Sustainable Development Goals (SDGs) by promoting the creation of decent jobs—particularly in the green, digital, and care sectors—and by expanding social protection to individuals who are currently left out, including those in the informal economy. The Government of Namibia has expressed interest to become one of the official pathfinder countries of the Global Accelerator initiative. The Government, together with the UN and other development partners, is committed to developing a national roadmap for the Global Accelerator. This roadmap will be aligned with Namibia's Vision 2030 and the Sixth National Development Plan (NDP6). Additionally, Namibia is a pilot country for the implementation of the ILO strategy to reduce inequalities in the world of work. This report will, therefore, be an instrumental part of contributing to an informality diagnosis in Namibia to the multiple ongoing interrelated initiatives.

The NIESED Policy developed by the Ministry of Industrialisation and Trade marks a significant step toward promoting the transitioning to formality of informal businesses, emphasising gradual formalisation through business registration, financial inclusion, and the creation of an enabling environment for informal economic units.

By unpacking sector-specific challenges, identifying systemic barriers, and highlighting the lived realities of informal actors—especially in sectors such as agriculture, forestry, fishing, accommodation and food services—the report provides evidence-based insights. These findings will help ensure that the policy formulation is responsive, inclusive, and tailored to the diverse needs and contributions of Namibia's informal economy.

This sector-specific report is designed to provide an in-depth analysis of informality within two priority sectors of the Namibian economy: **agriculture, forestry and fishing,** and a**ccommodation and food service activities.** The structure of the report is organised to explore key dimensions that shape the informal economy within each of these sectors. The report presents a comprehensive examination of:

1. **Extent and Characteristics of Informality in Namibia** - an exploration of the scale, composition, and defining features of informality across selected sectors, including employment patterns, enterprise types, and demographic characteristics.
2. **Primary challenges of Informality:** Understanding the experiences of informal players and the impact of their activities.
3. **Regulatory and Policy Challenges and responses** - assessment of the legal, institutional, and regulatory frameworks affecting the informal economy, examining gaps, inconsistencies, and efforts toward reform.
4. **Spatial Characteristics and Hotspots of Informality** – highlighting geographic trends and concentrations of informal activity.
5. **Drivers of Informality** – exploring the underlying socio-economic and structural factors that sustain informality.
6. **Support Strategies for Informal Economy Actors** – reviewing initiatives and interventions aimed at improving conditions for informal workers and enterprises.

While the primary focus is on sector-specific analysis, the report also incorporates transversal themes where issues are similar in nature across both sectors. These include issues such as leveraging technology, increasing small scale production and others. The report concludes with an overall synthesis of findings and a set of consolidated recommendations, offering strategic guidance for policy makers and all other key stakeholders .

Overview of Informality in Namibia

Informality plays a critical role in livelihoods, employment, and survival for a significant portion of the population in Namibia. Despite its importance, the informal economy remains largely under-recognised in the legal and policy framework and under-supported in practice.

Contribution to GDP	24.70%
Informal employment	57.70%
Informal employment in agriculture, forestry & fishing	87.60%
Informal employment in food and accommodation services	68.60%
Informal employment in rural areas	41.80%
Informal employment in urban areas	78.90%

Demographics and Employment Dynamics

Gender

53%
Women in infomal workforce

Women dominate the informal workforce, constituting 53% of participants. Sub-sectors such as agriculture and food services are dominated by women.

Youth

73%
employed in the food economy are in informal employment

73.4% of youth employed in the food economy are in informal employment, compared to 68% of youth working in non-food economy sectors. The informal economy is the starting point of an entrepreneurial journey for the majority of young people

Rural-Urban Divide

While urban areas host the majority of informal enterprises, rural regions rely heavily on informal agricultural activities and economic units. Working conditions for informal sector players vary considerably between urban and rural areas. These differences span across wages and income stability, access to basic services, legal protections, information, and infrastructural support.

Features of Informality

- A common feature of informal economic activity in Namibia is its vulnerability.
- Most informal enterprises (and their owners) operate with limited access to finance, infrastructure, and social protection. They are often excluded from regulatory and support frameworks, which leaves them exposed to market volatility, climate shocks, and regulatory enforcement.
- Informal workers typically lack formal contracts, job security, and access to health insurance, pensions and social security benefits.

01

Methodology

This report is based on extensive desk research of the available literature, and key informant interviews (KIIs) and focus group discussions (FGDs) with government offices, ministries and agencies, research and advocacy groups, financial institutions, labour and employer organisations, sector specific organisations, NGOs, development partners, skills training bodies, and all other stakeholders of the informal economy in Namibia. The KIIs and FGDs helped bridge gaps in the existing literature and offered a more nuanced and comprehensive understanding of the current realities of informality in Namibia. The study also incorporated useful insights gathered from the Step 1 Report of this project and the findings from the opportunistic survey analysis, as far as it pertains to the two sector priorities for this report.

Sector Selection Process

The selection of specific sectors for this report was guided by a structured framework designed to identify sectors which met a number of criteria. The table below defines each criterion and the accompanying indicator used to narrow down the selection.

Table 1. Framework for sector selection

Criteria	Definition	Indicator
Extent and composition of informality, social impact and economic contribution	Assess whether formalizing this sector (or supporting informal economy actors) would significantly enhance social benefits like poverty reduction and gender equity.	Proportion of informal employment (Incidence of informality and number of informally employed people) and sectoral contribution to GDP.
Exposure to vulnerable groups	Evaluate how interventions in this sector improve conditions for marginalized groups (e.g., women, youth, disabled, the aged, migrants). The extent to which workers in the sector face precarious conditions, including job insecurity, low earnings, and limited access to social protection.	Demographic and socio-economic profiles of informal workers by sector. Annual/monthly wages, percentage of own account workers in that sector (own account workers are the most vulnerable in Namibia).
Working conditions and decent work	Sectors where formalisation will lead to significant improvements in safety, earnings, labour rights, equal opportunity and treatment, and job and social security. The ability of the sector to transition workers to safer, more productive, and fair employment opportunities.	Comparison of working conditions between informal and formal employment. Workers with paid leave and equal employment opportunities, workers with paid sick leave, workers receiving some form of social protection, workers with safe working conditions.
Financial Feasibility	Assess the availability of, including the potential for adjusting funding for interventions, including national budgets, donor contributions, or public-private partnerships.	Proportion of national or sectoral budgets allocated to formalization and informality support strategies.
Physical Infrastructure	Determine the adequacy of, including the potential to adjust, improve or extend infrastructure such as transportation, marketplaces, or digital platforms that support formalization (support informal economy participants).	Presence of accessible facilities (e.g., marketplaces, microfinance offices, digital access points) in informal economy hotspots.
Regulatory Frameworks	Evaluate the adequacy of existing laws and policies to formalize informal workers and businesses, considering in particular the need to improve coverage in law and practice, improve enforcement and compliance, and ensure access to justice.	Existing and adjusted legal and policy frameworks with mechanisms to incentivize formalization (e.g., simplified registration and licencing processes, tax benefits, social security inclusion, public procurement engagement).
Multi-Sectoral Partnerships	Assess the ability to form partnerships between government, civil society, private sector, and informal economy actors.	Number of active partnerships addressing sector-specific informality challenges.
Community Engagement	Level of grassroots support / involvement of informal workers in planning and feedback loops.	Proportion of informal workers engaged in consultations or focus groups.
Digital Platforms	Evaluate the readiness of technology solutions to register and support informal workers (e.g., mobile apps for registration, e-payment systems).	Number of sectors with digital tools to facilitate formalization processes.
Strategic importance of the sector	The sector's relevance to national priorities such as economic development, employment generation, poverty alleviation, or alignment with government policies and plans.	Sectoral contribution to GDP, employment
Spatial and socio-economic impact	Target sectors with high informality in urban or rural hotspots to ensure equitable development.	Geographic distribution of informal employment.
Institutional Capacity	Evaluate the capability, including the potential to enhance the capability, of government departments and implementing agencies to lead and implement interventions. This includes expertise, staffing, funding, and infrastructure.	Number of trained personnel available, as well as system and infrastructure capacity, for regulatory enforcement and programme implementation in the sector.
Environmental sustainability	The extent to which the sector operates in or has potential to operate in an environmentally responsible manner, minimizing harm and promoting sustainable practices.	Potential for green jobs or sustainable innovation.
Representation and Collective Bargaining	The ability of workers in the sector to associate, to organise and negotiate for better working conditions, wages, and rights, and to be represented by homegrown institutions, professional bodies, trade unions and other civil society institutions.	Informal workers seeking support from CSOs or unions, or establishing their own representative bodies.

Source: Developed by the Authors

After developing the sector selection framework, each sector was assessed based on its alignment with the established indicators. This process identified the top emerging sectors according to key criteria. For example, using the proportion of informal employment (incidence of informality and the number of informally employed workers) and sectoral contribution to GDP as indicators, the leading sectors were Agriculture, Forestry, and Fishing; Accommodation and Food Services; Wholesale and Retail Trade; and Private Households. A detailed table outlining sector allocation per indicator is available in the Annex.

From this analysis, the two most frequently recurring sectors were selected as priority sectors. The project team then presented the selection criteria and priority sectors to the National Working Group on Informality (NWGI) for validation. The proposed sectors were approved, allowing the team to proceed with developing the Step 2 report.

Primary Data Collection

The team conducted an explorative, opportunistic survey design to identify informal workers across different parts of Namibia. Such an approach suited the explorative nature of the informal economy, which is not a constant feature. Workers typically find themselves in and out of informality now and then. They also find themselves with different employers or having to rely on self-employment. As such, using past profiles of informality, if they exist in extant databases based on past surveys, may not capture the latest dynamics. Rather, that information may be used as a foundation to build on.

The aim of the opportunistic survey was to make a rapid diagnosis of informality in Namibia, covering both urban and rural areas. Namibia is administratively demarcated by regions and local authorities, namely municipalities, towns, and villages. There are 14 regions, 14 municipalities, 26 town councils and 18 village councils. The use of the term village is not synonymous with a rural area. The spatial data provided courtesy of GIZ revealed that the lowest administrative unit, that is the village council, is mostly constituted of dwellings that are predominantly urban. Consequently, to reach spaces that are predominantly rural, the team considered areas that are considered under the category of 'settlements'. These also include low-input subsistence and capital-intensive commercial farms, villages, and resettlements. There are at least 130 settlements distributed across Namibia.

A convenient sample size of 2,080 informal workers was targeted for the survey questionnaires. The total number of selected sites was 26. The intention was to reach each of these sites with local enumerators who are well acquainted with local processes. Thus, a fieldwork team managed in partnership with GIZ was appointed to conduct the survey.

Table 2. Below shows the distribution of the number of samples initially planned to be interviewed in each region and the actual responses from each region after the survey.

Table 2. Distribution of samples

Region	Planned Samples	Interviewed
Karas	184	323
Erongo	174	310
Hardap	103	92
Kavango East	80	112
Kavango West	151	124
Khomas	174	256
Kunene	151	124
Ohangwena	124	166
Omaheke	156	238
Omusati	151	158
Oshana	174	182
Otjozondjupa	156	100
Zambezi	151	20
Oshikoto	151	119
Total	2080	2541

Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs)

A qualitative approach was employed through KIIs and FGDs to gather in-depth insights into sector-specific informality challenges and opportunities.

KIIs: Semi-structured interviews were conducted with a range of key stakeholders identified through a mapping exercise. Stakeholders of the informal economy were categorized into different groups including government offices, ministries and agencies, regional councils and local authorities, research and advocacy groups, financial institutions, employers and workers' organisations, representative groups of the informal economy, sector-specific organisations, NGOs, development partners, think tanks and skills training bodies. To reach the goal of interviewing all key stakeholders, a snowball technique of asking the interviewees to recommend other key informants or who were not on our initial list but are likely to take part in the survey as well was adopted. Consultations were held online via telephone/video conferencing and interviews were conducted in English.

Despite efforts to engage all key informants from the initial list and those recommended by stakeholders, some did not respond to interview requests. To accommodate them, the project team developed an online survey for easier completion. While this approach had some success, it also had limitations, including a lack of in-depth responses and some unanswered questions. The comprehensive list of each organisation engaged in the KIIs can be found in the Annex. In total, there were 38 KIIs held.

FGDs: Discussions were held with informal workers to explore their lived experiences, coping mechanisms, and perspectives on formalization efforts and related issues. FGDs provided a grassroots perspective covering both rural and urban areas, complementing the expert insights gathered through KIIs. This approach ensured that those directly affected by policy changes in the informal economy were well represented in the study. Participants included a diverse range of informal workers across the two priority sectors, with careful consideration given to gender balance and the inclusion of marginalized groups such as youth, senior workers, migrants, and rural workers. The comprehensive list of the FGDs held can be found in the Annex. In total, FGDs were held with 6 different groups including street food vendors/food sellers, hawkers, traders of horticulture produce, amongst others.

Secondary Data Collection

This report draws on a range of secondary sources, including publicly available online materials and documents provided by key informants during interviews. Sector-specific studies were particularly valuable in offering insights into the current state of the two priority sectors. Additionally, the Sixth National Development Plan (NDP6) was reviewed to understand the Government's perspective on the informal economy and its strategic significance within Namibia's broader socio-economic vision. The document also highlights the Government's continued commitment to addressing the challenges faced by the informal economy.

Data processing and analysis

Survey data was collected by enumerators using the Kobo Toolbox, then cleaned and analyzed with Stata software. KIIs were recorded using Google Meet's transcription feature, proofread, and analyzed using author-designed codebooks that categorized information thematically. FGDs were recorded using voice tools and transcribed by an outsourced company, with the transcripts analyzed using the same codebook approach as the KIIs. The secondary sources were also integrated as an evidence base for any issues of informality discussed.

02

Agriculture, Fishing and Forestry

2.1 Introduction

The agriculture, fishing, and forestry sector is critical for Namibia's economy providing employment, food security, and income. Agriculture, which is further divided into livestock and crop farming, directly or indirectly supports approximately 70 percent of the population, particularly within the subsistence farming system. The sector is broadly characterized by two primary modes of production: commercial farming, which occupies approximately 44 percent of agricultural land but supports only about 10 percent of the population, and subsistence farming, which utilizes 41 percent of land while sustaining around 60 percent of the population.

The livestock industry, which includes beef, sheep, goats, pigs, poultry, and game farming, is a dynamic and export-oriented subsector. Namibia has established itself as a reputable supplier of high-quality meat products that meet international standards, particularly in relation to the absence of growth stimulants. Beef remains the dominant export product, with the country achieving a historic milestone in March 2020 by becoming the first African nation authorized to export beef to the United States. Other key contributors include sheep and goat products, dairy farming, ostrich farming, and trophy hunting.

The poultry industry, in particular, has experienced expansion and diversification in recent years. By 2019, poultry became the second-largest contributor to the livestock subsector, with an annual revenue of N$ 1.05 billion. Domestic production meets the bulk of the national broiler demand, supplying approximately 1,900 of the 2,500 tonnes required monthly. Imports of frozen chicken portions are limited to 1,500 tonnes per month to protect and promote local producers.

Despite its predominantly arid and semi-arid conditions, Namibia is able to cultivate a range of crops, including cereals, fruits, and horticultural products. The horticulture subsector includes fresh produce such as tomatoes, potatoes, carrots, cabbage, butternuts, beans, and groundnuts, as well as fruits like dates, grapes, melons, citrus, and watermelons, primarily grown under irrigation. Cereal production includes maize, pearl millet (mahangu), wheat, and sunflower. Among the leading horticultural exports are onions, which are primarily shipped to neighbouring South Africa and Angola.

Although the horticulture industry has expanded considerably over the past decade, local production currently meets only about 35 percent of national vegetable demand, due largely to the seasonal nature of crop production. Local fruit production accounts for less than 4 percent of the estimated annual demand of 730 tonnes. In an effort to bolster local production and reduce import dependency, the Namibian Agronomic Board revised the Market Share Promotion (MSP) scheme in December 2018, increasing the mandatory share of local purchases from 44 percent to 47 percent. Under this regulation, importers of fresh produce are required to source 47 percent of their stock from local producers before receiving import permits for the remaining 53 percent. This policy adjustment is projected to yield approximately N$20 million (equivalent to €1.15 million) in additional income for domestic producers.

Namibia's commercial fishing industry is primarily driven by three key species: hake (Merluccius capensis and Merluccius paradoxus), horse mackerel (Trachurus capensis), and monk (Lophius species). The fisheries sector, including fish processing, plays a significant role in the national economy, contributing approximately 15 percent to the country's total export value. The industry encompasses both onshore and offshore fishing operations, fish processing facilities, maritime services, and a steadily developing aquaculture subsector. Commercial fishing and processing stand out as the fastest-growing components of the economy in terms of employment generation, foreign exchange earnings, and GDP contribution. In the first quarter of 2024, export revenues from "fish and crustaceans, molluscs, and other aquatic invertebrates" reached N$4.1 billion—an increase from N$4.0 billion recorded in the same period of the previous year. Spain emerged as the leading export destination, accounting for 29.7 percent of exports, primarily due to high demand for frozen hake fillets. Zambia (16.1 percent) and the Democratic Republic of Congo (14.1 percent) followed, with horse mackerel being the predominant export to both markets. On the import side, Namibia recorded fish and seafood imports valued at N$154.9 million in the first quarter of 2024, a decline from N$167.9 million during the same quarter in 2023. South Africa remained the largest source of imports, supplying 35.0 percent—mainly consisting of hake.

In addition to commercial fishing operations, small-scale fisheries represent a vital component of the multi-activity livelihood systems for communities reliant on aquatic resources. These fisheries are particularly important for populations residing along Namibia's coastal regions, river systems, and around various inland water bodies, including natural lakes, dams, and man-made reservoirs found across different regions of the country. Despite their socio-economic importance, the contribution of Namibia's inland and coastal small-scale fisheries remains under-recognised and lacks adequate institutional support. These fisheries play a significant yet often overlooked role in local food systems, employment generation, and poverty alleviation.

"Namibia's small-scale fisheries sector consists of small-scale fishers who are defined as women, men (and sometimes children) who make use of various fishing methods (e.g., canoes, small fishing vessels) on a daily or regular basis, catch fish as a source of income, for own consumption or livelihoods for most parts of the year and sale of surplus but within weight limits or number of fish" - National Plan of Action for Small-Scale Fisheries Report"

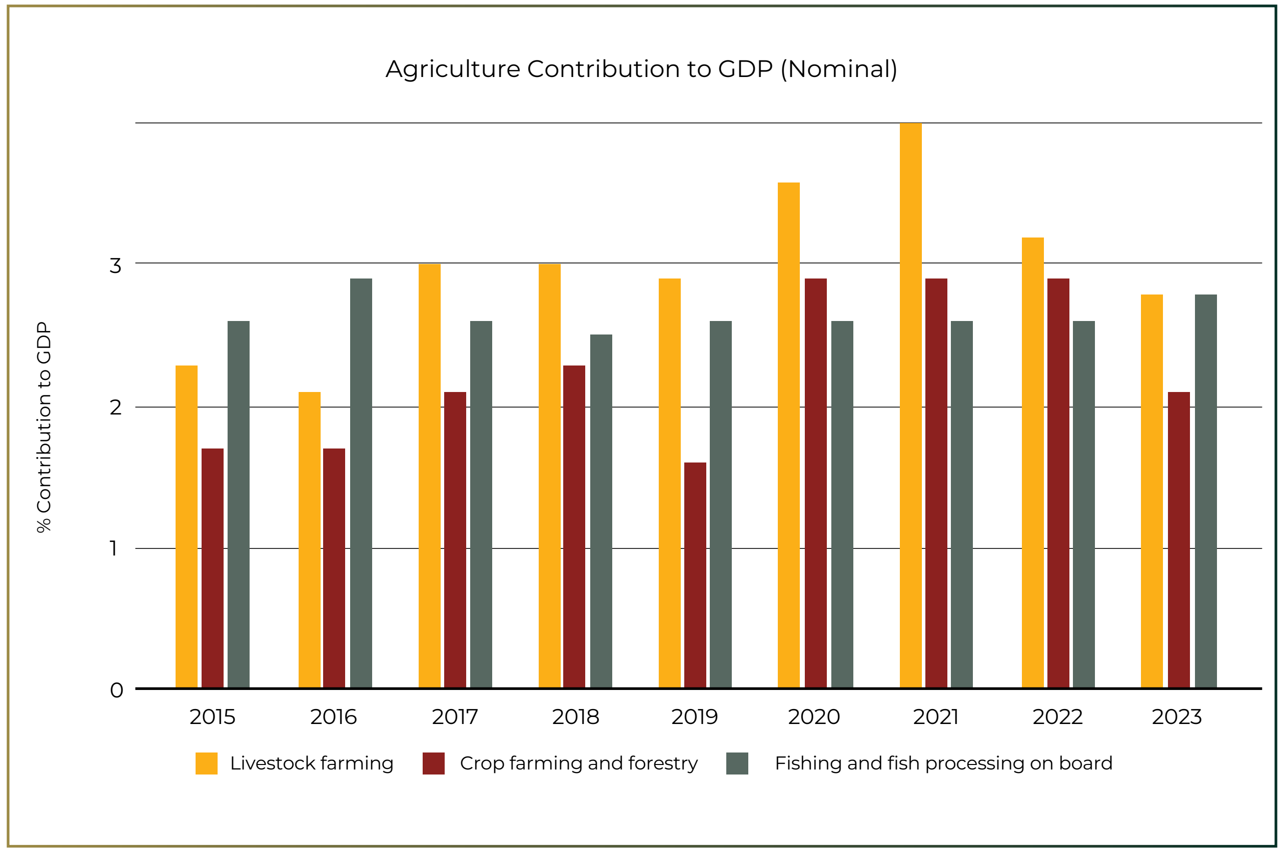
Estimates show that inland small-scale fisheries have the potential to contribute approximately N$230 million or more annually to local and national economies. The subsector directly provides self-employment, seasonal, or paid job opportunities to an estimated 45,000 individuals, while indirectly supporting the livelihoods of over 280,000 Namibians. Coastal small-scale fisheries, though smaller in scale, are also significant. They are estimated to contribute N$27.6 million annually and provide employment to around 1,500 individuals, with an estimated 9,500 people benefitting indirectly.

Namibia's charcoal industry, situated within the broader forestry sector, is one of the most developed in the world and ranks among the top global exporters of wood charcoal. It plays a dual role in economic development and environmental management—facilitating bush encroachment control while supporting rangeland restoration. Charcoal exports accounted for 16.8 percent of total agricultural exports in 2019, up from 10.3 percent in 2018. In the same year, Namibia was ranked sixth globally among the top fifteen charcoal-exporting countries and remains the leading exporter within the Southern African region. The sector benefits from a well-structured value chain and is underpinned by regulated bush harvesting practices that support sustainable production.

According to the National Labour Force Survey (NLFS) (2018), the Agriculture, Fishing, and Forestry sector was the largest employer in the Namibian economy, absorbing approximately 167,242 individuals across both formal and informal employment—representing about 23 percent of total employment. Recent data from the 2023 Population and Housing Census reaffirms the sector's dominant role, now accounting for 16.1 percent (only formal) of the workforce. Given that rural communities make up nearly 70 percent of the national population, subsistence agriculture—primarily livestock and crop farming—remains a cornerstone of rural livelihoods.

From 2019 to 2023, the agricultural sector contributed an average of 8.5 percent to GDP, with livestock farming (particularly cattle, sheep, and goats) as the predominant sub-sector. However, since 2021, the GDP contribution from livestock has shown a downward trend, while the fisheries sub-sector has demonstrated modest growth. When considered independently from crop farming, the forestry sub-sector has recorded the lowest contribution to GDP among the four major components: crop farming, livestock farming, fishing, and forestry. The graph in Figure 1 illustrates the GDP contributions of these sub-sectors from 2015 to 2023.

Figure 1. Agriculture Contribution to GDP



Source: Namibia Statistics Agency

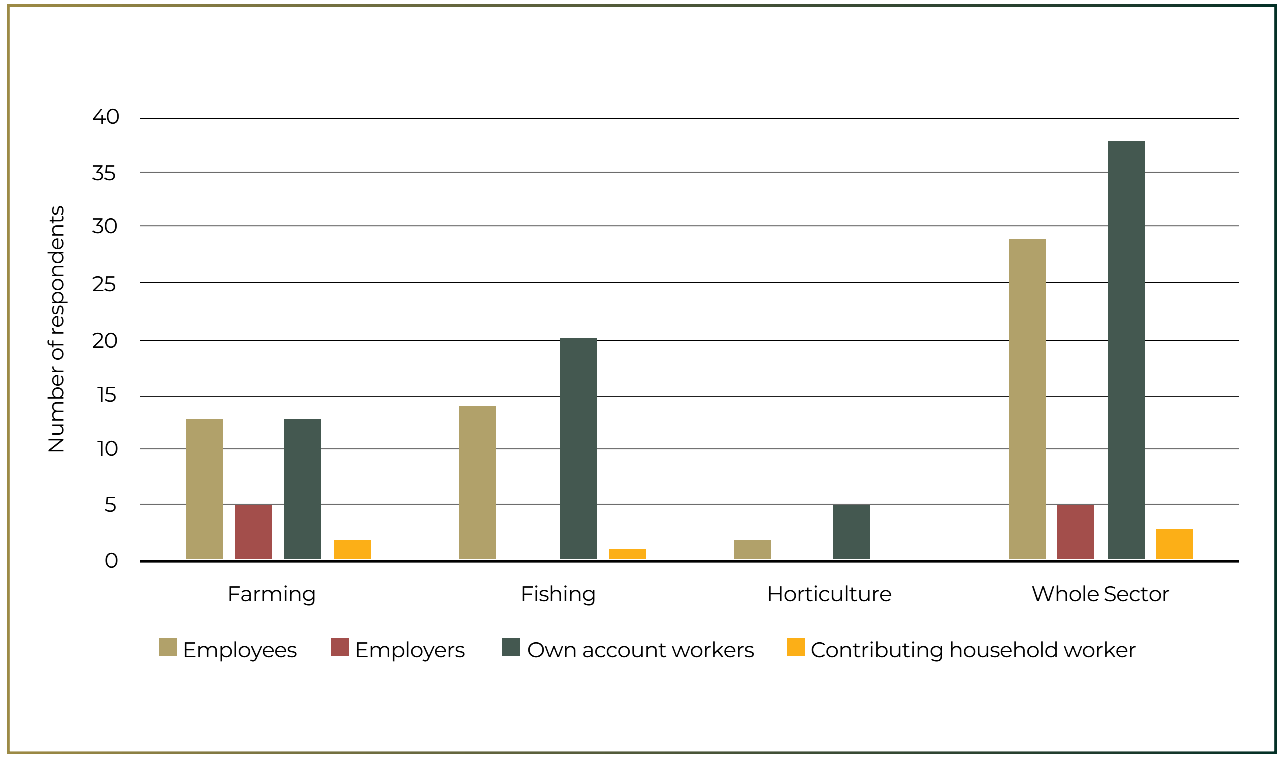
Import and export of agricultural products continue to be a key aspect of Namibia's food and economic systems. Currently, 77 percent of the total value generated by the agriculture sector is derived from exports, with only 23 percent accounted for by imports. Despite these export gains, Namibia produces only 43 percent of its domestic food requirements. This high dependence on food imports exposes households to international price volatility, contributing to heightened vulnerability and food insecurity. For domestically produced staples, price fluctuations are often linked to limited supply amid rising demand, low productivity levels, and high production costs—factors frequently exacerbated by Namibia's harsh and unpredictable climatic conditions.

The agriculture, fishing, and forestry sector is strategically aligned with Namibia's overarching national development objectives as outlined in Vision 2030, the NDPs, and the Harambee Prosperity Plan II. These frameworks underscore the sector's critical role in reducing rural poverty, enhancing food self-sufficiency, and creating employment opportunities. Despite its relatively modest contribution to national GDP, the sector remains foundational to the country's food security, rural livelihoods, and broader economic empowerment agenda. As technological innovations continue to evolve, the sector presents emerging opportunities in areas such as climate-smart agriculture, sustainable forestry, value addition, and agro-industrial development. Realising these opportunities will require expanded and targeted support, particularly for actors operating within the informal economy, who constitute the majority of sector participants. Strengthening support mechanisms for these groups is essential to unlocking the full potential of the sector and driving inclusive development. These themes are further explored in subsequent sections of this report.

2.2 Extent and Characteristics of Informality in Agriculture, Fishing, and Forestry

The opportunistic survey conducted as part of the diagnostics has data on farming, fishers, and horticulture workers that typically perform tasks such as cultivating and maintaining plants, trees, and shrubs. A total of 75 enumerated respondents in the survey data belong to this sector. This part of the report draws from their responses, and those from KIIs and FDGs, to assess and illustrate the extent and characteristics of informality within the sector of agriculture, fishing and forestry. The assessment primarily focuses on the employment status of the enumerated respondents, who are mainly categorised as employees, employers, and own-account workers. The figure below shows the distribution of the employment status among the enumerated farmers, fishers and horticulture workers.

Figure 2. Employment status of Respondents in the Agriculture, Fishing and Forestry Sector



Source: Opportunistic Survey

The survey data has own-account workers dominating the sector, followed by employees. Employers and contributing household workers are few, with the former only found in farming and the latter not found in horticulture. The three contributing household workers did not provide sufficient usable information relevant to this report and are therefore not included in this case study.

Before turning to the assessment of informality based on the employment status, further descriptive statistics about the workers in this sector can shed light on their demographics. The individuals enumerated to gather information on informality in the agriculture, fishing, and forestry sector were predominantly male, comprising 61 percent of the opportunistic sample. A key informant from one of the sector-specific organisations interviewed supported this view, noting that "working on a farm … has its own challenges and … is mainly done by men". Within horticulture, females were more than males on a ratio of 7 females to 3 males. Persons with higher education are found mostly in farming, where 9 percent reported having a bachelor's degree and 3 percent reported themselves as having masters. Farming, however, has the highest number of individuals without formal education, in contrast to fishing and horticulture, which are predominantly composed of individuals with junior or secondary education. Over four-fifths of the enumerated individuals were not born in the area where they work from but were born elsewhere in Namibia except for the 2.6 percent born outside Namibia. None of these migrants are found in fishing and horticulture.

2.2.1 Prevalence of informality among employees

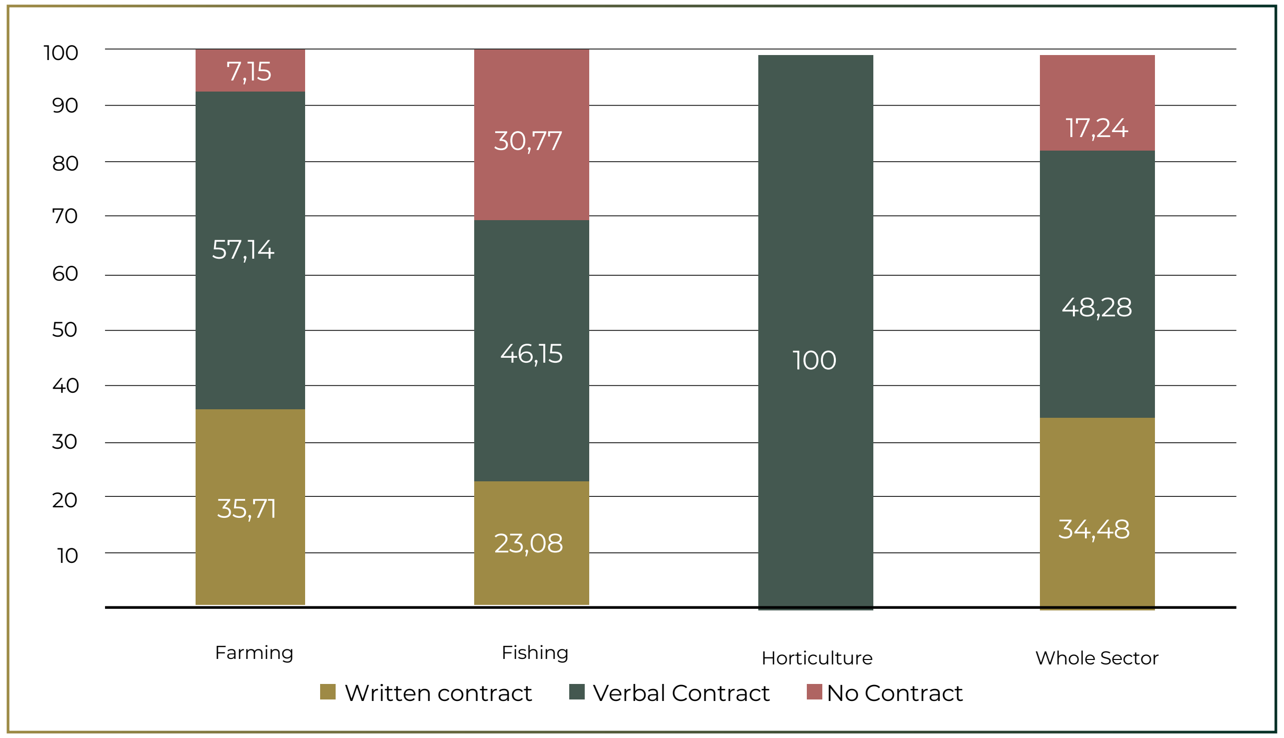
In assessing the prevalence of informality among employees in the sector, the report has considered availability (or lack) of employment contract, access (or lack of it) to pension schemes, medical aid, and social security and exposure to income inconsistency. Lack of access to pension schemes, medical aid, and social security is formally and typically used as an indicator of employees with an informal job in Namibia (see conceptualisation of informality in Step 1 Report). Having an employment contract is a proxy that indicates whether one is likely to have an informal job or not. Exposure to income inconsistency can mean that employees do not have a stable income to contribute reliably to a pension scheme, medical aid, or social security.

Almost 70 percent of the enumerated farm employees are not registered with the SSC and do not have access to any pension scheme, or medical aid. For those registered with the SSC, contributions are deducted directly by the employer and paid on their behalf.

Enumerated fishers who are not registered for social security contributions are almost 60 percent. Like in the case of farm employees, it is the employer who directly deducts contributions from their salaries to pay over to the SSC. This is also true for half of the enumerated employees in horticulture.

The opportunistic survey illustrates that the sector is predominantly characterised by verbal employment contracts. In farming, these verbal agreements are made monthly whereas in fishing they verbally agree for more than a month. The level of informality in the sector can, therefore, be attributed to the low prevalence of written contracts, which cover fewer than 40 percent of the enumerated employees. Yet, as indicated by one key informant from sector-specific organisations, "nobody is allowed to work without a contract and valid documentation".

Figure 2. Employment status of Respondents in the Agriculture, Fishing and Forestry Sector



Source: Opportunistic Survey

The table shows the average salaries of employees in the agriculture, fishing and forestry sector. Fishing has the highest salaries, followed by horticulture and then farming. However, it has a greater salary variability and the lowest enumerated salary. When compared to the minimum wage, the salaries in this sector fall short. The minimum per hour for Namibia is N$18, which translates to a monthly salary of N$3,507

Table 3. Monthly salaries of employees in the agriculture, fishing and forestry sector

Category	Average Income	Standard Deviation	Minimum	Maximum
Farming	N$1608.33	N$661.21	N$800	N$3500
Fishing	N$2840	N$1919.61	N$600	N$5000
Horticulture	N$1750	N$353.55	N$1500	N$2000

Source: Opportunistic Survey

None of the enumerated employees in fishing and horticulture reported having exposure to income inconsistency. Only 8 percent of employees in farming expressed being exposed to income inconsistency. Part of this percentage are most likely undocumented migrants that one government official indicated that they "are in a very vulnerable position as they are likely to earn less than the minimum wage especially in jobs where there are no contracts". The seasonal variation does not significantly affect the income of employees, demonstrating a possibility to contribute to a pension scheme, medical aid, or social security consistently.

The lower prevalence of income inconsistency reported by employees themselves contrasts with observations from some government officials interviewed as key informants, one of whom specifically noted that "informal workers face a lot of challenges related to wages". This view was consistently echoed in the key informant interviews—one noted that "salaries and wages in the informal sector are always a problem," while another observed that "income might be higher, however [it is] unstable due to fierce competition". Similarly, and in line with perceived competition faced by employers, another key informant highlighted that employers often face "difficulty with paying salaries". There is one distinct official who indicated a position similar to that of employees concerning their salaries, by stating that "some farmers pay their workers very well" and that "these workers have social security, pension benefits, and salaries that are above the minimum wage." Indeed, this is mostly a reflection that the opportunistic survey reveals as shown in the table on salaries above. Yet, the dominating view from the officials and advocacy organisations shows a disconnect between their perspectives and those of employees in informal jobs regarding the income status of such employees.

2.2.2 Prevalence of informality among employers

There are five enumerated employers in our opportunistic survey that operate within the agriculture, fishing and forestry sector. All of them were farmers. They employ an average of four paid non-family employees and all have their enterprises registered with various formal institutions. Four of them are registered with both the SSC and NamRA. Two others are registered with both the SSC and BIPA. There is one that is registered with the SSC, BIPA, NamRA, and a professional body. Thus, all enumerated employers are registered with at least two formal institutions. One government official showed confidence about the registration of many economic units in Namibia and stated that:

> *"I am sure there are people ... those who are operating their informal business — most of them, they [are] registered with social security."*

Table 4. Employees employed by farmers in the agriculture, fishing and forestry sectors

Category	Average Income	Standard Deviation	Minimum	Maximum
Farming	3.2	2.683282	1	7

Source: Opportunistic Survey

The Step 1 Report classified all employers or economic units registered with a formal institution as part of the formal sector. However, this classification does not fully capture the extent of their informality. As one government official noted, "the law is very clear that, as an employer, you must ensure your employees are registered with social security". The government official went on to explain how some employers may not be fulfilling this legal mandate, noting that in many cases, this could be "due to a lack of information, [as] many employers are unaware of it [the legal requirement]".

As a result, these economic units present a classic case of informality (measured from an employee's perspective) within formality (measured from an enterprise's perspective) and the prevalence of informality among employers is therefore assessed based on the employment conditions of their workers.

When asked about the working conditions of their employees and the reasons for not registering or formalising them, employers cited excessive procedures and delays in the registration process, high formal costs of tax compliance and social security. One of the employers indicated that they do not see the point to formalise the workers as the costs will outweigh the benefits, and that they do not make a lot of sales (shown in the table below), which are affected by seasons. None of the employers reported receiving assistance through a bank loan. This observation was echoed by some of the research organisations interviewed, with one researcher noting that "one of the biggest obstacles to the growth of the informal economy is access to affordable and appropriate finance". Rather, they use their retained earnings and savings, and in some instances they borrow from relatives and friends. The mechanism which they use to borrow is explained by one government official as follows:

> *"Informal arrangements, such as rotating savings and credit associations (ROSCAs) or informal lending circles, allow individuals without access to traditional banks to save money and borrow funds. These systems enable small loans for business investments, emergency needs, or household expenses, especially when people do not meet the requirements for formal loans."*

Table 5. Monthly sales for economic units in the agriculture, fishing and forestry sectors

Category	Average Income	Standard Deviation	Minimum	Maximum
Farming	N$18600	N$224498.33	1500	50000

Source: Opportunistic Survey

Consequently, as indicated in one key informant interview, "in the vast majority of cases, there is no social protection for the informal workers in the sector". One government official highlighted measures in place to address this situation, as outlined in the quote below:

> *"there [are] ... schemes ... [such as] the forest stewardship council which protects workers. When you are certified through this scheme, employers have to look at safeguarding issues such as accommodation, good salary, protective clothing, etc. It is required that for one to be certified, your workers need to have some level of social protection benefits."* - KII participant

2.2.3 Prevalence of informality among own account workers

Many 'persons' in the agriculture, fishing and forestry sector operate as own-account workers. To assess the prevalence of informality among these types of workers, several attributes were considered.

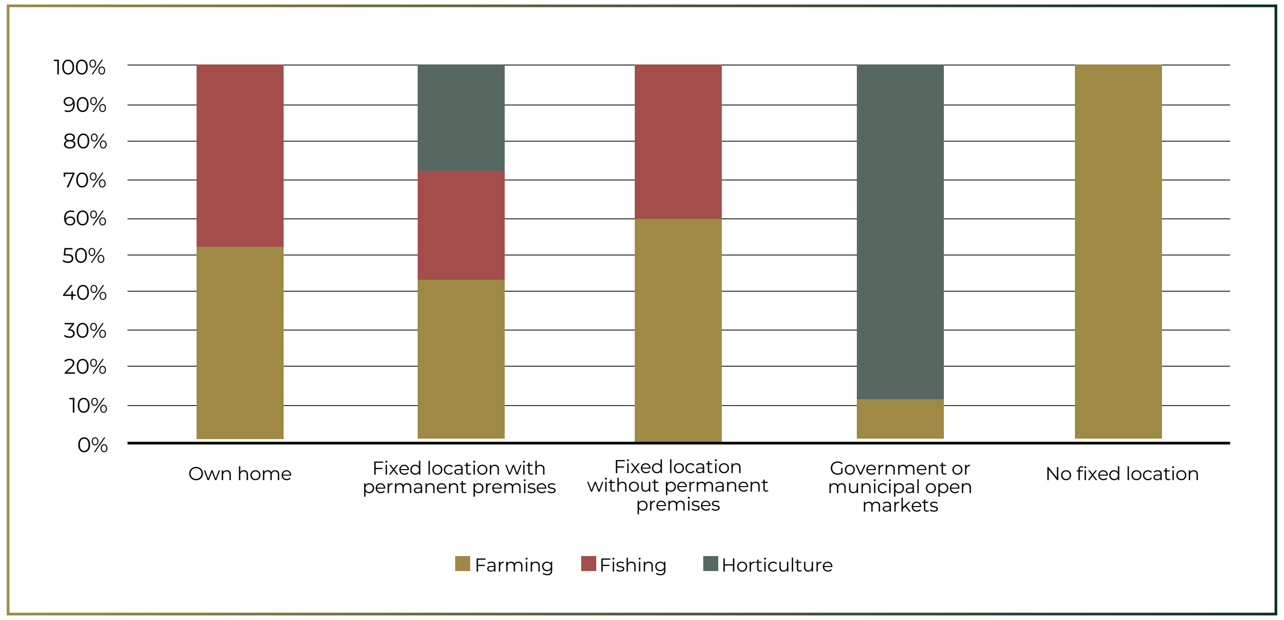
First, an assessment has been made on whether own account workers use a separate name for their business. The hypothesis is that the one with a different business name is more likely to register the name and operate formally than those who do not. Among the enumerated own account workers, farmers were the least likely to operate their economic units under a name different from their own, with only 30 percent doing so. There are 40 percent in horticulture while there are 55 percent in fishing who use a different name from that of their economic units.

Despite being highly likely to register and operate formally, fishers do not keep any detailed record of their economic units. If anything, they keep simplified and informal records, while at least 40 percent do not keep any records at all. None of the enumerated own account workers in horticulture keep detailed or simplified account records of their enterprises. Keeping a detailed account of the economic units can increase the chances of registration and formalisation.

Where own-account workers do their business can also be an indication of informality and the opportunistic survey demonstrates that most of these operate from home, with the exception of those in horticulture. Operating from a fixed location with permanent premises is hypothesised to reduce informality, and there is a fair distribution of such arrangements among the enumerated workers in farming, fishing, and horticulture as shown in the figure below. Operating in government or municipal open markets is generally associated with a lower likelihood of informality, and a higher proportion

of own-account workers from the horticulture sector operate in these spaces. None of the enumerated fishers operate in government or municipal open spaces. Workers with no fixed location are only found in farming. However, they constitute only eight percent of own-account workers in farming.

Figure 4. Working place of own account workers in the agriculture, fishing and forestry sector



Source: Opportunistic Survey

The location of the working place for own-account workers is mostly influenced by high foot traffic and convenience for customers more than it is by lower rental costs. Workers in horticulture demonstrate this finding better in that they can even be willing to rent or operate within government or municipal open markets as long as they access customers. This is despite the fact that these workers do not make as much sales profit as farmers and fishers make. They make an average of N$800 profit monthly while farmers and fishers make N$1,267 and N$1,800 respectively. For own-account workers operating from home, field observations by researchers showed that the workspace is typically positioned at the front, near the roadside, while the residence is located behind.

Registration of own-account workers for pension schemes, medical aid and social security is voluntary (however, as elsewhere explained, own-account workers with employees are not allowed to register in their capacity as own-account workers, as distinct from their capacity as employers). At least 60 percent of the enumerated own account workers in both farming and horticulture are not registered with the SSC or any other formal institution. The case of horticulture presents a finding that requires further unpacking to effectively diagnose informality. Own-account workers in horticulture often operate in government or municipal open markets and in permanent premises, where rates and rents can be collected more easily compared to when they operate from home or have no fixed location. This is despite the fact that they are voluntarily not registered for pension schemes, medical aid and social security. Operating in designated government or municipal spaces while not under any form of regulation is relatively more formal than operating without such regulations in undesignated areas. This arguably suggests that informality should not necessarily be viewed in binary terms—simply as either regulated or not regulated. Such an understanding can begin to accommodate views that may see regulation (or not) as inadequate to diagnose informality in Namibia, as shown in the quote from a government official below.

> *"In many areas where informal workers operate, these essential services, [such as] … access to proper sanitation, housing, and accommodation, are lacking. [Registered economic unit or not, own account worker or not] … there is often inadequate sanitation, and in some cases, workers are operating in makeshift conditions. While some locations provide designated stalls and toilets, these facilities are not always sufficient to meet the needs of all workers."*

As also is stated by the ILO (2025, p.9) ,

> *"Formalization of enterprises means bringing them under regulation, with both the advantages and obligations it entails. This includes extending fiscal, labour and social security regulations to all enterprises without exception and ensuring that they are legally recognized and registered and that they comply with legal requirements."*

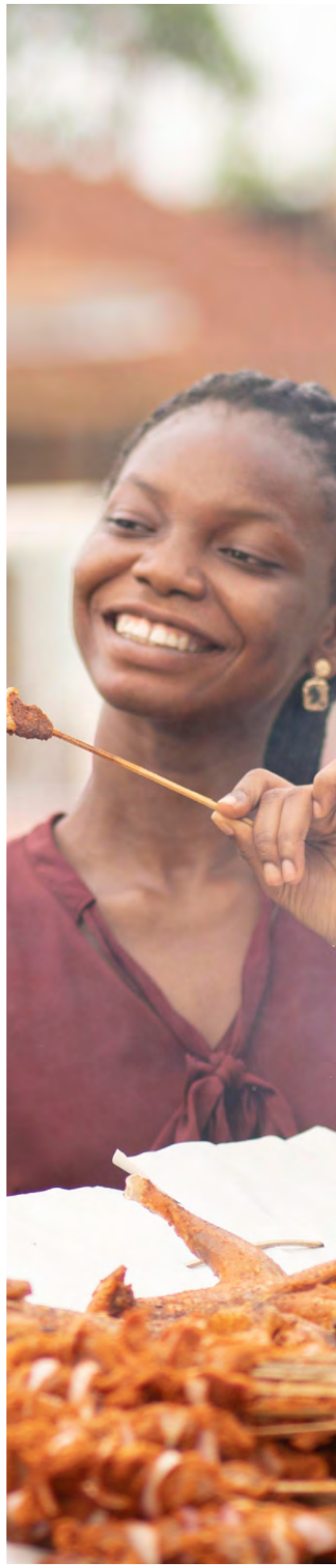
Where registrations with formal institutions exist, own-account workers tend to hold multiple registrations. Fishers are an example of this, as well as farmers to a limited extent. In our opportunistic survey, the fishing sector recorded the highest proportion of registered own-account workers, at 60 percent. At least 30 percent of these workers are registered with two or more formal institutions. Registering with the municipality or local authority is much more popular than registering with the SSC and NamRA. This tendency reflects that, where engagement with formalisation is pursued, own account workers typically pursue areas that offer direct operational benefits, such as municipal registration, which may be necessary for accessing trading spaces or permits. None of the own-account workers were registered with umbrella and professional bodies, highlighting a gap in collective representation and potential access to industry-specific support and advocacy.

Sector Conclusion: The persistently high levels of informality in the agriculture, fishing, and forestry sectors in Namibia are largely driven by the status of employees, many of whom are not registered for pension schemes, medical aid, or social security; and of own-account workers whose economic unit or activity is not registered or legally recognized. This absence of social protection coverage is a key indicator of informality under the prevailing binary conceptualisation of formality-informality, where individuals and enterprises are deemed either formal or informal based primarily on registration status of economic units for non-employees and effective access to labour and social protection for employees (implying registration as workers). However, if we move beyond this binary framework and acknowledge the various levels of protections and vulnerabilities within both the informal and the formal economy—one that considers that not all formal jobs are decent jobs or that some informal economy workers and economic units do benefit from certain protections or do comply with certain obligations—a more complex picture emerges. For instance, own-account workers operating within government or municipal open markets, especially those engaged in horticulture, often do so from permanent premises. These settings provide a degree of stability and visibility that is not typically associated with highly informal economic activity. As such, these workers may face a lower level of vulnerability compared to those operating from home or without any physical infrastructure. This group presents a potential "low-hanging fruit" for targeted interventions to support their transition to formality, as they are already partially integrated into formal systems through their physical location and potential municipal oversight. Employers in these sectors are, in most cases, registered with one or more formal institutions. However, their registration alone, with the municipality for instance, does not guarantee that their operations are fully formal. A closer examination often reveals that while the enterprise may comply with certain institutional requirements—such as business registration or tax filings—their treatment of workers does not align with formal standards. Many fail to provide written contracts or withhold social security contributions. This situation illustrates the phenomenon of "informality of employment or activities within formal enterprises," where formal enterprises retain informal characteristics in their labour practices. Such cases highlight the importance of assessing informality not just of the enterprise but also of jobs (and workers) through the assessment of working conditions and social protection extended to employees.

2.3 Regulatory and Policy Challenges and Responses

Regulatory barriers are legion – both in terms of inapplicable laws and major challenges with complying with legal requirements – and serve to discourage investment. The practical challenges of complying with regulatory requirements, for example in the fishing industry, have been highlighted by a local authority focus group discussion participant in the following terms – it should be evident that the remarks made about difficulties experienced by SMEs apply equally to others who are active in the informal economy:

> *"That's one of the things that we've you know, apart from the fisheries sector now where we've seen it with SME's trying to formalize themselves and take that next step to create an industry. It's so difficult in the Namibian context where we see that from applying at the council until when you can really start construction takes you about a thousand days because you have to go through a lot of red tape and get a lot of different approvals and a lot of different things. Now you have access to your site after*



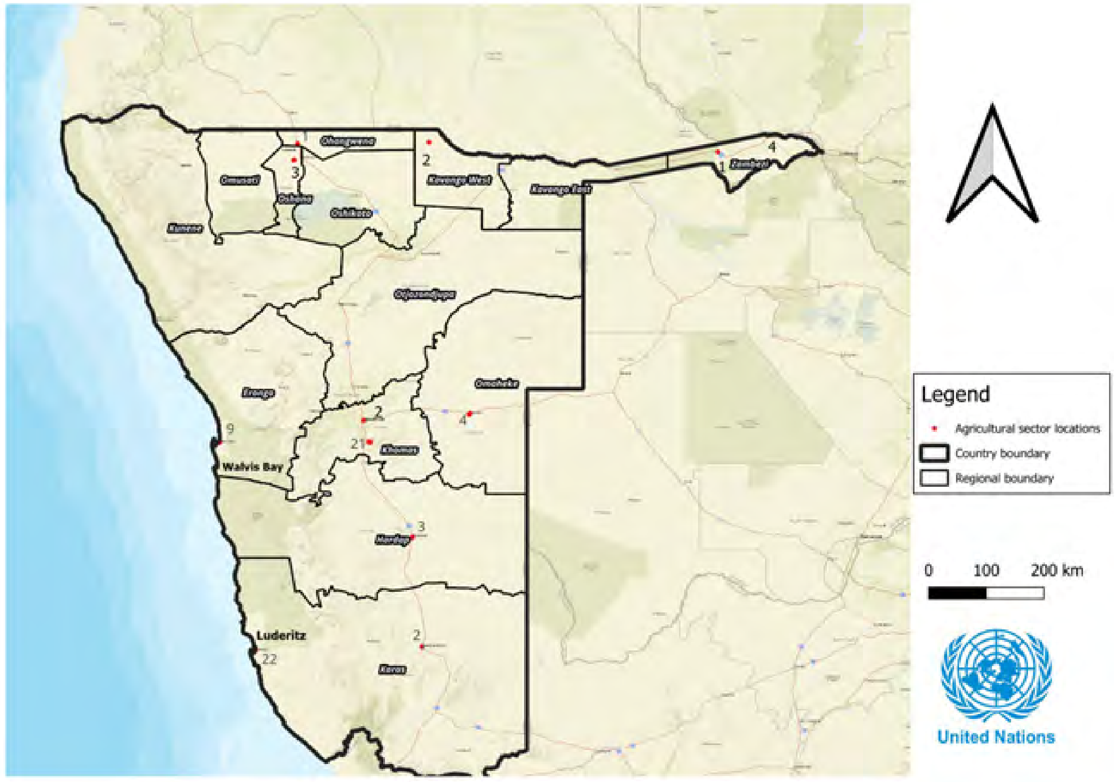
all these approvals then you need an environmental impact assessment in most cases adds another year to the timeline. So by the time you have all of your relevant approvals let's say it takes you three years plus. How much money have you spent to get all of these different approvals and you know architects and all kinds of funding that you're just bleeding and you haven't created a single job yet, you haven't, you haven't opened a business yet and that discourages a lot of people. They start the process and then they realize I'm going to be so deep in debt before I even open up a business, that it doesn't make sense. Let me stick with my SME, don't declare tax, you know that kind of thing." - KII participant

and

"So as a government, especially now with the government promising to create so many jobs, then we're going to have to look at ourselves. We have to do that a little bit of introspection to say, listen pointing fingers is not going to solve what, look at the realities on the ground and speak to these guys, because I mean we're the windshield of the bus we hit all the bugs first and they come to the Local Authority and we really we really are the hands on the ground or the grassroots level and we experience the challenges firsthand with these the aims and efforts of SMEs to formalize or take that next step. So in my opinion we will definitely have to look at our own legislation. Some of them are draconian and old and ancient and don't apply. I understand why due processes are there and I am completely fully in support of all due process but some of the processes that we have at this point are also duplications and just aimed at discouraging...The reality is that it does discourage people from investing in Namibia and creating the jobs, so I think it boils down to all industries including fishing. Really isn't aimed at discouraging but it is discouraging." - KII participant

It should be noted that, in the course of the opportunistic survey undertaken for purposes of this assignment, 80 percent of the respondents indicated that they experienced no challenges with regulation; 20 percent of the 75 respondents did, however, mention compliance challenges with environmental regulations.

2.4 Spatial Characteristics and Hotspots of Informality



The map above shows that informal economic activity in this sector can be found in both rural and urban areas. Since this was an opportunistic survey conducted in October 2024, it is not representative of the extent or scale of these activities and does not account for seasonal activities happening during other times of the year. In rural and peri-urban areas of Namibia, participating in agriculture, such as keeping cattle, growing mahangu, harvesting palm nuts, or keeping chickens, is a way of life. These informal activities are not perceived as full-time employment or a barrier to finding formal employment. One key informant explained:

"Almost every second house where you find a person employed, you find a cattle herder, you find a person selling in a cuca shop, that's informality." - KII participant

This analysis of the spatial characteristics and hotspots of informality focusses on several known subsectors of the Agriculture, Fishing and Forestry sector, namely: Smallholder and subsistence farming, charcoal production, harvesting of timber and non-timber forest products and fishing. The research draws from findings in the literature, survey and key informant interviews (KIIs) and focus group discussions (FGDs).

Table 6. Summary of the Agriculture, Fishing and Forestry sub-sectors examined

Subsector	Main spatial observations	Sources
Smallholder Farming	Smallholder farmers in Namibia are at a disadvantage because of their small-scale, distance to market and competition from commercial farmers and imports. North of the Redline, cattle farmers have limited access to markets.	KII with Namibia Training Authority
Charcoal Production	Charcoal activities primarily refer to the production, and export of charcoal from invasive bush species harvested from farmland. Due to attractive export markets the FSC programme promotes self-regulation of decent working conditions in this sector.	Kabadjani, 2021
Harvesting timber and non-timber products form community forests.	Wood or timber harvesting in Namibia, is mainly done for subsistence use in building homes, local sales, tourism and lodge construction, furniture and crafts, as well as for export. Harvesting from Community Forests (CFs) is permitted at a very small scale. As a result, uncontrolled informal harvesting of timber and non-timber products occurs.	Kabadjani, 2021 De Cauwer, 2023 Pavla et al, 2018
Fishing	Fishing is a heavily regulated sector, making it difficult for small operators to scale their business. They operate under recreational fishing permits and use small boats.	Naholo, 2025 (Case Study of Lüderitz)

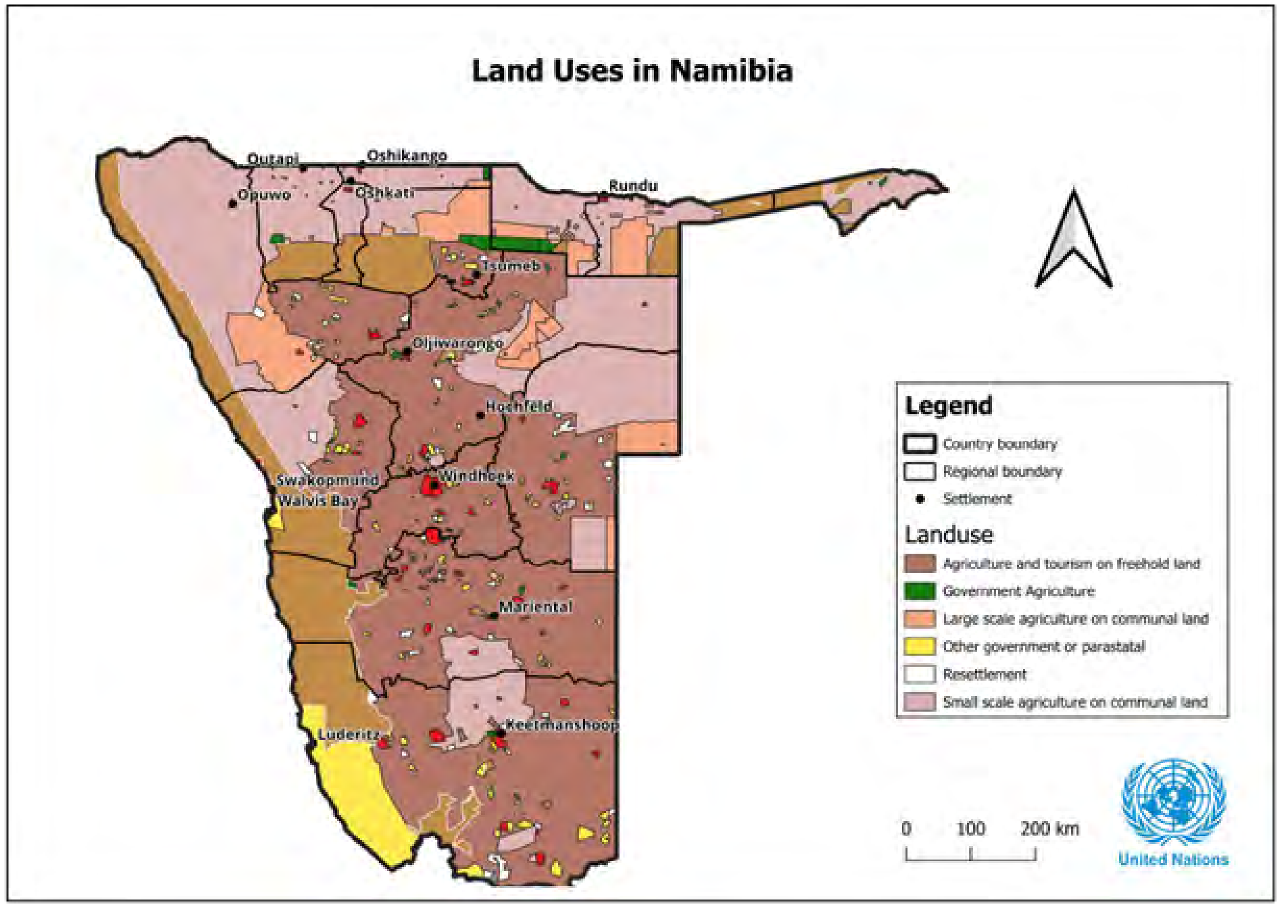
2.4.1. Smallholder Farming

Smallholder farmers in rural Namibia are at a disadvantage because of their small-scale, distance to market and competition from commercial farmers and imported goods from South Africa. On perhaps an even smaller scale, subsistence farming, which involves the cultivation of seasonal crops and livestock primarily for domestic use, is also considered part of the informal economy, especially in regions like Ohangwena, Oshikoto, and Zambezi, where agricultural products such as mahangu (millet), watermelons, cabbages,

eggs and livestock are traded in open markets.

The map below shows that the majority of smallholder farming exists on communal lands in the north of Namibia.

Figure 6. Map of land uses in Namibia, 2001



Source: Acacia Subproject E1, University of Cologne

Informal trading and Open Markets play a critical role in food distribution, often filling gaps left by formal retail markets and supporting local food security. The egg farmer below is an example of a smallholder farmer that was able to invest in shelter and cages for laying hens. With a small vehicle, this farmer is able to transport and sell the eggs in Mzungu. The watermelons are being sold in Katima Mulilo. The salesperson sells the harvest from an informal farmer. This region is far less arid than other parts of Namibia.

Image of Egg or layer farming

7 km from Mzungu, Watermelons sold in Katima Mulilo

(Source: Fieldworkers during the survey)

In a Focus Group Discussion (FGD) in Rundu, a group of women explained that poverty and high rates of unemployment drive women to do something to support their families.

> *"Just to get money for the kids, and go home and provide money for school fees. Just for the family. Get money for livelihood".* - FGD participant of Rundu

Instead of "doing nothing at home", they grow fruit and vegetables on the river banks. They call this gardening and only grow small plants; not trees, which requires investment, tenure security and would be at risk of being washed away on the river bank. The women sell the produce at the informal market and sometimes if they can afford it they pay someone to sell for them. This is a form of informal employment and highly seasonal. The women describe their economic activities as "surviving like a bird" which is also the title of the paper by Ndjala and Botes (2020.) In their research of the livelihood coping strategies of rural-urban migrants in Windhoek informal settlements, they found a strong reciprocal social link between rural and urban areas. Households in urban areas send cash remittances to rural households, and rural households send fresh produce to sustain the urban households.

It is common for smallholder farming and rural livelihoods to be supplemented with income from urban sources. Not only do the urban poor send part of their remittances to the rural areas, the urban elite are also sending remittances and investments. A trend and aspiration of professionals in the city is to own a farm to serve as many things: a second home, a place to participate in cultural practice, a final resting place, and security. Typically, someone is employed to manage the farm while the professional earns a better income in the city. The size of the farm determines the profitability and resources required to manage the farm. Small-holder farms are usually managed by family members or unqualified farm managers. The extent to which informal employment or decent work conditions exist needs to be explored.

Services related to agriculture are also commonly informal, such as group-based ploughing or the hiring of tractors for fieldwork. Informal employment in agriculture, such as domestic work and livestock herding, further supports rural livelihoods. A key informant described the following challenges faced by smallholder farmers and the conditions of the value chain:

- Storage and transport infrastructure is weak.
- Financial barriers make it hard for informal farmers to formalise and scale.

Figure 8. The supply chain for smallholder farming

Production Stage:

- Many smallholder farmers operate informally, producing crops and livestock with minimal technological support
- Limited access to land and water restricts expansion.

→

Processing & Value Addition:

- A large portion of produce does not reach formal markets (about 47% of agricultural products spoil before sale).
- Minimal value-addition processes due to lack of equipment and skills.

→

Distribution & Sales:

- Farmers often sell at local open markets or through middlemen who dictate prices.
- Cooperatives and aggregation models are weak, making it difficult to supply larger retailers.
- Competition from imported food (mainly from South Africa) affects profitability.

2.4.2. The Veterinary Cordon Fence ("VCF" or "Redline")

There are notably more smallholder farmers on communal land and rural areas north of the Veterinary Cordon Fence (VCF), also referred to as "the Redline", and more commercial farmers on private land south of the Redline. The Redline is a stock disease control mechanism that protects cattle farming in the south of Namibia (in particular, the beef exporting industry) from stock diseases such as foot and mouth disease and lung sickness. This means that all farmers north of the Redline cannot sell livestock or any meat products south of the Redline. All travellers are presently stopped and searched when travelling from the North to the South, and all red meat products will be confiscated. The Redline therefore limits market access for smallholder farmers north of the Redline and they must compete with cheaper livestock from Angola. Opportunities to trade or export to Angola are minimal. Poverty in the southern regions of Angola drives informal cross border traders into Namibia.

In Focus Group Discussions (FGDs) with informal cross border traders in Helao Nafidi and Rundu, the traders shared the challenges they are facing bringing goats and other livestock from Angola.

These traders earn a living by sourcing cheaper livestock from Angola to sell to consumers and other traders at the market (such as Kapana traders) in Namibia. The table below is a summary of the range of selling prices for livestock from Angola or Namibia. However, the traders are not able to bring more than 1-2 animals at a time – the scale and profitability of these cross-border traders in Helao Nafidi and in Rundu are limited.

Table 7. Range of Selling prices per animal from Angola vs Namibia

	Sourced from Angola	Sourced from Opuwo, Namibia
Goats	N$ 400.00-N$ 500.00	N$ 1300.00 -N$ 2500.00/3000.00
Chickens	N$ 100.00 – N$ 120.00	
Pigs	N$ 450.00 -N$ 900.00	

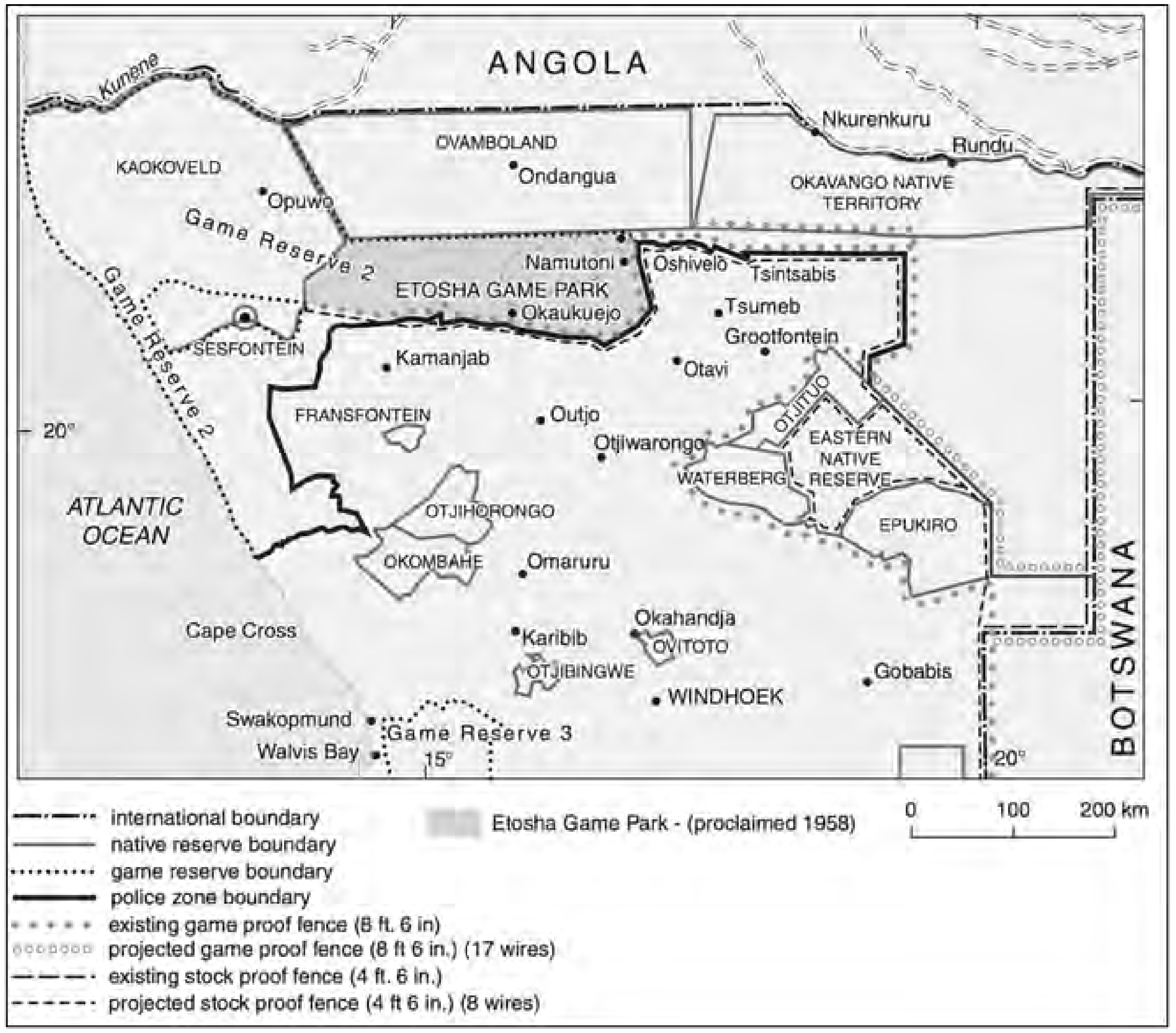
In an effort to support cattle farming in the North, an investment in the Rundu Abattoir was made and then capitalised by Meatco. A key informant reported that without this abattoir, smallholder farmers have nowhere to take their livestock.

> *"Rundu Abattoir. I mean for now it is going maybe 6 years or so. No, it is finished but it is still unproductive. The whole Kavango east and west cannot take their livestock anywhere."* -**KII participant**

In an effort to support cattle farming in the North, an investment in the Rundu Abattoir was made and then capitalised by Meatco. A key informant reported that without this abattoir, smallholder farmers have nowhere to take their livestock.

> *"A silence surrounds the many decades during which Namutoni served as the most important border crossing between the two halves of the divided country. Little is said about the long and dangerous voyage and the many hardships and humiliations endured by travellers on their journey to Oushimba, or of the solidarity that existed among those who endured the journey together. The politics of memory also remains silent about the veterinary border that once passed through Namutoni and its immense importance in the development of the divergent economies of northern and central Namibia."*

Figure 9. Map of existing and projected game and livestock fences 1965



Source: Miescher, 2012

In 2024, it was announced that the Cabinet approved the phased removal of the Redline and would embark on a feasibility study to assess the impacts of removing the Redline. The opportunities and opportunity costs for informal, small-holder and commercial farmers need to be examined during this study. If livestock farming south of the Redline needs to be protected for export markets, livestock farmers north of the Redline could still benefit from access to local markets in Windhoek and other towns provided the appropriate methods such as quarantine are adhered to.

2.4.3. Urban Agriculture

Food gardens and urban agriculture are another form of subsistence agriculture, with the potential to provide food security and nutrition in urban areas. Vision 2030 and related development plans incorporate food systems but the focus is typically on rural, production-centric perspectives. Urban food security and nutrition remains under-addressed. In urban contexts, there are challenges such as theft, land scarcity, municipal regulations, and preference for convenience of purchasing store bought food. A review of town and city policies towards the informal food environment can support urban food security needs.

Figure 9. Seasonal mahangu fields, and keeping goats in urban spaces, Helao Nafidi

Source: UNITAC Project

2.4.4. Charcoal Production

In the south of Namibia, de-bushing (removing alien invasive species) on commercial farms, and subsequent charcoal production is predominantly export orientated. The industry is largely export-driven, with major markets in Germany and the UK. South Africa also plays a role, buying Namibian charcoal cheaply, rebranding it, and selling it at a premium. The working conditions of farm employees on these large-scale commercial farms are difficult to observe and regulate because of the large land areas and distances to public roads. A key informant explained:

The voluntary adoption of the Forest Stewardship Council (FSC) guidelines is attractive to commercial farmers aiming to export to European export markets. The strict FSC certification process in some areas has helped formalise parts of the sector by ensuring labour protection and decent work conditions. In Namibia, a total of 21 Chain of Custody certificates and 6 Forest Management certificates were awarded in 2025. The total area for which 2 Community certificates, 6 small or low-intensity managed forests (SLIMF) certificates are recorded amounts to 1.57 million hectares of land.

> *"Informal employment happens out of sight. It's too far away, too deep in the bush, too difficult to regulate... If you can't work today, the employer will get another worker who will do the job for the same low pay. There's no security, no sick leave, no social protection."* - KII participant

The voluntary adoption of the Forest Stewardship Council (FSC) guidelines is attractive to commercial farmers aiming to export to European export markets. The strict FSC certification process in some areas has helped formalise parts of the sector by ensuring labour protection and decent work conditions. In Namibia, a total of 21 Chain of Custody certificates and 6 Forest Management certificates were awarded in 2025. The total area for which 2 Community certificates, 6 small or low-intensity managed forests (SLIMF) certificates are recorded amounts to 1.57 million hectares of land.

In the north of Namibia, the de-bushing of encroacher bush to create grazing land or facilitate other land uses are often carried out without formal oversight or regulation common in communal areas.

Charcoal production is another key activity, where informal kilns are used to produce charcoal without the necessary permits. The charcoal is often sold locally or exported through intermediaries, making it difficult to trace its origins and ensure compliance with regulations.

Figure 10. The Supply Chain for informal timber harvesting and charcoal production

Harvesting
- Informal loggers harvest timber, often without permits.
- Firewood collection and charcoal production are key informal activities.

→

Processing
- Small scale informal processing of wood into charcoal.

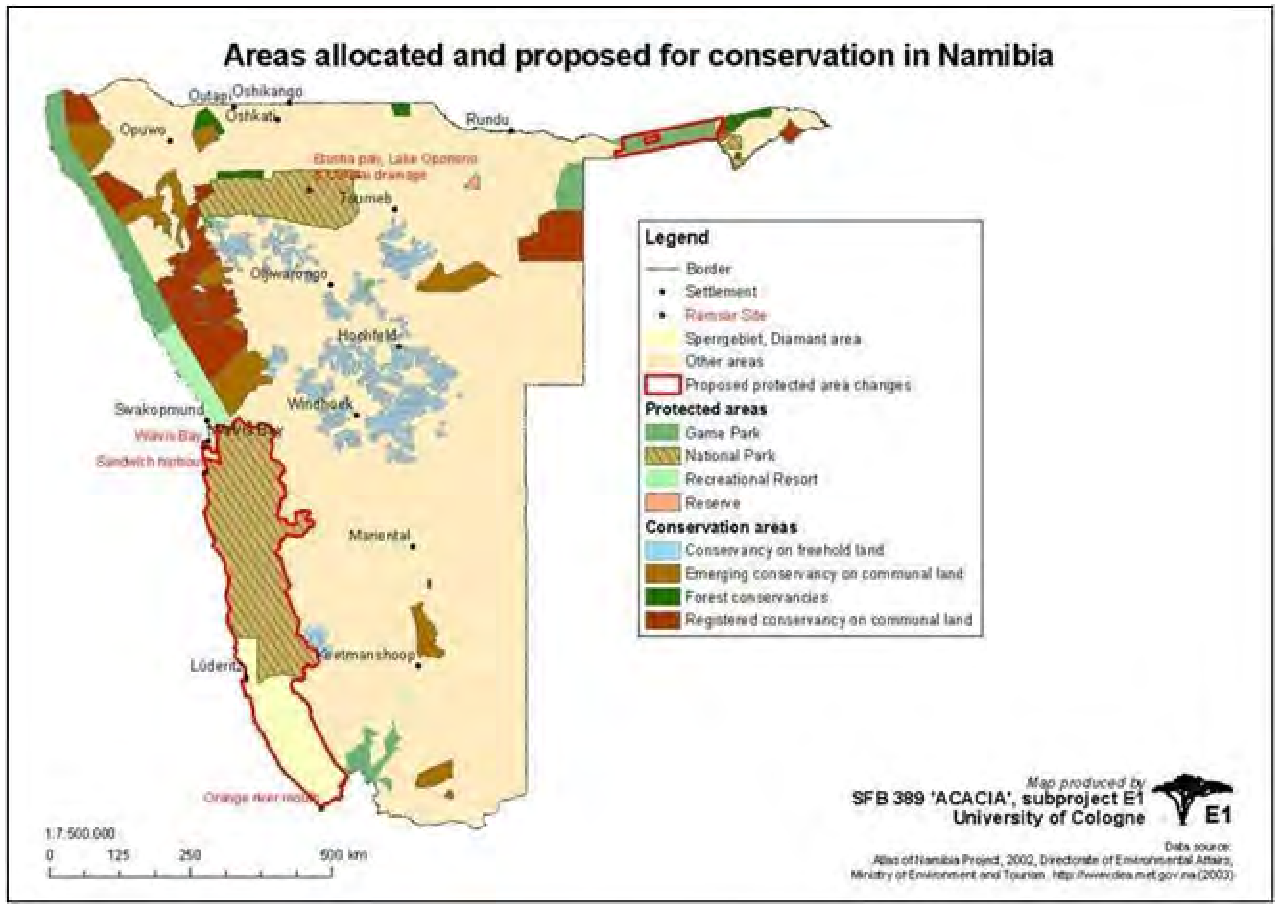
→

Sales
- Wood and charcoal are sold directly on roadsides or through informal networks.
- No large-scale distribution networks, making it difficult to reach big buyers.

2.4.5. Harvesting timber and non-timber products from Community Forests

Harvesting from Community Forests mainly occurs in the northern Regions of Namibia such as Omaheke, Kunene, Kavango East, Kavango West, Zambezi, and parts of Otjozondjupa. Small-scale farmers and local communities settling on communal lands are often engaged in informal timber harvesting in these regions.

Figure 11. Map of Forest Conservancies in Namibia, 2003



According to De Cauwer, (2023) the Community Forests (CFs) in Okongo, Katope, western Kavango, and eastern Ohangwena have the highest proportions of Kiaat and Zambezi Teak. Harvesting is still ongoing in these areas.

Other resources harvested from the forest are non-timber forest products (NTFP), which communities use to gain extra income. In the Uukolonkadhi Community Forest, De Pavla et al (2018) estimate that the

Forest Community Management (FCM) generates between N$11,000 - N$37,000 in income from several activities per year.

Table 7. Income generated from Uunkolonkadhi Community Forest during 2009 - 2016, estimated in N$

Production period	Permits for poles	Permits for firewood	Auctioned poles	Fines	Bees	Mopane worms	Seedlings	Fruits	Wood transportation permits	Sub-total
2009–2010	20015	888	940	200	150					22193
2010–2011	29475	1546	735	58	661	2106	4096			37131
2013–2014	18234	11094	145		416			25		29914
2014–2015	29475	1546	735	58	661	2185	4096			37210
2015–2016	9375	2238	785	930		80			219	11389
Total	106574	11982	3340	1246	1472	4291	8688	25	219	137837

Source: Pavla 2018

The Devil's Claw plant is harvested in areas like Nkulivere Landscape Kavango West, Omaheke Region (Omuramba ua Mbinḓa Conservancy), in the Kalahari (Nyae Nyae and N#a Jaqna Conservancies) amongst others. Most of it is exported to Europe and other countries; i.e. France, Italy, Germany, Poland, Spain and South Africa are the biggest off-takers followed by Switzerland, China, Brazil, South Korea, the United Kingdom and the United States who import less than 100 tons.

As a conservation measure, the Namibian Community Forests Policy of 2001 has mandated local community members living in the vicinity of gazetted community forests to manage and utilise forest resources sustainably. Because the permitted harvesting from Community Forests is so low, it is not viable to operate such forest extraction enterprises formally. As a result, uncontrolled informal harvesting of timber and non-timber products occurs. Bioenergy production, especially for the bush-to-energy value chains, small-scale Jatropha schemes and contract farming models based on the carbon development mechanism (CDM), is important for rural development and food security in Namibia and opportunities to promote income generation and sustainable forest resource management need to be balanced.

2.4.6. Fishing

Fishing in Namibia includes both marine fishing on the coast and freshwater fishing in the North along the perennial Kavango River, and Zambezi River, where techniques such as gillnets and homemade traps are used for catching fish. Understanding seasonal variations in what fishermen catch, the processing, distribution channels, access to market and challenges they face is important for safeguarding livelihoods, promoting formalisation and balancing sustainable fishing practices.

Informal Restaurant selling Fish in Helao Nafidi

Women selling fish at Open market in Rundu

Source: UNITAC Project

There are significant differences between coastal fishing operations and inland areas. Henties Bay has organised informal fishermen through HAFA (Henties Bay Artisanal Fisheries Association). According to a key informant, in Swakopmund, there is an informal fish cleaning area but it lacks proper facilities:

> *"That's the only one that I have seen where people can actually go and just clean their fish."*

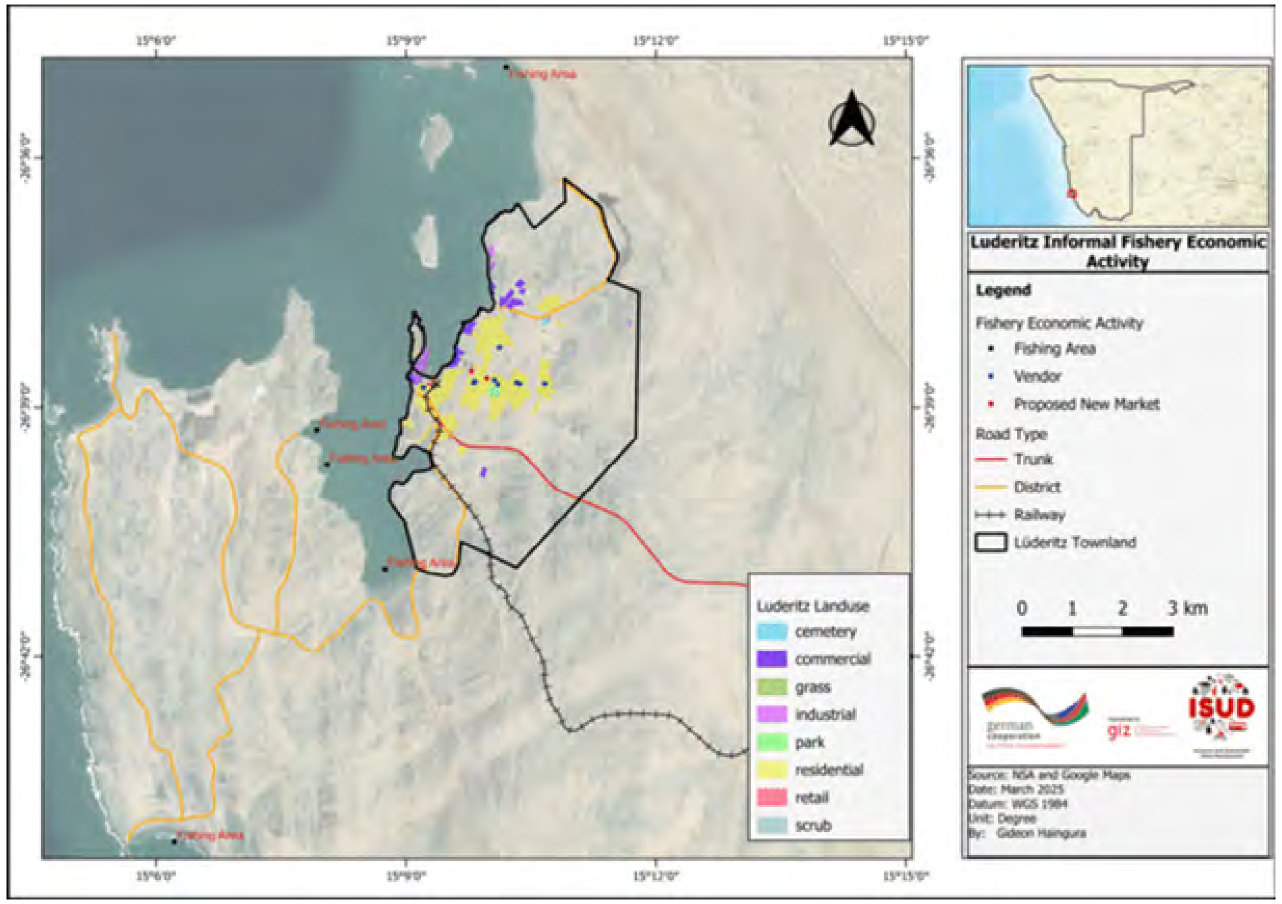
On the Zambezi River (Katima Mulilo) and Okavango River (Rundu) the informal economy plays a major role because fish such as North African Cat Fish and Ndweshi (African tiger fish) are available. These rivers or inland fisheries play a critical role in livelihoods and food security and form part of the Kavango–Zambezi Transfrontier Conservation Area (KAZA-TFCA). The sustainable management of this natural resource requires coordination from 5 member states (Angola, Botswana, Namibia, Zambia and Zimbabwe) and suffers from inadequate legislation, and regulatory mechanisms. Opportunities for sustainable fish farming and harmonised fisheries management exist.

Lüderitz, a coastal town case study

As part of this study, a detailed assessment of informal extraction and trade of fish in Lüderitz was conducted. During February 2025, a field mapping exercise with local fishermen, several primary fishing sites concentrated along the coastline were identified, including Aeroplane Bay, Grosse Bucht, Griffith's Bay, First and Second Lagoon and Agate Beach (see the map below). These areas serve as key harvesting locations for species such as mullet, kabeljou, galjoen, grovevis, steenbras, and shellfish. Due to existing regulatory constraints, small-scale fishers operate under recreational fishing permits, limiting their ability to legally sell their catch. This restriction has led to informal sales through various unregulated channels. Environmental regulations further restrict fishing activities near sensitive coastal zones.

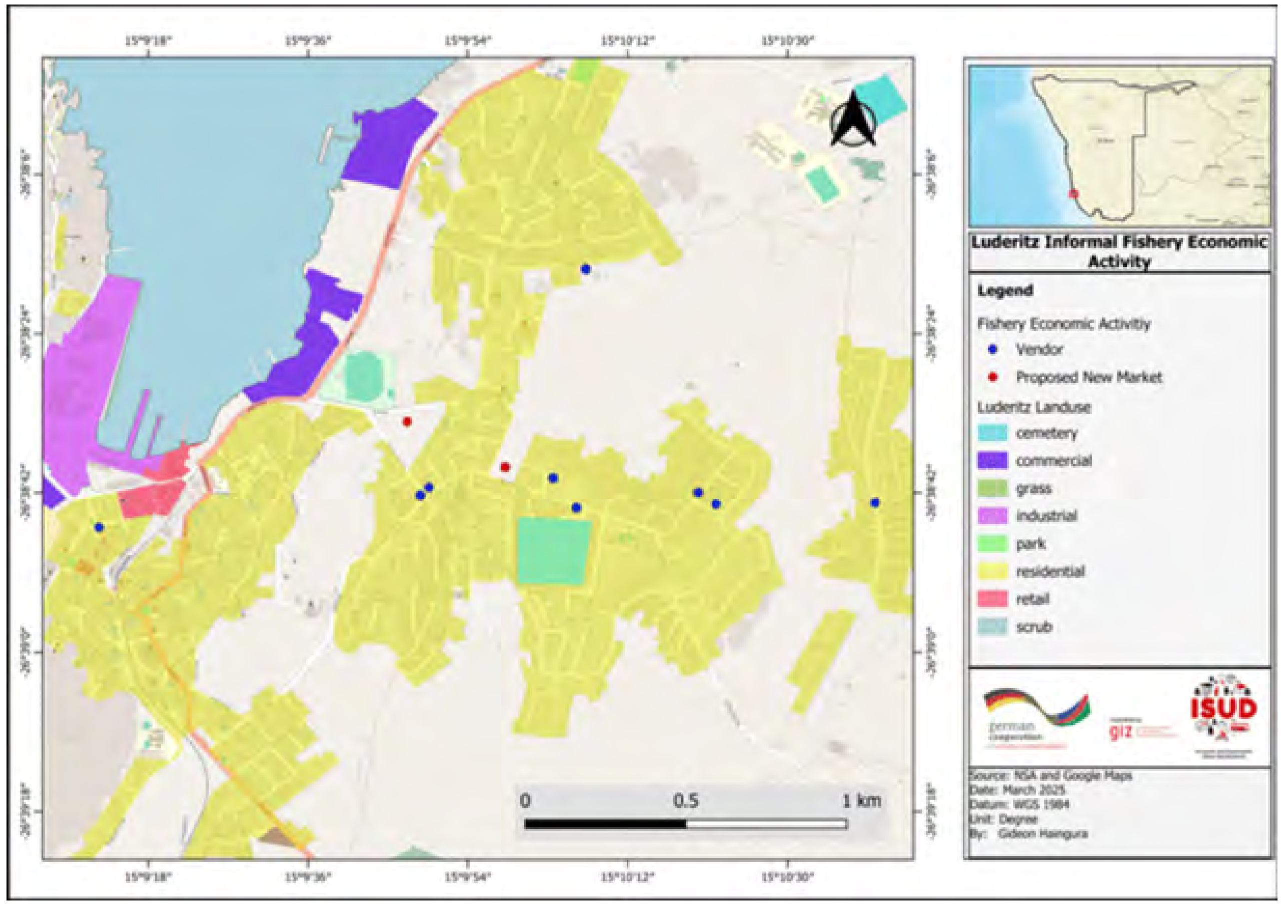
The map below shows the fishing sites and local markets where informal fishing and distribution activities take place in Lüderitz.

Figure 13. Map of Lüderitz fishing sites and local markets



GIZ,2025

Figure 14. Land use, sites of informal trading and proposed new Market, Lüderitz



GIZ,2025

The map above shows the spatial relationship between informal fish trading sites and land use zones in Lüderitz. The blue points indicate existing informal fish trading locations, all of which are currently situated within residential-zoned erven. The two red points are the proposed New Market locations identified by local fishers and traders. These locations are strategically positioned near key consumer bases and transport routes, making them ideal for formalising informal trade. They align with the commercial corridors along Tal Street and Diaz Street, offering an opportunity to integrate informal traders into the broader urban economy while minimising regulatory conflicts.

Comparing formal and informal supply chains

A comparison of the formal and informal supply chains below, shows that informal fishermen and traders selling fish in informal markets, face the primary disadvantage of lack of cold storage. Capital investments in large fishing vessels and in cold storage distribution chains mean that commercial fishing companies with appropriate licenses can catch large volumes, store and sell in bulk quantities. Informal fishing operations cannot afford such investments, and must sell, process, or consume their fresh catch daily.

Figure 15. The supply chain for informal fishing operation

Quotas:

- Unlike West Africa, informal small-scale fishing is limited in Namibia due to strict licensing regulations and the quotas.
- And like Lüderitz, informal fishermen operate with recreational fishing permits.

Harvesting:

- Majority of the fishing industry is formal and dominated by large companies with commercial fishing vessels.
- Informal fishing is typically limited to small boats.

Processing:

- While most fish is sold fresh, some informal traders add further value and shelf life by smoking the fish.

Sales & Distribution:

- Informal fishers operate outside regulations, selling catches directly to communities or local markets.

Figure 15. The supply chain for informal fishing operation

Upstream: Quotas and Harvesting:

- The Ministry of Fisheries regulates and issues quotas based on annual biomass assessments.
- Licensed vessel operators and trawlers harvest and package the fish, primarily horse mackerel, which is the most consumed fish in Namibia.

Midstream Supply (Processing & Distribution):

- Fish is collected at central coastal storage facilities and then transported in large trucks (24–30 tons) to regional distribution centers across Namibia.
- NFCPT has 18 regional stores where fish is repackaged into smaller retail-friendly portions (ranging from 200g to 10kg).

Export vs. Local Supply:

- Over 70% of Namibia's fish is exported (mainly to the EU), requiring compliance with international standards.
- Only 30% is distributed within the country, which the Namibia Fish Consumption Promotion Trust (NFCPT) is working to expand.

Downstream Supply (Informal Vendors & End Consumers):

- Informal traders, such as kapana (grilled fish) stand owners and market vendors, are key players in the informal distribution network.
- NFCPT provides bulk purchase options at regional depots, bringing fish closer to informal traders and reducing transportation burdens.

The challenges for informal enterprises in the supply chain for fishing include:

- Access to fishing quotas is difficult due to government restrictions.
- Many informal vendors lack capital to invest in sustainable operations.
- Informal traders selling fish operate without formal business structures, lacking refrigeration, proper storage, and financial support.
- High costs of boats and equipment prevent small players from entering the sector.
- Informal traders face competition from larger formal retailers who can offer lower prices and better supply stability.
- Unlike other countries, fish auction houses do not exist in Namibia. The direct sale of fish to customers is limited to locals whereas large scale fishing operations can fetch higher prices in Windhoek and export markets where there are more customers.
- Market barriers include lack of financial services, bureaucratic hurdles, and exclusion from government procurement frameworks.
- The sector is highly price-sensitive, meaning small price shifts can significantly impact informal businesses.

- High transport costs and poor infrastructure make it difficult for traders in remote areas to access supplies.
- A pilot agency distribution model was attempted by the NFCPT to integrate informal traders, but only 13 of 80 applicants qualified due to financial constraints

2.4.7 Conclusion

The goal of this spatial analysis is to unpack the spatial patterns and determinants of informality in the Agriculture, Fishing and Forestry sector in Namibia and identify pathways to addressing the associated challenges, while highlighting opportunities for intervention. The following opportunities to reduce decent work deficits, protect livelihoods, and promote a transition to the formal economy have been identified:

Small-holder and Subsistence Farming:

1. At a regional level, the Impact Assessment of the Removal of Redline should consider impacts, opportunities and opportunity costs for informal, subsistence and small-holder farmers.

2. At a settlement level, support for cooperatives should be enhanced to pool resources and investment in farming equipment and transporting and selling goods in the market.

3. In the City of Windhoek as well as towns and settlements, by-laws to promote urban agriculture and secure tenure for informal farmers and food gardening should be reviewed.

4. Establishing rural transport routes, accessible trading hubs, e-commerce platforms, and temporal exhibitions as well as designated agricultural zones can facilitate the smooth movement of goods from farms to urban centers and to consumers, reducing transportation costs and increasing market access.

5. Informal employment on smallholder farms can be better monitored if farm owners are incentivized to register their farm workers, farm managers and the annual or seasonal yields. A review of disincentives for professionals registering a second property or secondary income stream (albeit unprofitable) should be undertaken to make registration of farm workers a convenient process.

Timber and non-timber forest products:

6. Forest resources management training among the Forest Management Community (FMC) and Traditional Authority can help identify modern agricultural methods and practices (such as keeping bees) to improve profitability and ensure the sustainable management of resources. Training is required in both value-added opportunities in timber products and the other of non-timber forest products (NTFPs) such as fruit trees, medicinal plants and plants with natural products that can be used in cosmetic industries such as Oompeke (Ximenia) and Omumbiri (Commiphora spp.) etc.

7. Strengthening Contract Farming Models and opportunities for small-holder farmers to access the charcoal production value chain need to be promoted at a national and regional level.

Small scale Fisheries:

8. A small-scale fisheries licensing framework should be implemented to provide a legal pathway for informal fishers to engage in commercial activities while adhering to sustainability guidelines. The introduction of community-based fishing permits would enable fishers to operate within legal frameworks, reducing enforcement conflicts while supporting sustainable fishing practices. This framework should be developed in collaboration with fishing communities and regulatory bodies.

9. To enhance fish trade efficiency, investments in cold storage facilities by cooperatives at key transport nodes should be prioritised. The absence of proper refrigeration results in post-harvest losses, reducing profitability for small-scale traders. Establishing strategically located cold storage hubs would help maintain fish quality, extend shelf life, and improve market competitiveness, ultimately enhancing the entire supply chain.

10. Policy adjustments should be considered to create designated fishing corridors that balance economic livelihoods with marine conservation goals, reducing conflicts between fishers and enforcement agencies. Defining sustainable fishing zones where small-scale fishers are allowed to operate legally would help alleviate regulatory pressures while ensuring resource preservation. This approach requires collaboration between fisheries authorities, local government, and conservation stakeholders to develop equitable solutions.

2.5 Drivers of Informality

The Agriculture, Forestry, and Fishing sector in Namibia remains highly informal, with a majority of economic activities occurring outside the bounds of formal regulation and oversight. While informality in this sector is often driven by necessity and survival, a deeper analysis reveals a complex interplay of structural, economic, regulatory, and socio-cultural factors. Importantly, the drivers of informality vary across the sub-sectors of agriculture, forestry, and fishing, though several common themes emerge.

2.5.1. Agriculture Sub-Sector

Agriculture in Namibia is predominantly small-scale, communal, and subsistence-based. Agricultural enterprises primarily fall into two categories: livestock farming and crop production. According to the key informants and the FGD participants, the persistence of informality in this sub-sector is driven by several interlinked factors:

- **Limited access to land and insecure tenure:** Many smallholder farmers operate on communal land without formal land titles as customary land rights, although granted for life, do not result in title deeds. This lack of tenure security disincentivizes long-term investment in improvements that can enhance agricultural productivity and restricts access to formal credit markets, which require collateral.

- **Seasonality and climate vulnerability:** Agricultural production is highly seasonal and vulnerable to droughts and erratic rainfall. These climatic challenges reduce the predictability and consistency of supply, making it difficult for smallholders to meet the requirements of formal markets, which often demand year-round consistency.

"Seasonal droughts and unpredictable weather experienced over the past years forces many productive farmers to engage in subsistence farming rather than formalized agribusiness." - KII participant

- **Restricted market access and informal buyers:** Due to high barriers to entry in formal supply chains, including stringent quality standards and minimum quantity requirements, small-scale producers are often excluded. As a result, many rely on informal buyers and middlemen who pay cash but offer lower prices. The need for immediate cash flow further incentivises participation in informal channels.

MAWLR encourages farmers to market their livestock through structured and transparent channels, such as auctions and farmers' days, where livestock is sold under regulated conditions. However, a challenge arises when informal buyers drive through communal areas, purchasing livestock directly from farmers. While this provides a quick sale, farmers often receive lower prices due to factors such as transportation costs incurred by buyers." - KII participant

"Even when markets are available, the quality of the products and the specific requirements set by retailers and wholesalers often pose significant barriers. These requirements include strict quality standards, consistent supply, and large quantities, which many small-scale producers struggle to meet. This leaves small producers with no choice but to turn to the informal market." - KII participant

- **Infrastructure and logistical constraints:** Limited rural infrastructure—including poor roads, weak telecommunications, and a lack of structured markets—hinders farmers' ability to engage with formal value chains. The absence of post-harvest facilities at producer level shortens the shelf life of fresh produce. Existing government-supported marketing hubs are often inaccessible or economically unviable for smaller producers.

"This is why we have established the Agricultural Marketing and Trade Agency, which is now the ministry's arm to absorb products from both small, medium, and large-scale farmers, with a focus primarily on small and medium-scale farmers. The goal is to help them take their products to market and facilitate the process of selling these products to the masses. However, this has been a slow process, mainly due to existing contracts already in place with various suppliers, making it difficult to penetrate that market." - KII Participant

- **High input costs and limited financial support:** Inputs such as fertilizer, equipment, and extension services are costly and often unaffordable for small informal players. Additionally, formal financing remains inaccessible to many due to lack of collateral, limited financial literacy, and bureaucratic lending requirements.

- **Regulatory and bureaucratic barriers:** The cost and complexity of business registration and compliance deter small-scale farmers from formalizing. Many view the formal system as rigid and inaccessible, particularly to those with lower levels of education.

"At present, the formal market in Namibia is largely dominated by commercial producers. As a result, small and medium-scale producers face challenges in penetrating this market, particularly if they are not GAP-certified or compliant with formal market requirements. This is where the informal sector plays a crucial role, allowing small and medium-scale producers to sell their products through vendors who act as intermediaries." - KII participant

2.5.2. Forestry Sub-Sector

According to the key informants and FGD participants, informality in forestry, especially in charcoal and firewood production, is largely shaped by poverty, accessibility of resources, and the absence of formal alternatives:

- **Energy poverty and demand for biomass:** A significant driver of informality in forestry is the reliance on biomass (firewood, charcoal) as a primary energy source. In the absence of widespread access to clean and affordable energy alternatives, rural households and small entrepreneurs continue to engage in informal harvesting and selling of wood products.

- **Low entry barriers and resource accessibility:** Forestry products, particularly in communal areas, are easily accessible and often unregulated or poorly monitored. Although there are environmental and forestry regulations, enforcement is often weak or inconsistent, particularly in remote regions, which sustains unregulated harvesting. This open access encourages informal exploitation, particularly in charcoal production, which is labour-intensive but relatively easy to initiate.

"People, for example, can go and kill an elephant and sell it to foreigners. The products allow easy trading in the informal sector." - KII participant

"It's mainly a lack of access to electricity and clean energy so people will rely on firewood for example. The easy access to forestry products also make the sector prone to informality. There are limited entry barriers." - KII participant

- **Lack of processing and value addition infrastructure:** Opportunities for formalizing forestry through value addition (e.g., sustainable charcoal production, timber processing) are hindered by the absence of technical support, training, and investment in rural areas.

"I would say that we should empower those at the primary level because they are the ones involved in digging, harvesting, drying, and processing the raw product. Perhaps it is time to teach them how to add value to this product (devils claw). However, at the same time, we need to consider what type of value they can realistically add. If we look specifically at devils claw, most of it is used in the medicinal sector. The people who process it for this purpose have undergone scientific research and formulation processes to determine how it should be used. The question is: are our people equipped to a certain extent to venture into such an industry? These are the critical questions we need to ask ourselves. If they are to add value, what types of products are they capable of producing from devils claw? Perhaps that is the fundamental question we need to start with." - KII participant

2.5.3. Fishing Sub-Sector

The fishing sector in Namibia exhibits both formal, export-oriented activities and a growing base of informal actors, especially in coastal and inland (freshwater) communities. According to the informal players interviewed, informality in this sub-sector is influenced by both structural and regulatory dynamics including:

- **Seasonality and reproductive closures:** Marine fishing is subject to seasonal controls/bans to support fish stock regeneration. During these closures, informal actors often operate clandestinely or shift to freshwater sources, where regulation is weaker.

- **Access to equipment and infrastructure:** Many small-scale fishers lack the capital to acquire vessels, nets, or preservation facilities. Without cold chain infrastructure, fish is often sold dried and informally within local markets.

- **Regulatory complexities, licensing and quota constraints:** The formal fisheries system is perceived as highly bureaucratic and exclusionary. Many fishers avoid formalization due to the complexity of navigating marine laws, registration procedures, and compliance requirements. Formal marine fishing requires access to licenses and quotas, which are limited and difficult to obtain, especially for youth and emerging entrepreneurs. Strict marine regulations, including vessel specifications, act as additional barriers.

- **Transactional cost related to formalisation:** There are some small-scale fishers who are convinced that the cost of formalisation is burdensome and it far outweighs the benefits.

"…. that means a greater portion or part of my income is now going to go elsewhere. and I need each and every scent as an informal participant. So as a fisherman with a fishing rod, every cent that comes from my fish, I don't want to be paying it to social security." – KII participant

- **Local vs. Export Market Disparities:** While deep-sea fishing is dominated by large commercial entities targeting international markets, freshwater and near-shore fishing cater to local demand. The latter is highly informal, driven by low overhead costs and immediate market access.

- **Geographic disparities:** Inland fishing in northern regions around perennial rivers functions differently from coastal fishing. The markets are smaller, more localized, and deeply informal, with limited access to urban centers and processing infrastructure.

"If you look at the fishing sector that is happening at the coastal line does not operate the same way as that is happening in the communal areas north of the country where there are perennial rivers. The market of the freshwater fish is not the same as the market of the deep ocean as a way because the one in the deep ocean is distant from markets outside and much of the activities happens at sea. So, who would then be considered as informal actors in the fishing sector at the coastline? Is it those that are doing line fishing who are they? So it's one of those structures one needs to consider when you're dealing with this mega but not those that are fishing in freshwater for example as their market is local. The fish they get come from those areas to make their way to the city and in many times in dry form because those players do not have the facilities either to preserve these products or produce for longer periods of time." - KII participant

2.5.4. Cross-Cutting Drivers Across All Three Sub-Sectors

Across agriculture, forestry, and fishing, several common drivers of informality emerge:

- **Poverty and survivalist entrepreneurship:** For many, informal work is the only viable means of subsistence. Economic necessity overrides compliance motivations. One focus group discussion participant, a migrant from Angola said:

"…It is poverty that brought us here, and we are trying to survive…we heard that in Namibia you can get a job as a cattle herder, those are the only jobs that we can get, we never attended school. The government will not employ you if you cannot read, you have no other choice but you still have to try." - FGD participant

"You do what is necessary for your own survival or you do what is necessary to make a living. And for that matter, if there is no law, you do it on your own as long as you are within the parameters of the existing laws. That's informal." - KII participant

"Poverty is also a key driver of informality in forestry. Charcoal production will be limited if people can afford clean energy." - KII participant

- **Lack of formal employment opportunities and high unemployment:** Over 57 percent of Namibia's workforce operates in the informal economy largely because formal sector jobs are scarce. For many Namibians, informal work is the only alternative to unemployment and a vital means of survival.

- **Unsafe and Poor Working Conditions:** Informal businesses often operate in small, undefined, and unsafe workplaces, with unhealthy environments for informal workers, which further entrench informality and limit growth prospects.

- **Lack of education and financial literacy:** Informal actors often lack the education, skills, or business acumen to navigate formal systems

or scale operations. It is particularly harder for farm labourers to access many training interventions because they are expected to be at their duty stations all week while often these trainings are offered in cosmopolitan settings.

- **Limited government support and extension services:** Public sector support in the form of training, access to inputs, market linkages, and business incubation remains limited and unevenly distributed.
- **Inequality in land and resource ownership:** Historical inequalities, particularly around land ownership and natural resource control, continue to marginalize communal and smallholder actors. One key informant interview participant said:

> *"Access to Land is a big challenge in Namibia. There are commercial and communal areas. Owning land is difficult because large parts are owned privately and most colonisers still own land. When students want to go into crop production for example, there is limited access and logistical difficulties like access to water."* - KII participant
>
> *"We are coming from a history of colonisation and land disposition. So people who do not have land ownership are definitely unable to provide us with title deeds for example. So, if you are not able to provide me with a title deed then your access to forest resources might be a challenge but we have also helped some people in the communal area where we came up with an enabling law that allows them to be gazetted as community forests. And, therefore they then get access to these resources as if they were the owners because they are gazetted or someone who has got a lease hold also has got more rights to the resources than in an open communal area because in an open communal area you don't have any land tenure."* - KII participant

- **Lack of access to information:** Informal actors are not fully included or recognized in key discussions, despite their role in creating employment. At the same time, both informal enterprises and workers face significant challenges in accessing information, such as where to obtain funding or learn about new technologies.

> *"We are working mostly in silos. The main organizations involved in informality such as NISO and MIT, do not really inform us or give us any information. The interaction amongst all stakeholders working on informality is not up to par."* – KII participant

- **Lack of access to financing and funding:** One of the biggest obstacles to the informal economy growth is access to affordable and appropriate finance. Many workers in the informal economy and traders especially struggle to access formal financial services due to a lack of collateral, credit history, or financial literacy, and they are excluded because they don't have formal business documentation. Additionally, most financiers and funders do not have a good understanding of the informal economy.

> *"...if they receive a loan, the question remains: will they be able to repay it?"* - FGD participant

2.6 Support Strategies for Informal Economy Actors

Market Access Barriers for Informal Players in Agriculture, Fishing & Forestry

One of the most significant challenges farmers face in the agriculture, fishing and forestry sector is transportation. Many operate in rural or remote areas and are allocated land on the outskirts of towns, sometimes as far as 3 to 10 kilometers from commercial centers. This geographic isolation creates a logistical burden, making it difficult and costly to bring products to markets. Transport costs are particularly high, and without affordable or subsidized logistics solutions, informal players struggle to compete with larger, formal businesses that benefit from economies of scale and established supply chains.

Beyond physical access, informal farmers also face challenges meeting market requirements. Retailers and wholesalers such as Shoprite or Pick 'n Pay often demand large quantities and standardized quality, which small-scale producers are unable to consistently deliver. This prevents them from participating in formal procurement systems and locks them out of larger, more stable markets. For example, in crop production, individual farmers frequently fall short of volume expectations, and their inability to ensure consistent supply undermines buyer confidence.

Informal players also face stiff competition from both large domestic firms and international producers. Imported goods, often cheaper due to favourable economies of scale, dominate local markets, crowding out small producers. There is also a persistent stigma attached to informal producers—perceptions that their goods are unclean or substandard—which further marginalizes them.

> *"There is also a stigma related to informal producers and sellers that needs to be improved on. It can be assumed they are dirty and not coming from a good place."* - KII participant

Regulatory barriers compound these issues. Entry into formal markets is tightly regulated, especially in sectors like fishing, where licenses and quotas are required even for small-scale river fishing. The complexity of these systems, combined with bureaucratic inefficiencies and, in some cases, corruption—particularly noted in the forestry sector—makes compliance difficult for informal actors.

One KII participant noted:

> *Corrupt forestry officials is also a big concern. The industry is currently over regulated which leads to a bit of corruption."* - KII participant
>
> *"The small restaurants and guesthouses found the licensing fees high and unfavourable for them to generate good income."* - KII participant

Additionally, many are simply excluded from formal value chains because they lack the necessary documentation or business registration status.

Finance and skills deficits also limit growth. Informal producers often cannot access loans or credit because they lack collateral or a financial history, and many are unfamiliar with the formal financial system. At the same time, the sector suffers from shortages of skilled labour and technical expertise. Informal producers often lack the business acumen, quality control knowledge, or management skills required to scale their operations or improve efficiency. This skill gap leaves them unable to meet rising market demands or adopt better practices.

Addressing Market Access Barriers in Agriculture, Fishing & Forestry

A major barrier to market access is the disconnect between production and aggregation. One KII participant highlighted that a staggering 47 percent of agricultural output does not reach the market, often due to poor post-harvest handling, spoilage, or the absence of value addition processes. This figure is difficult to confirm as there is limited data available. However, data estimates from The African Postharvest Losses Information System (APHLIS) show that Namibia experiences significant postharvest losses each year, with estimated losses of 9,097 tonnes of maize, 583 tonnes of millet, and 1 tonne of sorghum in 2022. Among these, maize records the highest postharvest loss percentage at 15.7 percent, while millet has the lowest at 4.2 percent. Despite its lower tonnage, millet accounts for the most financially costly losses, with an estimated value of over USD 708,000. Regionally, the largest postharvest losses are reported in Kavango for maize, Otjozondjupa for millet, and Ohangwena for sorghum. Additionally, smallholder farmers experience losses because they produce in low volumes which end up being wasted or sold in low-value informal channels, as they often cannot meet the minimum procurement thresholds set by major retailers.

To address this, informants suggest strengthening cooperative models and joint ventures among small-scale producers. By pooling their resources and outputs, farmers in the same locality could meet the volume and consistency requirements of formal markets. Capacitating farmers with necessary skills to better handle and store produce is an absolute necessity. This would not only reduce waste but also empower farmers to negotiate better prices and potentially explore processing or packaging options to increase value. Strengthening producer organizations or establishing aggregation hubs could also serve as intermediaries between informal producers and formal buyers, bridging the current gap in the value chain.

Additionally, KII participants noted that while some mentorship and business development programmes exist to support SMEs, these services are typically not extended to informal units. Informants noted that extending mentorship and coaching services—especially those focused on business planning, financial literacy, and production efficiency—to informal producers could significantly boost their capacity to scale up and formalize. This kind of hands-on support would address not only technical gaps but also the lack of an entrepreneurial mindset, which some informants identified as a key weakness among informal actors, particularly in sub-sectors like small-scale fisheries.

Finally, organizations that have tried to support informal actors noted that some beneficiaries expect direct handouts—such as free equipment or stock (e.g., fridges or fish)—without fully understanding the concepts of ownership, responsibility, or sustainability. Tackling these perceptions will require both orientation and sensitization programmes that focus on building a sense of business ownership and accountability. Such interventions can play a key role in shifting mindsets from dependency to enterprise, especially in fishing and forestry sub-sectors where regulatory access (e.g., licensing) is tightly controlled.

03

Food and Accommodation Services

3.1 Introduction

The food and accommodation services sector represents a key pillar of Namibia's economy, serving as an integral component of the tourism and hospitality industry and playing a critical role in the country's broader socio-economic development. As a sector with a strong multiplier effect, it encompasses a diverse range of establishments, including hotels, lodges, guesthouses, restaurants, catering services, cafes, and informal food vendors. It caters to both domestic and international customers, offering services that range from luxury experiences to community-based tourism ventures. Beyond its direct economic outputs, the sector is increasingly central to Namibia's strategy for economic diversification. As the country seeks to reduce its dependence on extractive industries, such as mining, the hospitality and tourism value chain offers viable pathways for inclusive growth and job creation, especially in rural and peri-urban areas.

The Namibian tourism sector is characterised by a wide range of actors, including regulatory authorities, industry associations, tour operators, travel agencies, and various hospitality establishments. Accommodation providers span a broad spectrum—from hotels and guest farms to backpackers' lodges, bed-and-breakfast facilities, and rest camps—designed to meet the varying preferences and budgets of business and leisure travellers. The sector operates within a highly dynamic environment, often influenced by external factors that affect both supply and demand. Namibia continues to attract visitors primarily from Africa and Europe, with both domestic and international tourism contributing significantly to the performance of the food and accommodation sector.

Since gaining independence in 1990, Namibia's tourism sector has experienced consistent growth, positioning itself as one of the country's most important economic sectors. It is ranked as the third-largest contributor to the national GDP. The government's commitment to conservation and environmental sustainability has further reinforced the country's appeal as a tourism destination. While official data from the NSA indicate that hotels and restaurants contributed approximately 1.8 percent to GDP in 2021, a significant drop due to COVID-19, broader assessments highlight a more substantial impact. For instance, the Namibia Tourism Board (NTB) Tourism Satellite Account (2015) estimated tourism's direct contribution to GDP at 3.5 percent, and its indirect contribution at 10.3 percent. By 2022, the direct contribution of tourism to GDP had increased to an estimated 6.9 percent. In monetary terms, tourism contributed N$14.3 billion to the total national GDP of N$206.2 billion in 2022.

Visitor expenditure remains a significant driver of revenue within the sector. According to the Namibia Tourism Satellite Account (2022), an estimated 527,610 visitors generated approximately N$14.8 billion in spending across the Namibian economy. Of this total, more than 63 percent was allocated to accommodation, shopping, food and beverage services, and road transport. Among tourist activities, game drives represented the largest area of spending, accounting for approximately N$756.8 million, with an average tourist expenditure of N$2,714.

The food and accommodation services sector has consistently been a major employer in Namibia. The NLFS (2018) identified it as the second-largest employment sector, accounting for 11.4 percent of the national workforce—approximately 83,056 individuals, including those engaged in both formal and informal work. The 2023 Population and Housing Census reports that 29,324 individuals are employed in the food and accommodation services sector, although this figure reflects only formal employment and does not account for informal sector contributions. Tourism-related industries, collectively, accounted for 57,571 direct jobs in 2022, representing 7.9 percent of total national employment. In aggregate, all tourism related industries contribute 14.4 percent to total employment in Namibia. Within the sector, accommodation services for visitors accounted for the highest share of direct employment at 49.2 percent, followed by food and beverage services at 30.4 percent. Travel agencies and reservation services represented the smallest share of direct employment, at 0.3 percent.

Figure 17. Direct contribution of tourism-related industries to employment, 2018 Labour Force Survey

	All tourism related industries	% Total contribution to total employment	Direct tourism employment	% Direct contribution to total employment	% Direct contribution to employment in tourism
Total	104522	14.4	57571	7.9	100
Accommodation services for visitors	62614	8.6	28301	3.9	49.2
Food- and beverage-serving industry	20442	2.8	17499	2.4	30.4
Passenger transport	14528	2	8891	1.2	15.4
Transport equipment rental	1341	0.2	526	0.1	0.9
Travel agencies and other reservation industry	687	0.1	166	0	0.3
Cultural industry	1964	0.3	147	0	0.3
Sports and recreational industry	2946	0.4	2042	0.3	3.5

Source: Namibia Tourism Satellite Account Report 2022

Tourism-related industries in Namibia exhibit a notably high proportion of informal employment. Estimates indicate that informal employment in these industries accounts for 63.9 percent of total direct employment, surpassing the national average of 57.7 percent. Within this context, accommodation services for visitors represent the largest share of informal employment, contributing approximately 33.7 percent to the total informal employment within the tourism sector.

Figure 18. Direct Formal and Informal Tourism Employment, 2018 Labour Force Survey

	Number			Percentage	
Tourism related industries	Formal Employment	Informal Employment	Total	Formal Employment	Informal Employment
Accommodation services for visitors	8894	19408	28301	15.4	33.7
Food- and beverage-serving industry	5499	12000	17499	9.6	20.8
Transport services	5043	3848	8891	8.8	6.7
Transport equipment rental services	298	228	526	0.5	0.4
Travel agencies and other reservation industry	94	72	166	0.2	0.1
Cultural industry	63	84	147	0.1	0.1
Sports and recreational industry	879	1163	2042	1.5	2
Tourism Related Industries (Total)	20769	36802	57571	36.1	63.9
National (all industries)	307068	418674	725742	42.3	57.7

Source: Namibia Tourism Satellite Account Report 2022

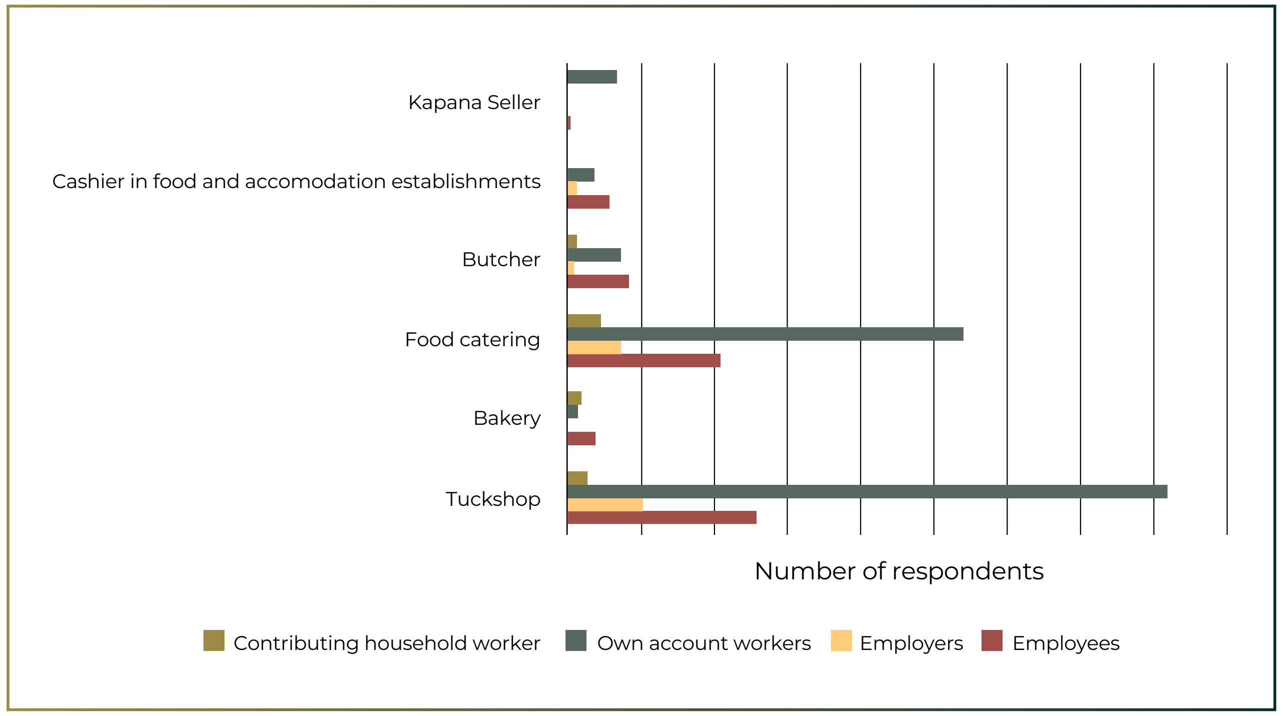
The food and accommodation services sector is largely considered to be inclusive of marginalised groups especially women. According to data from the NLFS (2018) , women make up approximately 77 percent of the sector's workforce, highlighting the industry's substantial role in advancing gender participation in the labour market. Furthermore, the sector provides significant employment opportunities for unskilled and semi-skilled workers, particularly in rural areas where formal employment options are limited. Tourism, in particular, possesses one of the most extensive value chains in Namibia and holds considerable potential to serve as a catalyst for employment creation, especially in remote regions where many hospitality establishments are located. However, despite the progress in promoting gender inclusion, disparities in pay and equity remain persistent. For instance, women in the food and accommodation services sector continue to earn substantially less than their male counterparts, with average monthly wages indicating a pay gap of approximately 124 percent in favour of men. These inequalities underscore the need for targeted policy interventions to promote fair labour practices and gender equity across the sector.

Overall, the food and accommodation services sector plays a pivotal role in Namibia's economy, with strong contributions to GDP, employment, and rural development. Its expansive value chain and inclusive employment profile position it as a critical instrument for addressing poverty and inequality. Sustained investment in enhancing the sector's resilience, competitiveness, and equity will be essential for realising its full potential as a driver of inclusive and sustainable economic growth.

3.2 Extent and Characteristics of Informality in Food and Accommodation Services

The assessment of the extent and characteristics of informality in Namibia's Food and Accommodation services sector is primarily based on data collected from enumerated individuals working in tuckshops (242), bakeries (15), food catering services (174), butcheries (37), as cashiers in food and accommodation establishments (24), and as Kapana sellers (15). The employment status of the 507 respondents belonging to this sector is provided in the figure below.

Figure 19. Employment status of respondents in Food and Accommodation Services

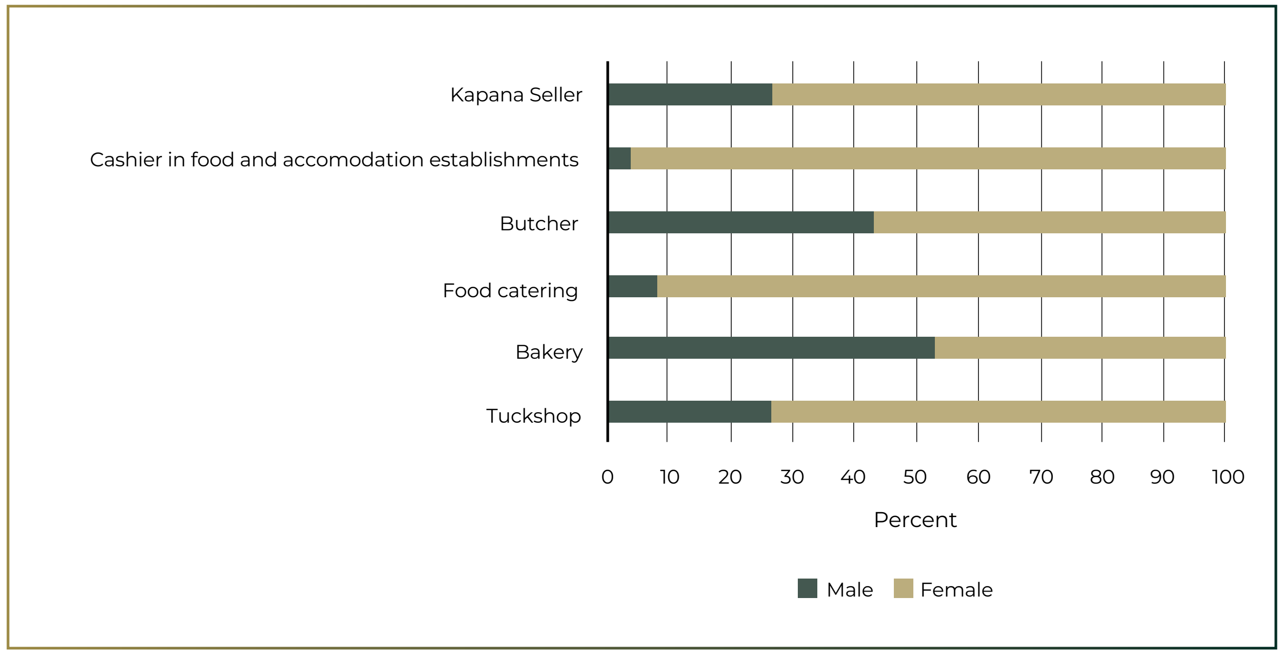


Source: Opportunistic Survey

Similar to the agriculture, fishing, and forestry sector, the food and accommodation services sector is dominated by own account workers, followed by employees, employers, and finally contributing family workers. However, the dominance of own account workers is significantly higher in the food and accommodation services sector compared to the agriculture, fishing, and forestry sector. The majority of own-account workers in the sector are women, while employers are predominantly men.

Overall, women dominate the sector, with the exception of the bakery subsector, as illustrated in the figure below. Women constitute over 90 percent of workers in food catering and cashier roles within the food and accommodation services sector. Over 80 percent of them have only completed senior education or less. Tuckshops account for the highest proportion of individuals without formal education, comprising 14 percent of those enumerated in the opportunistic survey.

Figure 20. Gender of respondents in Food and Accommodation Services



Source: Opportunistic Survey

Almost 60 percent of respondents indicated that they were not born in the area where they currently work, but elsewhere in Namibia. Only 7 percent of respondents indicated that they were born outside Namibia and almost all of these indicated that they either hold a Namibian ID or birth certificate issued by the Namibian Government. Only seven respondents indicated that they do not possess any identification documents, potentially representing undocumented migrants, who appear to constitute a very small proportion of the food and accommodation sector.

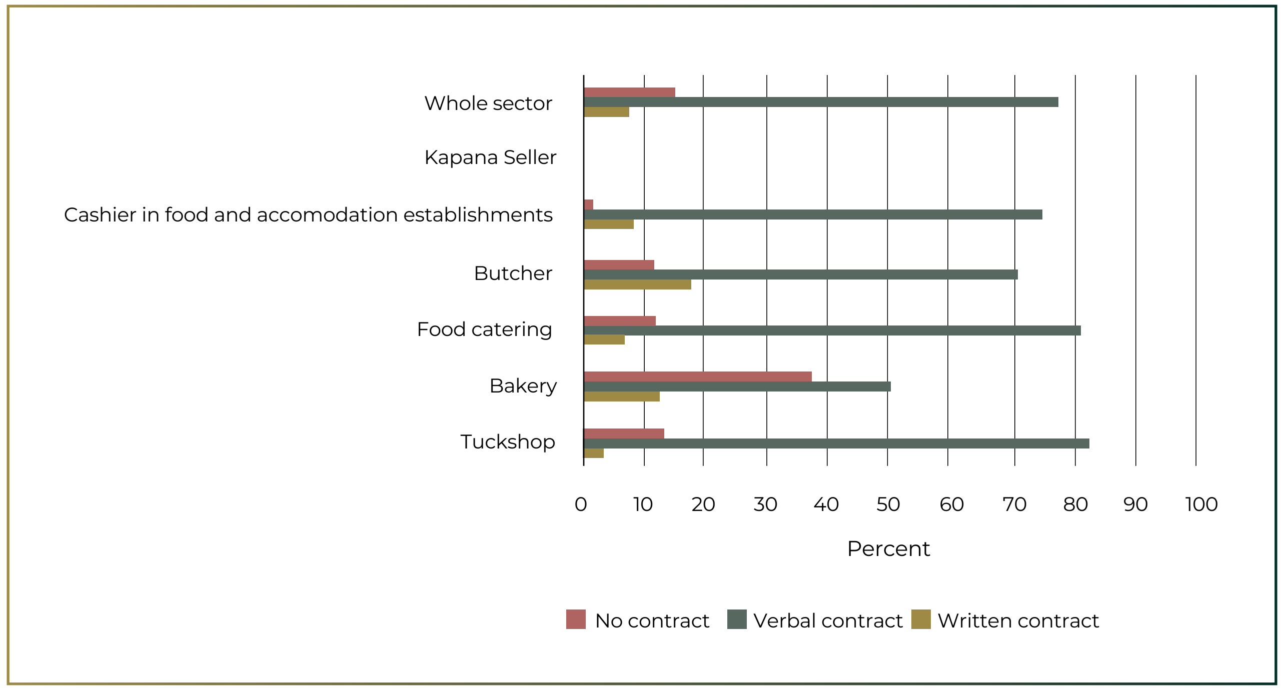
Two percent of respondents reported activity limitations related to calculating, primarily among those without formal education. Nearly 10 percent indicated difficulties with vision, while less than two percent experienced challenges with hearing and speaking. Additionally, three percent reported mobility limitations. Overall, the most commonly reported disability among respondents relates to eyesight.

3.2.1. Prevalence of informality among employees

Three key variables have been considered in assessing the prevalence of informality among employees: the presence or absence of an employment contract; access—or lack thereof—to a pension scheme, medical aid, and social security; and exposure to income inconsistency. Each of these variables is examined separately below.

There is a significant prevalence of informal employment practices within the food and accommodation services sector evidenced by the fact that less than 10 percent of employees possess written contracts. None of the Kapana sellers reported having written or oral contracts, whereas the highest proportion of employees with written and oral contracts was found in butcheries and tuckshops, respectively. Overall, verbal contracts dominate the sector.

Figure 21. Employment contracts for employees in food and agricultural services



Source: Opportunistic Survey

The average monthly salary of employees in the sector is approximately N$2,500, falling short in comparison to the minimum wage of N$3,507. The table below presents the average salaries of employees across the sub-sectors that comprise this sector. Bakeries have the highest salaries, followed by butcheries and tuckshops, with all recording an average above N$2,000. Only 5 percent of respondents reported experiencing income inconsistency, with no such cases reported among employees in bakeries and butcheries. As noted in the agriculture, fishing, and forestry sector, income consistency is not widely acknowledged by key informants, who generally assert that most workers in the informal economy experience unstable incomes.

Table 8. Monthly salaries of employees in food and accommodation services

Category	Average Income	Standard Deviation	Minimum	Maximum
Tuckshop	N$2172.83	N$3023.31	N$500	N$15000
Bakery	N$4500	N$4464.53	N$1000	N$10200
Food catering	N$1938.89	N$3979.83	N$600	N$25000
Butcher	N$2290	N$2758.60	N$800	N$10000
Cashier	N$1872.72	N$783.70	N$1000	N$3500
Kapana seller*	N$2000	-	-	-

* Only one Kapana seller disclosed their salary.
Source: Opportunistic Survey

3.2.2. Prevalence of informality among employers

There were 41 employers enumerated in our opportunistic survey operating within the food and accommodation services sector. None were found among Kapana sellers. The bakeries and butcheries generally declined to disclose the number of employees they engage, with the exception of one butchery that reported employing a single worker. The economic units have been in existence for an average of 8 years.

Table 9. Employees employed by economic units in food and accommodation services

Category	Average	Standard Deviation	Minimum	Maximum
Tuckshop	1.4	0.6504436	1	3
Food catering	1.6	1.133893	1	4
Butcher*	1	-	-	-
Cashier	2.5	0.7071068	2	3

* Only one butchery disclosed the number of their employees.
Source: Opportunistic Survey

Despite having operated for many years, 60 percent of the enumerated enterprises in the food catering business are not registered with any formal institution. Among those that are registered, it is common to find multiple registrations across different institutions. The two most frequently cited institutions for registration within food catering are the municipality or local authority and the SSC. Butcheries are mostly registered with the municipality but not with the SSC. Two-thirds of the tuckshops are registered, primarily with the BIPA, and then must go on to also register with either the municipality or local authority, the SSC, and NamRA. There is a high rate of registration with formal institutions among the economic units.

Although many economic units in the food and accommodation services sector are registered with formal institutions, informality still persists, particularly in the treatment of their employees. This form of informality is not about institutional registration alone but is evident in the substandard working conditions provided to employees. A significant indicator of this is the lack of social security coverage, with over 60 percent of these registered economic units failing to enrol their employees in pension schemes, medical aid, or social security. This disconnect between formally registered enterprises and employment working conditions that fall short of standard practices highlights the complex and layered nature of informality not only in this sector, but that of agriculture, fishing and forestry too.

Employers often cite several reasons for not registering their employees for pension schemes, medical aid, and social security. These include a lack of information about the administrative processes, seasonality of employment, high turnover of employees, the high formal costs associated with tax compliance, and geographic distance from the relevant administrative offices. The issue of high costs, in particular, warrants further investigation and could be better understood through a diagnostic assessment of employers' sales and profit margins to determine whether financial constraints genuinely hinder compliance.

Many employers report various levels of sales revenues and profits, as detailed in the table below. An analysis of the ratio of salaries to sales revenue reveals notable differences across sub-sectors: in tuckshops, the ratio is 1 to 2.7; in food catering, it stands at 1 to 3.8; and in butcheries, it reaches 1 to 5.6. These figures suggest that, in some cases such as butcheries, employers may have sufficient revenue margins to support formal employment practices, including registering employees for pension schemes, medical aid, and social security. In situations where sales are affected by seasonality or other factors, bank loans could serve as a helpful buffer against seasonal disruptions in sales revenue. However, nearly all the economic units reported that they have never accessed a bank loan.

Table 9. Employees employed by economic units in food and accommodation services

Category	Average Sales	Average Profits	Standard Deviation Sales	Standard Deviation Profits	Minimum Sales	Minimum Profits	Maximum Sales	Maximum Profits
Tuckshop	N$8250	N$3305.56	N$5018.35	N$1716.18	N$2000	N$500	N$16000	N$600
Food catering	N$11641.67	N$6308.33	N$17063.65	N$8886.6	N$1200	N$500	N$60000	N$25000
Butcher	N$13000	N$3500	N$4242.64	N$2121.32	N$10000	N$2000	N$16000	N$5000

Source: Opportunistic Survey

3.2.3. Prevalence of informality among own account workers

Generally, own account workers dominate the food and accommodation sector, similar to the agriculture, fishing, and forestry sector. However, in specific subsectors such as bakeries, butcheries, and other food and accommodation services, employees outnumber own-account workers, which was not the case in any sub-sector of agriculture, fishing, and forestry.

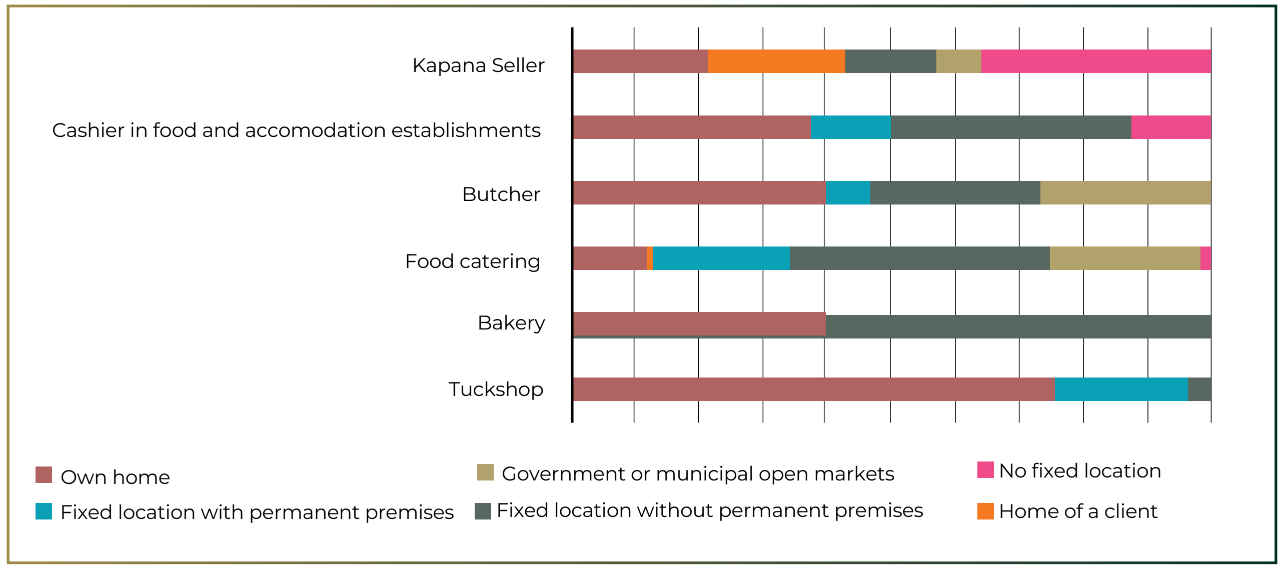
Own-account workers in this sector predominantly operate their businesses under their personal names rather than separate business names. However, there is an exception in general food and accommodation services, where over 60 percent use a distinct business name. In comparison, only 26 percent of those in tuckshops use a different business name, dropping to 20 percent in food catering, while butcheries show a slightly higher rate at 33 percent.

The relationship between the use of distinct business names and formal registration is evident across the food and accommodation services sector. Own-account workers in general food and accommodation services, where more than 60 percent operate under a business name different from their own, also show a higher rate of registration with formal institutions. In contrast, in sub-sectors like tuckshops, food catering, and kapana sellers—where most businesses operate under the personal name of the owner—registration rates are significantly lower. Notably, own-account workers in bakeries and butcheries stand out, exhibiting relatively higher levels of formal registration compared to the other sub-sectors, potentially due to the nature of their operations, regulatory requirements, or market expectations. Like economic units that have multiple registrations, so do the own-account workers, registering with the SSC while also with BIPA, NamRA and Municipality or Local Authority.

Another important attribute for assessing the prevalence of informality—closely linked to business registration and the use of a separate business name—is the practice of maintaining accounting records. The keeping of financial records reflects a level of business organisation and transparency that is often associated with formal operations. In the case of tuckshops, more than 65 percent of own-account workers do not keep any records at all. Only 23 percent maintain informal records, 8 percent keep simplified records, and fewer than 2 percent keep detailed accounts. This trend is mirrored across other sub-sectors where businesses typically operate under the owner's personal name and are not formally registered. The lack of record-keeping in these cases further reinforces the prevalence of informality within their operations. Conversely, sub-sectors with higher rates of registration and distinct business identities, such as bakeries, butcheries and general food and accommodation, demonstrate better record-keeping practices.

Own account workers operating tuckshops commonly conduct their businesses from home. Typically, these tuckshops are set up at the front of the residential property, often facing the road to attract passing customers, while the main living quarters are situated behind. This setup blurs the line between domestic and commercial space, reinforcing the prevalence of informality among own-account workers. Similar trends are observed in other sub-sectors such as bakeries, butcheries, and general food and accommodation services, where home-based operations are prevalent. Only a small proportion of own account workers operate from fixed locations that have permanent premises or are located within designated municipal open marketplaces. Even in cases where a fixed location is used, it is often a setting without permanent structures or infrastructure.

Figure 22. Working place of own account workers in food and accommodation services



Source: Opportunistic Survey

Operating from home significantly reduces rental expenses for own account workers, particularly those engaged in survivalist enterprises. Many of these individuals report making very low profits—sometimes as little as N$10—making the cost of renting space in formal marketplaces financially unfeasible. For these workers, using their homes as business premises is not only convenient but also a necessary strategy for minimising overhead costs. However, not all own account workers operate at such low profit margins. Some have reported earning profits of up to N$25,000, an amount that would enable them to afford rental fees for designated trading spaces in municipal marketplaces or in fixed locations with permanent structures.

Table 11. Monthly profits for own account workers in food and accommodation services

Category	Average	Standard Deviation	Minimum	Maximum
Tuckshop	N$919.91	N$1096.98	N$10	N$6000
Bakery	N$1100	N$2181.46	N$50	N$5000
Food catering	N$1495.75	N$3010.93	N$10	N$25000
Butcher	N$2633.33	N$4132.15	N$50	N$15000
Cashier	N$2180	N$3184.65	N$200	N$7800
Kapana Seller	N$982.14	N$1009.50	N$50	N$3000

Source: Opportunistic Survey

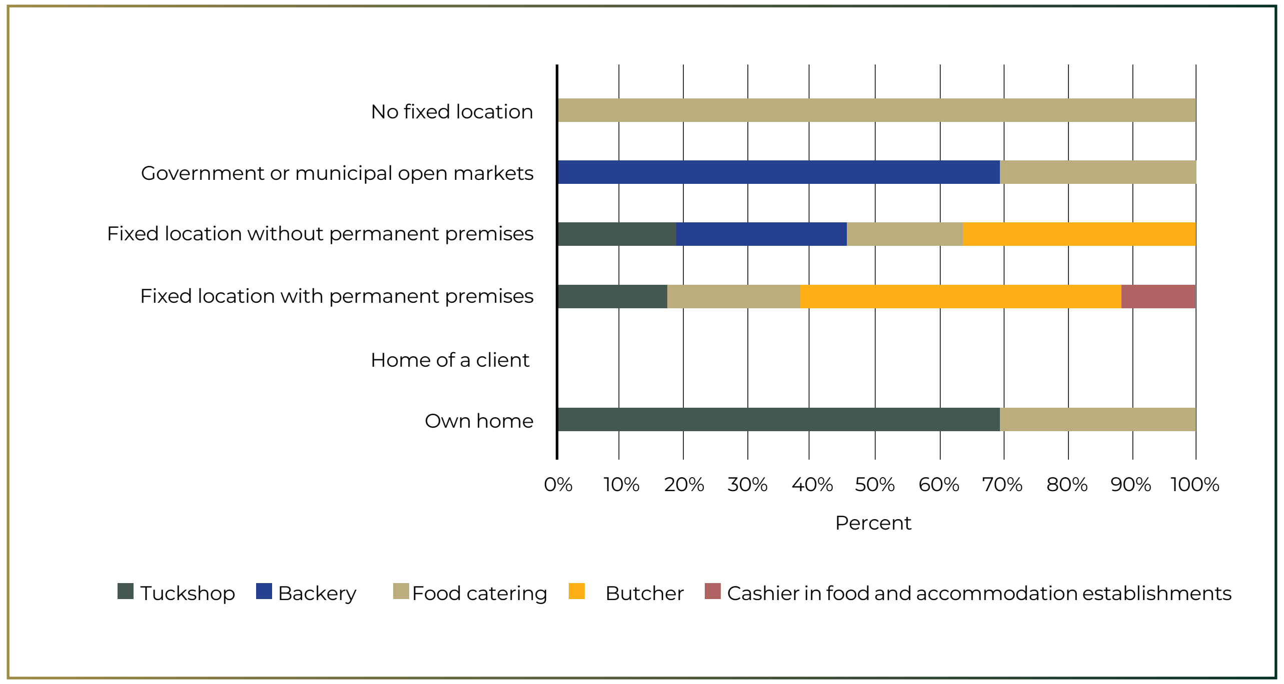
3.2.4. Prevalence of informality among contributing household workers

A total of 17 contributing household workers were identified across various sub-sectors within the food and accommodation services. Specifically, five are engaged in tuckshops, two work in bakeries, eight are involved in food catering, one is employed in a butchery, and another serves as a cashier in the broader food and accommodation sector. None of these workers are registered with the SSC, nor have they made any contributions to it. Only one individual, working in food catering, was reported to be registered and contributing.

None of the contributing household workers operating in tuckshops or working as cashiers within the food and accommodation services sector reported having a bank account. This lack of access to formal financial services underscores the financial exclusion often experienced by contributing household workers in the most informal and survivalist parts of the economy. In contrast, the situation improves slightly in other sub-sectors. In both bakeries and food catering, half of the contributing household workers surveyed indicated that they have bank accounts, suggesting somewhat better financial inclusion. The most encouraging results were observed in the butchery sub-sector, where two out of the three contributing household workers reported having a bank account. Many of these workers do not find opening the bank account necessary. They also indicate that they do not have the necessary documents needed by the bank and that they find the process of opening the bank account complex.

Contributing household workers are not exclusively engaged in home-based non-farm activities, as shown in the figure below. While it is commonly assumed that these workers operate within or around the household premises, data from the opportunistic survey reveals a broader distribution of their work locations. These individuals are found across a range of locations, including municipality open markets and fixed locations with and without permanent premises. This dispersion indicates that contributing household workers often extend their labour beyond the home, supporting family-run enterprises in more public or commercial settings.

Figure 23. Working place of contributing household workers in food and accommodation services



Source: Opportunistic Survey

Sector conclusion: The high levels of informality in the food and accommodation services sector are primarily driven by the status of employees, own-account workers, and contributing household workers. All these workers are in the main typically not registered for either pension schemes, medical aid or social security - as key indicators of formal wage employment or their enterprises are not legally recognized for independent workers. The lack of formal employment contracts suggests limited job security and inadequate legal protection for the majority of employees. It also raises concerns about the enforcement of labour regulations. The absence of written contracts is a key indicator of informality for employees and reflects broader structural challenges in formalising employment relationships within the sector. The variation in profitability among own-account workers suggests that while some remain in the informal sector out of necessity, others may do so by choice or due to barriers unrelated to income—such as administrative complexity or limited availability of space in formal trading zones. The presence of contributing household members in diverse operational spaces highlights the flexible and often overlooked nature of their contributions to informal economies, as well as the need to consider them in broader discussions about labour protections, access to social protection, financial inclusion, and informal employment dynamics.

3.3 Regulatory and Policy Challenges and Responses

Informal economy operators face significant regulatory challenges in the food and accommodation services sector. As appears from the discussion later in this part of the report, regulatory barriers include strict regulations for businesses to sell alcohol or operate in the leisure industry, challenges regarding land access, approved building plans, zoning requirements, the acquisition of police consent, licensing requirements (involving provincial authorities), and restrictions imposed by local authorities regarding marketplaces, operating hours, and other matters. Annual registration and lease renewal costs are high. To this could be added food safety regulations. Registration requirements in particular are onerous and costly. Apart from general registration requirements (e.g., company registration, where relevant; registration with the SSC), sector-specific regulatory requirements are contained in, among others the Namibia Tourism Board Act (Act 21 of 2000) (registration with the Board and a compulsory levy) and the Public and Environmental Health Act, 2015 (registration of food business operators). Tourism operators are meant to register with the Hospitality Association of Namibia.

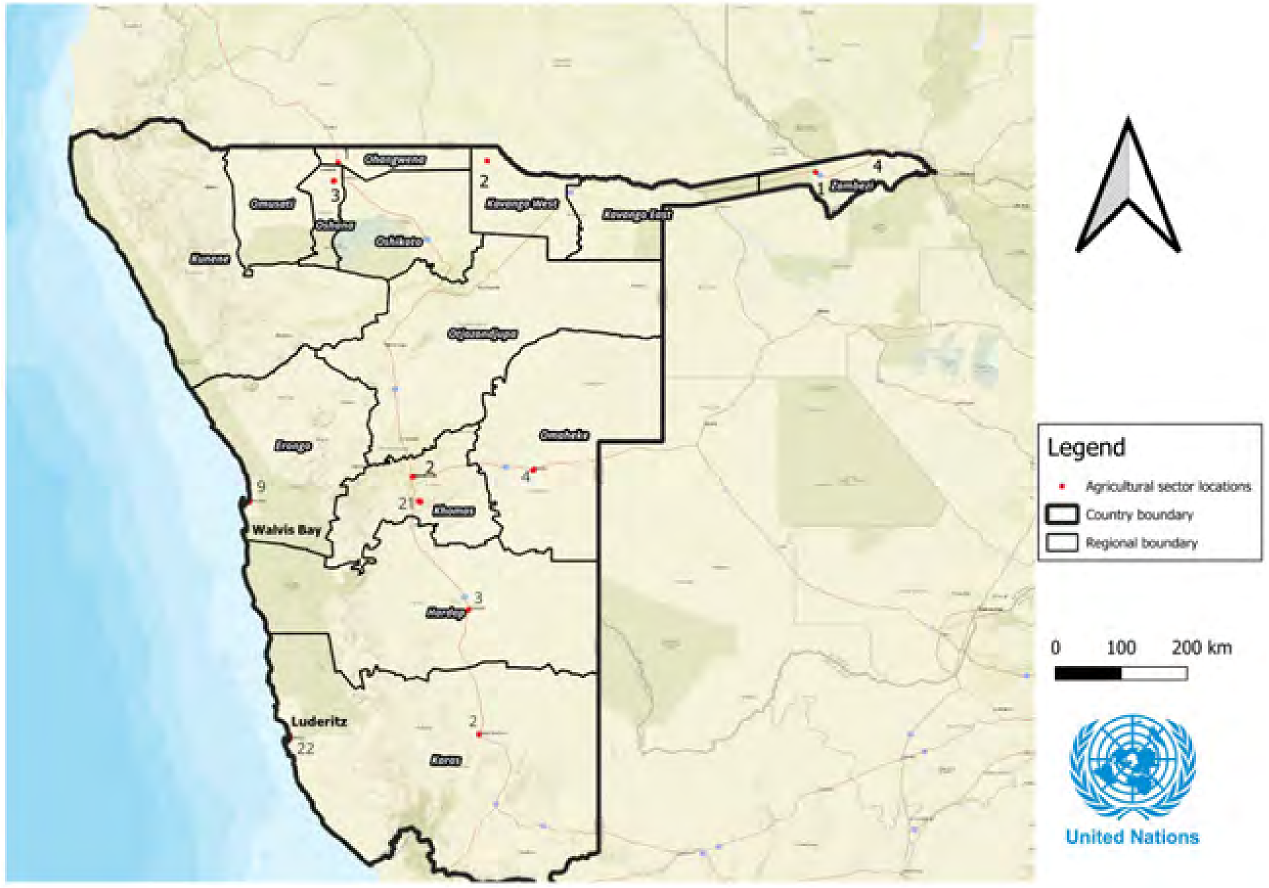
The implications of the strict regulatory requirements and the inability of informal economy operators to comply and afford, include not being able to transition into the formal economy, and often also not being able to compete with large formal sector businesses (e.g., in the hospitality business) and with the influx of cheap imported food (in the food industry). In addition, the majority of informal economy workers and informal enterprises have been indicated as not being registered with any institution, including (where relevant) the SSC and NamRA. All of this is aggravated by the predominance of oral contracts, unstable incomes, limited job security and, generally speaking, inadequate legal and social protection, and a lack of awareness of regulatory requirements and their embedded legal protections.

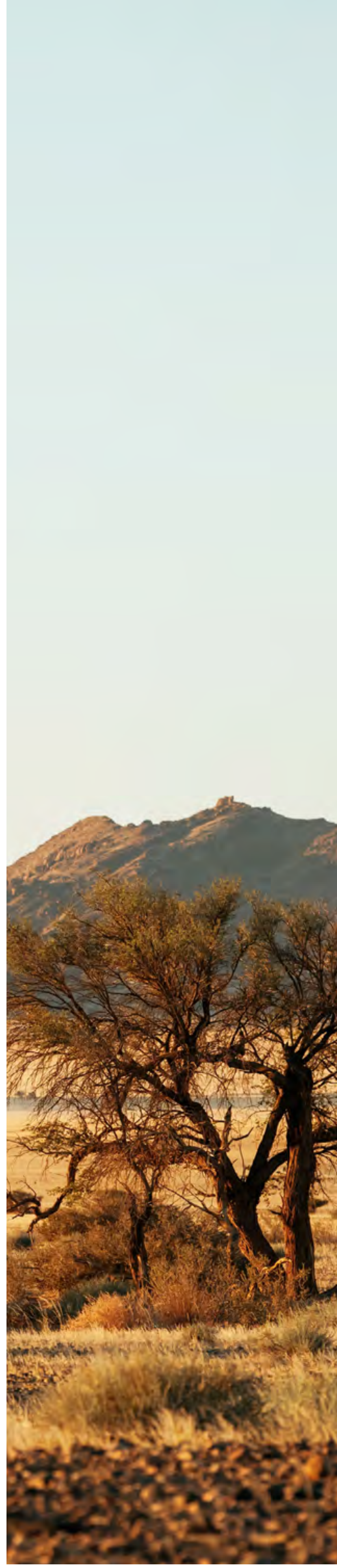
Adjustments to the regulatory and policy framework is required. It should be evident that compliance with regulatory requirements aimed at, for example, food safety and hospitality standards, should indeed be required. However, there is an obvious need to raise awareness among informal economy operators about these requirements, but also to provide them with support that may assist them to gain a reliable income and have access to stable business operating models through access to markets and finance, among others. Either flexible modalities enabling them to join the existing social security schemes or dedicated regimes enabling them to participate in flexible social security schemes should be considered. For this to materialise, and for enhanced protection to be in place, adjustments to Namibia's social security and labour law legislation, as well as procurement and tax laws and other relevant laws, may be required – as outlined elsewhere in this report. Existing national policies, including sectoral policies, could make better provision to give direction regarding these adjustments and support that should be available to informal economy operators in these sectors. Currently, policies such as the National Policy on Tourism for Namibia (2008) and the Food Safety Policy (2015) make minimal provision in this regard. However, par 5.4.7 of the National Policy on Tourism for Namibia makes reference to exploring with municipalities and other bodies how the physical conditions of informal handicraft markets can be improved, given the importance of these markets and their products for the tourism industry. It should be noted that, in the course of the opportunistic survey undertaken for purposes of this assignment, 45 percent of the respondents indicated that they experienced no challenges with regulation. However, 25 percent of the 507 respondents indicated challenges with licensing requirements; 17 percent with environmental regulation; 11 percent with tax laws; and 2 percent with labour laws.

3.4 Spatial Characteristics and Hotspots of Informality

Evidence of informal employment, own account workers and contributing family members is expected to exist in the Food and Accommodation Services Sector in Namibia. The map below reveals that informal economic activity in this sector can be found in both rural and urban areas.

Figure 24. Map of surveyed respondents showing sampling distribution in the informal food sector, Namibia 2024





Since this was an opportunistic survey conducted in October 2024, it is not representative of the extent or scale of these activities, but qualitative data and spatial observations from the fieldworkers were captured.

This analysis of the spatial characteristics and hotspots of informality focuses on several known subsectors of the Food and Accommodation Services sector. The research draws from findings in the literature, key informant interviews (KIIs) and focus group discussions (FGDs).

Table 12. Summary of sub sectors examined

Subsector	Main spatial observations	Sources
Street Trading and Open Market Trading	Street traders in Windhoek and Secondary towns in Namibia are a critical source of food security for low income households and income generation in the informal food sector. They require spaces of high visibility in order to access customers. Open Markets managed by local authorities provide basic services such as shade and ablution areas. Traders request other necessary infrastructure such as storage and electricity access. Affordable rental and registration processes should be evaluated.	
Taverns bars and Restaurants	"Most township bar owners have neither the financial means nor the skills to navigate through the web of legislation required to trade legally. The zoning requirement, in particular, is the most onerous obstacle in the licensing process"	SLF and UW, 2017
Tourism and accommodation	Rural areas in Namibia boast natural and wildlife attractions supporting the tourism industry. Both private enterprises and informal rural enterprises in rural areas offer tourists accommodation, guided tours, leisure activities, arts and crafts, souvenirs, etc.	KII Transcript
Gem-stone mining	The gemstones mined in rural parts of Namibia are typically sold to tourists visiting these remote destinations.	KII Transcript

In KIIs, it was observed that the northern regions operate predominantly as cash-based economies. As an example, a key informant stated:

"Here, every Uber driver asks for cash". For this reason, digital financial inclusion will take longer and may not replace all transactions.

3.4.1. Mobile Street Vending, Stationary Street Trading, and Open Market Trading

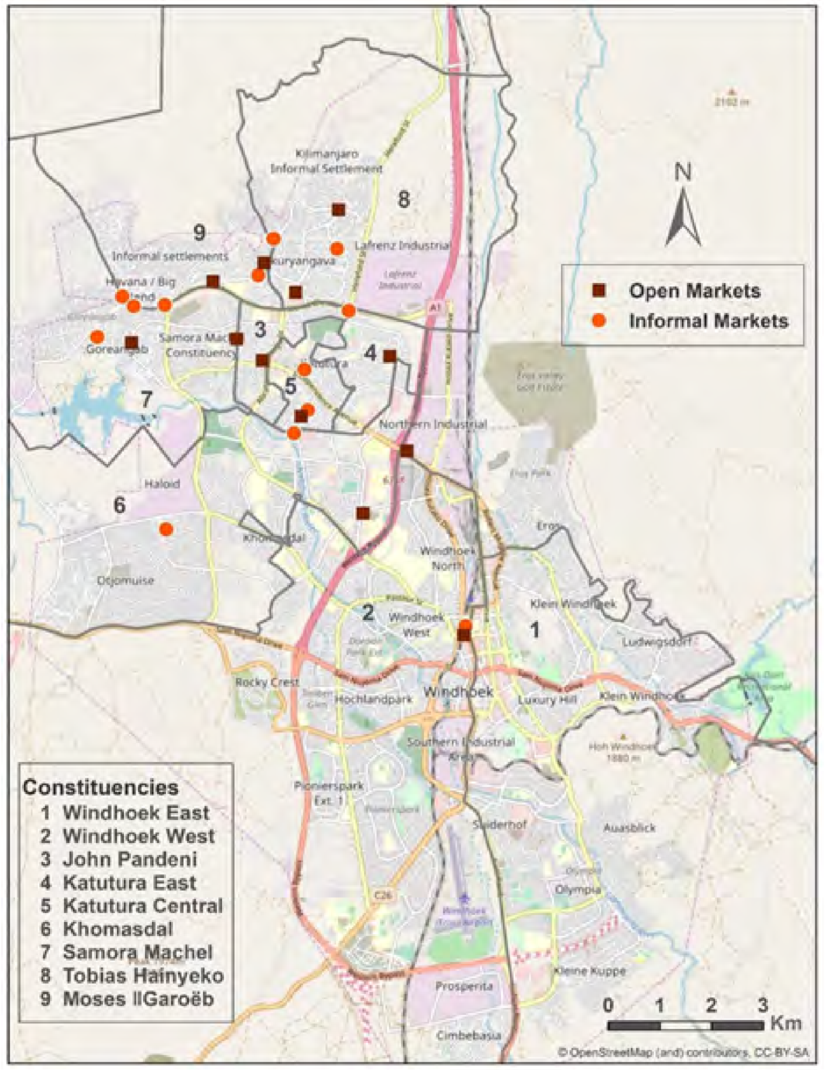
In many African countries the Street Food Sector is dominated by women and plays an important role in livelihoods and food security for low-income households. The same is true in Namibia, where low-income households are highly dependent on informal food vendors. In 2020, GIZ ISUD programme undertook a COVID-19 relief programme with street traders in Namibia. The project reached 659 beneficiaries in Opuwo, Oshakati, Okongo, Helao Nafidi, Nkurenkuru, Rundu, Walvis Bay, Windhoek, and Keetmanshoop. A survey of 136 street and open market traders showed that 50 percent sell cooked food and 89 percent are female owned/operated. In focus group discussions, some mentioned that unsold food is taken home and consumed by family members. Not only does the street food sector provide affordable and convenient food to consumers, it also supports the livelihoods and food security of those working in the sector. Overall, "most respondents (52.2 percent) feel positive about their businesses sustaining their livelihoods". **HOTSPOTS AND PRIME LOCATIONS**

The hotspots of street trading and prime locations for Open Markets are critical for accessing customers. Visibility and convenience are essential for informal traders selling food to access customers and compete with formal wholesalers, bars or restaurants. A key informant interviewed for this study described how informal street traders selling food arrive in prime locations to provide convenient meals to customers (in particular construction workers):

"Very often when you see a construction site set up a day or two later, there are two or three ladies, very innovative, very entrepreneurial. They are setting up a little stand for their vetkoek [fried dough] to sell their food to the construction team, which serves a huge purpose. People then don't have to leave the site or walk miles to go to the next supermarket to buy their quick lunch." - **Key informant**

The map below shows the number of Open and Informal markets identified in Windhoek in 2016. These markets are visibly located in low-income neighbourhoods and informal settlements, with only one Open Market and one informal market located in the same area of the Central Business District (CBD).

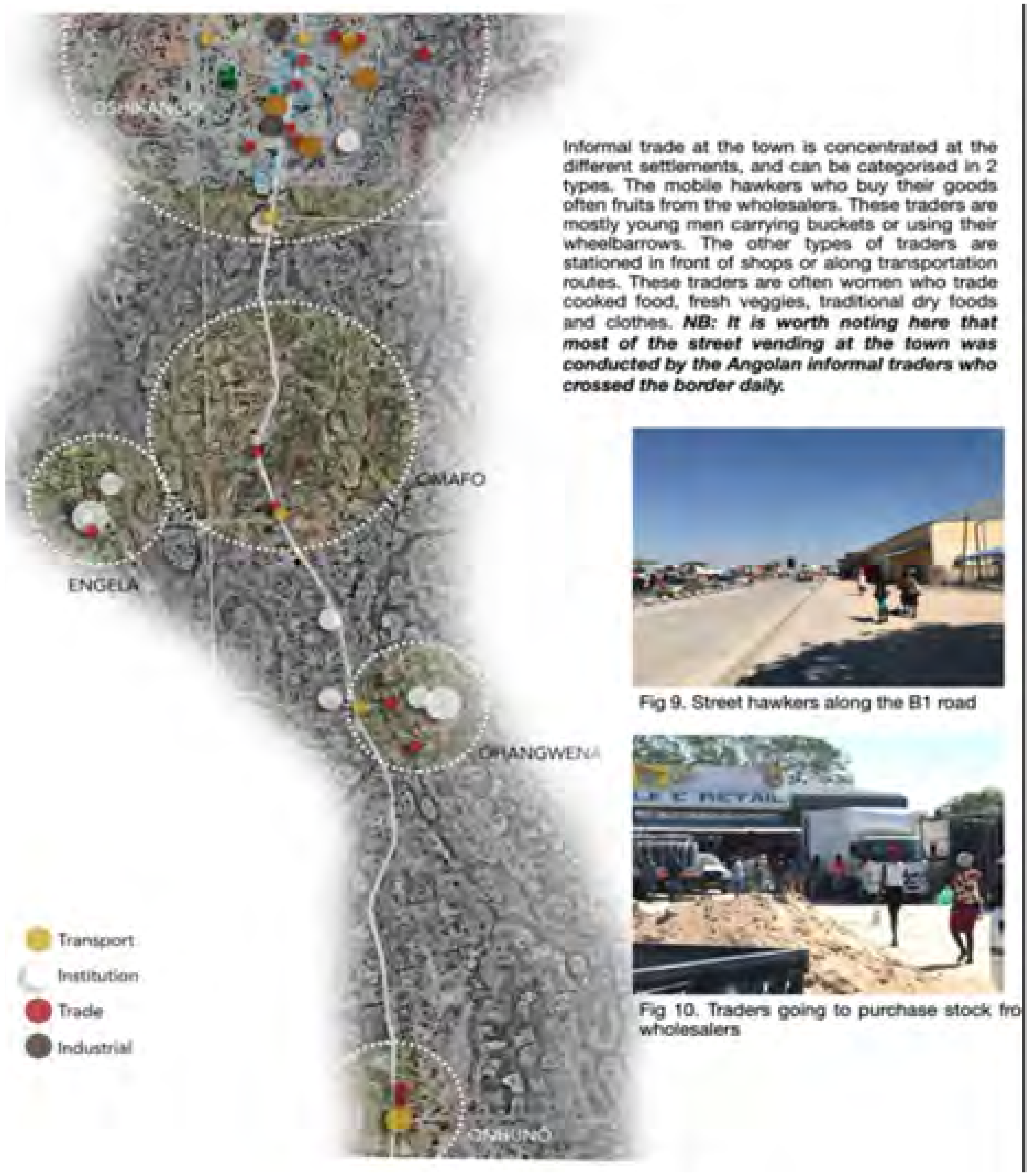
Figure 25. Map of informal trading sites and Open Markets in Windhoek, 2016



Source: Kazembe et al. 2019

Outside of Windhoek, most towns and settlements have only one Open Market managed by the local authority and hotspots of informal trading along economic corridors, near long distance transport ranks/terminals. A national database of Open Markets with the number of registered traders updated annually would be a useful source of information to monitor and support opportunities for formalisation of individuals in the informal food sector. However, the informal food sector is vibrant in secondary towns and traders are "as adept as the counterparts in Windhoek".

Figure 26. Informal trading hotspots in Helao Nafidi



Source: GIZ COVID Reports 2021

The impact of public investment in new roads that circumvent the center of town or private investment in new Malls, Wholesale stores or Road stops at the boundary of small towns is well known to have negative consequences on the original high street businesses. These investments not only divert traffic and shift the flow of customers away from small high street businesses, they also impact street traders and Open Markets.

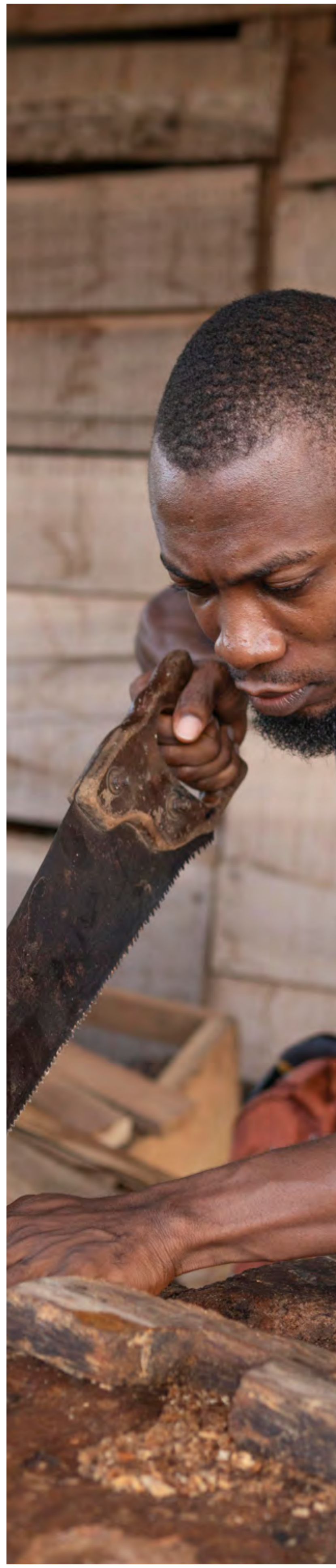
Figure 27. Informal trading hotspots in Nkurenkuru

Source: GIZ COVID Reports 2021

In towns, like Nkurenkuru, the new Shoprite diverted customer traffic away from the old town centre and traders wanted to propose a new location for the Open Market opposite the new Shoprite. Not only do traders want to access the same customers going to Shoprite but they also benefit from shorter distances to purchase stock. This is one example of the reciprocal relationship between the informal and formal economy.

Figure 28. Image of informal street traders operating directly opposite the entrance to a large commercial retailer, Keetmanshoop

Source: Images taken by enumerators during the Survey in 2024 for this study



In a review of the linkages between informal and formal sectors, Vawda et al (2023) highlight that in most cases, the relationship favours the wholesaler. For example, the Namibia Fish Consumption Promotion Trust, interviewed for this study also distribute wholesale fish to informal traders:

"We provide informal players with the option to buy bulk fish from our regional outlets. So we have brought the fish as close as possible to those sectors in the rural area. So they don't have to travel hundreds of kilometers in order to collect the fish." - KII participant

INFRASTRUCTURE REQUIREMENTS

Open Markets are an attractive model for local authorities to contain and control informal traders and provide services and necessary infrastructure to traders with specific needs.

Based on the self-evaluations of traders in the study who were supported, there is much appreciation for the support and services from Local Authorities. Some recommendations about the design of infrastructure and participating in the design process are offered:

"Tailored, functional infrastructure and integration into the local context are crucial for enabling informal trade to thrive. The design should address the needs of both traders and their customers e.g. how their customers will experience and move in the space, where their customers will spend the most time etc. Infrastructure that serves only the traders often fails to accommodate their customers, making it ineffective and ultimately underutilized, turning it into a white elephant." - KII participant

Overall, the infrastructure should consider: accessibility and visibility to customers, durability, sustainability, affordability, comfortability, cost of maintenance, sanitation, safety and storage needs.

REGIONAL VARIATIONS

Market access and competition vary between urban and rural areas (as summarised in the KII interview):

- Informal businesses in urban areas face competition from imports (e.g., Chinese goods) and migrants from neighbouring countries, making it harder to sustain local enterprises.
- - Rural businesses struggle with distribution challenges, as many agricultural products spoil before reaching markets due to poor infrastructure and logistics.

IDENTIFIED OPPORTUNITIES

In an interview with one of the City of Windhoek planning managers, it was explained that formal shop owners are known to hire traders to trade the shop owners' products in front of their premises. The City of Windhoek is therefore exploring how to implement bylaws that require formal businesses to make provisions for informal businesses to promote mutually beneficial business and trade.

Registration, recording and reporting of individuals participating in and benefitting from support and services to the informal sector is necessary. Local authorities, and private businesses that rent trading spaces and services need to keep a database of participants and annually submit this data to the appropriate ministry. The Namibia Industrial Development Agency (NIDA) might be an appropriate agency to support in this regard. This data is valuable for spatial planning and economic development purposes.

3.4.2. Taverns, bars, restaurants

Taverns, bars and restaurants are a prominent feature of many township economies. In a survey of 9 townships in South Africa, the food and drink sector accounts for 45 percent of all micro-enterprises. Restaurants and green grocers are more common on the high street than in residential areas, whereas Taverns, Shebeens, Take-aways, Tuck shops and Miscellaneous liquor sales are more common off the high street. Although informal, these enterprises are an important source of income and have the potential for stimulating economic development and capacity to support social tolerance and creative expressions. Similarly, Eveline Street in Katutura, Windhoek, demonstrates that the leisure and high street economies of townships have transformative potential. However, the Sustainable Livelihoods Foundation (SLF) and Urban Works (UW) observe that:

"A 'moral panic' around alcohol in the township has helped to sustain apartheid-era liquor policies that restrict opportunities for township bars to formalise and regularise, with liquor authorities seeking to prohibit drinking venues in residential areas." (SLF and UW p.8)

A Key Informant illustrated how Eveline Street has become a destination for tourists to the city:

The informal market in terms of the food and beverage industry is a very strong phenomenon here in Namibia. And I see that even the formal tour operators have now got on to that. They make a point to take people through the city for a tour. After looking at all the historical buildings, they take them through town to one of the suburbs here, Namibia, we've got Eveline St and there's the open market where tourists go and buy local food." - KII informant

However strict regulations for businesses to legally sell alcohol or operate in the leisure industry, make it difficult for many businesses to formalise.

"To trade legally, business owners need to overcome an array of hurdles, Kafkaesque in complexity, which include acquiring land title, having an approved building plan, obtaining appropriate zoning, gaining community and police consent for the business, acquiring a licence from a provincial authority and adhering to operating times specified by the local authority. Most township bar owners have neither the financial means nor the skills to navigate through the web of legislation required to trade legally. The zoning requirement, in particular, is the most onerous obstacle in the licensing process." (SLF and UW, 2017 p3)

Local authorities have an important role to play in the spatial management, delivery of services and promotion of economic development in township economies. The Cities Support Programme (2016) provide detailed recommendations for the promotion and protection of the livelihoods of informal traders and enterprises in township economies. Measures include:

- Zoning
- Review of regulations and by-laws
- Licensing procedures and permits
- Enforcement
- Tenure
- City wide spatial planning: develop integrated city development strategies by acknowledging existing businesses and activities
- Public Transport
- Development of Industrial Hubs adjacent to townships
- High streets and activity routes.
- Place making

A strong case is made for the adoption of an experimental trial-by-error approach to reforming township economies. Sheba and Turok (2020) highlight that in some townships an incremental adjustment to particular norms and standards might be suitable, whereas in other settlements, simplifying administration procedures or a one-stop-shop might be better for micro-enterprises to access all the services and complete all their licensing requirements.

Key Recommendations from SLF, 2016

Intensified policing alone is a non-effective means of regulation. Efforts to regulate informal businesses should be sector inclusive, whilst providing incentives such as a licence and access to business support programmes.

Enhance property rights by providing business stands on high streets; rezoning the townships to allow for mixed-use; making undeveloped land available for micro-entrepreneurs to purchase and providing residential home-owners with title deeds.

3.4.3. Tourism and accommodation

The tourism and hospitality or accommodation sector includes various forms of informal employment, own account workers, and informal enterprises generating livelihoods and incomes in rural and urban areas. In the north, seasonal harvesting of wild mushrooms, wild spinach and mopane worms are offered as local and indigenous cuisine in the menus of lodges and sold on the side of the road.

"In the North people stand by the side of the road and they sell you a fish that they've caught in the rivers... mopane worms and the wild spinach and whatever else we have, they never reach formal markets. They're all being consumed locally and traded on the informal market." - **KII informant**

At formal lodges and craft centres, souvenirs and crafts are supplied by the informal sector. Semi-precious gemstones form an important but legally complex part of the informal tourism supply chain. Efforts to support and formalise Gemstone mining by GIZ explored setting up cooperatives, providing training on how to save or invest earnings.

Figure 29. Mobile street trader selling souvenirs and crafts to tourists near service station in Opuwo (left) gem stones and crafts for sale in Opuwo (right)

Source: Images taken by enumerators during Survey in 2024 for this study

In the tourism sector, many guides operate on a freelance basis rather than formal employment. The Hospitality Association of Namibia does register many of these freelancers, but is not mandated to regulate the sector - this is the responsibility of the Namibia Tourism Board (NTB). The different types of tour guides operate at various levels, but all require language skills (especially fluency in English and German):

- Site guides based at specific lodges for activities like evening walks. Having a local knowledge of the area makes such positions advantageous to local residents. A formal education or literacy is not required.
- Regional guides who operate within specific areas.
- National tour guides operate throughout the country, and are usually licensed to drive guests from the airport to tourist destinations.

Digital Platforms such as Booking.com and Airbnb have created new supply chain opportunities for formal and informal tourism providers alike. Digital literacy is important for informal and formal tourism operations.

The linkages with informal activities and formal businesses in the tourism sector is evident in many cases. Another example of linkages are "joint venture lodges" where private sector companies invest in constructing and operating lodges on communal land owned by local communities on a profit-sharing basis and for a specified period of time.

3.4.4. Conclusion

The goal of this spatial analysis is to unpack the spatial patterns and determinants of informality in the Food and Accommodation sector in Namibia and identify pathways to addressing the associated challenges, while highlighting opportunities for intervention. The key spatial opportunities for intervention in this sector are presented at three levels:

District/Regional level:

1. Promotion of Urban Improvement Districts with representatives and members from formal and informal businesses.
2. Review of and support for formal and informal linkages in tourism destinations and concession areas.

Town/Settlement level:

3. Establishing zoning areas to promote public and private investment in informal trading spaces is recommended. Zoning adjustments should be explored to accommodate informal trading within appropriate urban areas, reducing conflicts between traders, regulatory authorities and the formal sector. A review of current zoning laws is necessary to identify areas where informal trade can be permitted. Establishing mixed-use zones where informal markets are accommodated would enhance economic resilience while balancing urban development objectives.
4. Review location of Open Markets: Designated informal fish markets should be established near existing trade corridors to provide legal spaces for informal traders while improving market accessibility. By creating formalised trading zones, traders will benefit from better infrastructure, reduced enforcement risks, and improved consumer access. This approach can also help integrate informal trade into urban planning frameworks, ensuring sustainable economic opportunities.
5. Establishing subsidised/cost-recovery rents for infrastructure in informal trading spaces and Open Markets such as electricity points, refrigeration, hot water, cooking stoves, security.... At the very least, rents should include access to shade, storage, waste removal and ablutions.
6. Prioritising traffic flows pass informal and small business shop fronts (considering the impact upon livelihoods of diverting traffic).
7. Annual registration and "lease" renewal of all informal businesses renting informal trading or Open Market spaces is an important counter measure to ensure formal or highly profitable businesses do not crowd out these spaces, operating only as satellite sites.

These findings and identified opportunities should inform the development of an evidence-based policy framework to 1) address the decent work deficit, 2) protect livelihoods, and 3) promote a transition to a formal economy

3.5 Drivers of Informality

The Food and Accommodation Services sector is a significant contributor to livelihoods in Namibia, particularly due to its low barriers to entry. Many people turn to this sector—running small food joints, restaurants, or offering accommodation services—as a practical way to earn income without needing high levels of formal education or navigating complex bureaucracy. There is daily demand for affordable food and accommodation, making this sector an accessible option for those excluded from the formal job market. However, despite its accessibility, the sector remains largely informal, facing a host of challenges that inhibit its potential for sustainable and decent work. Below are some of the drivers of informality in the sector.

Ease of entry and cultural norms reinforce informality: The sector's informality is reinforced by how easy it is to enter, with very few upfront requirements. Entrepreneurs can start food businesses even in remote areas without formal processes and little capital. Additionally, cultural traditions influence how businesses are run—many operators continue practices passed down through generations without seeing the need to formalise or modernise. This is especially true among individuals with lower education levels, who may be more likely to replicate informal business models they have observed within their families or communities.

One key informant interview participant said:

> *"Culturally, you do things the way your forefather or your mothers have been doing and you wouldn't like to go and formalize..."* - KII participant

Volatile demand and seasonal income patterns weaken stability: Demand in the sector is highly variable, affected by seasonal tourism trends and local consumption patterns. During off-peak periods, many food vendors and accommodation providers struggle to maintain a stable income. This instability discourages formalisation, as operators are reluctant to take on additional costs, such as licenses or taxes, when their income is unpredictable. A lack of financial literacy compounds this challenge as they are unable to manage high season financial gains to cover low season losses.

Informal hiring and low-skilled labour dominate employment practices: Many businesses in this sector rely on informal hiring practices, offering temporary or casual work without contracts, social protection, or training. Jobs such as cleaning, waitressing, and food preparation are typically filled by low-skilled workers, often without any form of job security or access to benefits. This reliance on informal labour perpetuates vulnerability and limits pathways to better working conditions.

Barriers to registration and high costs discourage formalization: Despite being relatively easy to enter, the process of formalising a food or accommodation business can be expensive and complex. High licensing fees for small restaurants or guesthouses, alongside regulatory requirements related to health and safety, act as major deterrents. For many small operators, the costs and paperwork associated with registration are seen as outweighing the benefits.

Weak governance and lack of policy support hinder sector development: The persistence of informality is also linked to broader governance issues. Weak legal frameworks, limited recognition of the sector's economic contributions, and the absence of targeted policies to support transition to formality all create an environment where informal practices go unchecked. Without clear protections, incentives, or developmental support from the government, many businesses and jobs remain invisible to regulators and disconnected from support services; while too many workers remain undeclared, without or with insufficient protection. This situation further worsens non-compliance with labour and social protection obligations for employers.

Limited education and business knowledge restrict growth: A widespread lack of education in hospitality both among business owners and employees, as well as minimal understanding of supply chains and marketing, holds many operators back from expanding or formalising their businesses or jobs within their units. Informal players lack skills in business management, market positioning,

customer service standards, amongst others. For employees, limited formal education and training reduce their ability to take on higher-skilled roles, meet formal sector job requirements, or adapt to modern industry practices, thereby limiting upward mobility and reinforcing dependence on low-paid, insecure work in the sector.

Limited capital: Access to capital is also a recurring challenge—without financing, entrepreneurs are unable to invest in improvements, hire skilled staff, or meet formal requirements. These limitations keep many enterprises in survival mode rather than enabling long-term growth.

Informality as a response to unemployment: For many young people and unemployed individuals, selling food or providing accommodation is not a first choice but a necessary alternative to joblessness. With limited formal job opportunities created by the economy, informality becomes the default path. While it provides short-term income, it often traps workers and entrepreneurs in cycles of insecurity and limited mobility.

One key informant interview participant said:

> *"Most young people who can't find jobs make food and sell it."* - KII participant

3.6 Support Strategies for Informal Economy Actors

Market Access Barriers for Informal Players in Food and Accommodation Services Sector

In the accommodation and food services sector, market access challenges are similarly shaped by cost and location dynamics. High transport costs affect the affordability and availability of inputs—especially fresh produce—which in turn influence the prices and profitability of meals and services offered by informal providers. Some establishments rely heavily on purchasing ingredients from distant markets, and the cost of transporting these goods is passed onto consumers or absorbed as reduced margins.

> *"...transport costs influence prices of food and the meals our chefs prepare for their guests."* - KII participant

Moreover, there is limited support for self-sufficiency among smaller accommodation providers, such as guest houses or lodges. Many lack access to land or resources that would allow them to grow their own produce, an option that could otherwise reduce dependency on costly external inputs and strengthen local supply chains.

Regulatory challenges also affect this sector. Food safety regulations, transport licensing, and general compliance requirements are often too complex or costly for informal operators to meet. As a result, many remain outside the formal system and are unable to access broader market opportunities such as catering contracts or tourism-related procurement.

Competition is another major concern. Large hospitality businesses and a high influx of imported goods—from countries like China and regional neighbours such as Zimbabwe—create an oversupply in the market and push prices down. Informal players, who lack the resources and marketing reach to compete, are often edged out. Additionally, the placement of open markets and vending areas is not always strategic. Youth in particular report difficulties in accessing customers because markets are poorly located or saturated with vendors, making visibility and profitability a challenge.

> *"There is also challenges of unfair competition due to market capture by imports from China and the high presence of other people in the local market such as Zimbabweans "* - KII participant

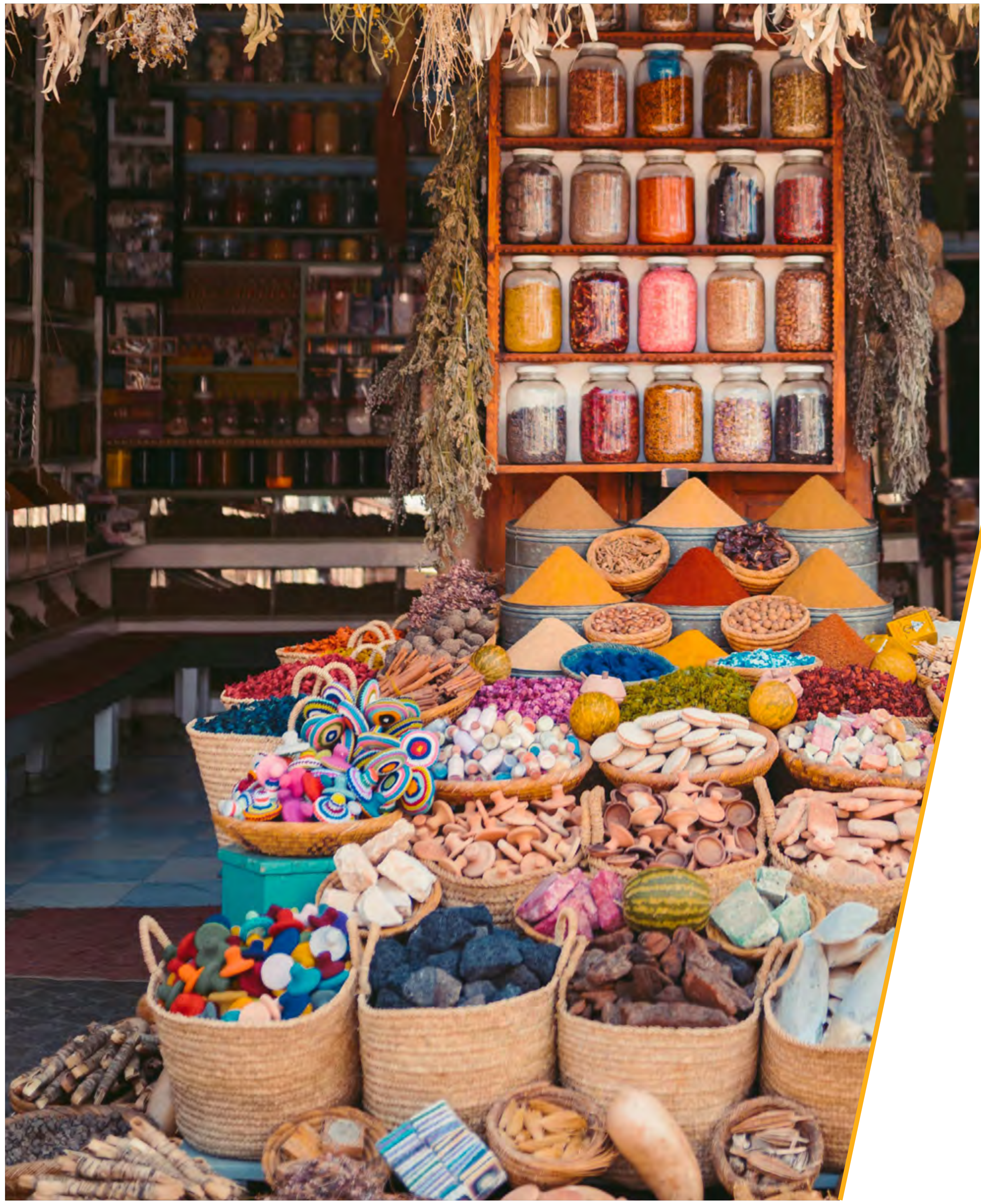
Addressing Market Access Barriers in Food and Accommodation Services

In the accommodation and food services sector, efforts to improve physical access to customers have shown promise. Informants cited the example of Windhoek, where dedicated informal markets have been set up by local authorities. These markets not only provide vendors with a consistent flow of customers but also offer protection from theft and violence. When well-located and well-managed, such markets serve as critical entry points into local economies and offer informal vendors a semi-formal environment in which to operate with dignity and stability. Developing e-commerce platforms and temporal exhibitions can further enhance market access for informal businesses.

However, these models are uneven across the country. In some towns, municipal bylaws or directives exist to cater to informal vendors, but implementation is inconsistent. Expanding and replicating Windhoek's successful market infrastructure to other towns and regions could greatly enhance the visibility and market reach of informal actors, especially food vendors and micro-retailers. This could be particularly impactful in high-footfall areas near transport hubs, supermarkets, or health facilities.

In the absence of formal spaces, many informal traders adopt an adaptive strategy by setting up shop near larger formal retail outlets or along busy roads under shade trees. This tactic enables them to intercept customer flows without the overhead costs of renting a formal space. While innovative, this approach is precarious and subject to municipal enforcement or eviction. Supporting these traders through low-cost licensing, demarcated vending spaces, and flexible zoning regulations would formalise and protect their access to prime trading spots while maintaining their affordability and agility.

Furthermore, informants noted a gap in business development services for actors in this sector. Many informal food and accommodation providers lack access to tailored mentorship, especially in areas such as pricing, marketing, food safety, and customer service. Expanding existing mentorship schemes to reach informal players in this sector would help them transition from survivalist operations to sustainable micro-enterprises.



04

Primary Challenges of Informality in Namibia

The primary challenges faced by informal employees, encompassing wage and non-wage workers, i.e. all persons in informal employment (including own-account workers, employers and contributing family workers). in Namibia with regard to income, safety, and social protection benefits are transversal and not sector-specific. However, where relevant, we highlight sector-specific issues in agriculture, fishing and forestry, and food and accommodation services.

Inadequate wages and income instability: Informal workers generally report low, irregular, and often exploitative wages or more generally, labour income The absence, for employees, of enforceable contracts such as written agreements or adherence to minimum wage regulations means that employees often earn below the legal threshold—if they earn a fixed wage at all. In many cases, wages are tied to daily output or sales volume, exacerbating income volatility.

One focus group participant noted:

> *"As employers sometimes, we cannot afford to pay employees. It is ideal to make the employee understand from the beginning, to inform them that this month the business did not generate sufficient funds. Make them understand that they will have to wait and see how the following week goes, and see if I will be in a position to give you a portion of the outstanding."*

One KII participant also said:

> *"The contract ends up between the worker and the farmer and it is entirely up to them. There is a wage minimum by the Minister of Labour to say this is how much a farmer's worker is supposed to make if there. But sometimes what happens in reality is different. Sometimes the pay may not come on time. Sometimes employers will negotiate to pay less than the minimum. There is a lot of exploitation of workers."*

Sub-sector specific challenges in wages and income include:

- Agriculture: The sector shows stark disparities. While some farmers pay well and offer benefits, many workers—especially undocumented migrants—are paid significantly less, or not on time, and lack any formal employment protections.

> *"On one hand, some farmers pay their workers very well. These workers have social security, pension benefits, and salaries that are above the minimum wage. On the other hand, there are workers who receive little to no benefits. They are not registered for social security, have no pension, and earn significantly less. These disparities create major challenges when it comes to wages and overall worker well-being"* - KII participant

> *"Another issue is the employment of undocumented workers from other countries. These individuals lack proper identification, which makes them vulnerable to exploitation. Some employers take advantage of this situation and pay them extremely low wages. This has been one of the biggest challenges in the sector."* - KII participant

- **Food & Accommodation Services:** Workers are often hired on a casual basis (daily or monthly), without guaranteed income or consistent terms. Dismissals can be abrupt, especially when employees assert their rights.

> *"In most cases, they [informal workers] lose their job when they stand up to demand what is right, and it seems to be that there is not a lot of protection in terms of their employment because it depends on the lodge owner or the hotel owner or whoever owns that particular guest house. " - KII participant*

- **Fishing:** While better regulated than agriculture, layoffs are still common, especially when companies cite reasons like declining fish stocks or technological displacement.

> *"For fisheries, it is a space that is better regulated than agriculture but there are still some cases where workers are exploited. Sometimes, a lot of the workers lose their jobs and the reason given is the unavailability of fish, or that technology has replaced jobs, etc."* - KII participant

Occupational safety and health risks: Workers in the informal economy mostly operate in unsafe environments with limited or no access to protective equipment, safety training, or hazard mitigation measures. Even those operating in municipal markets with roofs lack basic utilities like running water and electricity. This undermines both occupational and food safety, particularly for those handling perishables. Workers involved in bush-clearing activities frequently operate dangerous machinery with minimal training, leading to a high risk of injury.

One of the key informant interview participants noted:

> *"From my perspective, the main issues are the low wages for workers and the extremely harsh working conditions. The work [farmer] itself is incredibly tough, especially under the scorching Namibian sun. Farms in Namibia are vast, meaning that at the end of a long workday, workers often can't return to a farmhouse or proper accommodation. Instead, they are provided with tents and have to sleep outdoors, which adds to the difficulty of their situation."* - KII participant

Lack of social protection: The general lack of a formal employment relationship between employees and employers in the informal economy is a major concern and excludes the former from contributing to and benefiting from formal social protection - unless they are own-account workers, who are permitted to join the SSC voluntarily. It also perpetuates informality, particularly when coupled with the lack of formalisation incentives.

Informality as a barrier to access: Informality acts as a significant barrier to access to several benefits, as the lack of formal registration and documentation prevents informal players from benefiting from social protection, accessing financial services like loans or credit, and meeting bureaucratic requirements such as business licensing registration documents they cannot obtain. Many lack a voice or representation, few are unionized or part of associations that can advocate for their rights.

Gender-based and other forms of exploitation: Several informants noted instances of sexual abuse, intimidation, and suppression of worker voices. Workers fear speaking out due to the risk of job loss. Domestic workers and farm labourers, especially in isolated settings, are particularly vulnerable. These risks are highly gendered, with women disproportionately affected by exploitation and harassment in informal employment settings. Female domestic workers, for example, often work in private homes where oversight is minimal, making them susceptible to abuse without avenues for redress.

KII and FGD participants noted the following:

> *"Some people are not paid well, sexually abused, people have lost their rights. You will only find a few people who are brave enough to share these conditions. These workers are completely unprotected."* - KII participant

> *"We do not receive our pay for months. When we report to the authorities-labour office, they tell us to go back to work. They are bribed by our employers. It makes you wonder what is the use of the labour offices because the purpose is to resolve disputes between us and our employers, but they are telling us to go and sort it out with my employer. When you go to the police they tell you to go to the offices of labour, we do not work with employment issues go to the offices of labour. You have no other options. It becomes useless"* - FGD participant

> *"...Given the high level of unemployment, if I offer someone $13 per hour for an 8-hour workday, yet they end up working in my house for 24 hours while only being paid for those 8 hours, two issues arise. First, the worker is likely to feel intimidated and threatened. If they attempt to report the situation, they risk losing their job. Second, even if they do report it and a representative from the union wants to intervene, they may not be allowed into my house to address the issue. The same challenge applies to farm workers."* - KII participant

Procurement process challenges for operators: The procurement processes which can benefit the informal economy and propel enterprises towards formalisation are deemed to be infiltrated by a few elites. Thus, it does not effectively reach people operating in the informal sector effectively; and remains largely inaccessible to those on the street who could benefit from it. On the other hand, the nature of informal businesses makes it difficult for them to benefit from procurement processes. There is a need for the government to invest in appropriate infrastructure which will improve the ease of doing business for the informal economy. Preferential

treatment of informal businesses can help operators to tap into the state procurement machinery and offer goods and services on a regular basis.

" ... basically the government cannot demand to tax an area where it has not invested. Why would you want to tax in an area that you have not done any investment yourself?" - KII participant

4.1 Social Protection Benefits for the Informal Economy

Namibia's social protection system comprises both contributory social security schemes and non-contributory social assistance programmes. The latter includes grants for the elderly, persons with disabilities, children, war veterans and exemptions from school fees. Contributory social insurance is administered primarily through two schemes managed by the SSC, which provide coverage for maternity leave, sick leave, death benefits, and occupational injuries and sicknesses.

Based on the extensive insights shared by key informants, the current state of social protection available to informal economy participants in Namibia reveals a deeply fragmented and exclusionary system. While Namibia has a formal and relatively comprehensive social protection framework, its design and implementation largely neglect the realities of informal employees, leading to widespread vulnerability across key sectors, including agriculture, food and accommodation services, construction, and trade. For instance, social security contributions are funded through deductions from employees' wages and matching contributions by employers. Informal workers, especially the own-account workers, can voluntarily enrol in the system, but must cover the full contribution themselves. To be eligible for benefits, individuals must have contributed continuously for at least six months, as stipulated under Article 21(.6)a. However, the irregular income patterns of informal employees, along with the prevalence of short-term or temporary contracts, as well as the absence of a co-financier in the case of own-account workers often render the majority ineligible for social security benefits.

At a formal level, social protection mechanisms such as social security, pensions and maternity benefits are generally accessible only to formally employed individuals who are registered with the SSC. The law mandates employers to register their employees with the SSC, making them eligible for benefits such as occupational injury compensation, and sickness and maternity benefits. However, this registration process is often bypassed due to a lack of awareness, bureaucratic hurdles, or the informal status of both employers and employees. In some cases, there are strong incentives for employers to ensure all their workers are registered with the SSC. For example, employers in agriculture or charcoal production who are part of certification schemes—like the Forest Stewardship Council—are required to provide a certain standard of social protection to be compliant, including contracts, access to healthcare, and protective clothing. However, these are exceptions rather than the norm and are largely driven by external compliance requirements rather than domestic legislation.

One key informant noted:

"...there are sometimes schemes through for example the forest stewardship council which protect workers. When you are certified through this scheme, employers have to look at safeguarding issues such as accommodation, good salary, protective clothing, etc. It is required that for one to be certified, your workers need to have some level of social protection benefits."

For the vast majority of informal workers, particularly those operating as own-account workers (such as street vendors or small-scale food sellers), there is virtually no access to formal social protection benefits besides the minimal cost healthcare delivery offered to all Namibians. The current employer-employee model of the SSC fails to adequately accommodate self-employed individuals, despite the provision of voluntary participation. In practice, uptake remains low due to structural barriers, affordability concerns, and limited awareness among workers. Informants noted that while the SSC has technically made provision for self-employed individuals to register, the design of its products continues to exclude the unique needs of the informal economy. Additionally, the informal sector's lack of recognition in national regulatory frameworks exacerbates its exclusion from state protections. On a positive note, all Namibians—including those engaged in the informal economy—are entitled to access public healthcare services at a minimal cost. The recent approval of the Universal Health Coverage (UHC) policy by Namibia's Cabinet marks a significant step toward ensuring equitable access to healthcare for all citizens, regardless of income or employment status. However, there remains considerable scope for improvement in raising awareness among informal economy actors about their entitlements under this policy and in removing barriers that may prevent them from fully utilising available healthcare services.

Beyond state-led systems, informal mechanisms of social protection play a critical role in the survival of these employees according to key informant interviews held. Kinship and community networks, religious institutions, and informal savings groups (such as stokvels) often function as the only safety nets available. These non-formal arrangements are relied upon for assistance during illness, unemployment, or emergencies. In rural areas, for instance, many employees depend solely on extended family and the government's old-age pension grant for basic sustenance. Faith-based organizations also provide varying degrees of support, especially in times of bereavement or crisis, though this is inconsistent and limited in scope.

One KII participant noted:

"Unless they reach the age of 60 years, you do not qualify for a pension grant from the government whereas informal sector workers rely heavily on informal savings groups like stokvels, extended family care for additional income" - KII participant

Another participant mentioned that:

"SP is officially not recognized for informal workers. They cannot register with SSC because they are not formal. It is similar to pensions as well. Most of these workers either get support from their families or churches." - KII participant

The absence of social protection for informal workers is especially pronounced when it comes to specific benefits like sick leave, maternity protection, and unemployment insurance. Employees typically cannot afford to take time off for illness, and employers rarely continue paying wages during such periods. Key informants noted that maternity benefits in Namibia are primarily accessible to women registered with the SSC, effectively excluding a significant portion of women working in the informal economy. Although the Maternity Leave, Sick Leave and Death Benefits Fund (MSD) is legally compulsory for all employees—including domestic workers and those employed by small enterprises—enforcement remains weak. As a result, an estimated 43 percent of women workers, most of whom are engaged in informal employment, continue to lack access to maternity protection. This gap is largely driven by limited awareness of entitlements among workers and employers, as well as insufficient monitoring and enforcement mechanisms. Informants also underscored the lack of access to basic public services—such as clean sanitation and designated workspaces—which, while not traditionally categorised under social protection in the social security sense of the word, are crucial for workers' wellbeing and productivity.

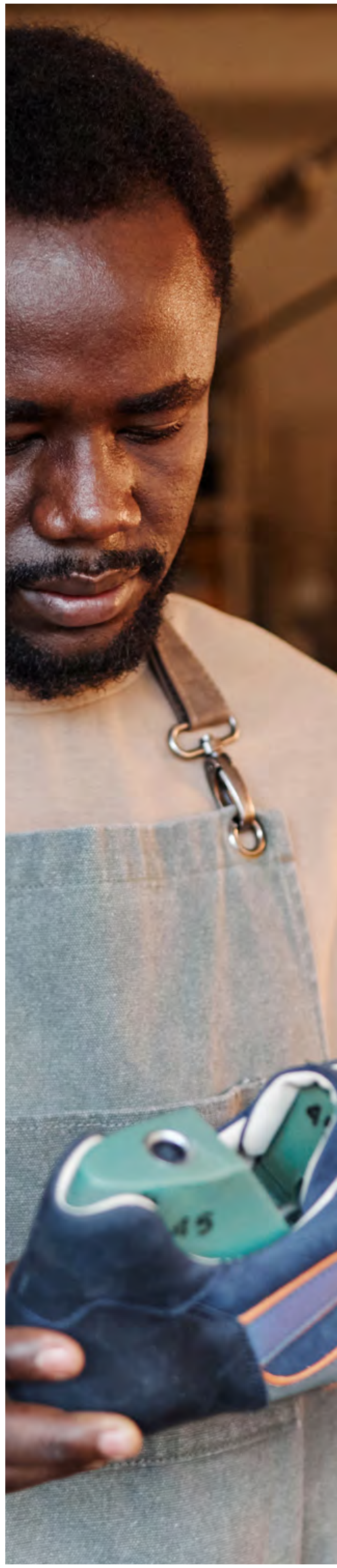
Overall, while some isolated cases of employer-driven protection exist—mainly within semi-formal or externally regulated settings—Namibia lacks a cohesive, inclusive strategy to extend social protection to the informal economy. The informal workforce continues to fall through the cracks of existing legislation and institutional frameworks. This gap not only undermines the wellbeing and dignity of informal workers but also represents a missed opportunity for the country to harness and support a significant portion of its labour force. Bridging this divide will require targeted policy reform, product innovation within the SSC, and broader recognition of informality within national planning and legislative processes. It should be noted that transition to formality - of individual and institutional actors in the informal economy - constitutes a key pathway to accessing both social security and labour protection, particularly for employees.

Strengthening social protection and other benefits for the informal economy. Regarding the awareness of social protection programmes, KII interviewees expressed views that those in the informal state do not really have social protection, those in the semi-industrial and industrial platforms somehow do benefit from social benefits and alike.

"Although you find a few who are aware of social protection services schemes, there are a large number of role players without any awareness. Civic education is key, there is a need to create awareness through public-private dialogue platforms and business forums. Although there has been a lot of safety advocacy, the actual practice has not been aligned in all areas. Yes, there is always a difference." - KII participant

Some interviewees suggested that other role players and institutions could consider providing benefits to the informal economy.

"I think the minimum wage addresses the issue in terms of salaries and wages, but the biggest challenge is probably the institutions that provide benefits. I don't think they are sufficient enough. Perhaps the industry or stakeholders don't see the value in venturing into these issues, which has been a challenge. If we were to establish institutions that provide pensions to farm workers, they may not be able to meet the required scale, making it difficult to venture into such initiatives, except for the social security system, which is already handling this. So, that is the challenge". - KII participant



4.2 Urban-Rural Dynamics of Informality Challenges in Namibia

Working conditions for informal economy players in Namibia vary considerably between urban and rural areas. These differences span across wages/labour income and income stability, access to basic services, legal protections, information, and infrastructural support. The disparities are shaped by both environmental and institutional contexts, which in turn influence the resilience and vulnerabilities of informal workers depending on where they operate. According to the key informants interviewed, urban-rural dynamics of informality in Namibia include:

Wages and Income: There was a general consensus amongst key informants that informal workers (including both own-account workers and informal employees) in urban areas tend to earn higher wages/labour income than their rural counterparts. However, this advantage is often offset by greater market competition, which renders income unstable and sometimes unpredictable. In contrast, rural incomes are more seasonal, typically influenced by agricultural cycles and environmental factors. Despite the relative stability that might come with such seasonality, rural informal workers generally earn less overall.

Access to Basic Services: Urban informal workers have relatively better access to infrastructure such as electricity, water, sanitation, and transportation. However, this access often comes at a higher cost. For instance, young urban entrepreneurs working from their homes report that electricity costs consume a significant portion of their profit, especially those in food-related trades. Rural workers, meanwhile, often operate in environments where basic infrastructure is inadequate or inconsistent. Access to electricity is limited or absent, and while water may be available, its reliability is uncertain. These limitations significantly affect the efficiency and scalability of rural informal businesses, particularly those reliant on refrigeration, lighting, or irrigation.

Information and Awareness: Urban workers tend to be more informed about their rights and legal recourse mechanisms. They are also more likely to benefit from exposure to media coverage or civil society support. In contrast, rural informal traders often lack access to timely and accurate information on regulations, market trends, or available support services. This knowledge gap perpetuates outdated practices and limits rural workers' ability to advocate for themselves or adapt to changing economic conditions.

Labour Standards and Legal Protections: In both settings, the informal nature of employment typically means limited adherence to formal labour standards. However, the enforcement of existing regulations is more prevalent in urban areas, where municipal oversight and public scrutiny are stronger. Urban informal activities are often regulated to some extent through municipal by-laws—such as those governing the use of open markets—even though enforcement can be inconsistent. In rural areas, informal work is often embedded in looser community structures or kinship networks, with little to no engagement with formal institutions. Workers often lack personal protective equipment (PPE) and operate in non-sanitized environments, particularly in sectors like agriculture or artisanal trades. As a result, occupational health and safety concerns are more pronounced in rural settings.

Job Security and Employer Responsibilities: Urban employment within the informal economy tends to be more contractual in nature—short-term engagements without long-term stability. In rural areas, job security is often shaped by environmental risks (e.g., drought, floods), especially in agriculture, making livelihoods highly precarious. There are also differences in employer responsibilities. One informant noted that in urban settings, employers are typically not responsible for employees' housing or transportation. In contrast, in rural areas, employers may provide accommodation, food, and daily upkeep, reflecting the integrated nature of work and life in those communities.

Overall, informal workers in urban areas of Namibia are better positioned in terms of earnings potential, access to services, and information. However, they face higher costs of living and fierce competition, which can erode their advantages. Rural informal workers operate in more isolated, under-resourced, and informally governed contexts, with less access to public infrastructure and legal protections. These structural differences highlight the need for tailored policy interventions that reflect the unique challenges of informal workers across geographic locations and sectors.

05

Regulatory and Policy Challenges and Responses

5.1 Regulatory Challenges and Responses

Suggested amendments to the Public Procurement Act and Regulations seemingly provide some opportunity for informal enterprises to be engaged, but formidable regulatory challenges remain. In the step 1 (literature review) report it was noted that open national bidding is restricted to, among others, a cooperative registered under the laws regulating cooperatives. It was also indicated that the Public Procurement Act's provisions restrict the Ministerial power to grant preferential treatment in procurement to – in particular, from the perspective of informal economy actors – registered entities, partners and individuals trading as suppliers.

Draft amendments to the Regulations made in terms of the Public Procurement Act 15 of 2015 contain several provisions, such as inclusive economic growth, which leave the impression that some attempt is made to somehow accommodate small-scale and informal operators. This follows from the suggested more flexible provisions concerning the definition of "manufacturer", and a more relaxed procurement process in the event of small value procurement, also in relation to the minimum period required for the submission of bids.

Yet, it would appear that formidable regulatory hurdles still remain. This follows from the absence of accommodating provisions in the Regulations in relation to, among others, the qualifications concerning bidders and suppliers, and the regulatory requirements regarding the submission of bidding documents, which are meant to include significant detail. In addition, the estimated value of small value procurement must not exceed N$15,000 , which may in many instances be too low for informal economy operators. In addition, the stringent provisions of the main law, i.e., the Procurement Act, have not been amended, which leaves one wondering whether the Regulations could deviate from the provisions of the Act.

The view of many KII and FGD participants was that the Public Procurement Act should be reviewed and amended to include the informal sector, for them to get preferential treatment, while transitioning to formality. A KII participant advised that they are currently busy with the review of the Act to address some challenges experienced by the informal sector.

> *"The NDP 6 will be the next 5-year blueprint with specific directives within the planning process to ensure the informal economy players receive some form of preferential treatment".* - KII participant

It was expressed by some KII and FGD participants that one way to simplify the procurement part is to identify some activities or tenders, for instance cleaning or food supply services tenders, to be made available or made accessible to the informal sector.

Therefore, as was already mooted in the Step 1 (literature review) report, it is evident that a major revision of the Act would have to be undertaken to accommodate informal economy actors, while informal economy actors would have to be supported and capacitated to understand and utilise the provisions of the Act. This also appears from the responses received from KII and FGD participants.

Regulatory shortcomings are multi-facetted. Two of the key shortcomings identified by almost all consulted stakeholders relate to: (i) Lack of coverage within the scope of Namibia's laws; and (ii) Procedural and other difficulties experienced with accessing systems and meeting regulatory requirements. As already mentioned in the Step 1 (literature review) Report, several of the key legal instruments relevant to formalisation do not make provision, or at least not adequate provision, to include those active in the informal economy within their sphere of application. This applies, among others, to the various business registration requirements (e.g., registration with BIPA), procurement and tax regimes, and for those in the informal economy who fall outside the confines of an employment relationship, the labour law (Labour Act) and contributory social security (Social Security Act) regimes (although, as indicated, self-employed workers could on a voluntary basis be covered under the Social Security Act). And even where coverage is mandated or otherwise possible, actual access is problematic, due to cumbersome technical procedures and required documentation, as well as registration costs (where relevant), among others. Enforcing compliance with registration and contribution requirements (for example, registration with and paying contributions to the SSC) is particularly important in the case of informal workers who work in formal enterprises, where an employment relationship legally exists.

The responses by two KII participants representing different sides of the social partner framework in Namibia are revealing. The one participant noted that:

> *"The laws do not protect the informal workers and it can be very hard on them. There are several restraints as to what informal workers can and cannot do."* - KII participant

while the other participant remarked that:

> *"It's actually difficult to track them down and the impression that we're getting is that many of them don't want to pay tax, so that remains an issue. The other ones as far as procurement is concerned for them the process to get registered with social security, it's too difficult and tedious for them they don't want to go through those processes they want to say look I'm an informal trader but I'd like to tender for some services be it in government or wherever. But because the requirements of the Procurement Act actually excludes them if they don't adhere to the requirements as mentioned before and that makes it difficult. Yes they're not all excluded. You will get some that actually progress to the next level. So we should focus on them and try to get them into the formal sector but how do we go about doing that?"*

Several stakeholders expressed reservations about whether it would, in the light of challenges experienced by informal economy actors and opposition expressed by some of these actors, be advisable to formalise (all of) those active in the informal economy. Including all of those active in the informal economy into the formal economy may be particularly difficult, especially considering the price these actors have to pay in terms of bureaucratic requirements and control, and the costs involved.

A social partner KII participant stressed that the desire to define formality as an international standard, does not consider the "person sitting in a single quarters selling red meat, sitting there buying meat or a mother waking up every morning to sit on a bus stop selling the bread", and pointedly asked:

> *"How are we going to formalize those people? Because they definitely cannot."* - KII participant

Another KII participant organisation working closely with informal economy actors tellingly remarked that:

> *"Informal players have said no, we don't want to be registered we just want to remain informal because so far it has worked there are no regulations so yes whilst we agree that certain level and degree of formalization is probably helpful we need to be careful so that we don't kill the goose that is laying the eggs because formalization comes with its disadvantages. There's so much cost control red tape that goes together with it and it may stifle."* - KII participant

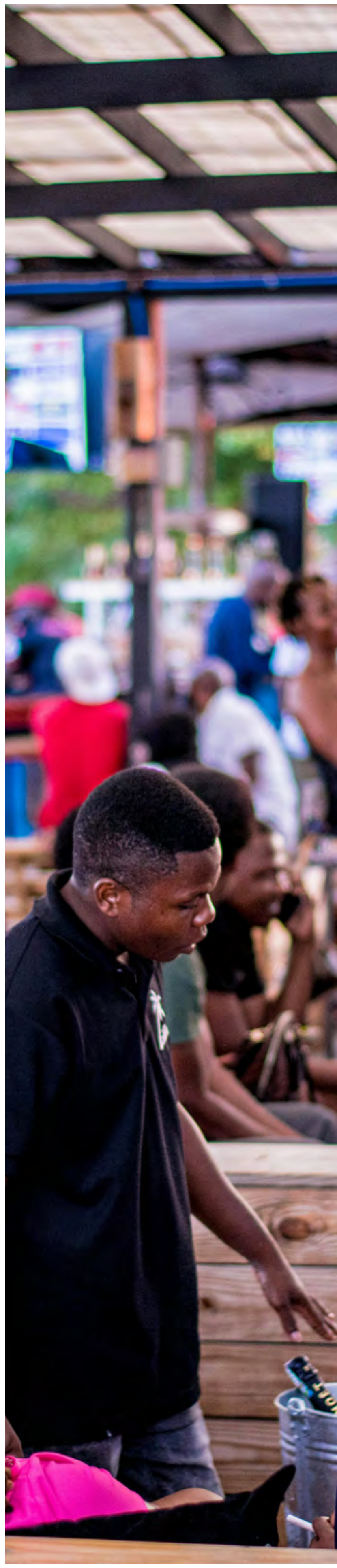
Constrained mandates and the failure to extend dedicated protection serve as further regulatory impediments. Regulatory requirements and responses emanate from a vast range of regulators at national and decentralised levels, and across legislatures, ministries and other role-players. The lack of coordination is evident, as is also apparent from the range of silo regulatory instruments adopted by these regulators. In addition, public entities are not legally entitled to act beyond the mandate entrusted to them in these instruments.

government agency KII participant remarked that, ***"Ministries' actions are limited within the mandate of the law. Where the law does not provide for something, it is difficult for the ministry to act accordingly."***

This is echoed by responses from two local authority representatives who participated in FDGs. The one noted that, ***"People come to the councils and bring their complaints and concerns to us, and because we are not a Ministry of Labor sometimes we cannot do much. We can raise our voices and talk about the exploitation of our people."***, while the other commented as follows:

> *"But no, I think we really rely heavily on Ministry of Fisheries guidelines, you know they're the enforcers and they basically regulate all of the fishing activities. As a council we just try and you know when we take certain resolutions we consider all of these different things. And that's exactly with the hotel where we brought that point up again to say listen what about our fishermen? How do we protect their interest in that area? So that's really what we try to do is always maintain access or provide access to these fishermen. But within our mandate it really doesn't fall within the local authority mandate per se for us to focus on that. I think our focus area is completely in a different area. We create a conducive environment for these guys but they all fall under other regulatory bodies."* - KII participant

Given the size of informal economy actors and their limited capacity to compete in the wake of sizeable entities in the formal sector as well as foreign investors, there is an evident need for protection and to provide the necessary space for these actors to operate. A government agency KII participant remarked that,



"The legislation is not there to support the informal sector. The informal sector needs to be protected at all costs. In the absence of a legal framework, it will be difficult to provide them with social protection."

This was echoed by the following view expressed by a local authority KII participant: ***"There is a gap in the protection of local and indigenous businesses from foreign investors. One other gap is the one that fosters incentives for informal traders to enter the mainstream economy."***

The absence of an overarching legal framework and adjustments to a range of current regulatory instruments remains a critical concern. These matters were already comprehensively covered in the step 1 (literature review) report.

Key informants expressed views to similar effect. According to one KII participant, the mandate of Parliament is to make laws and ***"at the moment we have not seen any bill requesting to make a law that they won't be any informal that all informal will now be formal. We have not seen that yet."*** In its view, the informal economy is for livelihoods and must continue to coexist with the formal economy; however, proper policies and legislative framework are not there or are insufficient to support the informal sector.

"The informal sector needs to be protected at all costs." - KII participant.

Another KII participant informed that ***"the laws in Namibia do not recognise the informal economy. The informal economy is not reflected in the various acts and the national development plans from I to V."***

Yet another KII participant remarked that, in Namibia, ***"the informal economy is largely invisible in the country's legal and policy framework. Neither the Namibian Constitution, as the supreme law of the land, nor any other legislative instrument makes explicit reference to the informal economy. Similarly, the various national development plans also do not expressly reference the informal economy. Workers in the informal economy are not recognised, registered, regulated or protected under labour legislation or social protection."***

KII and FGD participants expressed the view that if there is no legal recognition from the Government, nothing can be implemented and this perpetuates the continuation of informality and the punitive regulation of the informal economic activities instead of facilitative regulation. Punitive regulations are prompted by repeated non-compliance with certain laws, harsher measures taken by law enforcement agencies, strict workplace safety rules, amongst others.

"Informal trading and the informal economy is illegal in our country, as much as the size of Namibia's informal economy is estimated to be 24.7%, which represents approximately $8 billion at GDP PPP levels, according to the Namibia Labour Force Survey of 2018. Thus, we are calling for the recognition of the informal economy in all legal frameworks and mechanisms".

Various KII participants opined that in terms of policies and legislations, it is insufficient and inadequate and the real issue is innovation to better cover workers in the informal economy.

Labour law and social protection limitations. "The informal economy is not recognised as legitimate by the country's laws, policies especially by the Labour Act, Social Security Act and the Social Protection Policy." - KII participant.

Related to the labour law framework is the reflection on the minimum wage dispensation. As remarked by one KII participant, "How do you talk about minimum wage to someone who is not totally recognised?" - KII participant.

Another KII participant opined in many instances incomes are low and irregular and that the labour laws should regulate wages and benefits for employees in the informal sector.

"The introduction of laws/legislation on minimum wages and healthcare is great for the informal economy but it lacks capacity to address, for example, seasonal employees. We need to bring together the stakeholders to the table to look at supporting the informal economy. The legal framework needs to speak the same language to support informal workers and enterprises." - KII participant

and

"The Labour Act, 2007 (Act No. 11 of 2007) as amended and the Social Security Act, 1994 (Act No. 34 of 1994) as amended provide the legal framework for employment protections in Namibia. However, these laws primarily cover formal workers, leaving seasonal, temporary, and informal economy workers with limited protection. "The extent to which they (informal players) are catered for by the Social Security Commission is wholly inadequate and they are not covered under the labour law regime under the framework applicable to employees." - KII participant

Given the size of informal economy actors and their limited capacity to compete in the wake of sizeable entities in the formal sector as well as foreign investors, there is an evident need for protection and to provide the necessary space for these actors to operate. A government agency KII participant remarked that,

According to another KII participant, the labour laws should compel role players and employers to secure social protection policies for their employees and labour laws should regulate wages and benefits for employees in the informal sector.

"The Social Security Commission (SSC), by design, only mainly covers those that are in the formal work but it does not cover those that are in the informal work while informality cuts across professions and sectors. The thresholds are exclusionary and the country can learn from other countries on the continent in terms of how they have dealt with the issue of informality. where the government can be able to also access resources that are realized in the informal economy." - KII participant

Although domestic workers and labourers or operators may have an employment relationship with an employer and are therefore (meant to be) registered with the SSC's Maternity, Leave and Death Benefit Fund (MSDF) and therefore enjoy some benefits, there are no targeted policies and regulations supporting their engagement with the SSC. Other domestic workers and labourers operate outside the framework of an employment relationship (e.g., as so-called independent contractors), and are therefore not covered by the SSC arrangements, unless they join voluntarily. Also, they are unable to register for the Employees' Compensation Fund (ECF) as the employer-employee relationship is non-existent.

Some KII and FGD participants expressed dissatisfaction that the National Pension Fund (NPF) and the National Medical Benefit Fund (NMBF), that were established in the Social Security Act of 1994, have not been implemented, and were of the view that if those two Funds were operationalised, it would have alleviated the burden on the social protection of workers, including in the informal economy. Furthermore, a study on the issue of financial markets with specific focus on pensions was conducted by LaRRI where they were looking at the issue of preservation.

"At the moment, the pension conversation only considers those that are working in the formal setup but it does not consider those that are working in the informal setup. But, there are those that are working in the informal setup that are bankable in terms of pension schemes but they are not considered through a structural exclusion of the Social Security Act of 1994 which makes provision for creation of the National Pension Fund, which is supposed to be contributory, which has not come into effect since it is over 30 years from 1994 we are in 2025 now. So those are the issues you understand the social dialogue should cut across and there should be people who expedite the Recommendation 204." - KII participant

It is worth noting that the elections manifesto of the ruling party prioritised the operationalisation of the NMBF. All state institutions were consequently instructed to ensure alignment with this manifesto.

A KII participant opined that about 90 percent of informal economy players do not benefit from any form of social protection. However, one of the matters that appears strongly from the National Employment Policy being developed is the integration of social protection for the informal economy, and they are looking at the ***"Employment Creation Fund"*** which covers everyone including the informal sector. Despite that, ***"one of the challenges is that even the policymakers themselves and sometimes the representatives of informal units do not have a broad understanding of the challenges of the sector".***

Another issue raised was the absence of "Unemployment Insurance" to protect those falling into involuntary unemployment and provide a buffer from sudden exposure of poverty, and reintegrate the unemployed back into the labour market: ***"In the absence of the legal framework, it will be difficult to provide them with social protection."*** - KII participant.

By-laws: "Due to the lack of protective laws, informal traders are left vulnerable and subjected to heavy-handed treatment, harassment and extortion by the police." - KII participant.

The views expressed by some KII and FGD participants is that by-laws in many village/town/municipal councils do not reflect the needs of the informal economy and informal economy players do not engage when they are in trouble, e.g., when their goods are impounded, etc. Due to the lack of or in the alternative insufficient by-laws, many informal sector economy workers suffer harassment at the hands of the police and are vulnerable to criminal elements. Thus, there is a need to engage village/town/municipal councils on by-laws, for the benefit of the informal economy.

Taxation: "When you talk about the tax system, you see from our side, we don't know because sometimes people are talking about our economy as if they are not paying taxes. We don't know what taxes we should pay. We pay taxes when we buy our products and mainly the income tax but we also don't meet the threshold most of the time. So taxes we will be able to pay but please simplify these things to us so that we can be part but it mustn't be just for the purpose of taxes that you grow the income economy." - KII participant

The view of some KII participants is that there are informal units that are contributing taxes, especially those who are in the export business (such as those that are selling clothing and cars) but there are many that are not registered that can pay taxes at the borders when they are bringing in the products. The country, through various tax reforms, through NamRA, is continuously addressing tax frameworks to ensure the burden on the informal economy is eased.

"For NamRA, every individual who earns an income above N$100,000 is expected to register as a taxpayer. Such a taxpayer is expected to pay the relevant tax amount to NamRA. The source of income will not be a consideration. As for businesses, whether companies or close corporations, the expectation is that the business registration process also includes tax registration. Tax obligation is on every N$ of profits, meaning income minus expenses and exemptions from a tax perspective. Again, the sector and scale or level of the business does not matter. For employers, they are also required to register for employees' tax and withhold Pay-As-You-Earn (PAYE) from their taxable employees' remuneration and remit it to NamRA in the manner as provided for in Schedule 2 of the Income Tax Act. Value-Added Tax (VAT) obligation depends on the turnover of the business, being N$1,000,000 annually. It then follows that such a business should have been registered and therefore might no longer be an informal business. On the customs and excise front, the obligation will be the same as per the relevant provisions for anybody importing or exporting goods. For the past four years now, NamRA has undertaken deliberate and targeted engagements with various economic players with the view to enhance tax, customs and excise awareness in the country." - KII participant

Legal and policy reform has to appreciate the nature, contribution and role of the informal economy.

"Informality in Namibia is not simply a choice; it is deeply rooted in the country's economic structure, historical context, and access to opportunities. To understand why people remain in the informal economy, one must consider Namibia's colonial history, access to capital, available skill sets, and the broader understanding of economic participation. You cannot expect individuals to abandon their traditional livelihoods, such as cattle herding and subsistence farming, and seamlessly transition into the formal economy. Many rural Namibians migrate to urban centers like Windhoek and Swakopmund in search of opportunities, only to find that their skills do not align with market demands. Without access to capital or relevant training, they are left with no choice but to engage in low-income, informal activities to survive. Essentially, the economic shift imposed on rural communities discouraged traditional agricultural practices without providing viable alternatives, forcing many into informal, unstable work." - **KII participant.**

The general view of some KII and FGD participants was that it is only through the recognition of the informal economy through policies and legal frameworks that the Government will reduce its bias against the informal economy - this will lead to the recognition of the sector as an important part of the economy, protect and regulate it, which is a crucial step towards transitioning to formality of the sector.

Many KII participants commented that the informal economy in Namibia plays a significant role in employment and livelihoods, yet various regulatory barriers limit the ability of institutions to effectively support informal workers and businesses. These barriers create challenges in formalisation, access to financial services, social protection, and compliance with laws. Another participant acknowledged that *"Namibia has acknowledged the informal economy in various policies, but concrete integration remains weak."*

A KII participant opined that the informal economy is less regulated and one of the reasons is sometimes political as if you shut down these informal businesses, you risk losing votes in elections. Another reason why it is favourable for the informal economy to prosper is because it tends to rely less on the state to provide assistance in comparison with the formal economy and the government's view this as a good thing. A view expressed by interviewees is that the aspect to be borne in mind is that the transition from informal to formal is currently voluntary and this is mainly because of cost barriers of transitioning.

5.2 Policy Challenges and Responses

The NDP6 highlights particular challenges experienced by the informal economy. The Step 1 (literature review) report noted that the previous NDPs 1 to 5 do not reference the informal economy, its contribution to national development, or policies to support the large number of informal workers. However, the NDP clearly attempts to fill this critical gap. It notes that the informal economy is one of the key sectors that is undervalued, unrecognised and invisible within the mainstream of Namibia's economy and society. It stresses that despite its significant role, and despite accounting for 57.7 percent of the workforce in 2018, the informal sector or more generally, the informal economy, lacks formal policy and legislative support, which hinders its growth and integration into the broader economy. It further highlights that the informal sector continues to operate without formal recognition and support from the government, limiting access to essential services such as financial assistance, business development services, and market opportunities that formal businesses benefit from; and that the cumbersome process of business registration and the high costs associated with formalisation deterred many informal entrepreneurs from registering their businesses.

The following key challenges are indicated by NDP6:

1. **Inadequate and unconducive informal business infrastructure:** Not having a permanent business location hinders informal entrepreneurs from operating their businesses in a more organised and safer environment. This prevents businesses from growing and restricts their capacity to register their business with authorities or hire more workers, or even apply for bank accounts and loans to grow. Also, informal businesses often struggle to reach broader and organised markets due to a lack of resources, knowledge, market information or connections, which limits their ability to access a wider customer base necessary for growth.

2. **Limited access to finance:** Access to finance is a significant barrier for informal businesses. The current financing mechanisms available are not tailored to meet the needs of the informal sector. Financial institutions are reluctant to provide financial services to informal businesses due to perceived risks and lack of collateral, constraining the ability of informal businesses to invest in growth and innovation.

3. **Limited technical knowhow and business skills, and restricted market access:** Those in the informal economy have limited access to basic and modern technologies, technical knowhow, business advisory services, training and education affects productivity, the ability to transform and sustain businesses. NDP6 notes that by 2018, 376 617 people were employed in the informal economy, of which 78.3 percent had no formal education. Furthermore, accessing broader markets and competing with well-established businesses proves to be difficult and thus limit their growth potential and ability to contribute more significantly to the economy.

4. **Limited incentives programmes:** Lack of tailor-made financial and non-financial incentives constraint the operation of informal businesses and the formalisation of informal businesses.

In response, NDP6 provides important principles and policy guidance and strategic direction for supporting and integrating the informal economy. NDP6 notes that the integration of the informal sector into the informal economy is essential for inclusive and sustainable economic growth. It will improve the livelihoods of those involved but also increase tax revenue, thereby enhancing the overall

economy of the country and achieving long-term development. It therefore formulates as a goal the transformation of the informal economy into productive, competitive and resilient business units of the Namibian economy. This will create a conducive business ecosystem that enables informal businesses to grow and transform into the formal economy. Building on the NIESED Policy, a multi-pronged strategy, funded through various funding mechanisms, is accordingly indicated by NDP6:

I. **Develop adequate and conducive MSME and Informal business Infrastructure:** The strategy aims to invest in the development of well-organised business premises with essential amenities such as utilities, sanitation, telecoms, day-care and security, which should be designed to support the diverse needs of MSMEs and informal businesses.

II. **Enhance financial and non-financial service ecosystem:** The focus of the strategy is to address the lack of access to finance; there is a need to develop a flexible financial ecosystem that should include microfinance and flexible credit services tailored to the needs of MSMEs and informal businesses, ensuring lower collateral requirements, a wide range of financial services, flexible repayment terms, and with easy accessibility. The strategy focuses on addressing the inadequacy of incentive schemes to support the operation of the MSME and informal economy sector; there is need for development and implementation of tailor-made financial and non-financial incentives. As such, this strategy will fast track the formalisation of the informal economy and enable it to be part of the mainstream economy.

III. **Enhance innovative business support and Sustainable Capacity Development:** This strategy intends to establish and expand training, mentorship and other skills development services that connect MSMEs and informal entrepreneurs with experienced business professional service providers who can provide guidance to support towards accessing available support services.

IV. **This strategy intends to develop Market-access Platforms:** Develop market access schemes for market access, including organised marketing groups, e-commerce platforms, temporal exhibitions; tailored to MSMEs and informal businesses, enabling them to reach a wider customer base and increase sales. These schemes should offer training and guidance on marketing, use of digital marketing, online sales, and customer service.

Several factors impede the design and implementation of an appropriate policy framework applicable to informal economy actors. KII and FGD participants consistently ascribed the absence of a proper regulatory and comprehensive policy framework to the lack of recognition of the informal economy and respect for the contribution they are making, also to the economy of Namibia, the negative perception of informal economy actors held by policymakers, and the lack of knowledge and data concerning the informal economy and its contribution. As noted by one of the KII participants (as alluded to above):

"The informal economy is not recognised as legitimate by the country's laws, policies and the Labour Constitution, especially by the Labour Act, Social Security Act and the Social Protection Policy. Namibia's national development plans also omit the informal economy as an important sector of the economy that needs development as much as the formal sector. This in turn, perpetuates the continuation of informality and criminalisation of the informal economy. Due to the lack of protective laws, informal traders are left vulnerable and subjected to heavy-handed treatment, harassment and extortion by the police."

and

"The government continues to be biased against the informal sector viewing it as a nuisance that needs to be eliminated, is not part of and does not contribute to the wider economy and does not pay taxes. During the Covid-19 pandemic, informal traders were not allowed to trade while shopping malls were allowed to trade during certain hours. It's an indication of how the government is biased against the informal sector of our economy. That is due to a lack of knowledge on how the informal sector contributes to the wider economy. More research needs to be carried out to understand the contributions of the informal sector to the wider economy which will change the government's negative view on the sector to include it in national development plans."

One of the informal economy stakeholders summarised the position as follows:

"Workers in the informal economy are not recognised, registered, regulated or protected under labour legislation or social protection. Other challenges include unregulated business environments, low or irregular incomes, long working hours, and low levels of technical and business skills, including an absence of financial literacy on the part of entrepreneurs, with resultant productivity constraints, and the lack of access to information, markets, finance, training, and technology. These constraints include the lack of appropriate and visible spaces to operate from, vulnerability to criminal elements, lack of storage facilities and transport for their goods, poor municipal services, and harassment at the hands of the police."

On the issue of the absence of sufficient data to inform policy and legal responses, different KII participants had this to say:

"So we don't know how much it contributes to GDP. We don't know which streams it is that features into this. There was a study some years ago by the statistics agency that measured the crossover activities and when you look at the total value of that it was significant money. So one would want to see the overall economic activities in the country and how they contribute to the GDP for example. So in absence of that it will be speculation."

and

"If you have a policy or product for the informal economy, you need data which is not available. So it makes it very difficult then to make an informed decision or the exercise becomes too expensive because you have to start from the ground to go to the sector to understand how they function, what are the needs. Probably by the time you finish, also the environment has changed so much."

Policy implementation and policy formulation challenges and the need for dedicated policy frameworks. Several interviewed stakeholders stressed the importance of policies that address informal economic challenges, but noted that implementation of these policies, including the NEP and NIESED Policy, lack clear implementation strategies that support the integration of informal workers.

As noted in relation to the NEP:

"The National Employment Policy (NEP) 2013-2022 recognizes informal employment but lacks clear implementation strategies for integrating informal workers. The policy aims to: (i) Promote skills training for informal economy workers; (ii) Encourage financial inclusion through microfinance schemes; and (iii) Strengthen coordination between ministries and local governments to improve informal workers' conditions." - KII participant.

This also pertains to the absence of sufficient allocated funding to facilitate the strategic implementation of these policies. Stakeholders also noted that policies are often developed in isolation, not involving critical stakeholders, including (some of the) social partners and representatives of the informal economy. Finally, interviewed stakeholders invariably emphasised the need for dedicated policy frameworks to specifically address the challenges faced by informal economy actors. To some extent, as has been noted, this is reflected in, in particular, the NEP and NIESED policy frameworks. However, in many contexts, concrete and dedicated policy frameworks addressing, for example, social protection modalities for informal economy actors, are still absent. There is also a need for guidelines that concretely support stakeholders and informal economy actors in understanding and complying with policy provisions and regulatory requirements pertaining to the informal economy. Appreciation for NISO's code of conduct was in particular expressed by one of the international organisations:

"I really like to applaud the Namibian informal sector organization because for the informal sector themselves they've come up with operational guidelines or code of conduct for the informal economy. So to have them be on the right side of the law so that they don't get in problems with the police for example. But at the same time I'm not sure if it's a position paper that they've presented but on just the law regarding informal economy and the police behavior towards the economy."

06

Coordination

Addressing informality in Namibia requires a well-coordinated approach, given the cross-cutting nature of the challenges and the diverse actors involved. Multiple offices, ministries, agencies, and regional councils and local authorities (OMAs/RCs/LACS) engage with informal economy actors at different levels. However, efforts are often fragmented, with limited coherence between sectors and levels of government. This section of the Report provides an overview of the state of coordination of informal economy stakeholders in Namibia.

a. Institutional coordination

Coordination amongst organizations: Interviewees advised that Offices/Ministries/Agencies/Regional Councils/Local Authorities sector (OMAs/RCs/LACS) are engaging with organisations and informal sector operators. Depending on issues at stake, the OMAs/RCs/LACS would partner with different institutions, community groups, stakeholders, et al to address various matters affecting the informal economy. Institutional coordination would play a crucial role in managing and integrating the informal economy into national policies and the law. The reasons for poor coordination or gaps in coordination vary.

Lack of recognition by the Government and impediment to coordination: "There is acknowledgement now that there's some sort of informality happening, but there's no recognition from the state. So, that is one thing that needs to be done. Once it's recognised, then maybe there should be a step going in a particular direction." – KII participant. Another KII participant commented that "as long as there is no legal recognition for the informal economy, coordination will continue to be weak."

No national agency responsible for the informal economy: *"We don't know the national agency responsible for the informal economy. Nobody has spoken to us regarding the informal economy. This is the first time."* – **KII participant**

Cross-cutting nature of informality: According to the interviewees, the challenge with coordination is mainly with the cross-cutting nature of informality. *"Informality is not housed within one central point to deal with it and we need that. Everyone is operating in silos and it could be that what we are doing in our ministry, nobody else is aware of."* – **KII participant.**

Limited platforms for OMAs/RCs/LACS to jointly plan for the development of the Regions: This is in respect of the Regional Development Coordinating Committees (RDCCs).

b. Sector coordination

Conflicting mandates, fragmentation and cross-sectoral issues: Some interviewees advanced that there are many border issues or grey areas, such as between forestry vs agriculture, and accommodation vs food services. *". . . particularly when it comes to dealing with cross-sectoral issues like land tenure, environmental regulations, and sometimes, also the mandates are not so clear. Which institution is doing what? And that sometimes obviously leads to conflict over authority, and inefficiencies tend to creep in, especially when it comes to decision making."* – **KII participant**

> *"However, at this moment, there are gaps. The sector has been fragmented for a while now, particularly with the differences of opinion between various sectors. Producers have their own perspectives, value-adders have theirs, and so on. The private and public sectors also have differing views. This fragmentation has been a challenge, and I believe that the key to moving forward is better coordination of these sectors to drive the sector in one direction."* – KII participant
>
> *"There is a lack of coordination between sectors, and that's what we are striving for. It's important that this discussion sheds light on the lack of coordination being experienced. In many cases, different acts or policies conflict with each other, and there is no harmonization between the laws that govern the same areas. As a result, policies often contradict one another, which hinders progress. There is also no clear clarification of roles. You don't know who is in charge of what."* – KII participant

Silo approach by institutions and coordination not well structured: Another KII participant expressed the view that:

> *"I think the coordination leaves a lot to be desired. I don't think we are doing very badly, but I think there's room for improvement. We could do more. For example, when it comes to things like charcoal production. They register these businesses, and they facilitate trade which I think they look for markets and so on and sometimes we have a bit of a silo approach. We don't always come together and have a platform, a common understanding on how we are going to deal with our stakeholders. So I think there's good coordination, but I think it could be improved."*
>
> *"Most planning is done in silos which risks duplication of GRN efforts."* - KII participant
>
> *"Government institutions that are responsible for the informal sector all work in silos instead of working together to find common ground to speed up the improvement and formalisation process of the informal sector."* – KII participant
>
> *"We are working mostly in silos. The main organizations involved in informality such as NISO and MIT, do not really inform us or give us any information. The interaction amongst all stakeholders working on informality is not up to par."* – KII participant

Lack of organised structures within the informal economy activities or across:

> *"That has been one major issue, so that they can be able to lobby for issues that concern them."* – KII participant

Nomadic nature of informality: Another issue that makes coordination a challenge is ***"that the informal economy is prone to nomadic practices and, as such, there is always a need to update your database for data correctness."*** – **KII participant**

c. Policy coordination:

Uncoordinated policies and programmes: *"Ministries also want to protect their mandates and may not have policies that speak to each other, and that leads to poor coordination."* – **KII participant**

> *"Our biggest challenge lies in coordination. You can engage in dialogue with social partners like unions and the Ministry of Labour, and possibly trade unions, but where is the National Planning Commission in these discussions? Where is the Ministry of Education, which should be helping to make young people aware of the structure of our economy? How are we streamlining this awareness into the education system? How are we ensuring that the National Planning Commission is actively involved in these conversations?"* – KII participant

Structure of engagements: Also, Interviewees were of the view that there is a need to make sure that engagements *"are well structured so that inputs can be obtained that can lead to some policy being undertaken to address some of those issues".* – **KII participant.**

d. Stakeholder and programme coordination:

Uncoordinated activities: *"So, therefore, these uncoordinated activities from the government causes that significant disjointment or disjuncture so that the informal economy does not see its place in all programmes of the state whether it's a planning level or execution level or even the judicial level and while the law is supposed to be applicable to everyone it should also be contextual."* – **KII participant**

Lack of sufficient platforms: The interviewees advised that the platforms for exchanging information with stakeholders, including operators are insufficient.

e. Resources coordination:

Lack of resources: These include the lack of financial and human resources or even technical capacity to coordinate efforts effectively within the organisations.

f. Data and information coordination:

Lack of data by the NSA: Effective decision and policymaking requires reliable data on informal businesses and workers. However, data collection remains fragmented across different OMAs/RCs/LACS. Most organisations rely on data provided by and through the NSA. Some interviewees suggested that the lack of up-to-date data from the NSA, which is tasked with the responsibility to conduct research and studies on behalf of the Government, makes planning and coordination ambiguous.

> *"This has proved difficult as NSA does claim to drive this process, but they don't have sufficient capacity to support other institutions. They are very slow to provide sufficient information, they are also not responsive to such requests. The systems and processes are quite bureaucratic."* – KII Participant
>
> *"This number one, there is just no data. So there is no data, and there is no dedicated institution to collect it. And secondly, when you do not recognize something, you are not really considering it in terms of data collection. So, the only challenge you can say is that there is no data or any detailed, structured information detailing the informal economy or informal activity in*

Namibia. All the data that is available is just half-cooked or they are not detailed enough. Even the number of vendors that are participating in the wild window is not known. So I can say there is just no data at all. I haven't experienced any challenge getting data from the NSA. They avail whatever they have. The only shortcoming is that it's not well detailed about the informal sector. It's not well detailed. But in terms of getting whatever the NSA collects, there is no challenge getting it there. And, I think we can do better in terms of sharing insights about the informal sector because all institutions have different understandings of the informal sector, they have their own understanding of the informal sector, and maybe going forward, whenever we're going to publish anything regarding the informal sector." – KII participant

"There is no accurate data on the contributions and operations of the informal sector to the wider economy, which hampers our contribution towards the dialogue aimed at effective policymaking processes to protect and improve the sector. The Government needs to invest in data collection and research of the sector in order to make informed choices when developing laws and policies towards improvement and formalisation. Even though there are employees within the NSA who are excellent at sharing data with the public, the NSA does not report on the full scale of the informal market, but only on the employment which does not give a clear picture of the scope of the informal sector. At times, the NSA delays the release of data which slows down the process of informed policy making." – KII participant

Unreliability, unavailability and poor sharing of information: *"So, there's no information sharing right, which is obviously the nature of working, yes, and because now I don't have the work that you've done, so I'm going to start from scratch, right. I don't have the work, and that's wasting resources and so we are going to start here at this level, and the other ones are going to start here at this level. So, you can't really coordinate if there's no general set level where the country's position is in the informal sector."* – **KII participant**

"The lack of information sharing, especially among departments or units within even the same ministry, sometimes it's a challenge that we don't come together enough." – KII participant

"When reports on the informal economy are funded by NGO, that limits who has access to the data and whether the final reports are shared or not." – KII participant

"Further, one finds it much difficult to collect data as respondents may not necessarily render correct information, or even refuse to provide such information." – KII participant

Conclusion: Interviewees agreed that coordination is a challenge caused by many factors. OMAs/RCs/LACS, at their behest, have been trying to establish working groups and coordination platforms and hold regular meetings to discuss various issues related to the implementation of different projects in different subsectors, and some are working to create platforms for various components of their portfolios at the national level to address coordination issues.

2. Opportunities to strengthen partnerships with international development partners

Various OMAs/RCs/LACS have partnered with several organisations on different issues and focuses affecting the informal economy.

OMAs/RCs/LACS level: Several partnerships between various OMAs/RCs/LACS and international development organizations were established and some are still ongoing. For example:

- MIT, in collaboration with the UNDP Namibia in support of SDGs, provides funding opportunities for micro, small businesses, and start-ups across the country. In this way, MIT provides support with access to production equipment, capacity building equipment, etc.
- UNDP have worked with the MIT in their review of policies by sharing insights UNDP have found from its work.
- MLIREC is working with the ILO on policy development and the UN's Global Accelerator on Jobs and Social Protection for Just Transitions towards the SDGs, as Namibia is one of the focus countries, in collaboration with UNDP, FAO and UNICEF. One of the key arms of the accelerator is formalisation of the informal sector.
- MET is engaging German institutions, UNDP, and other organizations in the UN system, and holds regular meetings, joint planning and joint programming with the country office from time to time. They sometimes do joint development of projects.
- MFMR: Fisheries and marine products are exported to the EU and have to comply with EU standards to make this work. So, the Ministry engages internationally.
- NTA works with the ILO in terms of its approach to skills development and has worked with the World Bank, AFDB, GIZ and EU.

Regional Council level: At the Regional Council level, some partnerships have been in progress, for example, the Regional Local Council has in 2023 signed a Memorandum of Understanding with the United Nations World Food Programme (UNWFP) that aims to implement and kickstart a Food Sustainability Project in the Tsumkwe Settlement. This project is aimed at addressing food security on the one hand whilst also addressing the issue of employment on the other. Furthermore, they engaged FAO to request technical assistance to empower the Ju|'hoansi Community of Nyae Nyae Conservancy through Sustainable Agricultural Development and Indigenous Food System Integration and progress is being made.

Industry representative institutions and Advocacy Bodies level: A KII participant commented that for real partnerships with international development partners to happen, "the Government needs to recognise the existence of the informal economy in its legal frameworks and instruments . . . ".

Partnerships, involving other industry organisations: Some interviewees advised that they have worked with the UNDP and the ILO, and these agencies provide them with best practices from around the world. Local NGOS have also been involved when it aligns with their areas of interest. The net is widened to include others who can help find solutions to existing challenges in informality. "Our international buyers are often engaged with our members and specifically the processing plants to improve education and safety for the workers. Many processing plants undergo strict audits from international auditing companies to ensure that the charcoal industry is adhering to international standards, which include the social upliftment of workers and their general well-being." – KII participant.

A KII participant commented that ***"We work closely together with our partner ministries and with that we align with everything they do. So basically our main policy, perhaps, is the Harambee Prosperity Plan as well as the NDP 5, so yeah, everything we kind of do. We also always tried at least in the private sector development component while it was still active. We tried to also report towards it."***

Despite good progress made, a caution was given by a KII participant that ***"Development partners may want to impose programmes that do not fit within government priorities. They get to do this because they provide the funding."***

A conducive environment has to be created for partnership to occur. A KII participant commented that for real partnerships with international development partners to happen, ***"the Government needs to recognise the existence of the informal economy in its legal frameworks and instruments . . . ".***

3. Best practices of coordination

Financial inclusion of informal economy workers (including employers, own-account workers and employees) in Namibia requires multi-stakeholder collaboration between government agencies, financial institutions, and development partners. These collaborations aim to expand access to banking, credit, savings, and insurance for the informal economy, ensuring economic growth and poverty reduction. In that regard, a few options were mentioned by KII participants:

"Work with BoN to implement financial literacy programmes targeting informal traders, small-scale farmers, and domestic workers."

"Support initiatives under the NFSS to improve access to digital banking, mobile money, and microfinance services for informal workers."

"Collaborate on simplified tax registration systems for informal businesses, enabling them to access credit and formal financial services."

"Engage in tax education campaigns to encourage voluntary compliance among informal sector workers."

To effectively support informal businesses in Namibia, the DBN should play a more active and tailored role. Informal businesses form a large part of the economic landscape, especially in rural areas, and addressing their challenges can drive significant economic growth and formalization. Here are key roles DBN should adopt to ensure informal businesses receive comprehensive support:

SSC and MLIREC: Partner with SSC

to design affordable pension and social protection schemes for the informal economy. Advocate for micro-insurance policies that provide informal workers with health, disability, and unemployment coverage.

Local Authorities & Regional Governments: Work with municipalities and regional councils to establish designated marketplaces with integrated financial services, allowing informal traders to save and access loans. Implement local programmes that link informal cooperatives to financial institutions for better access to credit."

There were other best practices recommended by the interviewees, as follows:

"Creating formatted [structured or organised] platforms for engagement and outreach with key stakeholders."

"We have the industry skills committee made up of SMEs, Unions, Ministries, etc. are formalised within our structures."

"We have had round table discussions on informality and inequality in Agriculture with the Government. We were invited about 2 years ago to discuss these matters. We have been consulted on a tripartite basis."

"Regional and Local Councils hold joint planning platforms where stakeholders participate in their annual plan review. In that way, they do introspection and identify weaknesses and craft tailor-made remedial actions to address those gaps. "One of such actions was to refocus all efforts of reviving all Development Structures in the region to ensure joint planning and resource mobilization."

There are limited platforms for OMAs/RCs/LACS to jointly plan for the development of the regions concerning the Regional Development Coordinating Committees (RDCCs). KII participants commented and highlighted the following that should be considered:

"... most planning is done in silos which risks duplication of GRN efforts. Budget constraints limit effective coordination of informal economy programmes. Lack of dedicated informal economy units to oversee regulatory enforcement, financial inclusion, and business support."

"The DBN would be happy to collaborate with a partner that steers the direction for informal economy players. If there is a need for training informal players in business management, we are happy to come in and support, but the efforts of organizing the informal players have to be done by another organization."

MAWLR has been trying to establish coordination platforms. At the moment it has a platform where it is looking at food and nutrition components, involving various stakeholders within the structure. It has been trying to hold monthly meetings to discuss various issues related to the implementation of different projects in the food and nutrition sector, as well as in water, environment, and sanitation. Additionally, it has a platform where it is attempting to create a coordination opportunity at the national level to then address coordination issues within the agriculture sector, across various subsectors within agriculture, whether it is irrigation, livestock, value addition, or the environment. This will be a major initiative that will also look at investment opportunities in the country and how they can be leveraged, including resources from the government.

"I believe that once we establish this platform, it will provide us with a real opportunity to better coordinate the sector. However, at this moment, there are gaps. The sector has been fragmented for a while now, particularly with the differences of opinion between various sectors. Producers have their own perspectives, value-adders have theirs, and so on. The private and public sectors also have differing views. This fragmentation has been a challenge, and I believe that the key to moving forward is better coordination of these sectors to drive the sector in one direction." - **KII participant**

A KII participant mentioned that "The cabinet committee on legislation looks at aligning all issues of legislation on informality across all ministries. It also serves as a monitoring and evaluation arm of our work on informality. There is usually a review of our annual plan every four months." However, this statement is not entirely correct, especially concerning monitoring and evaluation.

Some research and advocacy organisations have been assisting various informal economy players and OMAs/RCs/LACS. *"We are dealing with all the businesses and everybody and all the economic activities in the regions and towns and whatever. So we have been working with them and we even make our submission to them on how we want to be assisted or how we want us and the government we want to work together."* – **KII participant**

There has been some progress on some fronts as a KII participant advises that *"Recently, there has been a shift in the discussions between policymakers and us as farmers. We now have a platform to engage with policymakers. Since last year, we've had multiple meetings with key stakeholders, including the Ministry of Agriculture, the Ministry of Finance, and even direct engagements with the Minister of Finance himself. We've also met with the Ministry of Labor and had discussions with the office of the president-elect. This shift marks a significant change, as we now have better access and a clearer avenue to present our concerns to the relevant policymakers. The ministries, too, are beginning to engage with us through this platform we've established. While we haven't yet achieved all we've hoped for, we can see this as a step in the right direction, with growing collaboration and engagement on important issues."* However, this does not address the overarching issue of coordination.

Some industry organisations are coordinating through others as a KII participant commented that *"We work with other organizations such as the NEF when there are common themes of interest, such as working conditions of workers. When it comes to the introduction of policies, they will reach out to us. There is some rapport with the right bodies, and they are able to hear us when we speak."*

The role of advocacy agencies/bodies was considered as a KII participant commented that *"Advocacy agencies should rather call for platforms aimed at fostering public-private and Informal sectors reform as opposed to the creation of segments in the system. They should advocate for a collaborative approach to support the informal sector."* Another KII stated that *"Advocacy institutions work at the grassroots level, which means that they work closely with the people on the ground and have a better understanding of how the informal economy functions and can assist Government institutions in formulating laws and policies that cater to the needs of the informal sector. Advocacy institutions can also help the private sector better understand that the informal sector is a sales channel for the formal sector, which will make it possible for the acceptance of the informal sector as a contributor to the wider economy, and that the formalisation of the informal sector will contribute to the growth of the economy."* – **KII participant**

A KII participant: *"Apart from the ILO, we have also worked with the UNDP, and these agencies provide us with best practices from around the world. Local NGOS have also been involved when it aligns with their areas of interest. The net is widened to include others who can help find solutions to existing challenges in informality."*

In conclusion, there is a need for all stakeholders to appreciate their role in the ecosystem. *"Coordination happens when you see what your role is in the ecosystem. Cuz I think not, sometimes organizations don't see they're keeping to themselves because they don't see what your role is in the ecosystem, and it could be vice versa. They don't see their role in the ecosystem. So, if there were a systems thinking approach where all individuals can see their roles in the ecosystem and how they contribute, that will help us get closer to collaborations amongst agencies. Let me rather say with better ease. The Ministry of Trade could bring the necessary networking partners together. They could bring the necessary agents from across, and NISO has a presence in 14 regions. So they know who's doing what on the ground. They know which organization did what with them."* – **KII participant**

07

Representation, Social Dialogue and Advocacy, and Public-Private Partnerships

Representation

It is important to involve representatives of informal economy actors, also in the wake of limited union representation. A local government KII participant remarked: *"It is important that the government continues to consult informal workers in decision-making. It is also important that the government continues to promote transparency to gain trust from informal workers."* and *"Social groups at the grassroots level are key to this noble course because they understand the needs and aspirations of people living in their localities. Therefore, it is important to involve them in data collection and research."*

This seems to be the approach of a key ministerial key informant: *"We do have organised structures such as unions and other associations. However, some farmers do not belong to these unions, associations, or cooperatives. As the ministry, when we send out invitations to various platforms, we assess who is represented and whether the invited institutions truly reflect the broader sector, region, or community. This approach has guided our engagement at the regional level. At the national level, we primarily work through unions and associations to reach the masses. Specifically, when considering previously disadvantaged Namibians, there are two unions representing them. Each time we organise dialogues, we ensure both unions are invited to participate. In the past, there were only two unions, NFU and NAU, and we frequently received complaints that they did not fully represent certain groups. To address this concern, we now ensure broader and more inclusive representation."*

Of course, it remains important, also for trade unions, to assess how trade unions could be best involved in representing the interests of informal economy actors. A KII participant opined that *"as a result of heightening informality, there is a need to establish how trade unions can improve their ways of recruitment and also reposition their activities in relation to informality."*

Grassroots organisations also fulfil a critical role, but are financially constrained. The following inputs made by two different key informants provide a clear summary of the role of and financial constraints experienced by grassroots organisations:

> *"Grassroots and social movements play a crucial role in advocating for policy development that caters for the informal sector since they operate at grassroots level which makes them have a better understanding of the issues facing the sector. They are a bridge between the informal sector and relevant stakeholders to ensure that the informal sector operators' needs are addressed. They are best placed at raising awareness on the issues faced by the informal sector operators, and lobby the government to initiate policy changes that recognises and protects the informal economy."* - **KII participant**

> *"So you see in order for movements to exist they also need to be financially maintained and Namibia since it became an upper middle-income country most of the social movements and all that they have ceased to exist because they were getting their support mostly from outside the country. So there is no deliberate effort within the country to support these movements. So even in the movements that we know that exist they are suffering in terms of getting out their programmes due to lack of resources. So should this become a national agenda programme topic, there should be deliberate resources availed so that regular advocacy is done."* - KII participant

Including informal economy actor representatives may require legal and structural reform. As indicated in the Step 1 (literature review) Report, the current provisions of the Labour Act do not make provision for trade unions to officially represent informal economy workers who work outside the confines of an employment relationship. This is also confirmed by the view of a social partner key informant:

> *"You include them [own-account workers] in the discussions you are having as interested parties. So they may not belong to a union federation or employers association but they have an interest in the topic. You invite them if you need them instead of you going to sit as a tripartite structure and design for them."*

Strengthening Social Dialogue and Advocacy

According to an interviewee, LaRRI has been assisting informal workers to sell a number of diversified products instead of just one. It also reached an agreement for informal traders to receive business certificates from municipalities so that they can buy both locally and internationally, and this is an ongoing process with the municipalities. LaRRI has also partnered with Namibian Fish Consumption Promotion Trust (NFCPT) to make fish available for the informal economy players.

KII and FGDs participants advised that NISO has been the key driver on social dialogue and advocacy and has been engaging the local authorities/ municipalities and regional governments/councils on reviewing bylaws which impact the informal economy and for the establishment of designated marketplaces with integrated financial services, allowing informal traders to save and access loans.

Organisations such NISO, and allies such as ESJT and LaRRI, have been involved in the dialogue with many stakeholders on improving the development, as well as work and social conditions of the informal traders. Many participate in surveys on the informal economy and advocate for workers' rights, may it be in the formal or informal economy. Over the years, LaRRI and other organizations conducted studies on the informal economy and collaboration with other stakeholders and forwarded research papers to relevant stakeholders and indicated their willingness to be part of a task force. These organisations' advocacy has been indicated in Recommendation 204 of the ILO in terms of transitioning to formality, insisting that incentives should be provided by the Government to encourage a gradual process. This is now also specifically foreseen in the conclusions on the general informal economy discussion at the occasion of the ILO Conference of 2025. Par 11(d) of the General discussion refers to "Better working and living conditions through the transition to formality and leaving no one behind.", while par 11(i) suggests that "The transition to the formal economy is a key condition for decent work. However, for many informal economy workers and economic units, entering the formal economy is a gradual process.

Interviewees have indicated that local universities, namely NUST and UNAM, have indicated the desire to partner with organisations such as LaRRI to undertake research on informality when opportunities occur. Their representatives are invited to share insights on how the informal economy can be protected to have access to services such as financing, etc. However, these institutions do not have specific departments that deal with issues of informality.

Policy engagement, formulation and implementation. Dynamic Vision Informal Traders' Organization (DITA) advocates for policy changes that will benefit informal workers, such as labour rights, social protection and legal recognition and protection. For social protection and legal support, it advocates for affordable and easily accessible health insurance, pensions, and unemployment benefits for the informal workers. For policy engagement and formalisation support, it works with national government, local authorities, and law enforcement agencies to recognize informal workers, to develop policies that will support the inclusion of the informal economy. DITA is establishing international networks with organisations that advocate for the workers in the informal economy for information sharing, training and advocacy. It engages development partners such as UN agencies, specifically UNDP, and MLIREC and MIT as well as the local governments municipalities.

Regarding the NCCI, it has paid up members and it represents the private sector but more specifically its members who are MSMEs, corporate institutions, etc. at various stages. Overall, it advocates for a conducive environment and attempts to talk to those that are responsible for certain policies or bylaws to ensure that the business environment, whether a vendor or otherwise, is conducive for everybody. However, it does not specifically have initiatives that will target employees within the informal economy. It gives input into policies, engage with the municipalities and also certain regulators. It is in this way involved and assisting transitioning. It is also involved in transitioning through information sharing, meaning that information shared cuts across all sectors.

The Technical Group for the National Employment Policy (NEP) is constituted of representatives from the various agencies of the government and organisations such as LaRRI, which assists with the drafting of the policy. The main issue is about the implementation of the NEP and other policies. In this regard, *"there is significant data shortage in terms of general information or specifically to the informal economy"* given the time lapse of seven years between the 2018 NLFS and the recent census, *"and we rely on various other sources if we are to make a pronouncement."* - **KII participant.**

Poor coordination impacts on social dialogue and advocacy. The issue for social dialogue and advocacy is that of poor coordination amongst players and stakeholders. *"At the moment there is no organization at the helm of affairs of informality because even the MIT is only beginning to consider that. The banks do not have for example a financial policy in terms of how those that are operating in the informal economy should be dealt with."* - **KII participant.** The issue of no coordination and in other instances poor coordination amongst the stakeholders resurfaced many times among KII and FGD participants. Other related issues raised were *"(i) the lack of information sharing especially among departments or units within even the same ministries, (ii) lack of resources, both financial and human resources or even technical capacity to coordinate efforts effectively within the organization, particularly when it comes to dealing with cross-sectoral issues like land tenure, environmental regulations, and (iii) sometimes also the mandates are not so clear on which institution is doing what and that sometimes obviously leads to conflict over authority and inefficiencies tend to creep in especially when it comes to decision making."*

Considering the cross-cutting nature of informality, as a possible solution to assist the informal sector, NISO has been advocating for a "one-stop-shop" to ensure that solutions are provided to the informal sector, for instance to assist with the completion of SSC forms, education, etc. The KII participant advised this idea was proposed to SSC, MIT and MLIREC. This proposal is also in consideration that there is no single institution responsible for the coordination of the informal economy. *"Informality*

is not housed within one central point to deal with it and we need that. Everyone is operating in silos and it could be that what we are doing in our ministry, nobody else is aware of." - **KII participant.**

Social dialogue and financial inclusion. The issue of financial inclusion of the informal economy requires social dialogue and collaboration. *"Financial inclusion for informal workers in Namibia requires multi-stakeholder collaboration between government agencies, financial institutions, and development partners. These collaborations aim to expand access to banking, credit, savings, and insurance for informal workers, ensuring economic growth and poverty reduction i.e.: Work with BoN to implement financial literacy programmes targeting informal traders, small-scale farmers, and domestic workers; Support initiatives under the NFSS to improve access to digital banking, mobile money, and microfinance services for informal workers; Collaborate on simplified tax registration systems for informal businesses, enabling them to access credit and formal financial services; Engage in tax education campaigns to encourage voluntary compliance among informal sector workers."*- **KII participant.**

Partnership and infrastructure development. Another issue raised by interviews was regarding possible coalition between various players and stakeholders for infrastructure development. *"There is no development of industrial parks, incubators, and other infrastructure that facilitates the growth of the informal economy."* - **KII participant**

Civil society engagement. Interviewees expressed opinions that advocacy groups, faith-based organizations and community groups could collaborate on issues such as education, training, public awareness, and information sharing in an organised way, for the benefit of the informal economy. It was observed from KII interviews that many NGOs, although they are involved in supporting rural communities to enter into the mainstream economy, are not involved in the transitioning to formality for various reasons and some do not have opinions on the issue.

Central role of the NWGI and key stakeholder organisational support. The NWGI is considered by many interviewees as a very good initiative by the government in collaboration with the UN international agencies and key stakeholders in the informal economy. Some opined that it should be strengthened and widened to include other organisations. The UNDP commissioned the diagnostic study for the informal sector in 2020, which provided critical insights into how the pandemic exposed the sector's deep vulnerabilities, and has worked in partnership with the private sector on programmes benefiting the informal sector, for example the development of a curriculum for an incubation programme targeting informal sector operators, and other collaborations with various organisations. GIZ, although it does not typically work with organisations but provides direct support, has been providing assistance in various subsectors and is willing to collaborate with players in the sector.

Strengthening the LAC. The Labour Advisory Council (LAC) was established in 2011 as a statutory tripartite body with the main purpose advising the Government on labour legislation and other related labour matters. According to a study commissioned by TUCNA in March 2013 titled "The Labour Advisory Council and Social Dialogues in Namibia", it found *"that the LAC is inadequate as a means for achieving such a social contract. It is also of limited value in its current operational form, even as a mechanism of meaningful consultation between the MOLSW and the social partner, satisfying the technical requirements of ILO recommendation 138 and Convention 144, rather than the spirit and intent of these instruments. In addition, the body is beset by functional and resource related difficulties. Comparative analysis suggests that the problem does not lie solely in the advisory nature of the LAC but also in the sense that its purpose is to advise a single ministry on the one hand which immediately isolates the impact of the tripartite dialogue to the influence of a particular ministry, and devalues a consensus that may be reached by the social partners on broader socio economic issues. Beyond the LAC, social dialogue does take place in Namibia but it does so in an ad hoc and uncoordinated way. The state has favoured a more pragmatic and situation specific means of engaging social partners rather than a model system such as corporatism. This has resulted in inconsistent policy development and dialogue practices. Social dialogue has seemingly played a stronger role as a legitimating ideology than a means of driving inclusive development. The social partners in labour and capital are characterised by divisions and a lack of collaboration within and between themselves. There is little evidence to support bipartite engagement beyond collective bargaining at plant level although some ad hoc engagements may occur at sector level. Bilateral national engagement between labour and broader civil society is extremely weak. All the social partners have severe capacity constraints which directly undermine the potential of dialogue."*

In this regard, there is a need for the Government and stakeholders to consult on how this body could become useful to address issues relating to labour in the informal economy and strengthen social dialogue. A consideration could be given how to accommodate the input of community and other representative groups/organisations/groups in its setup.

Transitioning to formality is a gradual process. On transitioning to formality, the interviewees opined that transitioning out of the informal economy should be a gradual process rather than a forced one. *"It's not as simple as saying, 'Starting tomorrow, you'll be in the formal sector, setting up a business, paying rent, and meeting all the necessary requirements,' without considering existing financial and operational constraints. That's why a step-by-step approach is essential. However, the way the transition is often discussed makes it seem like a quick fix—selecting a few businesses, implementing a few steps, and expecting them to formalize instantly. But for many, their entire business setup and processes are deeply embedded in informality. What we've tried to do in this area is facilitate a structured graduation out of informality. I'm not sure if it's necessarily innovative, but it took about 18 months just to transition three businesses. That highlights another major challenge—there's often little understanding of how long it truly takes to formalise even a handful of businesses."* - **KII participant.**

Another KII participant expressed the view that value chains should first be developed before formalisation of the informal economy is considered, *"I can't think of a specific low-hanging fruit, especially in the informal sector. However, what I sense is that there is potential in exploiting the different value chains that have not yet been fully explored. I believe this is an initiative that should happen first, as it would help increase production levels across various sectors, whether in tourism, forestry, timber, etc. So, I would place more emphasis on identifying and developing these different value chains. I don't think these value chains have been fully exploited yet. As we work to develop and grow them, we can start identifying opportunities where formalization makes sense. At that point, a step-by-step approach might be the best way forward."*

Public-Private-Partnerships to support informal economy workers and businesses

Public-Private Partnerships (PPPs) are necessary to support informal economy workers and businesses by improving working conditions, economic opportunities, and access to resources, whether through formalization or other mechanisms that enhance sustainability.

Coordination platforms, funding support and capacity-building programmes are crucial. The MAWLR has been trying to establish coordination platforms. At the moment, it has a platform where it is looking at food and nutrition components, involving various stakeholders within that structure. It is trying to hold monthly meetings to discuss various issues related to the implementation of different projects in the food and nutrition sector, as well as in water, environment, and sanitation. Additionally, it has a platform where it is trying to create a coordination opportunity at the national level to then address coordination issues within the agriculture sector, across various sub-sectors within agriculture, whether it's irrigation, livestock, value addition, or the environment. This will be a major initiative that will also look at investment opportunities in the country and how they can be leveraged, including resources from the government.

"I believe that once we establish this platform, it will provide us with a real opportunity to better coordinate the sector. However, at this moment, there are gaps. The sector has been fragmented for a while now, particularly with the differences of opinion between various sectors. Producers have their own perspectives, value-adders have theirs, and so on. The private and public sectors also have differing views. This fragmentation has been a challenge, and I believe that the key to moving forward is better coordination of these sectors to drive the sector in one direction." - KII participant

MIT, in collaboration with UNDP Namibia in support of SDGs, provides funding opportunities for micro, small businesses, and start-ups across the country. In this way MIT provides support with access to production equipment, capacity building equipment, etc.

Several KII participants from the public sector advised that they mainly provide necessary information needed for players who want to transition to the formal but do not actively engage in transitioning them from informal to formal.

Regional and local councils play a prominent role. KII participants from the regional/village/town/municipal councils advised that their engagement with informal economy workers is through capacity building training such as marketing and financial literacy, procurement, costing and pricing, etc. Furthermore, they conduct and facilitate in collaboration with stakeholders such as Financial Literature Initiative (FLI) FLI under MFPE, SMEs Compete, NUST Centre for Entrepreneurial Studies, NIPDB, MIT, etc. and they support policies and programmes that encourage sector operators to formalise and register their businesses. Others actively support informal economy workers through various regional development initiatives, such as the Food/Cash-for-Work Programme (F/CWP) and the Microfinance Programme. The F/CWP provides short-term employment opportunities by engaging workers in infrastructural projects, food security initiatives, and environmental conservation, compensating them with either cash or food rations. The Microfinance Scheme offers financial support to SMEs and Cooperatives, particularly in rural communities, to stimulate economic activity and promote self-sustainability. They also engage with informal vendors through market organisation, access to trading spaces, and skills development programmes especially within Settlement Areas of the region through integrated approaches with other delegated functions and OMAs/RCs/LACS.

In respect of Agriculture, Forestry, and Fishing Sectors, some Regional Councils support smallholder farmers by providing access to microfinance for farming inputs like seeds, tools, irrigation through

initiatives provided by Directorate of Agricultural Production, Extension and Engineering Services (DAPEES): Division Lands, through which activities such as ploughing in resettlement areas are being offered. For training on sustainable farming practices to increase productivity, Councils liaise with the Ministry of Urban and Rural Development (MURD) to provide tailor-made training for beneficiaries of Microfinance programme, Directorate of Water Supply and Sanitation Coordination (DWSSC) where they engage in establishing Water Point Committees and Associations for farmers in communal farmers whereas these committees receive training on responsible use of water; Land-use planning to help farmers access more formal markets through the delegated function of Land Reform. There is an Integrated Regional Land-Use Plan (IRLUP) that demarcates the land for various zoning purposes. Furthermore, Councils have functional Communal Land Boards which facilitate apportioning land for various uses such as communal land right and land tenure. At the coast, the Council, through its Local Economic Development Strategy, has developed means and interventions geared towards economic transformation as well as through industrialisation and value addition. In the town of Walvis Bay, which has a predominantly fishing and industrial economy, such strategic interventions are focused on transforming fishing industries, seafood processing, and aquatic farming through value addition, whilst ring-fencing tourism to this trade. Specifically in respect of Accommodation and Food Services, both Town Planning Scheme as well as the Properties Alienation Policy do support this trade and as such they are planning more land towards this development. In Otjozondjupa, the Regional Council engaged UN-FAO for Technical Assistance to Empowering the Ju|'hoansi Community of Nyae Nyae Conservancy through Sustainable Agricultural Development and Indigenous Food System Integration.

Financial support and credit facilities are primary measures in support of formalisation. Namibia has the Namibia Financial Sector Strategy (2011 - 2021) (NFSS), which is a long-term development strategy for the Namibian financial sector to guide the achievement of the financial sector objectives as set out in the various NDPs and Vision 2023. *"We have the NFSS on how the financial sector should operate over a certain period of time and now we're working on the current one. That one actually deals with businesses and people, how they access finance, the ease of access to finance in financial institutions, and also financial inclusion, whether people are included or whether they're able to do their transactions easily with the bank, especially in rural areas where perhaps there are few branches of banks. The NFSS encourages the use of technology to make sure that financial institutions develop products suitable for people, especially those in rural areas. That can include informal businesses as well as people who are self-employed, so they have access to finance, whether it's to transact or to get credit from the financial institution. The Financial Management Bill that's currently in draft, can also affect how people interact with government institutions when it comes to finance."* **- KII participant**

The Development Bank of Namibia (DBN), which is fully owned by the Government, provides financial support to the informal economy players who form a large part of the economic landscape, especially in rural areas, and addressing their challenges can drive significant economic growth and formalisation.

"We do work with them, especially on the provision of credit facilities. We have a facility called the Credit Guarantee Scheme. It was within the DBN and is now hosted by Nasria. The Government provides finance, which is then channelled through local banks. That's mostly how we deal with it." - **KII participant**

08

Leveraging Technology to Support Informal Workers in Namibia

In Namibia's context of high informality, dispersed populations, and limited infrastructure, technology is increasingly recognized as a critical enabler for inclusion, market access, and business efficiency within the informal economy. Across sectors—particularly agriculture, fisheries, and food services—digital tools offer opportunities to bridge geographic, financial, and knowledge divides. However, their full potential remains underutilized due to structural barriers such as the digital divide, affordability, and limited digital literacy.

Technology's value proposition is most visible in its ability to reduce dependence on physical infrastructure. With Namibia's vast and sparsely populated landscape, stakeholders see digital tools as a viable solution for reaching informal actors in remote and underserved communities. Mobile phones, for example, have enabled the delivery of financial services without requiring physical bank branches. Through mobile money platforms and banking apps, informal workers can perform key transactions such as sending and receiving payments, saving, paying bills, and accessing credit. These tools are especially impactful in rural areas where financial services are limited or non-existent.

Within the **agriculture and fisheries sectors,** there have been some pilots aimed at integrating digital platforms for farmer engagement and subsidy distribution. SMS-based systems have been used to inform farmers about available support or market updates, although utilization has remained low. One promising avenue, highlighted by KII respondents, is leveraging WhatsApp or similar platforms to deliver small, informative video content to workers—particularly in remote lodges or fishing communities. Organizations like the Hanganeni Artisanal Fishing Association (HAFA) were cited as potential intermediaries that could use technology to deliver timely information directly to informal fishers, helping them access support services or navigate market conditions more effectively.

In **food and accommodation services,** informal vendors have already started adopting social media tools for marketing, sales, and even logistics. Many operators advertise offerings through platforms like Facebook or WhatsApp and allow customers to pre-order meals, request deliveries, or ask for quotes. This organic integration of technology—despite limited formal training—suggests a strong appetite for digital tools among informal entrepreneurs, particularly the youth.

Nevertheless, there are several structural and systemic challenges that must be addressed for technology to have broader and more equitable impact. First, affordability remains a significant constraint. The high cost of data in Namibia undermines the accessibility of digital services, with many informal workers unable to afford regular use of mobile internet or apps. Even where infrastructure exists, the burden of VAT and data charges discourages use, especially among the elderly or low-income earners.

One KII participant noted:

> *"I was speaking to an elderly woman on a neighbouring farm yesterday, and she was upset because she couldn't make a phone call or send some things. She had bought $30 worth of credit but only had $20 left, and she suspected that her children had taken her credit. I had to explain to her that part of the credit goes toward VAT and other charges, leaving her with less. So, the cost of data is quite expensive."* - KII participant

Second, digital literacy and knowledge gaps remain a major barrier. Informal workers—especially those in rural areas—often lack the awareness, training, and confidence to use available technologies for business or personal advancement. This gap is not just generational; even young people, who may be active on social media, need support to move from passive users to strategic content creators or digital entrepreneurs. Training programmes that teach content creation, digital marketing, and mobile financial literacy were repeatedly recommended, especially as pathways out of unemployment.

Third, there is a need for inclusive, human-centered technology design and implementation. Participants emphasized that technology initiatives must go hand-in-hand with training, maintenance support, and community buy-in. In the past, some promising platforms failed due to low uptake or lack of ongoing support. Additionally, concerns about cybersecurity and data privacy were raised, particularly in light of recent cyber incidents that affected individuals' financial security. In 2024 alone, Namibia recorded over 1.1 million cyberattacks and incidents. One of the major victims was state-owned telecoms company, Telecom Namibia (TN), which suffered a major breach that exposed over 626 gigabytes of sensitive data. Local media reported that the hackers accessed and stole nearly 500,000 records, including personal and financial information belonging to government ministries, senior officials, and various corporate clients. Ensuring that digital solutions are not only accessible but also safe and trustworthy will be key to their sustained use.

Based on stakeholder insights, the following recommendations can enhance the role of technology in supporting Namibia's informal economy:

- **Expand digital infrastructure and reduce data costs,** especially in rural and underserved areas, to make technology more affordable and accessible.
- **Roll out ICT and digital skills training tailored to informal workers,** with sector-specific modules for agriculture, fishing, food and accommodation services. These trainings should be practical, locally relevant, and available in local languages.
- **Support informal entrepreneurs in leveraging social media and content creation** for business visibility and income generation, especially targeting young people as digital change agents.
- **Develop partnerships with trusted intermediaries,** such as associations like HAFA, to facilitate information dissemination, training, and platform adoption in sector-specific informal communities.
- **Ensure technological solutions include ongoing user support and security features,** addressing concerns about usability and privacy to build trust.
- **Encourage the integration of mobile money and digital finance tools** into informal business operations, while improving financial literacy to support responsible use.

Technology is not a silver bullet, but when thoughtfully implemented with attention to accessibility, education, and sector-specific needs, it can significantly transform the informal economy into a more inclusive, efficient, and resilient part of Namibia's economic future.

09

Improving Small-Scale Production for Informal Actors in Namibia

Efforts to enhance the quality and volume of small-scale production among informal actors in Namibia have largely focused on addressing structural and systemic constraints across different sectors. Key informants identified a combination of technical support, advocacy, infrastructure investment, and environmental constraints as influencing small-scale productivity. The interventions and challenges vary across the agriculture, fishing and forestry, and food and accommodation services sectors but there are also cross-cutting interventions highlighted.

In response to the challenge of post-harvest losses, the Ministry has expanded its Horticulture Support Programme to include a dedicated component that promotes and subsidizes on-site storage facilities. By enabling farmers to preserve their produce for longer periods, this intervention aims to reduce spoilage, maintain freshness, and improve market readiness across various types of agricultural goods—not only horticultural crops. By ensuring better preservation during transport and reducing spoilage, this initiative aims to improve market readiness and reduce income losses among small-scale producers.

In the forestry sub-sector, particularly in charcoal production, efforts to improve small-scale output are primarily driven through technical capacity-building. Organizations working in this space offer workshops and training on farms to improve the quality of charcoal produced by informal workers. In addition to in-person training, resources and guidelines are made publicly accessible through digital platforms, ensuring broader reach and continuous learning opportunities. These interventions are vital for ensuring that products meet regulatory and buyer standards, which in turn opens up market opportunities and improves income potential for producers.

The responses from key informants did not reveal direct interventions to improve small-scale production in the accommodation and food services sector. However, it can be inferred that improving the supply chain and local sourcing—particularly of agricultural and forestry products—can indirectly support this sector. For instance, investments in local production and value chains can improve the availability of fresh and affordable ingredients for small restaurants and food vendors. Furthermore, consistent advocacy for informal workers' legal recognition, social protection, and inclusion in policy dialogues can create a more enabling environment for small-scale food-related enterprises to grow and formalize.

Several cross-cutting infrastructure challenges continue to hamper production growth. Water scarcity, lack of reliable electricity, and limited transportation infrastructure were repeatedly cited as barriers that constrain productivity and the ability to reach markets. These challenges are particularly acute in rural areas, where small-scale producers struggle to maintain operations throughout the year due to inconsistent inputs and limited mobility. Another key intervention involves capacity-building through collaboration with farmer unions. Organizations work closely with these unions to strengthen producers' skills and production capabilities. Additionally, at the policy level, engagement with government is ongoing to push for reforms that improve the enabling environment for smallholders and informal actors more broadly.

10

Overall conclusion and recommendations

High-Level Synthesis of Sectoral Insights and Recommendations

- Key stakeholders in Namibia do not have a singular official position on what transitioning from informal to formal economy means in practice. There are multiple views on what transition could look like.
- Informality in Namibia is deeply structural, sustained by a combination of rural underdevelopment, policy and legal framework gaps, and exclusion from formal support systems.
- In both priority sectors, the economic contribution of informal actors is significant, yet they remain largely unrecognised and under-supported in terms of finance, policy and legal inclusion, and infrastructure.
- The NIESED Policy represents an opportunity to institutionalise gradual and supportive formalisation, linked with realistic incentives and inclusive registration mechanisms.
- Set realistic objectives and targets for the formalisation of informal economic activity, and differentiate between scenarios where formalisation would make little sense and instances where compliance with requirements applicable to the formal economy would be most appropriate.
- Cross-cutting issues such as access to land, gender disparities, low digital adoption, and poor financial inclusion need to be tackled holistically. These issues are interconnected and affect multiple sectors, addressing them requires coordination across different policies and institutions (e.g., land reform, gender equality laws, digital skills training, financial regulation), not just sector-specific fixes.
- Strengthening data systems, monitoring mechanisms, and inter-agency collaboration will be key to long-term improvements in livelihoods, productivity, and sustainability for informal actors.
- Comprehensive law reform is required to ensure that informal economy operators are sufficiently protected and have access to labour and social protection, land, markets and finance, among others.
- Enhance the representation and participation, also in formal governance structures, of informal economy actors through their chosen representatives, and through civil society and social partner representative institutions.

Concluding Observations

There is an evident and proven need for proper recognition of the informal economy, its contribution, challenges faced and its being appropriately embedded in law and policy. The lack of recognition and the weak accommodation of the informal economy and those engaged therein are well-documented and have now also been recognised in NDP6. Respect for those involved in this economy, recognition of their role, gaining their trust and engaging with them are indispensable pillars of effective law- and policy-making and -implementation, and a precondition for successful transition to the formal economy, to the extent that this is achievable. Key informants representing the spectrum of individuals and organisations interviewed have repeatedly stressed the need for a fundamental shift in the way stakeholders, law- and policymakers, enforcement institutions, and the legal and policy framework deal with, treat, and respond to the reality context of the informal economy and the actors involved in this economy – as is apparent from the following quotations, with one key informant sending a clear warning signal if this were not to happen.

> *"If the people that operate in the informal sector are not involved in the process of consultation in the process of policy making that their voices are not there, we risk coming up with products that mismatch or that will make their condition worse."*
>
> *"At the macro level, the key priority should be engaging regulators and implementers to ensure that laws are not enforced blindly, but rather with an understanding of economic development and the dynamics of the Namibian economy. This is the critical issue that needs to be addressed. Instead of simply confiscating goods repeatedly, authorities should adopt an approach that enables and supports smaller businesses. Rather than shutting them down, we should be capacitating them—providing the necessary guidance and resources to help them operate effectively. For example, engaging with truck drivers to create designated spaces for them would encourage transparency. They should be able to report their consignments openly and comply with regulations without fear of being penalized unfairly."* – KII participant
>
> *"Finally, the informal sector must be recognized by fully implementing and fast-tracking laws that acknowledge its role in the economy."* – KII participant

Sensitive law and policy-formulation and -implementation is therefore required, not only at national and regional levels, but also at local levels. Overregulation is a serious concern, also for the long-term viability of informal economy operators – as noted by a local authority key informant:

"The informal sector is one sensitive economic driver. They are resistant to overregulation. Therefore, we should regulate them in such a manner that we don't negatively affect their operations.", while another KII participant stated:

"Secondly, overregulation is another major obstacle. The process of registering a Closed Corporation (CC) is already costly—entrepreneurs are required to pay fees simply for registering a business name, and they must hire an accountant just to complete the process. These barriers discourage formalization, so we need to rethink what formalization truly means."

Municipal by-laws in particular need to be developed and enforced, considering the real-life context of informal economy actors:

> *"Municipal bylaws often restrict business activities, with local authorities enforcing rules that prevent informal traders from operating freely. In many cases, they even involve law enforcement to shut down businesses. These outdated regulations need urgent reform to allow entrepreneurship to thrive."* – KII participant
>
> *"Additionally, the Debt Law should supersede municipal bylaws, as municipalities are one of the biggest obstacles to entrepreneurship in Namibia."* – KII participant

This also applies to programme roll-out, and to legal and policy formulation and -implementation at national level. Key informants had this to say:

> *"Although government and training institutions have developed certain programmes aimed to address the needs of the informal economy workers. These programmes lack substance to deal with key issues of transformation. I believe there is a need to design specific programmes aimed at transforming informality to formality through training and capacity building. For example, a programme means to assist those selling kapana to undergo incubation for them to own restaurants in the future."* – KII participant

> *"It requires sensitive engagement through known stakeholders because there are known stakeholders in the informal economy space. And it should be contextual in terms of activities that are taking place. There should be a grand policy that shows commitment of the government in terms of dealing with this matter. But then there should be some other components that should fit into this grand policy framework so that all components are considered because you see informality should not only be seen in terms of trading in terms of economic activities."* - KII participant
>
> *"Basically, if we want to absorb them into a formal economy, I think we need to engineer what we're doing and how we're doing things. Too many of our practices are locked in. We don't want to get out of it. So we need a total overall as to how we should go about this."* - KII participant

A range of factors need to be considered when contemplating transition to formality. These factors include:

- A realistic appreciation of whether formalisation is actually required in all cases of informal economic activity – as noted by a key informant: *"Who is just selling sweets and they make a certain amount. Maybe that is not needed to register even that business. The cost of registration could be more than what they could get out."*

> *"Figuring this out isn't straightforward because the benefits of formalization really depend on where someone is in their informal business journey. For example, if I run a mechanic workshop with 10 employees and generate around $60,000 a month, formalizing and meeting all the necessary requirements could likely bring economic benefits. However, if I'm only making $3,000 a month, the advantages may not be as clear-cut. That's why this isn't a simple yes-or-no question. There's no one-size-fits-all answer, and it really depends on individual circumstances."* – KII participant

- Compliance with formal requirements enshrined in law, policy and programmes would

have to happen gradually and would, naturally, take time to achieve:

"We are of the view that transition should be pastoral, it won't work if you make it rigid because it can also lead to revolt. So pastoral in the sense that the government should invest a lot of resources in advocacy work itself. But it should not do advocacy work if it is not recognized that there is this particular complexity within its realm of operation. For example the minister of finance cannot just wake up one day and say to all those that are doing merchandise in the public in the open market that you should start to pay tax. It will not work." – KII participant

"Transitioning out of the informal sector should be a gradual process rather than a forced one. It's not as simple as saying, "Starting tomorrow, you'll be in the formal sector, setting up a business, paying rent, and meeting all the necessary requirements," without considering existing financial and operational constraints. That's why a step-by-step approach is essential. However, the way the transition is often discussed makes it seem like a quick fix—selecting a few businesses, implementing a few steps, and expecting them to formalize instantly. But for many, their entire business setup and processes are deeply embedded in informality. What we've tried to do in this area is facilitate a structured graduation out of informality. I'm not sure if it's necessarily innovative, but it took about 18 months just to transition three businesses. That highlights another major challenge—there's often little understanding of how long it truly takes to formalize even a handful of businesses." – KII participant

- Simplified processes and requirements to support informal economy actors in the formal economy – as noted by several key informants:

"Provide information in simple language that is easy to understand, avoiding technical jargon. Ensure that terms and conditions for financial products and services are transparent and clearly explained to informal economy participants."

"Be upfront about all costs (interest rates, fees, and charges) and conditions associated with products and services. Transparency in financial dealings helps build trust with informal workers." – KII participant

- A range of support services and programmes should be available to informal economy actors to help facilitate transitioning into the formal economy. This includes the provision of subsidies, and safe and secure trading places, and access to land, market and (micro)-finance, among others. It also includes public-private partnerships, including partnerships with formal economy actors.

"To support this sector, efforts should be made to formalize and strengthen informal vendors. This could include providing subsidies, improving access to better trading spaces, and exploring value addition opportunities. Additionally, we should consider defining clear pathways for those who wish to transition from informal to formal markets. For instance, setting clear turnover or production thresholds could help classify vendors who aim to scale up into commercial production. By addressing these challenges, we can create a more structured and inclusive market that benefits both small-scale producers and informal vendors, ultimately driving economic growth and stability." – KII participant

"So, I think the basic thing is to bring all these sectors together and then develop a kind of plan, because it will not happen overnight. However, it should be something that really needs to be worked on. For example, if as a retailer I take on a number of farmers and commit to working with them for the next two years, I want them to produce a number of produce for me. The next retailer and wholesaler would do the same. All the producers themselves should say, "We have these products we want to produce and we want to follow these standards." I think that is the only way the products will go directly from the producers to the market. Other than that, I think it will be very difficult for us to get everyone into the formal market. The biggest challenge is the involvement of the retailers." – **KII participant**

"There is no support system offered to the informal market to make possible its transition to formality, e.g., The government must work closely with the private sector to offer support services to the informal sector such as access to loans and markets to speed up its formalisation. The informal sector is also in need of business and finance management training, and the private sector, in collaboration with the government, is the best place at providing knowledge and expertise to help improve the informal sector and help with the transition to formality. The Government could e.g., set up a one-stop-shop through which to provide support services e.g., business advice, market information, market and microfinance access, as well as facilitate linkages between the informal sector and formal entities. The government should negotiate with the private sector for it to create financial and loan products that cater for the informal market. It is important that the government assists the informal sector with accessing decent and safe infrastructure at which to trade and utilities to ease trading. The Government should also consider providing the informal sector with incentives to encourage it to formalise." – KII participant

"Yes, we know that limited access to capital is the biggest barrier to entrepreneurship in Namibia. One of the key strategies should be to develop a tailor-made credit law specifically designed to support the Namibian economy. We cannot rely on globalized credit and banking laws to fund local entrepreneurship. The reality is that most Namibian entrepreneurs cannot afford capital at the current interest rates, so we need a more realistic approach. The first priority should be restructuring capital distribution, determining how funding is allocated, and at what cost. Namibia already has a policy on funding SMEs, but it lacks inclusivity. While the credit guarantee exists, it only covers 60% of the loan, which is still insufficient. This policy needs to be revised to better support small businesses." – **KII participant**

Recommendations for Supporting Informal Economy Actors

To effectively support informal economy actors in Namibia, not only in two sectors covered in this report, but also more generally, a phased approach is essential—one that aligns with immediate needs, institutional capacity, and long-term policy goals. This report presents recommendations categorized into short-, medium-, and long-term actions. The categorization is based on the complexity, time required for implementation, and dependency on other interventions. Short-term actions are foundational and can be initiated immediately; medium-term actions often involve legislative changes and scaling up successful pilots; and long-term actions represent deep, systemic reforms.

Short-Term Interventions

These are foundational actions focused on immediate support, data collection, capacity building, and establishing the necessary frameworks for future reforms.

- **Skills Development & Business Support:**
  - **Demand-Driven Skills Development:** Design and implement practical, sector-specific skills programmes (e.g., food hygiene, digital marketing, financial literacy) delivered through accessible channels like mobile platforms and community centers.
  - **Extend Business Development Services (BDS):** Adapt and extend existing BDS and mentorship programmes to cater specifically to the needs of informal economic units, offering guidance on business planning, financial management, and marketing.
  - **Widespread Financial Literacy Programmes:** Implement financial literacy training designed for informal workers, covering topics like bookkeeping, budgeting, and managing debt, delivered in accessible formats and local languages.
  - **Gender-targeted programmes:** Design and implement targeted programmes to address the specific challenges faced by women—who form the majority of Namibia's informal workforce—by strengthening protections against gender-based violence, expanding access to tailored financial and business support, reforming maternity

benefits for all female workers, promoting women's leadership in policy spaces, and investing in supportive infrastructure like safe markets and childcare facilities.

- **Institutional & Organisational Strengthening:**
  - ◊ **Support & Strengthen Membership-Based Organisations (MBOs):** Support the formation and organisational strengthening of informal economy MBOs and facilitate their inclusion and active participation in formal social dialogue structures and policy-making, also through the development of alliances/partnerships with organizations engaged in social dialogue mechanisms.
  - ◊ **Capacity Building for Local Authorities:** Provide targeted capacity-building, resources, and clear guidelines to local authorities to equip them to manage and support informal economic activities in a developmental, non-punitive manner.
- **Data, M&E, and Coordination:**
  - ◊ **Strengthen Data Collection Capacity:** Significantly strengthen the Namibia Statistics Agency's (NSA) capacity to regularly collect, analyse, and disseminate detailed, disaggregated data on the informal economy.
  - ◊ **Develop a Comprehensive M&E System:** Develop and institutionalise a cross-sectoral Monitoring and Evaluation (M&E) framework with clear indicators to track the progress of formalisation initiatives and support programmes.
  - ◊ **Establish National Working Group on Digital Transformation:** Establish a national working group to align Namibia's Digital Public Infrastructure (DPI) development with the specific needs of informal economy actors, ensuring inclusive digital transformation.

Medium-Term Interventions

These actions build on the short-term foundations, focusing on legislative amendments, scaling up services, and making formal systems more inclusive.

- **Simplifying Formalisation & Access to Markets:**
  - ◊ **Streamline Registration & Compliance Systems:** Overhaul registration systems (BIPA, NamRA, SSC, etc.) to make them simpler, more accessible, and less costly for informal businesses, potentially through one-stop-shops or digital platforms.
  - ◊ **Review and Amend Municipal By-laws:** Undertake a comprehensive review and amendment of municipal by-laws and urban planning regulations to make them more inclusive of informal economic activities, using participatory processes involving informal traders.
  - ◊ **Amend the Public Procurement Act and Regulations:** Amend the Public Procurement Act to include provisions for preferential treatment for certified or registered informal enterprises, such as reserved quotas and simplified bidding procedures.
- **Improving Access to Finance:**
  - ◊ **Promote Tailored Financial Products:** Encourage and support commercial banks and MFIs (especially the Development Bank of Namibia) to design and offer financial products tailored to informal businesses, such as micro-loans with flexible collateral and micro-insurance.

Long-Term Interventions

These are transformative, large-scale interventions that aim to fundamentally alter the legal and institutional landscape, requiring sustained political will and the successful implementation of earlier phases.

- **Systemic Legal & Constitutional Reform**
  - ◊ **Formal Legal Recognition in Foundational Law:** Undertake systemic amendments to Namibia's foundational legal instruments, potentially including the Constitution, Labour Act, and Social Security Act, to formally recognise the informal economy and establish tailored legal protections and rights for its actors.
- **Social protection reform**
  - ◊ **Introduce social protection interventions to enhance income security:** A two-pronged approach may be required. Firstly, the contributory regime should be innovatively extended to capture in an appropriate fashion informal economy workers who do not operate within the confines of an employment relationship (e.g., own-account workers; workers in the informal care economy) and address their specific contributory capacity and benefit needs contexts. This may require the design and implementation of a dedicated social security framework, and/or the tailor-made adjustment of the current regime provided in the social security laws. Of course, for those informal employees who are legally covered under the social security laws (e.g., many domestic workers), enforcement and monitoring of compliance become paramount. Secondly, there may be a need to extend the non-contributory social security (i.e., social assistance) regime to provide income security to impoverished informal economy workers. However, such non-contributory support should be linked to graduation measures to assist the strengthening of their labour market participation in a way that enables them to contribute to their own social security. In essence, the twofold approach advocated here requires a careful calibration of the non-contributory and contributory social security regimes.
- **Establishment of a High-Level Governance Body for Implementation:**
  - ◊ **Establish Social Security Unit for Informal Economy:** Establish a dedicated unit within the SSC to design and coordinate strategies for informal worker coverage, with its first task being the design of a specific scheme for these workers. This agency will have a clear mandate to ensure policy coherence, coordinate joint planning and resource mobilisation, and oversee a unified M&E framework for all informal economy interventions across government.

11

Annex: ***Methodology***

Indicators and Sector Prioritisation

Indicator	Emerging sectors
Proportion of informal employment and sectoral contribution to GDP.	Agriculture, Forestry, and Fishing, Accommodation and Food Services; Wholesale and Retail Trade; Private households
Demographic and socio-economic profiles of informal workers by sector- Vulnerability of workers	Agriculture, forestry & fishing; Wholesale and retail trade; Domestic work (Private households); Manufacturing; Accommodation and Food Services;
Comparison of working conditions between informal and formal employment- Potential for decent work	Agriculture, forestry & fishing; Manufacturing; Construction; Mining and quarrying
Geographic distribution of informal employment.	Agriculture, forestry & fishing; Wholesale and retail trade; Tourism (part of Accommodation and food service activities); Construction
Number of trained personnel available for regulatory enforcement and programme implementation in the sector.	Agriculture, forestry & fishing; Mining and quarrying; Tourism (part of Accommodation and food service activities); Manufacturing
Proportion of national or sectoral budgets allocated to formalization and informality support strategies.	Mining and quarrying; Fishing; Tourism (part of Accommodation and food service activities); Manufacturing
Presence of accessible facilities (e.g., marketplaces, microfinance offices, digital access points) in informal economy hotspots.	Wholesale and retail trade; Transportation and storage; Construction; Tourism (part of Accommodation and food service activities)
Number of existing policies with mechanisms to incentivize formalization (e.g., simplified registration processes, tax benefits).	Agriculture, forestry & fishing; Manufacturing; Mining and quarrying; Financial and insurance activities
Number of active partnerships addressing sector-specific informality challenges.	Agriculture, forestry & fishing; Wholesale and retail trade; Tourism (part of Accommodation and food service activities); Manufacturing
Proportion of informal workers engaged in consultations or focus groups.	Agriculture, forestry & fishing; Wholesale and retail trade; Tourism (part of Accommodation and food service activities); Construction
Number of sectors with digital tools to facilitate formalization processes.	Wholesale and retail trade; Financial and insurance activities; Transportation and storage; Tourism (part of Accommodation and food service activities)
Strategic importance of the sector	Agriculture, Forestry, and Fishing, Accommodation and Food Services; Wholesale and Retail Trade
Environmental sustainability	Agriculture, forestry & fishing; Tourism (part of Accommodation and food service activities); Manufacturing; Renewable energy (part of Electricity & related industries)
Informal workers seeking support from CSOs or unions	Services oriented sectors; Accommodation and Food Services

Recurring Sectors

Sector	Count
Accommodation and Food Services	12
Agriculture, Forestry, and Fishing	11
Wholesale and Retail Trade	8
Manufacturing	5
Mining and quarrying	4
Financial and insurance activities	2
Construction	4
Private households	2
Transportation	2
Renewable Energy	1

KII Stakeholder List

Category	Stakeholders
Government Ministries and Agencies	Ministry of Labour, Industrial Relation and Employment Creation (Old) Ministry of Finance (new) Ministry of Finance and Public Enterprises (old) Ministry of Justice (Old) Ministry of Justice and Labour Relations (new) Ministry of Agriculture, Fisheries, Water, and Land Reform (new) Ministry of Agriculture, Water & Land Reform (Old) Ministry of Environment, Tourism & Forestry Standing Committee on Natural Resources Ministry of Trade and Industrialisation (old) Ministry of Industries, Mines and Energy (new) Namibia Revenue Agency (NamRA) Ministry of Education, Innovation, Youth, Sport, Art and Culture (new) Municipality of Gobabis Otjozondjupa Regional Council Namibian Statistics Agency (NSA)

Category	Stakeholders
Sector Specific Bodies	Namibian Agronomic Board (NAB) Namibia Fish Consumption Promotion Trust Namibian Chefs Association Hospitality Association of Namibia (HAN) Namibian Monk & Sole Association Livestock & Livestock Products Board of Namibia (LLPB) (old Meat Board) Previously Disadvantaged Namibian Farmers Union (PDNFU) Charcoal Association of Namibia Namibia Agricultural Union Federation of Namibian Tourism Associations (FENATA)
Financial Institutions	Bank of Namibia Development Bank of Namibia
Research & Advocacy Institutions	Labour Resource & Research Institute (LaRRI) Economic Social Justice Trust (ESJT) Dynamic Vision Informal Traders Organization Namibia Informal Sector Organization (NISO) University of Namibia (UNAM) Namibia Public Workers Union
Skills training bodies	Namibia Training Authority (NTA)
Labour & Employer Organizations	Namibia Employers Association (NEA) Namibia Chamber of Commerce and Industry (NCCI) National Union of Namibian Workers (NUNW)
Development partners & NGOs	International Labour Organization (ILO) United Nations Development Programme (UNDP) Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Namibian Association of Community Based Natural Resources Management (CBNRM) Support Organizations (NACSO)

FGD Allocation List

Group	Location	Gender
Cross border dynamics in the Food, Agriculture and Migrant Labour Sectors	Helao Nafidi: Oshikango	6 men 6 women
Informal activities within the Fisheries/ Marine Resources	Lüderitz	6 men 6 women
Informal activities in the Agriculture and Forestry Sector	Rundu	6 men 6 women
Informal activities within the Fisheries/ Marine Resources	Walvis Bay	6 men 8 women
Informal activities in the Food & Accommodation Services Sector	Windhoek	6 men 6 women

Classification and mapping of actors

Classification of Actors

Addressing the challenges associated with informality in Namibia requires coordinated efforts among multiple actors. The study defines the role of some of these actors involved in addressing the challenges associated with informality, reducing decent work deficits in the informal economy, and their respective roles and responsibilities. The actors were mapped considering the following roles:

1. **Primary Actors (Directly and actively engaged in informal economic activities)**

- Informal Employees e.g., Domestic Workers, Casual/Day labourers
- Street vendors / Traders
- Unregistered businesses (e.g., food stalls, corners shops)
- Artisans and home-based workers
- Gig economy workers (freelancers without formal contracts)
- Micro, Small and Medium Informal Enterprises
- Informal service providers (e.g., mechanics, barbers)

2. **Supporting Actors (Indirectly involved, providing resources or services)**

These provide resources or services that enable the informal economy to function.

- Suppliers and Middlemen
- Wholesalers supplying goods to informal vendors
- Brokers or agents connecting informal workers with opportunities
- Consumers
- Local populations depending on informal goods and services
- Businesses outsourcing to informal workers
- Local Organizations and Cooperatives
- Community-based organisations
- Member-based or informal economic units

3. **Regulatory and Institutional Actors**

- Parliament (e.g., law making
- National Government (e.g., Justice and Labour Ministries)
- Regional Councils/Governments
- Local/Municipal Authorities (e.g., licensing, eviction, regulation enforcement)
- Law enforcement (e.g., Police, Inspectorates)
- Tax agency
- Social protection programmes (e.g., SSC)
- Non-Governmental Organisations (NGOs)
- Advocacy groups
- Organisations providing healthcare, training, etc.
- International Organisations (ILO, UN-Habitat, World Bank, etc. for research, funding, support for policy)

4. **Enabling Environment Actors (influencing the landscape)**

- Financial Institutions (formal & informal and including microfinance institutions)
- Informal savings groups
- Other service providers (technology, platforms, social media, digital marketplaces
- Academia/Universities, Researchers and Think Tanks.

Key Actors in addressing Informality in Namibia

Type of Institution	Name	Role
1. NATIONAL LEVEL		
1.1 Parliamentary Portfolio Committees	Standing Committee on Economics and Public Administration	Monitor, enquire into and make recommendations to the National Assembly on matters that may directly or indirectly affect the economy, natural resources and public administration
	Standing Committee on Natural Resources	Monitor, enquire into and make recommendations to the National Assembly on matters that may directly or indirectly affect the natural resources.
	Standing Committee on Gender Equality, Social Development & Family Affairs	Monitor, enquire into, and make recommendations to the Assembly on matters related to the provision of health and social services. Address gender issues across party lines and promote gender equality to improve the status of women
1.2 Government Offices & Ministries	Office of the Prime Minister (OPM)	Leading the government business and coordinating the work of the cabinet.
	Ministry of Agriculture Water & Land Reform (MAWLR): now Ministry of Agriculture, Fisheries, Water, and Land Reform (MAFWLR)	Promote the sustainable and equitable development, management and utilisation of agriculture, living aquatic, water and land resources.
	Ministry of Environment, Tourism & Forestry (METF)	Ensuring environmental sustainability, biodiversity conservation and tourism growth.
	Ministry of Finance and Public Enterprises (MFPE): now Ministry of Finance	Responsible for central government finances, including coordination of the national budget, financial markets, consumer legislation and tax policy
	Ministry of Fisheries and Marine Resources (MFMR): now amalgamated with MAFWLR	
	Ministry of Industries, Mines and Energy (MIME)	Lead agency in attracting private investment in resources exploration and development. Responsible for regulating extractive industries and dangerous goods in the country. Leads the NIESED Policy and coordinates efforts to address informality.

Type of Institution	Name	Role
	Ministry of Industrialisation and Trade (MIT): now split into: • Ministry of Industries, Mines and Energy (MIME) • Ministry of International Relations and Trade (MIRT)	
	Ministry of International Relations and Trade (MIRT)	Formulate and implement policies to attract investment, increase trade, develop and expand the country's industrial base.
	Ministry of Justice (MJ): now Ministry of Justice and Labour Relations (MJLR)	Involved in policy development and implementation related to informal employment
	Ministry of Justice and Labour Relations (MJLR)	Provide legal and labour services and access to justice Involved in policy development and implementation related to the informal economy.
	Ministry of Labour, Industrial Relation and Employment Creation (MLIREC): now amalgamated with (MJLR)	
	Ministry of Urban & Rural Development (MURD)	Involved in urban planning and development issues related to informal settlements
	National Planning Commission (NPC)	Plan, prioritise and direct national development through effective coordination, monitoring and evaluation by providing advisory services to achieve sustainable socio-economic development.
1.3 Agencies / State-owned Enterprises	Agricultural Bank of Namibia (Agribank)	Advance loans to persons engaged in agriculture and activities related to agriculture.
	Bank of Namibia (BoN)	Collaborate on financial inclusion initiatives and policy development for the informal economy.
	Benguela Current Commission (BCC)	Multi-sectoral inter-governmental initiative of Angola, Namibia and South Africa. Promote the sustainable management and protection of the Benguela Current Large Marine Ecosystem
	Business & Intellectual Property Authority (BIPA)	Protect intellectual assets and make doing business possible in Namibia
	Development Bank of Namibia (DBN)	Participate in agri-industry to add value to the produce of the agricultural sector. Provide apex microfinance for onlending to microlenders

Type of Institution	Name	Role
	Environmental Investment Fund (EIF)	Sustainable source of funding for the development and implementation of environmentally sustainable development projects and programmes in partnership with both public and private sector organizations.
	Livestock & Livestock Products Board of Namibia (LLPB)	Provide for control over the grading, classification, sale, import and export of and the imposition of levies in respect of livestock or livestock products.
	Namibian Agronomic Board (NAB)	Promote the agronomic industry and to facilitate the production, processing, storage and marketing of controlled products in Namibia.
	Namibia Financial Institutions Supervisory Authority (NAMFISA)	Responsible for the regulation and supervision of all non-banking financial institutions and activities in Namibia
	Namibia Fish Consumption Promotion Trust (NFCPT)	Familiarise Namibians with their fish and nutrients found in fish as well as to improve the accessibility and affordability of fish.
	Namibia Revenue Agency (NamRA)	Tax collecting authority responsible for administering Namibian tax laws, and customs and excise services.
	Namibia Statistics Agency (NSA)	Mandated to constitute the central statistical authority of the State and to collect, produce, analyze and disseminate official and other statistics.
	Namibia Tourism Board (NTB)	Promote Namibian tourism and travel to and within Namibia. Implement measures to ensure that tourist facilities and services meet specified standards. Vet applications for registration, and grading of accommodation providers and regulated businesses.
	Namibia Wildlife Resorts (NWR)	Run the tourism facilities within the protected areas of Namibia
	National Youth Council of Namibia (NYC)	Undertake training of members. Commercialize production and services.
	National Youth Service (NYS)	Policy formulation and implementation on issues bordering on youth development
	Social Security Commission (SSC)	Provides a foundation of social security on the principles of solidarity for workers in Namibia and their dependents

Type of Institution	Name	Role
2. SUB-NATIONAL LEVEL		
	Council of Traditional Leaders	Advise the President on the control and utilization of communal land.
	Regional Councils (14)	Work together with the National Planning Commission to make a development plan which will guide growth and development in each region. Help local governments in the regions.
	Local Authorities (including Municipalities, Town Councils, Village Councils) (57)	Responsible for the organisation of housing and utilities and the provision of the relevant services.
	Association for Local Authorities in Namibia (ALAN) Officers	Ensure stability within the local authority fraternity to advance sustainable development in all local authorities.
	Association of Regional Councils in Namibia (ARC)	Ensure stability within the local authority fraternity to advance sustainable development in all local authorities
	Namibia Association of Local Authority (NALAO)	Represent the interests of the administrative branch of local authorities
3. TRADE UNIONS & EMPLOYERS ORGANISATIONS		
	Namibia Employers Association (NEA)	Representative body for employers.
	Namibia Employers' Federation (NEF)	Advocates on public policy and endeavours to influence the laws and regulations with respect to labour relations and in the interest of the economy.
	Namibia Farm Workers' Union (NAFWU)	Organise and represent workers on commercial farms only.
	Namibia Fisherman United Association (NFUA)	Organise and represent fishermen in the fishing industry.
	Namibia Food and Allied Workers Union (NAFAU)	Organise and represent workers and educate members.
	Namibia Informal, Domestic & Allied Workers' Union (NIDAWU)	Organise and represent domestic workers.

Type of Institution	Name	Role
	Namibia National Labour Organization (NANLO)	Conduct and coordinate and publish research into matters affecting workers and the country. Promote and advocate for national and international solidarity among workers organisations and other civil society movements.
	Namibia Seaman and Allied Workers Union (NASAWU)	Organise and represent workers in the fishing industry.
	National Union of Namibia Workers (NUNW)	An umbrella federation. Protect and defend the economic, social, educational, cultural and political interest of workers.
	Trade Union Congress of Namibia (TUCNA)	An umbrella federation. Influence trade policy and ensure social justice for workers.
4. TRADE ASSOCIATIONS & ORGANISATIONS		
	Namibia Chamber of Commerce and Industry (NCCI)	Support and serve the private sector. Advocate for a fair, equal, conducive, and competitive business environment through policy negotiations, stakeholder engagements, capacity building, and other membership services.
	Namibia Women In Business (NAWIB)	An NGO to spearhead and tackle challenges faced by women in business.
5. SUB-SECTORS ASSOCIATIONS & UNIONS		
	Dynamic Informal Traders' Association (DITA)	Represents the interests of informal traders of the association.
	Namibia Domestic and Allied Workers Union (NDAWU)	Represents domestic workers, many of whom are in the informal sector.
	Namibia Informal Sector Organization (NISO)	Promote the rights of informal traders, while at the same time trying to turn the informal sector into a formal economy by addressing the traders' concerns.

Type of Institution	Name	Role
	Namibia Informal Traders and Shebeen Workers Union (NITSWU)	Represent the interests of workers in the informal sector who have low wages and poor work conditions.
	Namibia Rural Women's Assembly (NRWA)	Build linkages, strengthen the self-organization of rural women.
	Vendors Initiatives for Social Economic Transformation (VISET)	NGO established as a regional chapter to promote the participation of vendors in economic, policy and legislative processes for the sustainability of their livelihoods.
6. SUB-SECTOR BODIES / ORGANISATIONS		
6.1 Agriculture	Charcoal Association of Namibia	Represents the Namibian charcoal industry, fostering sustainable production practices and facilitating market access.
	Namibia Agricultural Union (NAU)	Represents commercial or non-subsistence farmers.
	Namibia Biomass Industry Group (N-BIG)	Explore market opportunities and support members in accessing new markets and expanding on the existing ones for competitiveness. Facilitate commercialisation and market development for bio-based products.
	Namibia Emerging Commercial Farmers' Union (NECFU)	Contribute to the creation of an agricultural environment conducive to full participation of farmers in the agricultural value chains.
	Namibia Grape Growers Association (NGGA)	Represent grape producers on agricultural issues and concerns
	National Association of Horticulture Producers (NAHOP)	Represent the interests of all horticulture farmers in the country.
	Potato and Onion Producers Association (POPA)	Create and increase opportunities for potato and onion growers. Provide consumers with the highest quality and most competitive price of products.
	Poultry Producers Association (PPA)	Protect and promote the interests of the poultry producers.

Type of Institution	Name	Role
	Previously Disadvantaged Namibian Farmers Union (PDNFU)	Focus on service provision for its members and policy advocacy.
6.2 Forestry	Community Conservation Fund of Namibia (CCFN)	Raise, administer, manage, grow, and disburse funds to promote the sustainable development of communal conservancies, community forests, and related community-based natural resource management (CBNRM) entities.
	Namibian Association of Community Based Natural Resources Management (CBNRM) Support Organizations (NACSO)	Consortium of civil society organizations that work together to support, promote and strengthen community-based natural resource management (CBNRM)
	Namibia Development Trust (NDT)	Empower communities across by promoting sustainable development, enhancing livelihoods, and advocating for social equity.
	Namibia Nature Foundation (NNF) (partnership with WWF)	Provide technical support, capacity building, and policy development for impactful, sustainable conservation projects.
	Namibia Professional Hunting Association (NAPHA)	Promote Namibia as a hunting destination internationally and protect the right to hunt locally.
	National Conservancy and Community Forests - Alliance	Representative voice of the conservancies, community forests and other community-based natural resources' management institutions on issues affecting them.
	Nyae-Nyae Foundation	Support the San community in development and resource management.
6.3. Fishing	Confederation of Namibian Fishing Associations (CNFA)	Represent the interest of the associations.
	Fisheries Observer Agency (FOA)	Actively monitor compliance to legislation and collect quality scientific data.
	Horse Mackerel Association of Namibia	Represent the interest of the association.
	Large Pelagic Association	Represent the interest of the association.
	Namibia Maritime and Fisheries Institute (NAMFI)	Provide maritime and fisheries training.

Type of Institution	Name	Role
	Namibian Crab Association	Represent the interest of the association.
	Namibian Hake Fishing Association	Represent the interest of the association.
	Namibian Mariculture Association	Represent the interest of the association.
	Namibian Monk & Sole Association	Represent the interest of the association.
	Namibian Rock Lobster Fishing Association	Represent the interest of the association.
	The Namibian Line Fish Association	Represent the interest of the association.
	Wet Landed Small Pelagic Association	Represent the interest of the association.
6.4 Accommodation/ Hospitality & Food services	Accommodation Association of Namibia (AAN)	Represent the interest of the hospitality industry.
	Association of Namibian Travel Agents (ANTA)	Represent the interest of the association.
	Federation of Namibian Tourism Associations (FENATA)	Represent the interest of the associations.
	Hospitality Association of Namibia (HAN)	Represent the interest of association.
	Namibia Community Based Tourism Association (NACOBTA)	Broker partnerships between local communities and private sector investors.
	Namibian Academy for Tourism and Hospitality (NATH)	Assist the industry in developing a highly professional workforce.
	Namibian Chefs Association (NamChefs)	Represent the interest of association.
	Nutrition and Food Security Alliance of Namibia (NAFSAN)	Share information, enhance networking and collaboration among members and stakeholders, support coordinated actions and reporting mechanisms, and strengthen advocacy efforts.

Type of Institution	Name	Role
	Tour and Safari Association (TASA)	Represent the interest of association.
	Tourism Related Namibian Business Association (TRENABA)	Promote Namibia's national interests internationally.
7. INTERNATIONAL DEVELOPMENT AGENCIES / ORGANISATIONS		
	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Work on behalf of the German Government and the European Union, among others. It is cooperating with its local Namibian partners on over 20 projects and supporting the country's sustainable economic and social development. The priority areas of GIZ's work in Namibia are sustainable economic development, natural resource management, and inclusive urban development
	Food and Agriculture Organization (FAO) (UN	Support Namibia through Technical Cooperation Programmes, regional initiatives, and partnerships to build resilience against climate change and enhance food security and nutrition. Focus on agriculture, fisheries, forestry, and rural development.
	Friedrich-Ebert-Stiftung (FES)	Private, non-profit educational institution, 'think tank' and platform for political dialogue. Promote democracy, development, social justice and peace through capacity-building, policy research, public dialogue and international exchange. Aim to address Namibia's political, social, and economic challenges through these working lines: Forum for Experts on Social Protection, Gender Justice, Just Transition, Land and Housing, Labour Relations in the Informal and Formal Economy, Political Reform Dialogue, The Colonial Past in Today's Namibia and Youth Matters
	International Labour Organization (ILO) (UN)	Works with the Namibian Government to promote the Decent Work Agenda, Global Accelerator Programme, and supports technical cooperation programmes aimed at improving labour standards and addressing informality.

Type of Institution	Name	Role
	International Organization for Migration (IOM) (UN)	Assist the Government of Namibia in its full compliance with international standards on labour migration through the development of a comprehensive labour migration policy.
	Konrad Adenauer Stiftung (KAS)	Helps to consolidate the democratic constitution and the political and socio-economic participation of citizens, especially women in Namibia through social-political and educational programmes.
	United Nations Development Programme (UNDP)	Works in helping to eradicate poverty, reduce inequalities and exclusion, and build resilience so countries can sustain progress. As the UN's development agency, UNDP plays a critical role in helping countries achieve the Sustainable Development Goals (SDGs).
	United Nations Educational, Scientific and Cultural Organization (UNESCO) (UN)	Seek to support the Government of Namibia to achieve its own National Development Plan (NDP) in line with the Sustainable Development Goals (SDGs). As part of the United Nations Country Team (UNCT) in Namibia, UNESCO Windhoek works in synergy with the United Nations Sister Agencies to implement UNPAF (United Nations Partnership Framework) for 2019-2023. UNESCO is leading Outcome 2 – "Education and Skills" within Pillar 2 on "Social Transformation".
	United Nations Human Settlements Programme (UN-Habitat)	UN-Habitat works with the Government of Namibia to build inclusive, safe, resilient, and sustainable cities. Its mission is to promote transformative urban change through policy advice and capacity development - leaving no one and no place behind.
	United Nations Resident Coordinator Office (UNRCO)	Work closely with all UNSDCF Pillars and other Theme Groups to coordinate and monitor the implementation of UNSDCF 2019 – 2023. Act as a first port-of-call to provide services and support to the Government and other stakeholders, such as the private sector, civil society organisations and other development partners. Furthermore, the RCO, together with the relevant government counterpart, provides secretarial support to the Joint Steering Committee (JSC).

Type of Institution	Name	Role
	United States Agency for International Development (USAID)	Major partner in funding and implementing development programmes in Namibia spanning critical sectors such as healthcare, agriculture and environmental conservation.
	World Bank in Namibia (WB)	Priorities in Namibia include support for renewable energy, green hydrogen, more efficient education and health services, improved housing and urban services, and better access to and affordability of digital services.
	World Food Programme (WFP) (UN)	Focus on ensuring people can meet their food and nutrition needs in times of crises; strengthening national social protection systems and national food systems; and deploying our services and expertise to the Government and other partners, especially in supply chains.
	World Wildlife Fund (WWF)	Work closely with the Namibian Government and other partners to monitor, research and protect its wildlife.
8. NON-GOVERNMENTAL ORGANISATIONS (NGOS)		
	IntraHealth Namibia	Provide training, mentoring, and supportive supervision to help Namibia's health workers deliver high-quality, comprehensive health services.
	Namibian Federation of the Visually Impaired (NFVI)	Provide services needed by persons with visual impairments including rehabilitation, support programmes and awareness.
	Namibian Non-Governmental Organizations' Forum Trust (NANGOF Trust)	Umbrella organization of Civil Society Organizations (CSOs) constituted by Non-Governmental Organizations (NGOs), Community-Based Organizations (CBOs), and Faith-Based Organizations (FBOs).
	Namibian Organization of Youth with Disabilities (NOYD)	Advocate for the rights, empowerment, and full inclusion of young people with disabilities in all aspects of society.

Type of Institution	Name	Role
	Namibia Networks of AIDS Service Organisations (NANASO)	Training, Advocacy, Libraries, Distribution hubs, Community fora and networks, building AIDS Competent communities and bridging the gap between local and national communities.
	National Disability Council of Namibia (NDCN)	Serve to improve the lives of persons with disabilities and to make recommendations in law and policy that will ensure equal protection.
	Namibian Organization of Youth with Disabilities (NOYD)	Advocate for the rights, empowerment, and full inclusion of young people with disabilities in all aspects of society.
	National Federation of People with Disabilities in Namibia (NFPDN	An umbrella body of organisations of people with disabilities in Namibia, which is to lobby for the rights of people with disabilities
	Ombetja Yehinga Organisation Trust	Advocate for the protection of the rights of persons with disabilities.
	Out-Right Namibia (ORN)	Lesbian, Gay, Bisexual and Transgender (LGBTI) human rights organisation
	The Namibian Red Cross Society	National humanitarian organization.
9. RESEARCH & ADVOCACY INSTITUTIONS		
	Economic Social Justice Trust (ESJT)	Lobby and advocacy group promoting struggles for economic and social justice.
	Labour Resource & Research Institute (LaRRI)	Research and education institute.
	Namibia University of Science and Technology (NUST)	Institution of higher learning.
	University of Namibia (UNAM)	Institution of higher learning.

Type of Institution	Name	Role
10. COMMUNITY-BASED ORGANISATIONS (CBOs) & STAKEHOLDERS		
	Community Leaders Organizations	
	Conservation Organizations	
	Informal Economy Business Owners	
	Informal Economy Workers Organizations	
	Local Cooperatives & Trade Associations	
	Volunteer Groups	

Source: Created by the authors

Notes

Ministry of Industries, Mines and Energy

6 Aviation Road
Private Bag 13297
Windhoek

Tel: +264 61 284-8111
Fax: 264 61 238643 / 220386
info@mme.gov.na
www.mme.gov.na

Bank of Namibia

P.O. Box 2882
Windhoek
Namibia

Tel: +264 61 283 5111
Fax: +264 61 283 5231
e-mail: research@bon.com.na
http://www.bon.com.na

United Nations Namibia

38 - 44 Stein Street
Private Bag 13329
Windhoek

namibia.un.org