



Office 154, Southern Wing,
Parliament Building, Love Street,
Central Business District, Windhoek

Tel: +264 61 288 2563

Fax2E: +264 886 557 471

Email: pdmnamibia@gmail.com

**MOTION ON THE IMPLEMENTATION OF THE NATIONAL
MEDICAL BENEFIT AND NATIONAL PENSION FUND, AND OTHER
SOCIAL SECURITY PROTECTION FUNDS AS MAY BE REQUIRED
BY SOCIETY**

BY

HON. ELMA JANE DIENDA, 18th SEPTEMBER 2019

Hon Speaker, Hon Members,

The World Health Organization (WHO) Constitution and the ‘Health-for-All’ agenda set by the 1978 Alma Ata Declaration, holds that “health is a fundamental human right and that the attainment of the highest possible level of health is a most important world-wide social goal.”

The goal of government therefore, should be the attainment of a level of health and social well-being by all Namibians, which will enable them to lead economically and socially productive lives. Empirical studies continue to show that health improvements provide a significant boost to economic growth in developing countries. Healthcare in Namibia is a mixture of public and private systems. Most Namibians are reliant on the underfunded public health service.

For this, the Social Security Act of 1994 was enacted to establish, constitute powers, duties and functions of the Social Security Commission; to provide for the payment of maternity leave benefits, sick leave benefits and death benefits to employees and to establish for that purpose the Maternity Leave, Sick Leave and Death Benefit Fund; to provide for the payment of medical benefits to employees

and to establish for that purpose *the National Medical Fund*; to provide for the funding of training schemes for disadvantaged, unemployed persons and to establish for that purpose the Development Fund; and to provide for incidental matters.

Hon Speaker, Hon Members,

I wish to explore the idea of implementing a National Medical Benefit Fund (NMBF) as provided for in the Social Security Act of 1994. It is now 25 years after adoption of the Social Security Act 34 of 1994.

In 2011, Government, through the Social Security Commission (SSC) embarked on a research to gauge the sustainability of a National Medical Benefit Fund (NMBF). A fund of this nature would grant the over 80% of the population currently denied quality, affordable health services – as an almost direct result of the elitist medical aid funds, whose premiums are suggested to be as much as 15% of the total income of low-income workers. Also, such a fund would result in a win-win situation, as the previously-disadvantaged communities could, through a carefully formulated legislation, gain access to the financial benefits offered by this sector through administrative strategies.

Hon Speaker, Hon Members,

Of course, medical aid funds would definitely feel threatened by the introduction of a new playing field meant to provide access to proper, affordable healthcare, however, it is important for government to level the playing field. The common good of all is a principle that must be applied by government across all sectors. Until, such a Benefit fund is introduced, the ever increasing non-access to affordable healthcare remains a problem for the majority of the unemployed and employed Namibians, young and old.

Through the Social Security Act, the Social Security Commission (SSC) is mandated to establish a ‘National Medical Benefit Fund’ (NMBF), a type of Social Health Insurance aimed at providing ‘payment of medical benefits to

employees’. As such the NMBF, can serve as a sub-set to a broader National Health Insurance and pave the way for achieving Universal Health Coverage (UHC).

The strategic study commissioned in 2011 by the Social Security Commission, on the design and implementation of NMBF, was completed in July 2012. Stakeholder input was solicited and received. However, we are still to see the implementation of such a Fund. The 1st Namibia Social Protection Conference took place from the 7 – 9 July 2015 at Safari Conference Centre in Windhoek, again a report on Social Protection was issued, with the Theme “Towards Comprehensive Social Protection for All”.

It is clear from the above that given current inequities in social health provision in the country, and in light of global trends in health care financing, Namibia cannot sit idle and continue with business as usual.

Allow me to delve into the mechanics of these funds as established by the Social Security Act of 1994;

National Pension Fund

The Social Security Act 34, of 1994 makes explicit provision for the National Pension Fund, however, research indicates that there is a need for legal amendments to ensure a sound legal basis for introducing the National Pension Fund.

Further on, Part VII section 34, subsection 1;

Establishes a fund to be known as the National Pension Fund. (2) the fund shall be a juristic person, (3) there shall be paid into the fund:

- (a) The prescribed contributions payable to the fund;
- (b) Moneys appropriated by the Parliament for the purposes of the Fund;

Hon Speaker, Hon Members,

In a nutshell, the Act makes provision for the creation and establishment of a National Pension Fund. In my view, this establishment is on the basis that many employed Namibians are excluded from retirement fund arrangements and the already existing retirement funds have heavier strings attached than a National Pension Fund would have. Government has made provision for the establishment of the Fund as a mandatory contributory and social security pension as far back as 1994, with the passing of the Social Security Act. However, the National Pension Fund has not been implemented.

Hon Speaker,

Based on the Labour Force Survey 2016, the total number of employed people in Namibia was estimated at 676,885 (six hundred and seventy six thousand, eight hundred and eight five). Of these, only 42.1% or 285,416 were active members of existing pension funds. This means 391, 469 (three hundred and ninety one, four hundred and sixty nine) people did not belong to any pension fund in 2016.

Furthermore, the “Draft National Pension Fund Policy” proposes to establish a Social Security Pension Scheme with the following vision; a Namibia in which all workers have effective access to affordable pension and disability/(special need) benefits and most importantly their dependants have access to survivor’s benefits in striving towards comprehensive social protection for all.

As a social protection tool, **Hon Speaker, Hon Members**, the proposed implementation of the National Pension Fund will ensure income security at old age, help participants to maintain a decent standard of living and help lift participants and their dependants out of poverty.

Maternity Leave, Sick Leave and Death Benefit Fund

Section 28, subsection 1 *establishes* a fund to be known as the maternity Leave, Sick Leave and Death Benefit Fund.

The Fund in itself should be applied to provide:

- Maternity leave benefits to every female employee;
- Sick leave to every employee;
- And death benefits to the dependants of every employee

Maternity, sick leave and death benefit fund has a ceiling of N\$13 000 per month for a maximum of 12 (twelve) weeks for fully paid-up women on maternity leave. However, many employers do not make up the loss in income for women who earn more than this ceiling amount when they take maternity leave for three months. In most cases the loss of income can be significant at this time when women need income the most and new-born babies require breastfeeding and the best care. Regulatory steps therefore need to be taken by the Social Security Commission and employers to raise the ceiling for maternity benefits to full earning of employees.

Further, research undertaken also reveals an explicit need to establish maternity waiting rooms at hospitals, as expectant mothers in some towns are forced to wait under trees to give birth. Additionally, there is a need to look at the possibility of establishing breastfeeding corners at the workplace.

Hon Speaker, Hon Members,

The percentage of mothers who exclusively breastfeed their children for 0-2 months is 53.6%, dropping to 22.9% for children aged 2-3 months and further dropping to 5.7% for children aged 4-5 months,”. As lawmakers, it should be our duty to review the law on maternity leave to consider the viability of six months maternity leave, or at the very least to require employers to institute other

Measures such as ‘breast feeding corners’ to facilitate continued breastfeeding. Last week (COHA), Cost of Hunger in Africa Study, for Namibia was launched. It clearly recognized what crucial role breastfeeding plays for future development and potential of human beings. Hence, we MUST think long term and make deliberate invest in our social infrastructure. The World Health

Organization and Namibia's own Ministry of Health and Social Services, recommends that mothers exclusively breastfeed their children for six months.

Paternity leave

Hon. Speaker hon Members paternity leave is something that we as Namibians, as a progressive Nation should begin to consider as well. Currently men does not benefit from Social Security benefits, except their families when they died or retired who also have a ceiling not comparable more most of them according to their salaries.

Adoption benefits

Nowhere in the Social Security Act are there provision made for a mother who adopt the child. If one adopt a child aged under two years at least one could be consider for maternity leave benefits.

Unemployment Insurance Fund

Putting into consideration, the high unemployment rate in Namibia, the continuing economic meltdown which ultimately leads to layoffs and the general poverty situation in the country, there is a need now more than ever to explore the possibility of establishing an unemployment insurance fund/scheme, to shield those falling into involuntary unemployment from a sudden exposure to poverty? Unemployment benefits can only apply as long as you did not resigned voluntarily, been suspended or absconded from work. One need to register as a work seeker and be available for work. Unemployment Insurance benefits will be based on your contributions to the Fund, the level of your working salary. This will then only be paid for a certain period.

As Namibians we need to think about this instead of giving people handouts.

Hon Members,

Generally, the unemployment fund can act as a buffer against poverty and distress for laid-off workers and their families in the form of financial help and increased employability. Looking at countries such as Thailand and Mauritius, where there was a correlation between an effective UIF and a well-functioning active labour market mechanism, less destitution was observed among the short-term unemployed and unemployment rates were lower.

South Africa has an unemployment insurance fund that pays up to 60% of one's salary at retrenchment for up to nine months. The Social Security Commission should drive this initiative.

The UIF would provide a social safety net for employees that have been retrenched through no fault of their own as in the SME Bank case. It would also make it easier for companies to retrench employees because they know that employees would be covered for nine months. This will subsequently, reduce the likelihood of businesses failing because of fear to throw redundant employees onto the street.

Hon Speaker, Hon Members,

A legislative mandate is necessary in order to establish a well-functioning UIF system to also give mandate to the institution running it and create a rights-based framework for beneficiaries. In most countries, programs of this nature were underpinned by a legislative framework, however in the case of Namibia, legal provisions only exists at a high level through Article 95(g) of the Constitution, there is a need to bring this down to operational level legislation.

Hon Speaker, Hon Members,

We should be compelled, both by conscience and good socio-economic sense to move towards establishing a national health care financing system. I therefore move to have this motion be referred to the relevant Parliamentary Standing

Committee to conclude consultations with stakeholders involved so as to pave way for the implementation of the National Medical Benefit Fund and National Pension Fund as adopted by this August house and also to include other proposed legislative amendments, as tabled.

I so move.