


NEO

# Namibia Labour Market Review

*Unemployment, Informality and the Youth Jobs Challenge*

Published October 2026
Namibia Economic Observatory | neo-namibia.org

## Executive Summary

Namibia's labour market remains one of the most strained in Southern Africa. The Namibia Statistics Agency's (NSA) 2023 Labour Force Report, released in January 2025, put the unemployment rate at 36.9%, with 320,442 people out of work in a labour force of 867,247. Once discouraged workers and the potential labour force are included, the combined rate of unemployment and potential labour force reaches 54.8% of the working-age population. Youth are hit hardest: youth unemployment stands at 44.4%, and 61.4% of young people face some form of labour under-utilisation.

This review sets out the headline indicators, the regional and youth picture, the scale of informal employment, and the policy response, including Namibia's first national minimum wage. It also flags a measurement problem NEO readers should keep in mind: the 2023 figures use a new international methodology, the survey is run only every few years, and modelled international estimates differ sharply from the NSA's official numbers. As of this publication, 2023 remains the latest official reading.

## 1. Headline Labour Market Indicators

The 2023 report shows a labour market in which fewer than half of working-age Namibians are active. The working-age population (15 and over) is about 1.8 million, of whom roughly one million sit outside the labour force. The participation rate of 46.2% is low by international standards; FNB Namibia noted that healthy economies typically see participation of 60% to 70%. Participation is lower still among women (41.9% against 51.1% for men) and in rural areas (33.4%).

| Indicator (2023) | Value | Source |
|---|---|---|
| Unemployment rate (strict definition) | 36.9% | NSA 2023 Labour Force Report |
| Unemployment rate in 2018 (as commonly cited) | 33.4% | NSA |
| Labour force / number unemployed | 867,247 / 320,442 | NSA |
| Labour force participation rate | 46.2% | NSA |
| Participation: female vs male | 41.9% vs 51.1% | NSA |
| Participation: rural areas | 33.4% | NSA |
| Unemployment + potential labour force | 54.8% | NSA |
| Youth unemployment rate | 44.4% | NSA |
| Youth unemployment + potential labour force | 61.4% | NSA |

The unemployment rate rose from 33.4% in 2018 to 36.9% in 2023. The NSA reports that the labour force itself shrank by 222,906 people over the period, which means the rise in unemployment sits alongside falling

participation rather than a growing pool of job seekers. Among those outside the labour force who would be available to work, an overwhelming share are discouraged from searching.

### Regional comparison

Namibia now records the highest unemployment rate in the SADC region among the countries for which comparable ILO figures were cited at the time of the report's release.

| Country | Unemployment rate | Note |
|---|---|---|
| Namibia | 36.9% | NSA 2023 |
| Eswatini | 31.4% | ILO, as cited |
| South Africa | 27.5% | ILO, as cited |
| Botswana | 23.4% | ILO, as cited |

## 2. A Note on Measurement

Readers comparing Namibia's labour data across sources will find very different numbers, and the reasons matter for how the figures should be used.

- Methodology change: the 2023 report adopted the 19th International Conference of Labour Statisticians (ICLS) standard, replacing the 1982 13th ICLS approach. The 2018 and 2023 rates are therefore not strictly like-for-like, and some commentary cites a 2018 strict rate of 19.8% rather than 33.4%.
- Modelled estimates: international databases that rely on ILO-modelled estimates show Namibian unemployment near 19%, roughly half the NSA's 36.9%. The NSA figure is the official national reference and is the one used by the IMF in its 2025 Article IV consultation.
- Scope: the 2023 census-based labour report covers employment and unemployment only. It excludes job types, working conditions and informal employment, which a full Labour Force Survey would produce.
- Frequency: Angola, Botswana, South Africa and Zimbabwe collect labour force data quarterly, while Namibia has released a national reading roughly once every five years. This leaves policymakers with little ability to see turning points as they happen.

## 3. Regional and Youth Picture

Unemployment varies sharply across regions. The NSA's census labour report recorded steep increases in the north: Omusati rose from 24% to 41.5% and Ohangwena from 33.3% to 47.2%, and Kavango West was reported to have the highest rate in the country. Rural labour force participation, at 33.4%, is well below the national average, pointing to deep under-utilisation outside the main urban centres.

Youth unemployment improved only marginally, easing from 46.1% in 2018 to 44.4% in 2023. The youth labour force numbers about 455,030 people, or 24.3% of the working-age population. Modelled World Bank estimates put youth unemployment near 38% in 2025, up from 37.2% in 2024, again illustrating the gap between modelled and survey-based series. Beyond unemployment, a 2026 report covering Namibia and other surveyed countries found that more than half of Namibian youth are neither in education nor employment, and

identified missing work experience, inadequate training and a mismatch between qualifications and employer needs as the main barriers.

Public programmes are only beginning to register. President Nandi-Ndaitwah said that over 700 jobs were created in the 2025/26 financial year following the launch of the National Youth Development Fund, a small number against a youth labour force of this size.

## 4. Informality and Job Quality

A large share of those who do work are in the informal economy. A report on the informal economy cited in November 2025 put informal employment at 418,674 people, or 57.7% of total employment. This figure comes from a separate informal-economy source and should not be read directly against the 2023 census labour report, which does not measure informality. Informal work typically carries limited benefits, little job security and few prospects for growth, so headline employment numbers overstate the number of secure jobs.

Formal job creation is constrained by tight public finances, which limit government hiring, and by climate shocks such as drought that weigh on agricultural and rural informal incomes. Mining is capital-intensive and creates few new jobs relative to its economic weight.

## 5. Wages and Policy Response

Namibia introduced its first national minimum wage in January 2025. Before then, wage regulation depended on collective bargaining agreements, sector-specific wage orders and individual contracts. The standard rate is N$18 per hour, with a phased path for domestic workers and the security sector, as shown below. Sources differ on exactly when the full N$18 rate took effect for each category, so employers and analysts should check the Wage Order itself.

| Worker category | Hourly rate | Timing |
|---|---|---|
| General national minimum wage | N$18.00 | Reported for 2026 |
| Domestic workers | N$12.02 | 2025 |
| Domestic workers | N$15.01 | 2026 |
| Domestic workers | N$18.00 | 2027 |
| Security sector | N$18.00 | Phased in by 2027 |

The wage reform has not been without friction. The Namibia Employers' Federation asked for a phased implementation and was rejected by the Ministry of Labour, Industrial Relations and Employment Creation, and in January 2026 it called for a more practical labour policy, warning that investment and employment could remain subdued through 2026 without one. The government says the minimum wage should reduce poverty and inequality and support consumer spending in the informal economy, but acknowledged challenges in enforcing it.

### Skills and emerging sectors

Hope for new jobs rests heavily on emerging sectors. A green hydrogen skills census has mapped about 18,000 jobs needed across the hydrogen sector, and confirmed a structural mismatch between education output and employer requirements. UN Namibia has also highlighted work to map around 26,400 new jobs for the next generation. Training programmes, including an EU-funded project aimed at more than 700 unemployed youth and 300 TVET graduates, are early steps. Authorities have also begun digitising public employment services, with artificial intelligence being explored for job matching.

## 6. Outlook and Data Priorities

With no new official labour force reading since 2023, any claim about the 2026 unemployment rate is an estimate. The structural drivers point to little near-term improvement: weak private job creation, constrained public hiring, a skills mismatch and a young, growing working-age population. Absent a faster pickup in formal job creation, unemployment on the NSA basis is more likely to stay close to its 2023 level than to fall materially.

### What NEO will watch

- The release of the next NSA Labour Force Survey, ideally with informal-employment and job-quality detail.
- Compliance with, and employment effects of, the national minimum wage as the domestic and security sector rates step up in 2027.
- Delivery of hydrogen and other project jobs against the pipeline of mapped positions.
- Results from the National Youth Development Fund and the digital employment services.
- Regional price and income data from NEO's own regional research programme, which can provide a more frequent signal than national surveys.

## Sources

*Namibia Statistics Agency, 2023 Population and Housing Census Labour Force Report (released 29 January 2025); IMF 2025 Article IV consultation, as cited; World Bank and ILO modelled estimates via FRED, Trading Economics and Statistics of the World; FNB Namibia commentary; Namibia Employers' Federation statements (January 2026); Cliffe Dekker Hofmeyr Employment Law Alert (2026); UN Namibia; The Brief, New Era, The Namibian, Republikein, The Villager, allAfrica.com, NAMPA.*