

## 6. CREATING THE ENABLING ENVIRONMENT

Creation of an enabling environment is essential for the attainment of sustainable development. Such an environment is complex, and embraces broad issues such as democratic governance; peace and political stability; national, global and regional security; regional integration; international relations; development cooperation; and globalisation.

These various tenets are internal and external factors that constitute the enabling environment, and are regarded as necessary conditions for the realization of sustainable development. It is, therefore, imperative for Namibia to work towards the creation and maintenance of an enabling environment, which ensures peace and political stability, for development to be realised.

Peace has been conceived as the absence of war in the western political discourse. This 'negative' definition (negative, because it defines by negation) has since been questioned by many authors who prefer a 'positive' approach in which peace is viewed as the attainment of security, justice, welfare, freedom, and self-fulfilment. This Vision takes the positive approach to the meaning of peace.

Peace cannot exist outside political stability and acceptance by the citizens of the existing institutions and economic structures and their products. It is a compromise among citizens susceptible to agitation by any situation that provokes social, political and economic woes. Therefore, it exists in a society with stratified obligations and responsibilities, and with a power structure supported by a collective desire to respond to both internal and external aggression. There is a direct relationship between peace and development; while war does not necessarily prevent economic growth, it is inimical to development.

Political stability presupposes the absence of conflicts of whatever nature within the broad civil society. It is a product of broad consensus on national policies and principles, and is an embodiment of tolerance. Both the leaders and those who are led must internalise and practice democracy in order for it to be sustained, and the national Constitution must provide clear guidelines that purposively articulate how government intends to achieve specific levels of desired life quality. Most importantly, the national leadership must be genuinely committed to it, and the government administration must adhere to the principles of justice.

In addition, for political stability to be sustained the environment in and surrounding the country must be devoid of destabilising activities, for these could undermine the prevailing peace. Therefore, political stability manifests only in a society where the individual's interests succumb to those of the majority, and fundamental rights and freedoms are given their cardinal role as pillars of democracy and development.

The goals of the Namibian struggle for Independence were framed in terms of social justice, popular rule and socio-economic transformation, thus the legitimacy of the post apartheid system of governance rests on its ability to deliver transformation or, at any rate, to redirect resources to address the socio-economic causes of poverty and potential conflict. And since attaining independence,

Namibia has enjoyed peace and political stability over the last decade. This is owed mainly to the democratic governance framework that accommodates civil and political rights of citizens.

However, the sustenance of this atmosphere of peace to the year 2030 requires concerted efforts for the expansion of democracy beyond the confines of the formal procedures of political practices, so that it is also felt in the socio-economic arena. Continued prevalence of widespread poverty would, in the eyes of those affected, imply government's unwillingness to change the status quo, or its inability to improve their economic conditions. Therefore, the challenge calls for a functioning social-democratic framework, underpinned by a robust and sustainable system of equitable social provisioning for the basic human needs of all citizens, in terms of, among others, education, health, housing, water, sanitation, land, etc.

## 6.1 Sustainable Development

Sustainable development is the type of development that meets the needs of the present, without limiting the ability of future generations to meet their own needs. It encourages people to take responsibility for their own development and promotes development activities that address the actual needs of the people, and require increasing community contributions to development services and infrastructure. Sustainable development calls for the following:

- Partnership (between government, business, communities, NGOs and CBOs, academic institutions, international community and donors, rural and urban communities, etc.);
- Capacity enhancement (human and institutional);
- Good governance, accountability and transparency;
- Democracy and human rights;
- Environmental protection;
- Peace and political stability.
- Gender equality.

The concept of sustainable development arises, in part, from the realization that it is impossible to separate economic and social issues from environmental issues. In order to pursue sustainable development, strategies that result in a minimum amount of damaging impact but which promote social and economic development must be adopted. Namibia's Ideal Vision for 2030 is one that fully embraces the idea of sustainable development.

The key threats to sustainable development in Namibia

- Population growth and settlement patterns:* Population growth directly affects future demand for natural resources, rates of urbanisation and poverty.
- Increasing water stress.* Namibia's limited freshwater resources are being placed under increasing stress due to population growth, rapid urbanisation and economic growth.
- Poorly planned development and inappropriate industrialisation:* A lack of strategic planning can lead to inappropriate developments that do not make optimal use of Namibia's comparative advantages, and place unnecessary pressure on limited resources such as water.



- iv) *The loss of biodiversity*: The loss of biodiversity impacts on our development options. It disrupts ecosystem stability and the functions that underpin our very survival (e.g. the provision of clean air and water, the control of soil erosion and floods, and the assimilation of wastes).
- v) *Unresolved land issues*: Low land capability means that Namibia's soils are easily degraded. In addition, the unequal distribution of land, if not resolved in the near future, will lead to conflict that could destabilise our entire society and economy. The lack of secure group tenure does not provide incentives for people to care for the land and invest in its improvement. The "open access" problem in Namibia is economically and environmentally unsound as it leads to environmental degradation, dissipation of net benefits and reduced production.
- vi) *Widespread poverty and inequality*: Namibia has one of the most highly skewed income distributions in the world. This means that there is significant poverty and inequality in the country. Poor people have few options but to depend on primary production for food and energy and, therefore, can result in tremendous strain on natural resources.
- vii) *Wasteful consumption patterns*: Wealth can also threaten sustainable development. Wealthy people and communities often choose to have resource intensive lifestyles. If they do, they become responsible for high rates of energy and raw material consumption, and for producing large amounts of polluting waste. Policy incentives are vitally important to dissuade the wealthy members of society to reduce their excessively consumptive lifestyles.
- viii) *Poor governance*: Governance affects efficiency within the civil service, equity, political stability and democracy. Equity and transparency have been highlighted as the most important aspects of governance which need to be addressed in Namibia. In addition, the slow adoption of decentralisation, the lack of intersectoral planning and co-ordination between ministries and stakeholders, and low levels of public participation in decision-making, on some key issues, threaten good governance in Namibia.
- ix) *Unhealthy competition with neighbouring countries for shared natural resources*: Improved and sustained co-operation and co-ordination regarding policies and policy-implementation is essential to avoid future inequitable use, pollution and conflict over shared water, marine fisheries and wildlife resources.
- x) *Underdevelopment of human resources*: Inequalities (particularly by race and gender) in education levels, skills training and capacity-building still exist in Namibia, despite efforts to redress past injustices. The resulting lack of skilled labour and limited human resources restricts private sector development and public sector functioning. Current trends of a declining skills-base (e.g. parks and wildlife management) are of great concern, and Namibia needs to decide on the road ahead in terms of management systems and partnership arrangements. While the creation of parastatals and agencies is based on sound principles and should continue, in some cases they have not performed well

and have resulted in negative perceptions.

- xi) The HIV/AIDS epidemic:* The prevalence of the HIV/AIDS epidemic undermines human well-being and economic prosperity by reducing the quantity and quality of the labour force. In addition, it wipes out past investments in education and training and places a strain on communities and households that need to care for orphaned children, the sick and dying.
- xii) Limited research for development:* Rapid modernisation threatens the survival of valuable traditional knowledge and practices in Namibia. Traditional knowledge is seldom acknowledged as providing any contribution to development - despite the fact that it is often better suited, than Eurocentric technology, to conditions in Namibia. Even though a lot of useful information currently exists, there are significant gaps in our knowledge regarding many issues relating to sustainable development and environmental issues.
- xiii) Unstable macroeconomic environment:* A stable macroeconomic environment is vital for economic growth and poverty reduction. Despite some positive macroeconomic trends since the early 1990's (for example, a steady reduction in the inflation rate, Namibia's macroeconomic environment is not considered stable as yet.
- xiv) The adverse impacts of global atmospheric change:* Under climate-change conditions there is the possibility that Namibia's climate will become hotter and drier, with increased variability and more frequent and prolonged periods of drought. These conditions will exacerbate current problems regarding water management, food production and human health. Superimposed over the major issues that threaten sustainable development in Namibia are the country's harsh climatic conditions, which increase vulnerability to land degradation, water resource depletion and restrict development activities.

***Sub-Vision***

***Namibia develops a significantly more equitable distribution of social well-being, through the sustainable utilization of natural resources in a mixed economy, characteristic of higher income countries, primarily through stronger growth and poverty-reduction.***



## Sustainable Development

### **Things to do**

- Establish domestically determined procedures that integrate environment and development issues into decision-making at all levels.
- Develop or improve mechanisms that facilitate the involvement of all concerned individuals, groups and organisations in decision-making.
- Namibians must work together and government should facilitate and embrace the contributions of civil society.
- Promote actions that can effectively reverse unwelcome trends, and reduce threats to Namibia's natural resource capital.
- Allocate more resources to the previously neglected areas (regions).
- Support household level income generating self-help projects (e.g., brick-making, sewing, etc.).
- Support and encourage diversification of agricultural projects in communal areas
- Encourage the establishment and provide support to agricultural cooperatives.
- Create more credit opportunities for low income borrowers.
- Accelerate the smooth redistribution of land.
- Accelerate the process of removing the 'Red Line'.
- Develop aquaculture.

### **Where we want to be (2030)**

- Partnership is maintained between government, private sector and civil society.
- Partnership is upheld between urban and rural societies and, ultimately, between all members of Namibian society, males and females.
- All Namibians are unified around their long-term development needs and initiatives, and promote and nurture partnerships.
- Poverty and income disparities are significantly reduced.
- All Namibians have access to economic opportunities.
- Land is fairly distributed.
- Economic development is sustainable.
- Government continues to assist the poor with a spending emphasis on the provision of public goods.
- Healthy, productive land with effective water and mineral cycling, leading to infrequent, low-level drought and flooding.
- Farms and natural ecosystems are productive, diverse, stable and sustainable – socially, economically and ecologically.
- Forests, savannas, deserts, wetlands, coastal and marine ecosystems are open, diverse, stable and productive.

### **Current situation**

- Low land capability means that Namibia's soils are easily degraded.
- Issues of equity and transparency, the slow adoption of decentralization, are outstanding.
- Inequalities in education levels, skills training and capacity-building still exist in Namibia, despite efforts to redress past injustices.
- Namibia's macroeconomic environment is not yet considered stable.
- Namibia has a harsh climatic conditions, which increase vulnerability to land degradation
- The threat of HIV/AIDS remains.
- Gender inequality in access to productive resources

### **Things to avoid**

- Ignore the effect of population dynamics
- Unhealthy competition with neighbouring countries for shared natural resources.
- Underdevelopment of human capital
- Poor governance
- Wasteful consumption patterns
- Leave land issues unresolved over a long period of time

### **Worst-case scenario**

- Government acts alone without much input from private sector and non-Governmental organisations;
- Neglect of the land issues, leading to widespread public discontent and agitation;
- Widespread environmental deterioration;
- Highly unstable macroeconomic climate;
- Underdeveloped human resources;
- Increasing poverty and inequality.

### **Objective**

To achieve the development of Namibia's 'Natural Capital' for the benefit of the country's social, economic and ecological well-being.

### **Strategies**

- Harmonizing population dynamics and the impact of rapid urbanisation with social and economic development factors;
- Reducing poverty and inequality, particularly gender-based inequality.
- Solving Namibia's land issues by choosing the most viable land-use options, implementing appropriate land distribution and resettlement policies, developing and maintaining economically and ecologically sound systems of tenure over all natural resources and, combating land degradation;
- Reducing water stress, through management of human, agricultural and industrial water demand; and by improving access to potable water for the rural poor;
- Improving development planning and reducing the negative impact of industrialization, by preparing economically and ecologically rational development plans;
- Ensuring progress on the Environmental Management Act (EMA) to prevent the erosion of Namibia's renewable natural resource capital, and to optimise the benefits from Namibia's non-renewable natural resources (i.e minerals);
- Enhancing biodiversity conservation through improvements in the policy environment, extension of the protected areas network, and improvement of biodiversity information;
- Improving governance by speeding up the devolution process, improving service provision and resource management efficiency, upholding principles of human rights, civil liberties and multi-party democracy, and by maintaining and improving peace, stability and political commitment;
- Improving co-ordination and planning with neighbouring countries for shared natural resources
- Building up Namibia's human capital through education, training and capacity-building, including meeting Namibia's HIV/AIDS epidemic and other health challenges;
- Improving access to existing knowledge and filling in knowledge gaps through improving access to knowledge, research and development;
- Creating a more stable macro-economic environment and stimulating private entrepreneurship; and
- Preparing for the adverse impacts of climate change.

## **6.2 International Relations**

Since Independence in 1990, Namibia has occupied a high international profile. This high profile has contributed towards countering the widely perceived marginalisation of the African continent. Namibia exemplified to the international community a model African country with democratic governance, peace, political and civil stability, the rule of law and low level of corruption.

Namibia hosted the SADC Summit that transformed SADCC into SADC. It was also in Windhoek in August 2000 that SADC was restructured in order to reflect an organisation that responds best to the needs of the new millennium.



In 1991, the task of co-ordination of the sector for Marine Fisheries and Resources within the SADC region was given to Namibia. Through its efforts Namibia developed the SADC Fisheries Protocol which was signed by the Heads of State and Government of all the SADC member states, in 2001. The Protocol has the objective to promote responsible and sustainable use of the living aquatic resources and aquatic ecosystems within the SADC region.

Namibia agreed to a proposal to peacefully resolve the potentially explosive issue of the Kasikili Island with Botswana. Both countries agreed to refer the matter to the ICJ in The Hague, with the express undertaking to accept whatever verdict was reached.

As a mid-wife for Namibia's birth (Independence), the UN became a forum where Namibia played some significant roles. Namibia was elected as Africa's Non-Permanent member of the Security Council for the period 1999 to 2000; Namibia held a rotating Presidency of the Security Council in August 2000 and led the Security Council's fact-finding mission to East Timor, which paved the way for an independence referendum and UN peacekeeping intervention; an assumption by Namibia of the Presidency of the 54<sup>th</sup> Session General Assembly in 1999, for 12 months.

African Heads of State and Governments, in June 2001, launched the successor of the OAU, the A.U. This step represents, historically, the closer political, economic and institutional integration of the African continent. NEPAD has also been formulated to be implemented within the AU framework. It is an African Recovery blueprint for development strategies for the entire continent. Africa stands a better chance with NEPAD in realising its ideals, because NEPAD serves as a pillar of the African Union. NEPAD would contain projects and programmes, well formulated and properly costed, that would be marketed to donor countries for financial support.

In the long run, the AU will more or less resemble the EU. While espousing the Pan-Africanist ideal of a united Africa, the building blocks of the AU should be the existing regional organisations, such as SADC, COMESA, ECOWAS, East African Community, etc. It is easier to unite a number of large regional blocks that have achieved important internal integration milestones, than to unite 51 disparate countries.

Namibia's primary political, diplomatic and security arena is the African continent. What happens in Africa would affect Namibia's vital interest to varying degrees. Namibia operates a coherent national policy response to counteract any negative external factors and accentuate the positive factors. The 'Foreign Policy Response Model' presented in Fig 6.1, is used to illustrate how Namibia could deal with the external challenges which will impact on the country in the years up to 2030, and which will impact, to a greater or lesser degree, on the attainment of the objectives set by Vision 2030.



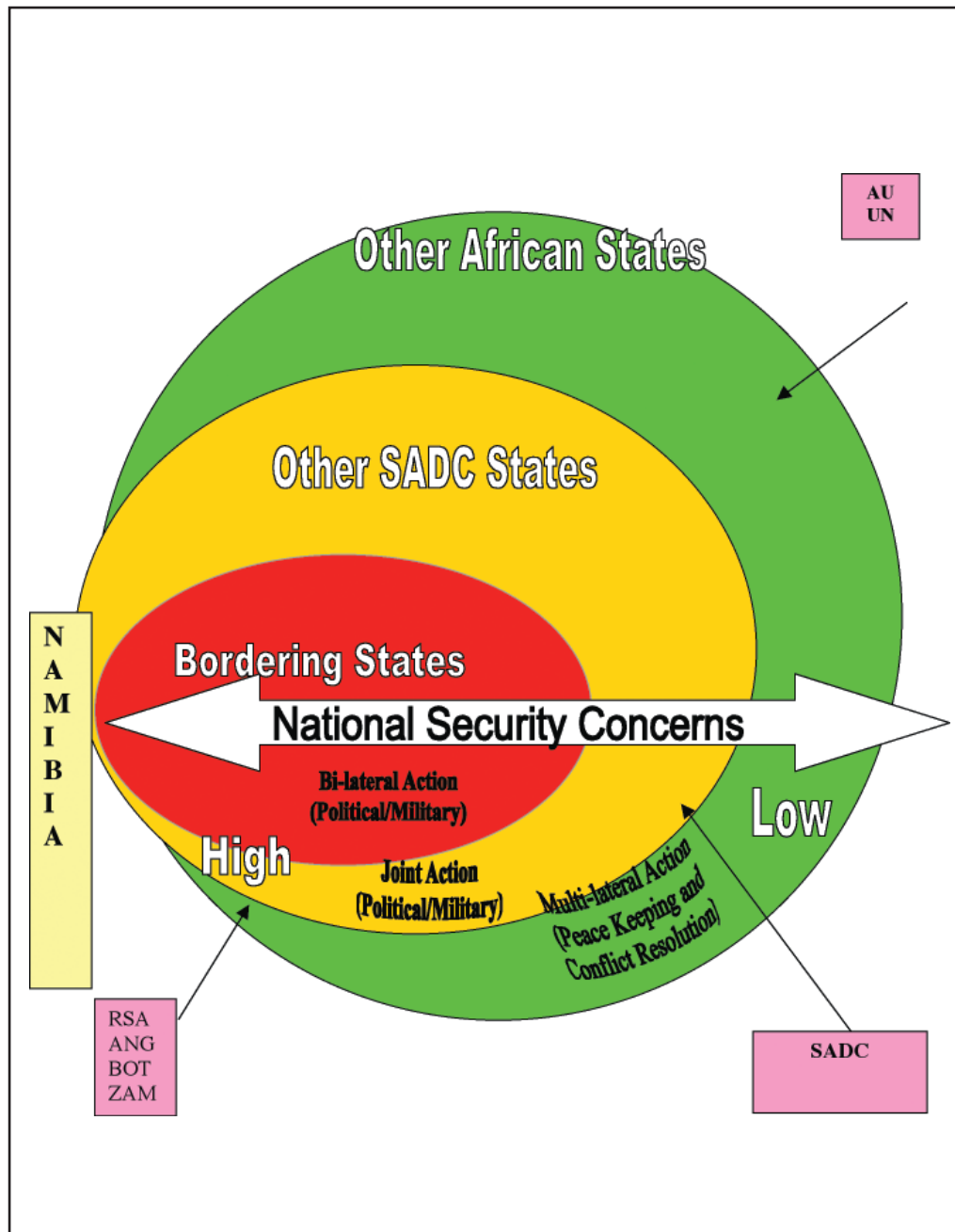


Figure 6.1: Foreign Policy Response Model





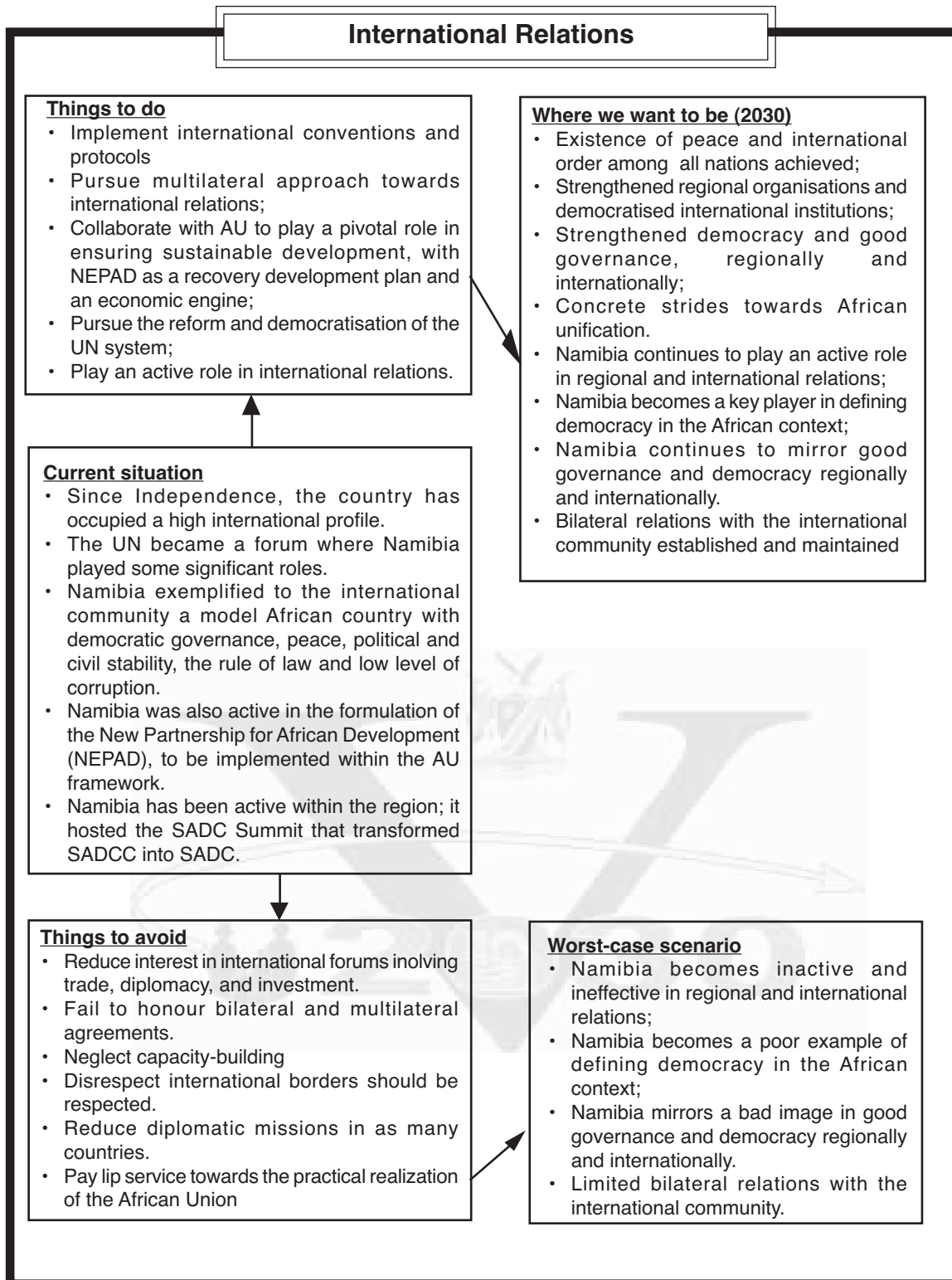
The point of departure of the model is the assumption that Namibia's primary political, diplomatic and security arena is the African continent. What happens in Africa affects Namibia's vital interest to varying degrees, and there is a need for a coherent national policy response to counteract the negatives and accentuate the positives. The intellectual point of departure of the model is a so-called "concentric circle of interests". Fig. 6.1 illustrates the policy inter-relationships between Namibia (represented by the rectangle on the left of the model) and the rest of Africa.

*The smallest circle* represents the four bordering states with which Namibia has developed bilateral security management systems in the form of Joint Commissions on Defence and Security. *The middle circle* represents the rest of the SADC nations not bordering Namibia. *The outer concentric circle* in the model represents the rest of the African continent beyond the SADC region. *Outside of the concentric circles* is the rest of the world, where Namibia's interaction would be conducted within the context of the UN and its institutions and resolutions.

Namibia will continue to play an active role in international relations. The Namibian Government will campaign for an increased role of a multilateral approach towards international relations. For this reason, Namibia will continue to pursue the reform and democratisation process of the UN system. At a continental level, Government will support the full functioning of the AU so that the Union can play a pivotal role in ensuring sustainable development. NEPAD will serve as a recovery development plan and an economic engine.

#### ***Sub-Vision***

***A new international order, has been established based on sovereign equality of nations, where sustainable development, peace and human progress is ensured***



**Objective**

To strive towards a new international order based on sovereign equality of nations where sustainable development, peace and human progress is ensured.

**Strategies**

- Focusing Namibia’s primary political, diplomatic and security efforts on the African continent.
- Ensuring harmony between Namibia and the four bordering countries that share bilateral security management systems of Joint Commissions on Defence and Security.

- Seeking international cooperation to reduce the spread of HIV/AIDS.
- Upholding, with the SADC nations, the regional approach as mandated by the Protocol on Politics, Defence and Security (Namibia would act in concert with other SADC member states).
- Following the UN and AU mandates in Namibia's relationships with the rest of Africa beyond the SADC region, with emphasis on conflict prevention/resolution and peacekeeping.
- Upholding international conventions in relationships with the rest of the world, where Namibia's interaction is within the context of the UN and its institutions.

### 6.3 Development Co-operation

Development Co-operation is the process through which aid is provided by External Funding Agencies (EFAs) to recipient countries in order to achieve a mutually agreed goal. Each sovereign and equal partner realises the objectives that it has intended to achieve. The development partners' relationship should be co-ordinated and managed very carefully. Aid should be supplementary to the recipient country's own domestic resources and should not supplant them.

Between 1990 and 1998, grants to Namibia doubled (from N\$ 283 million to N\$ 780 million). During the same period, grants and soft loans represented, on average, about 12.5% of the revenues of the Government of Namibia. It can, therefore, be stated that Namibia is not aid-dependent as is the case with a number of African countries where aid constitutes more than 50% of the government budget.

Bilateral donors have provided the bulk of development assistance. Since 1991, bilateral donors have contributed about 75% of the total aid while multilateral donors have provided about 25%. Assistance from the UN Agencies has dramatically decreased since Namibia's independence (UNDP is a case in point). In 1990, UN Agencies contributed some N\$ 12.5 million that accounted for 20% of multilateral development assistance, while in 1998, that figure dropped to N\$ 9.3 million, representing 5.1% of multilateral development assistance. The assistance from the bilateral donors has steadily increased.

About 50% of the development assistance has gone to finance human resources development and social sectors (potable water, housing and sanitation). Some 17% of the aid resources were invested in natural resources sectors (agriculture, forestry and fisheries), while 16% went to transport and communication sectors. The rest were invested in administration (development) and regional development.

External development assistance should be guided by the national development priorities and geared towards institutional and human resources and capacity-building, poverty reduction, employment creation and income-generating projects. External assistance should also improve the status of marginalised groups, promote environmental sustainability, revive and sustain the economic growth and development of rural areas and the provision of essential services. It should also promote democracy, human rights, good governance, participatory development, transparency and accountability.

However, external assistance should not perpetuate dependency or undermine national priorities, development efforts and policies. The main priority of

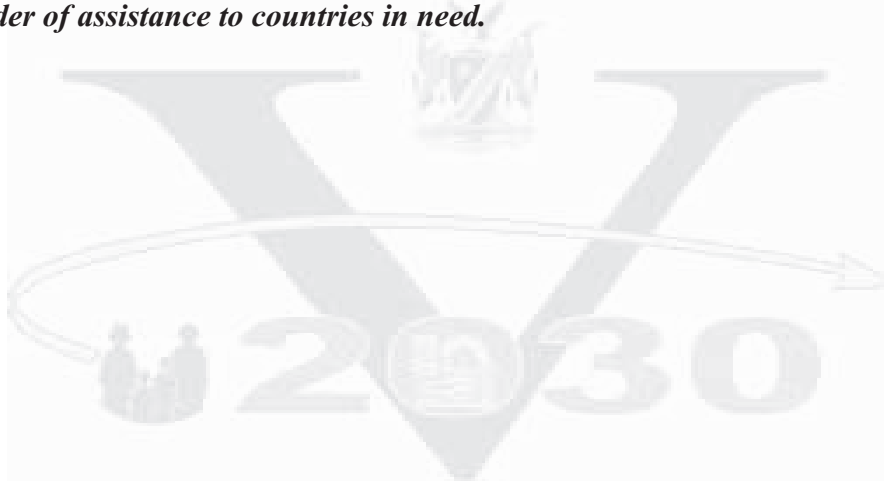
development cooperation remains poverty reduction through economic growth. This can only be achieved in the long run through sustainable development that is socially balanced and where local/grassroots people participate.

Environmental preservation is a new interest of the 1990's. It is now integrated with development issues for commitment to sustainable development. Emphasis is now put on rural and urban development as an integrated approach. Incorporation of the rural-urban link in development assistance is a long process. Another trend is the move towards decentralised cooperation, a political instrument that also creates a new financial approach. Government spending for development cooperation is then organised on a local rather than a central lever.

There is increased cooperation between government and NGOs whereby the role that NGOs play in the development process is recognised by the government. To this end, the Partnership Policy between Government and Civil Society is to be finalised in 2004.

### ***Sub-Vision***

***Namibia has achieved a level of transformation in the flow of development co-operation resources, and has advanced from a recipient of grant assistance to a provider of assistance to countries in need.***



## Development Co-operation

### Things to do

- Develop medium term plan for development programs to develop guidelines for the acceptance of donor support.
- Strengthen relations/cooperation between Namibia and its development cooperating partners.
- Assign diplomatic representatives in as many countries as possible
- Increase industrial and trading base;
- Balance the utilisation of Namibia's natural resources between Namibia and investors who exploit our natural resources;
- Have a conscious policy that ensures that foreign experts impart skills and knowledge to Namibians so that local people replace the foreign experts when they leave the country;
- Maintain harmonious relations with development partners.

### Where we want to be (2030)

- Development cooperation with all friendly nations is strong and is based largely on trade and mutual exchange of opportunities;
- Dependency on foreign development aid is eliminated;
- Protocol signed with donors in accordance with the aims and objectives of Vision 2030.
- Namibia continues to be a member of the global village.
- Namibia is playing an effective role in regional and international organizations.
- Peaceful negotiation with other countries achieved.

### Current situation

- Between 1990 and 1998, grants to Namibia doubled (from N\$ 283 million to N\$ 780 million); but grants and soft loans represented, on average, about 12.5% of the revenues of the Government.
- Namibia is not aid-dependent as is the case with a number of African countries.
- The main priority of development cooperation remains poverty reduction through economic growth.
- About 50% of the development assistance has gone to finance human resources development and social sectors (potable water, housing and sanitation).
- Some 17% of the aid resources were invested in the natural resources sectors (agriculture, forestry and fisheries) while 16% went to transport and communication sectors.
- The rest were invested in administration (development) and regional development.

### Things to avoid

- Dependence on donor support.
- Conflict of interest on the part of the external organization such as donors.
- Initiate unsustainable small and medium income generating projects.
- Overexploitation of natural resources.
- Replace internal resources with external resources.

### Worst-case scenario

- Over-dependence on foreign aid.
- Weak natural resource base.
- Unsustainable development programmes in place.

### **Objectives**

- To ensure that Namibia becomes a donor country and does not receive foreign aid any longer;
- To achieve qualitative change in relations between Namibia and industrialised countries, which transforms Namibia from an aid-recipient country to a trading state and business partner.

### **Strategies**

- Sensitising Namibian business people and utility companies to exploit the opportunities that exist in the African market;
- Through regional and international fora, Namibia vigorously promotes free trade and investment flows and the transfers of appropriate technology;
- Encouraging more foreign direct investment (FDI);
- Strengthening and diversifying relations between Namibia and its development partners;
- Gradually replacing external resources with internal resources.
- Maintaining peaceful coexistence with neighbouring countries.
- Formulating and implementing policies on Development Cooperation

## **6.4 Peace and Security**

The 1990's was a decade that witnessed great events taking place around the world, and have had a direct influence on Namibia and other African countries. The decade marked the end of the Cold War with the breaking up of the Soviet Union into independent states. In the midst of all these, Namibia became an independent, sovereign and democratic state. Many African countries also started to embrace democratic rule and free-market economic policies, thereby paving a genuine way for the fight against poverty and under-development. Apart from internal socio-economic factors that usually influence Namibia's development, other external factors that influence the course of our socio-economic development would have to be highlighted. Among such factors are those of peace and security.

On the African continent, armed conflicts and civil unrests are the main threats to peace and security. Armed conflicts have occurred in many ways. They either come in a form of civil wars or territorial disputes between two countries. The African continent has also witnessed a number civil unrests, normally characterised by student and labour unrests; ethnically motivated violence or *coup d'etat*.

All these actions may lead to devastating effect on the local population and the most vulnerable being women and children. Armed conflicts and civil unrests lead to the displacement of populations, destruction of property, the breakdown of civil authority and, ultimately, impedes socio-economic development.

Since Independence, Namibia has enjoyed peace and political stability. The security of the country had so far not been under any serious threat. Prior to the cessation of civil conflict in Angola, Namibia had to deal with some cross border hostilities on the part of Unita. The secessionist attempts in the Caprivi Region in August 1999 provided an impetus for vigilance against possible civil strife.



The security of Namibia also impinges upon its active involvement in regional and international peace initiatives. Since Independence, Namibia has been involved in a number of peace-keeping efforts.

International Syndicates are posing serious and credible threats to Namibia through organised crime. Money laundering, drug trafficking, human trafficking, arms smuggling and natural resource exploitation are the focus of international crime syndicates. Namibia's rich diamond resources and well-established financial services industry could entice the syndicates to set up their operations in Namibia. This would create a serious political and socio-economic destabilising situation in Namibia.

***Sub- Vision***

***Collective regional and international peace and security have been accomplished.***



## Peace and Security

### Things to do

- Formulate and implement a coherent modernisation plan for the procurement of modern military hardware.
- Maintain a credible defence posture that is qualitatively on par with the best defence force in the region.
- Improve Namibia's capacity for gathering intelligence information to avoid the repeat of the Caprivi Secessionist movement anywhere else and the Kasikili Island surprise.
- Employ Regional Security Arrangements to create collective security framework based on the SADC Protocol on Politics, Defence and Security.

### Where we want to be (2030)

- Regional peace and security guaranteed.
- Namibia's capacity for gathering intelligence information is strong and effective.
- Namibia has a well-trained and well-equipped army, and adequate infrastructure for the entire Defence Force.
- Namibia operates a modernised Defence Force.

### Current situation

- Namibia is partially a product of international solidarity that forced the defeat of the Apartheid system.
- Namibia was quick to claim its rightful place in the international arena by partaking in the UN Peacekeeping missions in Cambodia and Angola.
- Namibia participated in initiatives that were aimed at strengthening SADC regional security.
- Namibia also played a significant role in the peaceful transition of South Africa to a democratic dispensation, a process which influenced positively the return of Walvis Bay to Namibia.
- Namibia enjoys internal peace and stability, but a number of external threats come from non-traditional forms of conflicts.
- Caprivi Secessionists attempted to cause political confusion in 1999, but were quickly contained.
- International Syndicates are posing serious and credible threat to Namibia through organised crime.

### Things to avoid

- Incoherent defence plan
- Poor training and equipment for the Defence Force
- De-emphasise intelligence-gathering
- Limited cooperation in regional peace Protocols

### Worst-case scenario

- Regional instability and disunity
- Armed conflicts/insurrection



### **Objective**

To achieve peace and security within the nation and the international community.

### **Strategies**

- Using collective security as an instrument of national security.
- Employing Regional security to thwart destabilising elements by denying them succour and sanctuary in SADC member states.
- Operationalizing Protocols in terms of military doctrine, sharing of intelligence information, regional security institutions and joint intervention procedures.
- Providing military training for all youth, with emphasis on military discipline.
- Ensuring professionalism in the defence mechanism by having a well-trained and well-equipped army, and adequate infrastructure for the entire Defence Force.
- Reducing HIV/AIDS infection.
- Modernizing the Namibian Defence Force to ensure the effective participation of Namibia in regional, continental and international conflict resolution and peacekeeping missions.

## **6.5 Regional Integration**

Regional integration refers to agreements between groups of countries in a geographic, regional attempt/effort to reduce and remove tariff and non-tariff barriers to the free flow of goods, services and factors of production between each other. It has been perceived as a vehicle for overcoming the constraints of small economically size of nations. The ability to industrialise has been hampered by the small economic size, especially in the area of import substitution, a concept that many African countries adopted soon after their Independence. Regional integration was, therefore, perceived as a means to facilitate the structural transformation of African economies.

Trade creation and trade diversions are two concepts of regional integration. Regional integration should foster trade creation and avoid trade diversion. Trade creation occurs when an economic union leads to the growth of intra-union trade (when union members experiencing expanded trade have lower costs than the rest of the world suppliers). Trade diversion occurs when an economic union leads to an expansion in intra-union trade in which the costs are higher than those in competitor countries in the rest of the world. Currently, Namibia belongs to about four regional blocks, namely SADC, SACU, CMA and ACP.

*i) Southern African Development Community (SADC):* SADC has a membership of 14 Southern and Eastern African countries. The Windhoek Treaty of 1992 changed the Southern Africa Development Co-ordinating Conference to the Southern Africa Development Community. In August 2000, the Windhoek Summit approved the restructuring of SADC in order to make its structures and institutions appropriate to carry out its mandate successfully.

*ii) Southern African Customs Union (SACU):* The Southern African Customs Union (SACU) Agreement was concluded in 1969 between South Africa, Botswana, Lesotho and Swaziland, replacing the Customs Union Agreement of 1910. Namibia became part of the Agreement formally in 1990, after her independence. Under the 1969 Agreement, the Union aims to maintain free exchange of goods and services between member countries. It provides for a Common Excise Tariff (CET), which is set unilaterally by South Africa. Under

the old Agreement (1969), South Africa is the custodian of the SACU revenue pool, therefore, all customs and excise duties collected are paid into South Africa's national Revenue Fund. The revenue is shared among the members states, according to the formula as stipulated in the 1969 Agreement. Each member state's share is therefore calculated accordingly, except for South Africa, which receives the residual. For the BLNS countries, SACU revenue constitutes a greater share of their revenue. For Namibia, the SACU Revenue accounts for about 30 per cent of its total revenue.

With the CET being set unilaterally by South Africa, this arrangement is viewed to be undemocratic and non-transparent. Amongst others this called for the re-negotiation of the 1969 SACU Agreement. The re-negotiation process started off in 1994 with the objectives of democratising the governance of SACU, setting of new institutional arrangements, and deciding on a new revenue formula, amongst others. After a lengthy and protracted re-negotiation process, the new Agreement was finally signed in October 2002.

*iii) Common Monetary Area (CMA):* In 1986, the CMA agreement between South Africa, Lesotho, and Swaziland replaced the Rand Monetary Area Agreement. The currency of South Africa circulates in these countries.

The CMA is divided into 3 categories: definitional; operational; and economic. The definitional category provides legal interpretation of the agreement. The operational category outlines the operational procedures, such as the collection and exchange of monetary statistics. It deals with the provision of consultation on matters of common interest, procedures for settling disputes and procedures for terminating/amending the agreement. The economic category deals with issues such as legal tender, intra-CMA transfer of funds, access to capital markets, foreign exchange transactions and compensatory agreements and payments to LNS countries for using the Rand (on par with their own currencies).

Monetary policy in CMA implies that the convertibility requirement means that foreign exchange assets back the domestic currency issued. Membership of the CMA also implies that Namibia, Lesotho and Swaziland lose control over the nominal exchange rate as an instrument of economic policy.

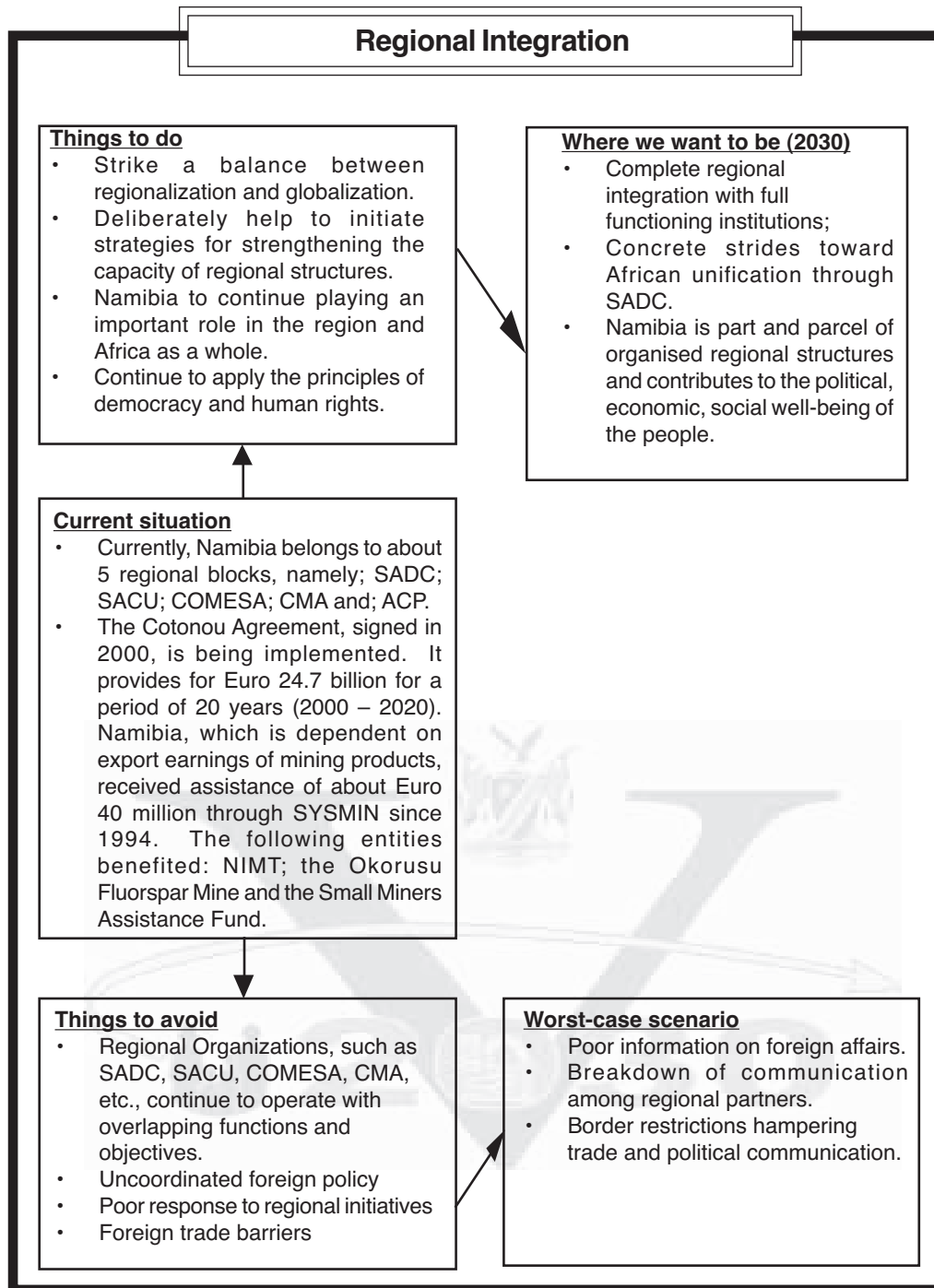
*iv) African Caribbean and Pacific (ACP):* In 1975, nine members of the EU and 45 African, Caribbean and Pacific countries signed the Lome Convention I in Togo. The EU was interested in securing the supply of raw materials and export markets for their products. ACP countries were interested in aid in order to boost their economic development. This included Stabex and Sysmin facilities to soften the impacts arising from uncertainty in weather conditions; fluctuations in prices of minerals; and dependency on a single or few export commodities.

Currently, the Cotonou Agreement is being implemented. It was signed in Benin in June 2000. It provides for Euro 24.7 billion for a period of 20 years (2000 – 2020). Namibia, which is dependent on export earnings of mining products, received assistance of about Euro 40 million through Sysmin since 1994. The following entities benefited the Namibia Institute of Mining and Technology: the Okorusu Fluorspar Mine; and the Small Miners Assistance Fund.

***Sub-Vision***

***Namibia enjoys full regional integration in terms of socio-economic and political structures through effective supra-national organisations.***





**Objective**

To ensure that Namibia is part and parcel of organised regional structures in which it can contribute effectively to the political, economic, social well being of the people.

**Strategies**

- Playing a leading role in ensuring the establishment of effective and operational supra-national regional institutions;
- Implementing and observing all the SADC Protocols in order to benefit maximally.
- Strengthening the effective functioning of the AU.

### *Targets for the External Environment*

The approach to forecasting the future external environment is to sub-divide the 29-year timeframe of Vision 2030 into 5-yearly intervals. The assumption is that the present events in the external environment shall play out *mutatis mutandis* from their present forms till approximately 2005, hence the selection of the 2006-2010, as the point of departure of the model. Within these 5-yearly periods, the external environment has been forecasted, using scenario techniques based on best case, and worst case. The best case scenario is chosen for Vision 2030 as follows:

2006 – 2010

- UNITA has laid down arms and is now part of the political landscape of Angola. The Angolan government continues with the implementation of a multi-billion dollar reconstruction and development plan, with support from the international community. An important component is a national re-integration scheme and small-arms buy-back programme supported by the UN, AU and SADC.
- The Inter-Congolese Dialogue has culminated in a new democratic constitution and free and fair elections. The new democratically elected president is committed to national reconciliation, unity and economic reconstruction. The international community, in exchange for wide-ranging economic reforms, cancels Mobuto-era debts.
- Zimbabwe is on a steady course of economic development. The land reform exercise is completed to the satisfaction of all stakeholders, and significant foreign investment is flowing into the country.
- South Africa's third democratically elected president has been sworn in, and the results of the GEAR policy are being manifested through higher GDP growth rates, increased foreign direct investment and significant job creation in the economy.
- Stronger regional institutions have been created that are better able to help member states resolve internal conflicts, and plans are under consideration for supra-national institutions like the SADC Court of Appeal, SADC Court of Arbitration, SADC Monetary Policy Commission, etc.
- SACU Secretariat is established, with a Council of Ministers, a Commission composed of senior officials as an advisory body to the Council, Technical Committees, and as a sanctioning authority.
- Namibia has implemented the visa requirements for AGOA and enjoys the benefit of access to the United States of America market. Namibia reaps the benefits of AGOA by exporting its goods (textiles) to the United States free of duties. This will contribute to the diversification of the Namibian exports away from the traditional mineral exports.
- More countries implement the SADC Trade Protocol. Member countries start reducing tariffs among each other. Category A product tariffs are immediately phased out, while those on products in category B, are gradually removed.
- Namibia continues to enjoy non-reciprocal access to the EU markets, thus increasing its beef and grape exports to the Union.
- Debt-relief has been affected in a significant number of AU member states, including Nigeria, Algeria and Kenya, allowing previously highly indebted

poor countries, to undertake comprehensive economic reforms with a “clean slate”.

- A joint AU-UN-EU-World Bank conflict-resolution framework is created to provide an effective African conflict early-warning system, conflict resolution framework and intervention procedures/mechanisms/capabilities.
- Namibia and its relevant neighbouring SADC states have reached a binding agreement on their mutual borders, both on land and maritime.
- Namibia has become actively involved in the implementation of NEPAD and has been invited to become part of its steering mechanism.

#### **2010 – 2015**

- Regional institutions are being strengthened. A common regional currency and central bank is in the process of being created. Several accretions of national sovereignty and state power are transferred to SADC, and a SADC Constitution- that overrides or supersedes national constitutions- is agreed upon. More SADC countries begin to converge their macro-economic indicators.
- Angola proceeds on a path of democratic governance, reconstruction and development. New oil discoveries are made in deep-water areas, providing an impetus to further economic recovery. Anti-bandit operations are finally concluded with the surrender of the last armed bandit gangs.
- The UN Security Council is reformed with the status of permanent member state being enlarged to include one regional power from each of the continents. This provides for a more democratic form of regional representation. The powers of the reformed Security Council in terms of international peace and security are increased.
- Two major transmission systems from Grand Inga in the Democratic Republic of the Congo are to deliver cheap power to Southern Africa and Europe, one line down through Angola and Namibia to South Africa and another north through the Sahara to Western Europe.
- Conflict resolution mechanisms are firmly in place at the regional and continental levels, allowing for effective rapid response to emerging conflicts in or between member states of the AU.
- SADC Trade Protocol ratified and implemented by all member states, which leads to the expansion of intra-SADC trade.
- SACU renegotiations complete, and relevant institutions solving disputes and determining common external tariffs, have been set up. The BLNS countries reviewed their taxation base in order to forestall themselves from the effect of the EU-South African Free Trade Agreement.
- SADC establishes a common external tariff, a move that will lead to the formation of the customs union.

#### **2015 – 2020**

- A regional central bank is fully established and a core group of states, including Namibia, introduce the new regional currency. The SADC central bank is responsible for the monetary policy in the SADC monetary area, covering the initial core states.
- A directly elected SADC regional parliament is established with powers to review, harmonise and veto national legislation.
- The AU continues with efforts at continental unity through the creation of



- various supra-national political, economic, judicial and legislative bodies.
- SADC member states implement policies that will lead to convergence in macro-economic indicators as an important criterion for monetary integration.
  - SACU renegotiations completed and relevant institutions established. These are Boards of Trade and Tariffs to set up the common external tariffs for SACU. South Africa Board of Trade and Tariffs is no longer the sole institution to set up the common external tariff. The revenue sharing formula of SACU revisited to give fair share of revenue to the BLNS.

#### 2020 – 2025

- SADC Protocol on Politics, Defence and Security is upgraded to the SADC Mutual Defence Treaty.
- All SADC member states adopt a common regional constitution with key provisions such as abolishing the death penalty, protection of human rights and democratic governance.
- A common regional foreign policy framework and institutions are created, allowing the member states to better meet the challenges and uncertainties of an evolving world order.
- More states adopt the common currency after meeting macro-economic eligibility criteria.

#### 2025 - 2030

- Concrete steps are taken by the regional bodies (SADC, ECOWAS, Maghreb Union, and East-African Community) to harmonise political, economic and institutional arrangements as the precursor to continental unity.
- The AU establishes the African Monetary Stabilisation Fund with the assistance of the Bretton Woods institutions to provide balance of payments and macro-economic stabilisation support to AU member states in need.
- More legislative powers are devolved by member states to the SADC regional parliament.
- Namibia's development co-operation relationship with its international collaboration partners shifts from the weighted association of donor/recipient towards the balanced connection between sovereign trading partners.
- Achievement of regional peace and stability in region.
- Regular democratic, free and fair elections are held throughout the Southern African Region.
- Land in the Southern African Region is equitably redistributed.
- Absence of crime in Namibia and armed conflicts in the region.
- The Southern African Region has established a collective response towards bringing to an end the illegal trafficking of small arms.

- Namibia contributes actively towards the attainment of strengthened regional organisations and democratised international institutions;
- Namibia continues to serve, both regionally and internationally, as an example of a strong democracy and a model of good governance.
- Namibia continues to further the strides towards African unification.
- Namibia benefits significantly from investments in economic and infrastructural development in order to compete globally.
- Namibia is fully integrated into the global trading and financial system.
- The Namibian economy becomes lucrative, to such an extent that there is net inflow of capital from other countries into Namibia's economy.

## 6.6 Globalisation

Globalisation is the integration of national economics throughout the world through trade, capital flows, the exchange of technology and information and movement of people. Since the 1990's, globalisation has become a major topic of discussion and concern in economic circles. The move towards a more integrated world has opened up a wide potential for greater growth, and it presents opportunity for developing countries to raise their living standards. However, concerns about the risks of marginalisation of developing countries have given rise to a sense of misgiving among developing countries. Globalisation benefits consumers and producers in the form of increasing trade, which will give them wider choice of low cost goods, often incorporating more advanced technologies. Access to world markets allows countries to exploit their comparative advantages more intensively, while being exposed to the benefits of increased international competition. The rapid increase in capital and private ventures/opportunities available to Namibia, has accelerated the pace of its development beyond what it could otherwise have achieved. The benefits of globalisation outweigh the costs of that free trade results in countries that specialise in the production of those goods efficiently, while importing goods that they cannot produce efficiently, from other countries.

However, the risks of globalisation include the following: the investment capital seeks out the most efficient markets, while producers and consumer seek the most competitive suppliers. This would expose and intensify existing structural weaknesses in individual economies.

The economic globalisation and restructuring through new technologies has created many options for capital flight, for instance, relocation of production and outsourcing. Critics of globalisation assert that global economic power is shifting away from national governments towards supra-national institutions (WTO, WB/IMF). Globalisation is characterised by the fact that decisions that affect a lot of people are no longer made by national governments, but instead by a group of unelected bureaucrats in the supra-national institutions.

Globalisation would not bring Namibia to the level of the USA and Japan overnight. As globalisation progresses, we should focus on the development of our own





resources, otherwise globalisation in some sense could be suicidal. We need to identify a competitive edge upon which Namibia's position in the world economy will be based. We should strengthen our industrial capacity in order to pursue realistic goals dependent on our natural endowment.

There has been an enormous increase in global trade and in private capital flows to developing countries. However, Africa has not kept pace with this growth. Foreign direct investment, for instance, has increased to all developing countries, but Africa's share is below 5%. Such development points to a trend towards Africa's marginalisation in world trade and FDI. The challenge facing Vision 2030 for Namibia is to design public policies that maximise the downside risks of destabilisation and marginalisation.

With regard to investment promotion, we should also encourage investors who are already in Namibia. By the year 2030, local human resources should be adequate for development promotion.

Tourism offers Namibia a huge opportunity for development of our economy. To enjoy this opportunity in the long run, peace and stability should be our partner. Consequently, tourism should be promoted in order to contribute to our economy. Less privileged people should also be involved in this sector. For Namibia to succeed in the tourism industry, the country should be marketed extensively abroad.

Globalisation on its own would not bring us to the level of the developed countries. We should simultaneously focus on the development of our own resources. Namibia should identify a competitive edge upon which her position in the world economy will be based.

#### ***Sub-Vision***

***The benefits of technology, trade, investment and capital flows have contributed to a significant reduction in poverty in most regions of the world, and Namibia enjoys optimal participation and integration in the global village.***



## Globalisation

### **Things to do**

- Establish and maintain structures (roads, telecommunications media and health services) that can compete with the rest of the world.
- Create positive atmosphere and incentives for foreign direct investments.
- Create awareness of Namibia's potential.
- Promote human and institutional capacity-building.
- Assess and capitalise on the country's comparative advantage in the sectors such as, Agriculture, Tourism, Fishing and Mining.
- Train Namibians to acquire skills and knowledge to be able to compete in the context of globalisation. Design public policies that maximise the downside risks of destabilisation and marginalisation.
- Encourage investors who are already in Namibia.
- Develop local human resources for development promotion.
- Promote tourism in order to contribute to our economy.
- Focus on the development of our own resources.
- Identify a competitive edge upon which Namibia's position in world economy will be based.

### **Where we want to be (2030)**

- Namibia has achieved significant investments in economic and infrastructural development, and is competing globally;
- Namibia is fully integrated into the global trading and financial system;
- The Namibian economy is very lucrative so that there is net inflow of capital from other countries into the country's economy.
- Access to world markets allows Namibia to exploit their comparative advantages more intensively, while being exposed to the benefits of increased international competition.
- The rapid increase in capital and private ventures/opportunities available to Namibia, has accelerated the pace of its development beyond what it could otherwise have achieved.

### **Current situation**

- Globalisation is the integration of national economics throughout the world through trade, capital flows, the exchange of technology and information and movement of people.
- Globalisation would not bring Namibia to the level of the USA and Japan overnight.
- There has been an enormous increase in global trade and in private capital flows to developing countries. However, Africa has not kept pace with this growth.
- Foreign direct investment, for instance, has increased for all developing countries, but Africa's share is below 5%.
- Such development points to a trend towards Africa's marginalisation in world trade and FDI. The challenge facing Vision 2030 for Namibia is to design public policies that maximise the downside risks of destabilisation and marginalisation.

### **Things to avoid**

- Namibia's potential is unknown to the global village
- Underdevelopment of human capacity.
- Creating barriers against international transfer of technology.
- Trade barriers.
- Policy lapses.

### **Worst-case scenario**

- Namibia's share in the global economy remains small;
- Namibia experiences large-scale movement of capital across national boundaries.

### ***Objective***

To ensure that Namibia enjoys optimal participation and integration in the global village.

### ***Strategies***

Namibia's strategic response to globalisation include the following:

- Ensuring good governance;
- Maintaining quality and efficiency of infrastructure, industrial production and services;
- Improving productivity of labour and promoting harmonious labour relations.
- Remaining competitive in the international market.



## 6.7 Democratic Governance

The Republic of Namibia was established as a sovereign, secular, democratic and unitary State based on the principles of democracy, the rule of law and justice for all. Therefore the Constitution is the basic law which contains, *inter alia*, all the ingredients of a democratic state including peace, security and political stability. In creating a democratic state, the Constitution provides and protects fundamental rights and freedoms of all Namibians.

The freedom of speech and press is well established in our society. In order to strengthen these freedoms Namibia has more than three active and very critical newspapers, which contain all kinds of news and information, including comments from individual persons. None of these newspapers have been subjected to harassment of any kind during the past ten years. In addition, the Namibian Broadcasting Corporation transmits live talk-shows on both radio and television where people call-in to express their views without any form of punishment or persecution. In maintaining peace and political stability, freedom of expression is important in order for people to express their views on issues that may disturb peace and political stability. The freedom of the press also contributes to peace and stability in that the people should be informed of the policies of the government by independent monitors. This, in turn develops the nation to make informed choices when electing representatives to government.

The Constitution is the supreme law of Namibia. It is designed to guide the nation in the development of its policies. The rights that are entrenched cannot be taken away from the citizens; it signifies importance to the person and also to the development of the human race.

Although Namibia did not choose to deal with its past injustices in the form of a Truth Commission, the government has supported and adopted policies aimed at reconciliation. None of the previously disadvantaged persons were expelled from the country due to their involvement with the previous colonial government. Instead, the government, in particular the Ministry of Basic Education and Culture has endorsed policies aimed at integrating all races in all schools in Namibia. This was necessary since, at Independence, there were different schools for different races. The National Assembly enacted the Racial Discrimination Act, to punish discrimination based on race, and to prohibit the dissemination of ideas promoting one race or tribe as superior to the others. Namibians of all races currently live together in the country. This, in many ways, is an indicator that there is peace in the country.

The weakness of peace and political stability in Namibia lies in the economic disparities between the poor and the rich. The reduction of poverty is difficult to address constitutionally since it depends upon the availability of resources. The main threat to peace and political stability is violations of human rights.

Without good governance and accountability it would be difficult to achieve and maintain peace, political stability and sustainable development. As was witnessed in the 1990's in Africa, the masses rose against regimes that were perceived to be corrupt, unaccountable and not pursuing a people-oriented development agenda.



Namibia was fortunate that it gained its independence in the early 1990's, a period that marked a trend towards democratisation in most of Sub-Saharan Africa. It has been observed that gaining independence at that particular point in time ensured a significant inclusion of democratic principles in the Namibian Constitution.

The Namibian Constitution has in place various safeguards that ensure accountability in government. It clearly provides for the separation of powers between the Executive, the Legislature and the Judiciary (see Articles 40, 63 and 78 of the Namibian Constitution). It further provides, among others, for the establishment of the Public Service Commission (article 112), and the Office of the Ombudsman (article 89). These are all important administrative and democratic safeguards. If effectively implemented, they will enhance openness in government. It should also be noted that the Public Service Commission's procedures for appointing personnel at different levels of the Public Service, strengthen accountability and transparency. In addition, the Ombudsman's Office was created to promote administrative accountability in the public service.

#### *Sub-Vision*

*Namibia maintains, consolidates and extends the good governance practices of a multi-party democracy with high levels of participation, rights, freedoms and legitimacy (under the Constitution), which continue to serve as a model for other countries.*



## Democratic Governance

### Things to do

- Consolidate and realise the existing constitutional principles.
- Continue to hold regular democratic elections
- Ensure the autonomy and effectiveness of the Electoral Commission.
- Strengthen popular support for electoral mechanisms
- Sustain and improve voter education programs
- Continue to allocate funds to election commission for civic education.
- Encourage other participants (parties, NGO's, and others) to contribute to these efforts.
- Strengthen contributions of electronic media to these efforts
- Continue to use local language where necessary
- Establish an information system that enables the broad spectrum of citizens to understand all issues affecting them.
- Ensure freedom of expression and other fundamental human rights.

### Where we want to be (2030)

- The Namibian people continue to actively participate in decision making through free, fair and frequent elections, as well as through other consultative processes.
- The government operates in an effective, efficient, transparent, and accountable manner at all levels, under acceptable constitutional principles.
- The Namibian people and government continue to support and actively exercise their constitutionally guaranteed political rights.
- The respect for these rights is extended to all individuals and groups in a spirit of tolerance, fairness and responsibility to the whole society.
- A Namibia that enjoys a tolerant and free political environment.
- Allows and encourages people to participate through political parties of their own choice in free, fair and regular elections
- The Namibian people are continuously and effectively informed of their democratic rights.

### Current situation

- The Constitution is the supreme law of Namibia
- The Namibian Constitution has in place various safeguards that ensure accountability in government.
- The freedom of speech and press is well established in our society.
- Although Namibia did not choose to deal with its past injustices in the form of a Truth Commission, the government has supported and adopted policies aimed at reconciliation. None of the previously disadvantaged persons were expelled from the country due to their involvement with the previous colonial government.
- The weakness of peace and political stability in Namibia lies in the economic disparities between the poor and the rich.

### Things to avoid

- The independence of judiciary is not respected
- Legal system functions undermined
- Disregard for the laws by all citizens.

### Worst-case scenario

- Ineffective and inefficient enforcement of law at all levels of government.
- State policies do not reflect the wishes and aspirations of the people.
- The best interests of the people are disregarded.
- Namibia's Independence and sovereignty are not protected.
- Abuse of human rights.

### *Objectives*

- To ensure that the Constitution of Namibia is upheld by all as the fundamental law of our sovereign and independent republic, set to protect and guarantee the rights and freedoms of everyone.
- To have a truly democratic government, and a government which operates in an effective, efficient, transparent, and accountable manner at all levels, under acceptable constitutional principles.

### *Strategies*

- Creating an enabling environment against social/political conflict and corruption, and for democratic participation.
- Undertaking free, fair and frequent elections.
- Creating effective partnerships among the different levels of government and the public.
- Encouraging popular participation.
- Strengthening human and institutional capacities.
- Strengthening the checks and balances in the governmental system (e.g. watch-dogs and parliament).
- Developing appropriate policies and legislation to realize good governance (e.g. freedom of information).
- Increasing democratic participation through decentralization.
- Educating all people on the constitutional and human rights adhered to by Namibia.
- Creating an environment of tolerance.
- Encouraging people to respect the rights of others while exercising their rights.
- Enforcing and pro-actively extending the realisation of human rights.

## **6.8 Decentralisation**

The challenges facing national development, such as economic disparity, poverty, disease, limited skills base and many others, are primarily about making decisions on social, economic and environmental priorities, and on forms of investment, production and consumption. These decisions must be made and dealt with by governance systems at local, regional, national and global levels. Governance is simply the process or method by which society is governed. Two major trends, which can be either complementary or contradictory, are increasingly relevant for governance: decentralisation and devolution on the one hand, and globalisation on the other.

It is recognised that many social and environmental issues are better managed at the local level, where authority, proprietorship/tenure, rights and responsibilities are devolved to appropriate local institutions and organisations, such as aspects of education (school boards), running of towns and villages, water-point and rangeland management, wildlife and forest management, etc. On the other hand, issues arising from globalisation processes, such as trade liberalisation, global communications, foreign investment through multinational corporations and global environmental impact such as climate change and ozone depletion, require global rules and governance systems.

The challenge for effective governance in support of sustainable long-term development is to (a) determine which issues are best addressed at which level; a good general principle is to decentralise and devolve to the lowest effective level; (b) ensure coherence between policy options pursued at different levels; and (c) find ways to ensure that local people can properly exercise their option to be involved, even where it appears that the policy agenda is best focused at national or global levels. This call for capacity-building, both human and institutional, is aimed at all levels of governance.

The conception and introduction of the Policy of Decentralisation in Namibia has its origins in the South West Africa People's Organization's (SWAPO) Political Manifesto of 1989, on Local Government and Housing. The manifesto provided that 'under the SWAPO government there would be democratically elected authorities in rural and urban areas, in order to give power to the people at grass-roots level, to make decisions on matters affecting their lives'. That vision on local governance was later enshrined in the Constitution of independent Namibia as Chapter 12. It provides for a system of regional and local government in the country. Article 102(1) specifically provides for structures of regional and local governments. It states that, "for purposes of regional and local government, Namibia shall be divided into regional and local units which shall consist of such regional and local authorities as may be determined and defined by an Act of Parliament".

In 1992 Parliament put into effect the constitutional provision under Chapter 12 by enacting the Regional Councils Act, 1992 (No. 22 of 1992) and Local Authorities Act, 1992 (No. 23 of 1992). The two pieces of legislation instituted the introduction and implementation of Decentralisation in the country. Both Acts provided for the determination and establishment of councils; qualifications and elections of councillors; management committees of councils; chief executive officers and other officers/employees of the councils; powers, duties, functions, rights and obligations of councils and financial matters in respect of both regional and local authorities councils.

In 1996, more than three years after the enactment of the Regional Councils and Local Authorities Acts of 1992, the Ministry of Regional, Local Government and Housing (MRLGH) decided to consult various stakeholders to determine whether decentralisation was on course. The consultations revealed that decentralisation was not proceeding as expected. Consequently, a policy dialogue ensued on what was realistically possible to decentralise further, in what time frame decentralisation should take place, and with what resources it should be effected.

The policy dialogue culminated in the preparation of the Decentralisation Policy document, which was approved by Cabinet on 11 December 1996, and by the National Assembly in September 1997. The policy was officially launched on 30 March 1998. The document identifies functions to be decentralised, and lays down implementation guidelines, resource strategies and the choice of the form of decentralisation the country is going to take.

In the document it is proposed that decentralisation go through various stages with the ultimate aim being devolution. The exercise (decentralisation) portrays to the regional councils and local authorities as independent entities. It is designed



to be phased-in by region or local authority, by functions and within functions. It is also proposed that some functions be decentralised immediately, and others in the intermediate term and in the long-term.

The implementation of the policy was kick-started through delegation, as an interim measure. Under delegation, regional councils and local authorities are to act as principal agents under the direction of the central government. Central government remains responsible for financing the cost of programmes of delegated functions. To that end, line ministries have been requested to indicate the amount of funds budgeted and approved for the delegated functions and services by programme and per region. At the same time the Ministry of Finance and MRLGH are expected to work out technical details regarding the modality of financial transfers under delegation. There is to be a contractual relationship between the centre and councils for which the terms and conditions will be determined by the central government.

For all delegated functions, matters of operation become the responsibility of the regional councils and local authorities. Line ministries are required to list all matters of operations in respect of the delegated functions, and to provide guidelines on them (including the professional technical standards to be attained) to regional councils and local authorities. The regional officer, as chief executive of the regional council, is to assume the overall charge and supervision of all the line ministries' delegated officials in the region.

To facilitate implementation of the decentralisation policy, the government in 2000 passed the following legislation: The Local Authorities' Amendment Act, 2000; The Regional Councils' Amendment Act, 2000; The Decentralisation Enabling Act, 2000; and The Trust Fund for Regional Development and Equity Provisions Act, 2000.

Although Government is fully committed to the process of decentralisation, it has not as yet been able to carry all the central government ministries with it. For decentralisation to be successful, there needs to be commitment on the part of all the relevant stakeholders. Despite line ministries having been asked by the Secretary to the Cabinet, way back in 1998, to identify the precise operations to be decentralised, and the staff and resources to accompany delegation, only very few ministries have prepared themselves for the implementation process, to date and only two ministries have indicated a possible, gradual transfer of functions, staff and funds for the financial year 2001. In the light of this state of affairs, and acknowledging the fact that the line ministries in all probability will not be capable of working out action plans without external assistance, the MRLGH has resolved to create cross-ministerial taskforces, assigned the responsibility of transforming the DIP into concrete action-oriented work plans.

The DIP, which was prepared by MRLGH, aims at providing all stakeholders involved in the decentralisation implementation process with an instrument to guide them (Ministries, Regional Councils and Local Authorities) through the various phases of the implementation process. Presently, the DIP is in its final draft form. Upon finalisation of the DIP, the next step would be to work out terms of reference for the various taskforces to be established; to appoint the members of the taskforces and to start preparing ministerial action plans.

The Ministries of Finance and RLGH have provided adequate technical details regarding the modality of financial transfers to the regional administration. There is to be a contractual relationship between the centre and councils for which the terms and conditions will be determined by the central government. For all functions, matters of operation become the responsibility of the regional councils and local authorities. Line ministries are required to list all matters of operations in respect of the delegated functions, and to provide guidelines on them (including the professional technical standards to be attained) to regional councils and local authorities. The regional officer, as chief executive of the regional council, is to assume the overall charge and supervision of all the line ministries' delegated officials in the region.

***Sub-Vision***

***Local communities and regional bodies are empowered, and are fully involved in the development process; they actually formulate and implement their respective development plans, while the national government - working hand-in-hand with civil society organizations - provides the enabling environment (laws, policies, finance, security, etc.) for the effective management of national, regional and local development efforts.***



## Decentralisation

### Things to do

- Determine which issues are best addressed at which level;
- Decentralise and devolve to the lowest effective level;
- Ensure coherence between policy options pursued at different levels;
- Find ways to ensure that local people can properly exercise their option to be involved, even where it appears that the policy agenda is best focused at national or global levels;
- Embark upon capacity-building, both human and institutional, at all levels of governance.

### Where we want to be (2030)

- Namibia is a country with streamlined governance systems in place, that truly support the needs of the people by creating efficient enabling conditions, and that are accountable and effective in promoting policy implementation.
- Appropriate and thorough devolution and decentralisation processes have occurred in accordance with the Decentralisation Policy.
- The principles of human rights are upheld, civil liberties and multi-party democracy are firmly entrenched and defended, and comprehensive approaches to reduce crime and domestic violence, to promote peace, stability and social integration have been implemented.
- All the necessary institutional and organisational change effected at national, regional and local levels in support of decentralisation.
- Decentralisation proves to be cost effective.
- Adequate capacity and financial resources are available for the smooth and effective operation of government at Regional and Local Authority levels.
- Regional governments design and implement their respective development plans within the context of NDPs.
- Decentralisation accepted as the most effective means of service delivery.

### Current situation

- Decentralisation Policy was launched on 30 March 1998.
- To facilitate implementation of the decentralisation policy, the government in 2000 passed the necessary enabling legislation in 2000: The Local Authorities Amendment Act, 2000; The Regional Councils Amendment Act, 2000; The Decentralisation Enabling Act, 2000; and The Trust Fund for Regional Development and Equity Provisions Act, 2000.
- Although Government is fully committed to the process of decentralisation, it has not as yet been able to carry all the central government ministries with it.
- The MRLGH has resolved to create cross-ministerial taskforces assigned the responsibility of transforming the DIP into concrete action-oriented work plans.
- The Ministry of Finance and MRLGH have provided adequate technical details regarding the modality of financial transfers to the regional administration.

### Things to avoid

- Neglect human and institutional capacity building.
- Piecemeal implementation of the Decentralisation Policy.
- Decentralisation and devolution of authority without financial and related resources.
- Limiting political participation at local level.

### Worst-casescenario

- Decentralisation process uncoordinated.
- Development planning and plan implementation become increasingly centralised.
- Regional and Local Authorities are controlled and governed directly from the centre.
- Local participation in governance is limited.

### **Objective**

To achieve effective governance in support of sustainable long-term development through decentralisation and devolution of authority to the lowest effective level so that local people can properly exercise their option to be involved in decision-making and management of resources.

### **Strategies**

- Implementing all aspects of the Decentralization Policy;
- Empowering local authorities to improve their revenue generating capacities and exercise control over the management of their affairs;
- Encouraging the people of Namibia to make their own decisions and to do so at their own level regarding political, cultural, economic and social development matters;
- Empowering the regions to reduce HIV/AIDS.
- Providing adequate financial and other resources for government operations at Regional and Local Authority level;
- Building human and institutional capacity in support of local governance;
- Enhancing the capacity of the people at local level to set their own priorities, plan, implement and monitor their development programmes;
- Providing central Government support to local government development initiatives.

## **6.9 Responsible Decision-making**

Namibia has a long list of global advantages, some of which it shares with other southern African countries. However some are unique to Namibia, either as stand-alone advantages, or when seen in, the context of other factors, such as Namibia's peace and stability, its good infrastructure and communications network and its highly developed and convivial capital city. Such comparative advantages include its cultural and biological diversity, its clean and uncontaminated fish and meat, its scenic diversity, tourism potential and wilderness, its position to facilitate regional transport, communications, services such as banking, insurance and other forms of skilled commerce, and many others. Where one has a comparative advantage, globalisation becomes an opportunity, not a threat.

The best means of harnessing the potential of our comparative advantages are through partnerships. This is the key to economic progress, to social harmony and to sustainable development. It involves partnerships between and within different sectors and levels of government, communities and civil society, the private sector, non-governmental organisations, research and training institutions, rural and urban societies, and with the international community – essentially, individuals in their institutional and private capacities working together for the greater good. Government has an important role to fulfil – to create the enabling environment through policy and, if necessary, legislation, to create incentives and, where necessary, to develop a regulatory framework. The better the policy, the less effort government should need to expend on its implementation and regulation; the rest of society will implement.

The creation of good policies that optimise our comparative and competitive advantages through smart partnerships, requires a sound knowledge base, which



in turn is acquired from good information. Information is obtained from science and research, and institutions that are able to nurture and share information and knowledge. Industrialised countries spend up to 60% of their GDP, in one form or another, on science and technology. Least developed countries typically spend less than 1% of their GDP on these sectors. The generation of information and knowledge, except in a few cases of protection from competition, must be placed in the public domain so that it is used by the greatest number for the greater good of all.

***Sub-Vision***

***Namibia’s goal is to promote and strengthen “smart partnerships” for sustainable development, to optimise her comparative and competitive advantages, and to generate and manage good quality information and knowledge by supporting and fostering active and critical science and research through well-structured national institutions, as well as in partnership with institutions abroad.***



## Responsible Decision-Making

### Things to do

- Harness the potential of our comparative advantages through partnerships.
- Establish partnership between and within different sectors and levels of government, communities and civil society, the private sector, non-governmental organisations, research and training institutions, rural and urban societies, and with the international community.
- Encourage individuals in their institutional and private capacities to work together for the greater good.
- Government should create the enabling environment through policy and, if necessary, legislation, to create incentives and, where necessary, to develop a regulatory framework.
- Invest in science and technology research for the generation of information.

### Where we want to be (2030)

- Namibia's comparative and competitive advantages optimally and sustainably developed, in an increasingly global environment;
- There exists a conducive and dynamic enabling environment for the evolution of "smart partnerships" to effectively exploit Namibia's comparative advantages, as well as other development opportunities;
- There is vibrant science and technology research, with particular attention to areas related to Namibia's comparative advantages and development needs;
- Namibia is in a position where relevant, high quality information and knowledge are readily accessible within the public domain.

### Current situation

- Namibia has a long list of global advantages, such as Namibia's peace and stability, its good infrastructure and communications network and its highly developed and convivial capital city.
- Comparative advantages include its cultural and biological diversity, its clean and uncontaminated fish and meat, its scenic diversity, tourism potential and wilderness, its position to facilitate regional transport, communications, services such as banking, insurance and other forms of skilled commerce, and many others.

### Things to avoid

- Discourage science and technology research.
- Protect the generation of information and knowledge such that it is used by a limited number of people only.
- Operate without the benefit of the partnership strategy.

### Worst-case scenario

- Inadequate enabling environment for the operation of the partnership strategy.
- Not utilising our comparative advantage in regional and global competition.
- Treat globalisation as a threat.
- Policies that require more government effort and less society involvement in implementation and regulation.

### Objectives

- To optimally and sustainably develop and exploit Namibia's comparative and competitive advantages, in an increasingly global environment;
- To establish a conducive and dynamic enabling environment for the evolution of "smart partnerships", to effectively exploit Namibia's comparative advantages, as well as other development opportunities;
- To strengthen science and research, with particular attention to areas related to Namibia's comparative advantages and development needs, and to be in a position where relevant, high quality information and knowledge are readily accessible within the public domain.

### Strategies

Continually exploring ways in which Namibia can identify and sustainably exploit its comparative and competitive advantages by:

- Developing conducive policy environments for different sectors to optimise the transition from local to global exploitation of these advantages, with strong incentives and, where necessary, a regulatory framework that ensures equity, fair practice and sustainability
- Creating and nurturing a positive and supportive environment for the development and growth of "smart partnerships", to best promote Namibia's comparative advantages and development needs
- Creating a national commitment to sustainable development:
  - as a *process* and not a fixed plan
  - as the responsibility of *society as a whole*, not just the state or government
  - as *sharing* information, knowledge and opportunities, and not under centralised command and control structures
  - as having a focus on *outcomes* (i.e. impact), not outputs (e.g. laws, project activities such as meetings, etc.)
  - as an *integrated* initiative – within and between sectors and institutions – and not as a set of sectoral activities
  - as a locally and domestically-driven and financed process, with resources trickled in over the necessary period of time, and not as costly short-term "projects".
- Creating a conducive and supportive environment for public-interest scientific and research organizations, to build their capacity to generate and share information, to build knowledge and to disseminate this as widely as possible.
- Developing strong incentives for information to be shared widely in the public domain, with all government institutions leading by example.

## 6.10 Institutional Capacity For Development

Namibia's national capacity is the combination of human resources, institutions, and practices that enable it to achieve its development goals. Capacity building is both the vehicle for, and the object of, national development. The process requires a suitable enabling environment in terms of political stability and freedom, a sound legal system, economic resources and opportunities, social norms which are conducive to sustained development and which are well understood by most of the population. Capacity-building includes, but extends far beyond, the traditional approaches of human resource planning, education and training, and employment generation.

The apartheid system created a most negative and uncondusive environment for development of skills required for effective consummation of the benefits of Independence. As a consequence, capacity to implement post Independence programmes has generally fallen short of optimum requirements. Namibia's capacity building challenge is, however, far from daunting, because the political and economic foundation for development is relatively strong. Namibia's unique colonial legacy has created capacity gaps in terms of the general level of education of the majority of the population, and a relative shortage of indigenous professional and technical personnel.

The Government has initiated a study funded by the WB on the subject of Human Capital Development and Knowledge Management. This initiative aims at identifying gaps in Namibia's Human Capital Investment and Development Strategies, and proposed strategies to fill these gaps.

Key areas of capacity-building being pursued by Government as part and parcel of the overall strategy for sustained political, social, and economic development are the following: the Enabling Environment, the Public Sector, the Private Sector, Civil Society, and Education, Training and Learning.

A sound macro-economic environment is required for the achievement of the desired human and institutional capacity-building. In this regard, Government is responding to the challenges of : (i) Capacity to maintain the status quo; (ii) Capacity to realistically adjust the macro-economic environment and bring it in line with the aspirations of independent Namibia (i.e. issues of equity); (iii) Capacity of the public sector to implement and sustain development programmes; (iv) Capacity of the public sector to manage the regulatory framework within which the private sector operates; and (v) Capacity to manage the utilisation of environmental resources sustainably.

The human aspects of capacity building have already been addressed in Chapter 4, under "Education and Training". The focus in this section is on institutional capacity-building for development.

***Sub-Vision***

***Namibia has well-established democratic institutions that provide the enabling environment for effective participation of all citizens in modern social and economic development. In support of the process of capacity-building, the nation's education system consists of public and private initiatives that, together, respond adequately to the challenges of modern technologically developed and industrial society by producing all the required managerial, technical and professional personnel.***





## Institutional Capacity for Development

### **What to do**

- Adopt and implement appropriate national capacity building strategy for sustained political, social, and economic development.
- The public sector, private sector and Civil Society must work together to implement the national capacity building strategy.
- Government should continue to create the enabling environment for all actors in development to operate effectively.
- Undertake comprehensive institutional restructuring.
- Reduce the spread of

### **Where we want to be (2030)**

- Well established democratic institutions that provide the enabling environment for effective participation of all citizens in social and economic development.
- Education and training institutions that respond effectively to the challenge of modern industrial society by producing all the required managerial, technical and professional personnel.

### **Current situation**

- Namibia has established a multi-party democratic system, and there is a good measure of racial and political tolerance.
- Namibia is yet to achieve the objective of equipping and empowering all her citizens to contribute effectively to the modern economic sector and challenge of nation building.
- The education system is battling with capacity gaps in the general level of education of the black majority population created by colonial legacy, and a relative shortage of indigenous professional and technical personnel.
- The infrastructure is well developed to attract private Investment but there is need to create conditions more favourable to efficiency, profitability, and value

### **What not to do**

- Approach capacity building as a government initiative, with or without private and Civil Society participation.
- Allow training and educational institutions to pursue their programmes independently without reference to national development priorities.
- Pursue institution and human capacity building without a comprehensive national policy and programme.

### **Worst-case scenario**

- Poor management and debasement of democratic institutions lead to decay of institutions and underutilised capacities.
- Uncoordinated educational policies cause over-production of graduates in disciplines that do not reflect the labour market signals for capacity

### *Objectives*

- The overall objective is to ensure that Namibia's human and institutional capacities are well developed and adequate to meet the challenges of a highly developed society.
- To ensure that Namibia has efficient and well-structured national institutions fully utilising human potential and delivering an effective, client-centred service to produce well-qualified and trained human resources, with qualifications which are nationally, regionally and internationally recognised.
- Public and Private Institutions offer services appropriate to customer needs giving value for money through competitive process
- To ensure that Namibia has a diversified, competent and highly productive labour force, with only low levels of unemployment, which meets the requirements of an equally diversified economy.

### *Strategies*

- Providing a sound regulatory framework not only to define the role of political leadership and the civil services, but also to guide the operations of the private sector – including laws and regulations relating to property, commerce, civil disputes, monopolies, banks and capital markets, environmental protection, etc.
- Intensifying all the efforts by Government in providing an enabling environment for the establishment, growth and sustained functioning of public, private, foreign, local, cooperative, individual and family enterprises.
- Ensuring that Government succeeds in rationalising the Public Service, as well as in reducing the size of the public sector.
- Supporting the training of the staff of weak NGO's to build up skills for organisation and management, project identification and preparation, for research, monitoring and evaluation, and for networking, lobbying and advocacy.
- Supporting human capacity-building to enable the regions plan and implement development programmes to promote popular participation and regional development;
- Facilitating the implementation of the National Strategic Plan on HIV/AIDS (1998-2004), the Poverty Reduction Action Programme and National Population Policy for Sustainable Human Development.
- Factoring HIV/AIDS into capacity-building at the operational level;
- Developing and implementing appropriate framework for the application of Affirmative Action in all areas defining access to social and economic opportunities for correcting the imbalances in access to opportunities inherited from the colonial period;
- Improving the economic capacity through: i) reviewing Namibia's investment promotion strategy with a view to attracting export-oriented investments from Europe, Asia, and America; ii) reducing the high cost of labour, in relation to output, by improving the general level of basic education and by greater flexibility in the labour market; iii) extending the incentives given to manufacturing firms to promote training to investors in other sectors as well; iv) taking a stronger position with South Africa regarding high import tariffs in the SACU regions, which raise the costs of doing business, and undermine Namibian's export competitiveness.



- Putting in place a transparent process of performance measurement, evaluation and related rewards for members of senior management, by the corporate governing bodies of institutions
- Adopting social and environmental management practices, by both public and private institutions in Namibia, that allow them to measure their impact by means of accepted performance indicators, on the communities within which they operate
- Adopting and communicating (public and private institutions in Namibia) to external stakeholders, clear guidelines and standards for organisational integrity, against which organisational and individual activities are measured.
- Ensuring, by institutions in Namibia, regular disclosure on all financial and non-financial issues of relevance and interest to stakeholders and the public at large.
- Providing short and long-term training in project planning and sustainable management of resources to all regional council managers.
- Improving service provision and resource management efficiency through public/private partnerships (including joint ventures, the outsourcing of management tasks to parastatals, the private sector and civil society groups and organisations) which hold great promise for improved efficiency regarding service provision and resource management.

