The views of Namibia’s Policy makers and the Civil society on NEPAD

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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AU</td>
<td>African Union</td>
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<td>EU</td>
<td>The European Union</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>G8</td>
<td>The Group of 7 most industrialised countries and Russia – Consisting of Canada, France, Germany, Italy, Japan, Russia, United Kingdom and the United States of America.</td>
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<tr>
<td>HIPC</td>
<td>Heavily Indebted Poor Country</td>
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<td>LDC</td>
<td>Least Developed Country</td>
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<td>NEPAD</td>
<td>The New Partnership for Africa’s Development</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>REC</td>
<td>Regional Economic Community</td>
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1. Introduction

This paper is based on interviews done between May and August 2002, with the main objective to find out about the awareness among policy makers and representatives of the civil society (not only an objective, but also a pre-condition for respondents views to be valid for further analysis) about what NEPAD is and what it has to offer; the views of policy makers and civil society representatives towards NEPAD and the possible roles that Namibia is likely to play within NEPAD.

2. The Methodology

The sample was quite small and it constituted of high ranking officials, from the Ministry of Trade and Industry, and the Ministry of Foreign Affairs Information and Broadcasting (referred to as policy-makers here). The second group of respondents are from civil society organisations, from private sector and one representing the media (civil society representatives).

The questions posed to respondents included, as to whether Namibia need to liberalise (trade, finance etc) or whether the country need some level of protection; how they feel about the approach of NEPAD plan; their reaction to the Peer Review Mechanism, the possible roles that Namibia is likely to play within NEPAD; how they compare the existing mechanisms aimed at enhancement of trade and investment to those proposed under NEPAD plan. The questionnaire was not a standard one for all respondents, but some questions were adjusted to suit different respondents. Again, the questionnaire was a structured one with exclusively open-ended questions.

3. Policy makers

Interviewed officials (policy makers) actually felt that Africa needs more trade, but not really huge financial resources in form of aid, citing that you can not expect someone to commit his/her resources to African development programs without any strings attached – some of which are difficult to comply with. They also felt that Namibia, if not Africa as a whole, needs to increase productivity, especially in areas of manufacturing and value addition. This is because most of trade quotas that Namibia is facing are in fact not felt, for instance the EU beef export quota for
Namibia is set at 13,000 tonnes per annum, but Namibia’s beef export capacity is between 9,000 and 10,000 tonnes per annum. Besides trade quotas and other trade barriers that developing countries are faced with, the issue of subsidies is more complicated and NEPAD can be a more useful organ as small countries will have more market power as a group and hence more likely to have stronger influences on the international trade relations.

The question of partnership is another cited weakness of NEPAD. Who are we supposed to partner with? Initiators of NEPAD decided to concentrate more on a partnership with the G8, maybe because these countries belong to the economic and political core powers of the world. Africa has many other development partners who are just as important as the G8. Some of the Scandinavian countries have surpassed a 0.7% of GDP aid target, whereby it is agreed that developed countries should allocate at least 0.7% of their output to aid for developing countries. The value of aid provided by Cuba in form of medical doctors to Africa is impressive, yet no NEPAD partnerships have been arranged with these countries.

Major expected benefits that Namibia is likely to derive from NEPAD are to come as a result of the neighbourhood effect – as other regional countries improve their infrastructure, this will make intra-regional trade easier and more profitable, existing highways will be better utilised and further extended to link the whole southern African region, just to start with, while improved communication networks will facilitate more business activities all over Africa and beyond.

On the structural set-up of NEPAD, the general feeling is that the African Union could have been more involved in popularising NEPAD on the local level, especially at these initial stages – that is to say, the AU should drive NEPAD (maybe the AU secretariat to implement NEPAD). The relation between NEPAD and the Peace and conflict mechanism of the African Union, and again the relation between NEPAD and the Economic commission for Africa needs to be clarified even more as there are overlapping factions.

How well can Namibia rank according to the African Peer Review Mechanism’s main focal areas? That is, according to political governance, human rights and corporate governance. Namibia ranks well on the first two, but not on the third. To deal with the problem of inefficiency and the poor management of national State Owned Enterprises (parastatals), the Government has put mechanisms in place including the policy on divestiture and parastatal management, which has led to the
outsourcing of functions from some parastatals and the closure of others, such as DBC (Development Brigade Corporation).

In conclusion, policy makers commended that NEPAD came at the right time for the region, when military conflicts in Southern Africa are just coming to an end. They realised that NEPAD is set to bring substantial benefits once implemented, but again, they were not happy with its relationship with other key institutions like the AU, not happy with the fact that NEPAD puts a lot of effort in obtaining resources from outside Africa instead of emphasising more on using African resources to develop the continent, and finally, the partnerships of NEPAD need to be expanded to include most of Africa’s development partners. The awareness about what NEPAD is and what it has to offer was very good among policy makers, but their overall view indicated they were not really optimistic about possible successes of the NEPAD initiative.

4. The civil society

Due to the fact that African countries will be required to open up their markets, both to developed and to other developing economies, the representatives of the civil society felt that a gradual economic liberalisation is more suitable for small countries like Namibia, citing that liberalisation and industrialisation are two antagonistic scenarios especially in case of LDCs and developing countries such as those found in Africa, these need to be reconciled. To avoid dependency, we need to improve our manufacturing (value addition) capacities, we need to have necessary structures in place to avoid surrendering our economies to multinationals as a result of privatisation. Similar to opinions expressed by policy makers, civil society representatives also felt that massive resources from outside Africa are not necessary - we can rather use our own resources.

Whether NEPAD succeeds or not, we can only talk of the success or failure of individual countries and not for the whole continent, because African countries are at different levels of development, endowed with different resources, different governing and management systems, and so on. So, countries can simply benefit by managing their economies better. In addition, opinions were also expressed that NEPAD is not a pure African plan as it did not start at the grassroots level in the continent, but rather introduced to donors before Africans new it.
On Namibia and the African Peer Review Mechanism, the *corporate governance* doctrine may however remain an area in which Namibia will have pressure to perform better under APRM requirements. Since the country falls under neither the LDC or HIPC groupings, Namibia is not set to benefit from concessional loans or from debt relief programme under NEPAD plan, though it can benefit from other capital flows such as FDI, and Trade.

In brief, the strengths of NEPAD include the fact that the continent is moving towards achieving peace, and that NEPAD can be referred to as the first African multi-dimensional plan to have been initiated by leaders from different corners of the continent, where the Northern, Southern and Western Africa regions are represented and the commitments and support indicated by our development partners, particularly the G8, and a possible African integration which will mean more intra-continental trade and faster development. The success of NEPAD and its peer review mechanism will put pressure on African governments to perform, as our societies will have a baseline on which they can base their evaluations of their leaders.

The weaknesses of, and threats to NEPAD include the fact that the massive resources provided by overseas donors may come with strings and conditions attached which African countries might have difficulty accepting. Secondly, Africa is still divided on many sensitive issues (mainly political), such as the Zimbabwean land and election crises and thirdly, the unwillingness by developed countries to reduce (or eliminate) agricultural subsidies given to their farmers is a constraint to any long-term market access for developing countries, including Africa.

NEPAD is based on principles of liberalisation and privatisation, which is likely to worsen the employment situation in many African countries as businesses retrench workers in order to remain competitive in the world economy. Other possible adverse effects could include the weakening of labour rights and the termination of poverty-reduction programmes as the role of the state in the economy becomes minimal. African economies are likely to become dependent on more advanced economies for imports, while domestic firms are not yet ready for international competition. In the absence of economic regulation in the country, trans-national corporations and other well-established organisations can still employ tactics of predatory dumping and transfer pricing – these multinationals can enter and leave the country with no quantitative or qualitative changes once there are no proper control and regulatory measures in place.
5. Summary and conclusions

The respondents were found to be well informed about the NEPAD initiative, but this does not mean the Namibian public is well informed because interviewees are actually high ranking officials who can be said to have the responsibility to know about these developments such as the initiation of NEPAD.

Views expressed by the two groups of respondents (policy makers and civil society representatives) can be summarised to indicate that Africa needs more trade, not aid since what may be referred to as free resources comes with many conditionalities, while further borrowing will again mean more debt service burdens for poor countries. Africa needs to stop capital flight by developing our capital financial markets and thereby create more confidence in our economies.

The representatives of the civil society in particular, felt that a speedy liberalisation is likely to worsen poverty in Africa, because this means that Africans are to open up their markets before they have necessary structures in place and before we develop our manufacturing capacities in order to be competitive internationally.

The set-up and organisation structure of NEPAD is however commented positively for being representative of Africa and that the initiation of NEPAD came at the right time, when the continent is moving towards the achievement of full peace and political stability – this constitutes an opportunity to succeed.

Namibia is already a major recipient of Official Development Assistance (ODA) and it is therefore neither realistic nor likely that ODA will increase in the near future. The trend is rather the opposite, as for a lower middle-income country the competition for foreign aid is stiff between many least developed countries (LDC), which could even mean a diminishing slice of the cake for Namibia in the future. In addition, as a non-Heavily Indebted Poor Country (non-HIPC), it will not benefit directly from any future debt relief and finance at concessional terms issued to African countries.

However, from a broader perspective, NEPAD might be able to halt political turmoil, civil war, and bad governance in a way that has not been possible before in Africa. As a result of this, NEPAD may be able to curb havoc and illegitimate governance in countries in the Southern African region and in Africa as a whole - this would undoubtedly also have a positive effect on Namibia through the ‘neighbourhood effect’. In other words, peace and prosperous development conditions in Namibia’s
neighbouring countries would also have a positive impact on the economic development in Namibia

To recap these views, trade and aid are actually to complement each other and it is not like we are choosing between the two. There are countries in Africa, which are so much in need of both financial and material assistance in form of aid, especially LDCs and HIPC.

Secondly, the argument that the Official Development Assistance may not increase for Namibia in the future is valid. With the country being classified as a lower middle income country, ODA is more likely to be shifted to LDCs and HIPC. Namibia is still however, having one of the most skewed distributions of income in the world, with a Gini coefficient of 0.7 – an indication that the actual level of development is in fact lower than the official ranking because the majority of the nationals are poor.

Finally, short to medium term structural problems cannot be ruled out if African countries are to open up their markets to the rest of the world, probably at a faster pace than the existing programmes of the Regional Economic Communities (RECs).