ENTRY POINTS FOR CIVIL SOCIETY AND THE PRIVATE SECTOR IN THE PLANNING PROCESS - THE POWER OF THREE (ECC. 4:12)

21 October 2020
The case for Private Sector and Civil Society participation

CHALLENGES FACING NAMIBIA

GOVERNMENT’S ROLE IN SOLVING THOSE CHALLENGES

THE ROLE OF PRIVATE SECTOR AND OTHER STAKEHOLDERS
THE SOURCE OF NAMIBIA’S CHALLENGES

The Role of Apartheid, Corruption/Greed and Skills?
Namibia’s Triple Challenges

- Unemployment
- Inequality – Second only to South Africa
- Poverty
Gini coefficients within language groups

<table>
<thead>
<tr>
<th>Language</th>
<th>Average (USD)</th>
<th>Gini within each group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oshwambo</td>
<td>429</td>
<td>0.63</td>
</tr>
<tr>
<td>Other Bantu</td>
<td>427</td>
<td>0.63</td>
</tr>
<tr>
<td>Other African</td>
<td>314</td>
<td>0.54</td>
</tr>
<tr>
<td>Afrikaans</td>
<td>702</td>
<td>0.61</td>
</tr>
<tr>
<td>English</td>
<td>735</td>
<td>0.59</td>
</tr>
<tr>
<td>German</td>
<td>1,821</td>
<td>0.50</td>
</tr>
<tr>
<td>Dutch</td>
<td>136</td>
<td>0.59</td>
</tr>
<tr>
<td>Chinese</td>
<td>631</td>
<td>0.55</td>
</tr>
<tr>
<td>Other/don't know</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
There are very large differences in income by education level.

**Highest level of education obtained (2018) (% of employed population)**

- Junior secondary: 30%
- Senior secondary: 25%
- Primary: 15%
- None: 10%
- University Cert.: 10%
- Dipl. Degr.: 5%
- Postgrad. Cert.: 3%
- Dipl. Degr.: 2%
- Tech. / Vocat. Cert. / Dipl.: 1%
- Completed year 1 or 2 or 3: 1%
- Other: 0%

**Average monthly wage by educational attainment (2018 USD)**

- Postgrad. Cert.: $2,000
- Dipl. Degr.: $1,800
- University Cert.: $1,200
- Dipl. Degr.: $1,000
- Tech. / Vocat. Cert. / Dipl.: $800
- Other: $600
- Junior secondary: $400
- Senior secondary: $200
- Primary: $100
- None: $40

Source: LFS, 2018
GOVERNMENT’S ROLE
Create Enabling Environment
Fiscus Ability to Solve Challenges is Limited

Fiscal balance swing from 6.6% surplus to 2016 8.6% deficit: 15.2 percentage points

Fiscal Balance: Changes 2008-2016 (% of GDP)

- 2008 Fiscal balance: + 6.6%
- Expenditure Variation: -17.2%
- Revenue Variation: +2.0%
- 2016 Fiscal balance: -8.6%
Fiscus Ability to Solve Challenges is Limited

Fiscal consolidation has been contractionary in output and maybe a bit in revenues

Fiscal Balance: Changes 2016-2019 (% of GDP)

- 2016 Fiscal balance: -8.6%
- Expenditure Variation: +8.2%
- Revenue Variation: -5.1%
- 2019 Fiscal balance: -5.4%
THE ROLE OF PRIVATE SECTOR AND CIVIL SOCIETY

Implementation
Very few people work in the formal sector

Comparison with 2016 Survey
- Population: +3.8%
- Working-age population: +3.6%
- Under 15yrs: +4.2%
- Economically Active: +6.2%
- Economically inactive: -2.9%
- Employed: +7.2%
- Unemployed: +4.3%

Source: LFS, 2018
Very few people work in formal firms

110,620 in the public sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>82,675</td>
<td>(31.4%)</td>
</tr>
<tr>
<td>SOEs / Parastatal</td>
<td>27,945</td>
<td>(10.6%)</td>
</tr>
<tr>
<td>Private companies, enterprises, cooperatives</td>
<td>138,691</td>
<td>(52.6%)</td>
</tr>
<tr>
<td>Private HH, individual</td>
<td>13,441</td>
<td>(5.1%)</td>
</tr>
<tr>
<td>Don’t know</td>
<td>837</td>
<td>(0.3%)</td>
</tr>
</tbody>
</table>
THE MISSING INGREDIENT

Solving the Puzzle
Some Learning Points...

OVERCOMING SILO MENTALITY AND INDIVIDUAL EFFORTS
BUILDING ECONOMIES OF SCALE
FOCUS BUILDING OWN LOCAL SOLUTIONS “TOGETHER”
BUILDING A UNITED FRONT (NOT US VS THEM)
Learning From Others – Case Studies in Infrastructure

- Inclusivity Breeds Trust
- Benefit of Cross Pollination and Shared Learning
- Agree on Problem Statement
- Approach of Carrot vs Stick
- Common Identified Outcomes
- Promotes Cohesiveness
Critical Success Factors

- Interdependence
- Co-ordination and Dialogue
- Trust
- Critical Skills for Both
- Structured Plans on the Side of Government
- Leadership
The Next Steps - HARNESSING

ONE NAMIBIA

DIVERSE SECTORS

MULTIPLE SKILLS

“The economic order of Namibia shall be based on the principles of a mixed economy with the objective of securing economic growth, prosperity and a life of human dignity for all Namibians.”

(The Namibian Constitution)
“...Public/private sector cooperation is an essential ingredient for success. A coordinated effort between the business, community and ... government not only results in a climate that is business friendly, it provides unique opportunities for joint efforts in financing and general services to both new and existing employers.”

Wright & Stratton (2009: 32, 38)