

The role of the stakeholders in enhancing local economic development at the town councils in Namibia

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Abstract: The purpose of the research paper is to assess the role of stakeholder in enhancing the local economic development in the town councils of Namibia. The paper examined the stakeholder collaboration and management roles in enhancing the LED in the town councils of Namibia. The paper used qualitative research method to interact with the respondents in the towns councils of Namibia. The paper employed research instruments such as interviews, questionnaires as well as documentary analysis. Finding of this paper show that most town council do not have capacity to improve development and to create employment for their residents. The paper made some recommendations that will help to improve economic development in most town council of Namibia.

Keywords: Local, economic, development, Participation, Social and Vision.

1. INTRODUCTION

The paper focuses on the background information and significance of the research paper. A literature will follow to present the framework of the research paper by looking at what has been done by other researchers and what needs to be done in order to fill the gaps. The paper also looked at the research methodology, procedures and ethical issues.

1.1 Background of the research paper

Before independence decisions were only made at the central government and people at the grass root were left out. In the year 1990 the new Namibian government designed the constitution with policies that can guide how the country will be governed. Although regional and local government has been in existence in Namibia since the colonial times, it never existed in the communal areas of the territory. As a consequence of this, tribal authorities governed these parts of the territory. This underscored the importance of local government that time and also inhibited people from taking part in the decision-making process on matters pertaining to their lives. This reduced citizens to mere recipients of predetermined decisions of the colonial authorities. In some parts of the Police Zone, where regional and local government was practiced, local governments were mere extensions of the state in that all decisions were taken in colonial capitals and handed down to local governments for implementation.

Municipalities form an important core of the government structure. They are assigned important duties and functions. Public statements both in official and private capacities touch on the status and performance of local authorities in one way or another. The implementation of the decentralization policy has been slow. It was envisaged that by 2002 the bulk of the activities would have been decentralized to regional and local authorities. Unfortunately, this has not been the case. Progress has been slow and halting since the decentralization policy was launched and yet, most of the preparatory work is far from completion.

The implementation of the decentralisation policy in Namibia aims to decentralise functions from the line ministries to regional councils and local authorities first by delegation, and ultimately by devolution of political and administrative responsibility of the service provision to the regional councils and local authorities. The Namibian Vision 2030 published in 2004 and the National Development Plan II and III provide the overall planning framework for the decentralization on time, mainly because of unwillingness within the ministries, is noted in the Namibian Vision 2030.

1.2 Research Objectives

- To assess the role of the stakeholders in enhancing local economic development at the town councils of Namibia.
- To examine stakeholder collaboration and management roles in enhancing local economic development in all town councils of Namibia.
- To make recommendations to policy makers and principals on how local economic development can positively impact on the livelihood of the people at all town councils.

1.3 Significance of the research paper

The research paper enhance understanding and knowledge about Local Economic Development Strategies. The results is important to the local government, non-governmental institutions, private players and local communities. This paper seeks to provide a thorough understanding of the factors that influence economic growth with specific reference to sustainability given that towns in Namibia are now required to decide and shape their own destinies in terms of effective planning and income generation through rendering of basic services such as serviced land, water, roads, sanitation and electricity for local economic development initiatives. The recommendations will contribute not only to the knowledge in the field of economic sustainability of the town council of Namibia.

2. LITERATURE REVIEW

2.1 Introduction

Local Economic Development (LED) refers to strategies and initiatives at local levels: a village, town, city, region or a particular area and/or community within urban areas or regions (MRLGHRD, 2011). The economic thrust represents the building block on which the new economy of the town councils is based. In the past two decades local economic development (LED) has been gaining ground as an approach to economic development. It is an integrative approach in which public, private and civic actors define and manage resources to create and maintain place prosperity in a well-defined territory.

2.2 Empirical data in some African countries

Helmsing (2003) revealed that in Sub-Saharan countries, the business environment changed from being heavily intervened by central government and run by public institutions to one in which there is little official regulation and where supporting institutions are lacking but where governments are looming in the background conditions for local economic development in Africa have changed dramatically. First of all, many countries have experienced serious economic downturns, often associated with structural adjustment and political instability. Secondly, central governments have lost their central economic coordinating role; while other private and civic actors, to make the market economy work, are weak.

Investments and improvements plans of local producers critically depend on complementary investments by other producers and other economic agents (traders, banks) as well as government. Particular in situations where potential markets are small and information networks poorly developed such 'coordination failures' may be enduring and 'lock' an area into economic isolation and underdevelopment (Helmsing, 2003). Some localities are able to export goods and services to larger domestic and to international markets and to attract external firms, capital and expertise to enable them to grow further, but many others are unable to benefit from the opportunities offered and are losing their own local resources (capital, firms and educated people) that look for 'greener pastures' elsewhere. Fourthly, after structural adjustment, central governments paid even less attention to (equalization of) economic conditions across regions and localities. Socio-economic gaps between localities and regions are likely to have been rising although there is little hard empirical data.

2.3 Empirical data in Namibia

Namibia is a unitary state. In order to bring services of government closer to the people, Ministries have set up regional offices, thereby de-concentrating service delivery. The Ministry of Urban and Rural Development has the responsibility to coordinate the functions of Local Authorities, Regional councils and Traditional Authorities. The involvement of local people and networks of people and agencies is a key defining feature of LED approaches. It is associated with the notions of self-help, leadership, participation, co-operation and trust. As government moves closer to the people, commitment and participation is being created. (MURD, 2011).

According to the (MRLHD 2011) there are many different public and social actors comprise local and regional authorities, offices of central government, traditional authorities and state-owned enterprises. The social actors include employers, business representative organization, non-governmental, community and voluntary organisations, faith-based organisations, trade unions co-operatives, development agencies and educational institutions.

Economic development and sustainability has therefore become a crucial factor for the survival of Local Authorities in Namibia after independence following the enacting and implementation of the decentralization policy that entails that Government is brought closer to the grass-roots. The task of ensuring that development takes effect and the town remains sustainable has now been put on the shoulders of Local Authorities. Regional Councils in the meantime act as local Governments but are only directly responsible for Settlement Areas and predominantly rural areas within their boundaries (MRLHD 2011).

The White Paper on Local and Regional Economic Development [LRED] recognizes the role of Local Authorities and the active involvement of stakeholders at local level as adding value to the overall national development initiatives. The White Paper states that "In Namibia the concept of sustainable and local economic development emerged soon after independence." It further states that "One of the most important trends has been a reorientation of economic and social policy away from 'top-down' sectoral instruments to 'bottom-up' local development strategies (MRLHD 2011). The town councils therefore are left with the responsibilities of service delivery and bringing about economic development to their localities. Apart from providing the hard-core basic services such as water, roads, sewerage etc. Local Authorities are also responsible for ensuring a conducive environment whether directly or indirectly that amongst others assists to attract investors in order to create jobs and alleviate poverty in a sustainable manner by actively engaging with all spheres of government and stakeholders such as the private sector and civil society. Since the promulgation of towns after independence of Namibia in 1990, it has been evident that the route to economic sustainability of Local Authorities has not been smooth and easy despite the huge expectations and responsibilities on the Local and Regional authorities (MRLHD 2011).

2.4 Local Economic Development Initiatives

The White Paper deals with three distinct intervention areas:

- **Local-** The dynamics at local level, citizen-government relations, civil society involvement, citizen commitment and social welfare.
- **Economic-** The local comparative advantage, competitiveness of towns and regions, the local private sector with an emphasis on small, medium and micro-enterprise development and tourism.
- **Development-** Land use, provision of urban and rural amenities and live ability aspects.

2.5 The rise of inequalities

The phenomenon associated with the process of globalization has been the rise in inter-personal and inter-territorial inequalities. Although the evolution of inequalities across the world is still the subject of heated debates, there is increasing consensus that both inter personal (Wade, 2004) and inter-territorial inequalities (Rodríguez-Pose and Gill, 2004) are on the rise. The dimension and evolution of inequalities, however, tend to differ between the developed and the developing worlds.

According to Naudé and Krugell (2003) the dimension of inter-personal inequalities and regional disparities within countries is, in general, considerably larger across most of the developing world. Inter-personal and territorial inequities tend to be more subdued – although still important – in developed countries. Inequalities have also been rising faster in low and middle-income countries than in wealthier countries. Finally, the timing of the rise in territorial inequalities seems to coincide with the opening of countries to trade. Unfortunately it is not possible to assess if a similar trend is occurring in the Sub-Saharan African region, due to a lack of data at the regional level. What little reliable data are available for the Continent generally concern South Africa and give support to the idea that regional GDP per capita in large city-regions and in urban areas as a whole has been increasing faster than in the rest of the country.

2.6 The role of stakeholders in town councils

- Creating a more supportive and competitive environment via leadership and policy making.
- Investing in basic infrastructure that will reduce the cost of business and increase the ease of doing business
- Regeneration of urban status to make them more suitable for conducting business.
- Undertake research around institutional support to emerging sectors with high growth and employment.

- Initiate economic development via public spending, regulation and promotion of various pro-business initiatives.
- The integrated strategic development framework identifies targeted areas for investment. One notable intervention is the neighbourhood development grant that will be used to upgrade the informal settlements.

ILO - International Labour Organization (2007) indicates that there are different public and social actors or stakeholders in the process of local economic development. As Government moves closer to the people through the Policy of decentralization commitment and participation is required from all stakeholders to realize local governance which also simply refers to an elected local government. The White Paper also emphasizes on the roles that the different stakeholders have to play in order to ensure effective economic sustainability.

2.7 Social and project participation

In a highly influential study in the late 1970s, participation was defined as the organised efforts to increase control over resources and regulative institutions in given social situations, on the part of groups and movements hitherto excluded from such control. (Stiefel and Wolfe: 1994:5). In this sense participation was located at least initially-outside of the state, amongst those who had been excluded from existing institutions. It could take a variety of forms, ranging from social movements to self-help groups. More recently, the definition of participation in development has often been located in development projects and programmes, as a means of strengthening their relevance, quality and sustainability. In an influential statement, the World Bank Learning Group on Participation defined participation as a process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them. (World Bank, 1995). From this perspective, participation could be seen in the level of consultation or decision making in all phases of a project cycle, from needs assessment, to appraisal, to implementation, to monitoring and evaluation. While these participation projects could be funded by the state, participation within them was seen not as related to broader issues of politics or governance, but as a way of encouraging action outside the public sphere. Moreover, the focus was often on direct participation of primary stakeholders, rather than indirect participation through elected representatives.

2.8 Citizen Participation

Anderson (2004) argued that Local Authorities in Namibia are autonomous and in terms of the Act are required to officially gazette Human Resources regulations on the approval of the Ministry of Urban and Rural Development as required by law to make sure that all relevant policies are in place. This is how the Ministry entered into agreement with the Finish Government through Cable Project (Capacity Building for Local and Regional Authority) to help with Human Resources policies and manuals for local authorities whereby councils are required to do some amendments when the need arises. Anderson (2004) argues that the newly created ones are largely associated with problems. The problems include but not limited to, physical mismanagement, limited resources and misallocation, unqualified staff and corruption. Local authorities in Namibia.

3. RESEARCH METHODOLOGY

3.1 Research Design

This section presents the research design, collection instruments, and validation of data and methodology of data analysis. The researcher begins by explaining each of the fields followed by an elaborate detailing of their application during the research process. It is the researcher's understanding that research designs vary from interpretive to ethnographic and case studies whereby qualitative, quantitative or mixed methods can be used. For this research paper, the researcher used existing data which includes the following: desktop copies, workshop reports and monitoring and evaluation reports. Hence, as reflected in the preceding sentence, both primary and secondary information were used. The qualitative method has been preferred as the study is meant to assess the role of stakeholder in enhancing local economic development. Since the research is exploratory in nature and as such experiential, the naturally preferred choice of research design would be the qualitative method which best answers the how, what and why nature of questions that shall characteristic of the study (Trochim, 2002).

3.2 Research Instruments

The researcher used multiple techniques within the qualitative approach of data collection.

Administering questionnaires: this allowed the researcher to formulate different kinds of questions related to the topic. Collecting data was done through the literature review where the researcher looked at other research paper on local economic development of local authorities in Namibia. Semi-structured and un-structured interviews and documentary analysis, and the internet were the instruments used during data collection. The study used in-depth individual interview to collect data to get a deeper understanding of individual's perception and experience.

3.3 Procedure

Both primary and secondary data were used to gather information from respondents. The researcher collected primary data by means of semi-structured and unstructured Questionnaire. The researcher also interviewed civil servants at the village council which gave the researcher insights as to how the council engage with its community members on the issues of decision making in the local authority. Responses of face to face interview were recorded on the tape and then transcribed. Secondary data such as a documentary analysis and books were explored.

3.4 Data Analysis

Qualitative data from the interviews were analyzed using content analysis and qualitative coding. This was done to facilitate conceptualization of the data through interpretation and organizing the facts from open-ended and closed-ended questions to facilitate competition of the information provided by the respondents (Patton, 2001), data which was gathered from the respondents through interviews was purposefully structured, and then processed and interpreted. This includes written texts, graphs and table illustrations to increase readers understanding.

3.5 Research Ethics

Since the respondents have the right to privacy, the researcher did not mention names at the beginning of the interviews. The audio recorded during the interview confirms that no mention of names was done during the interview. Before the recording of an audio was done, the researcher asked for the respondent's concern on being recorded and this was done before the interview proceeded.

4. RESEARCH FINDINGS

Most respondents revealed the concept of citizen participation as citizens being involved in the decision taken by the local authorities and also being able to vote for their representatives for example council members. The researcher also found out that there were other respondents who were more informed about the concept of citizen participation than others where they went in depth in explaining more on the concept stating that citizen participation is part of the decentralization concept to try and solve issues of that affect people at the grass root level as to try and resolve issues by getting the community members to communicate. Some respondents revealed that before independence the people were not allowed to practice in any of the decisions made in the government and after independence they were allowed to choose who they wanted for the presidency as part of decision making. One respondent said that citizen participation in local economic development stared at a slow phase after independence but in recent years more people are being involved in decision-making.

However the study also found out that there are still people who had no idea of what citizen participation in local economic development, it showed that not everyone is aware of the concept as it's not clear to them on what they should do. Some of the respondents' didn't have any comment regarding the concept of citizen participation. Most respondent confirmed that there are some staff members who are not fully comfortable due to some uncertainties regarding the policy

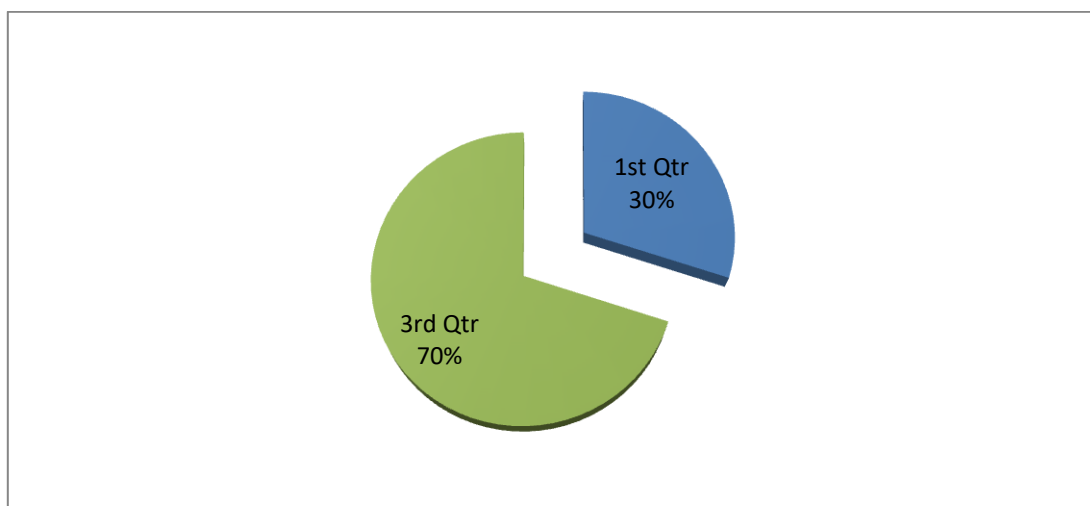


Figure 1: responds on effectiveness of citizen participation in local economic development

The response from both the council and community members, 30 percent of the residents agree that citizen participation in local economic development is ineffective as other people are not being involved in the participation. 70 percent says that participation is effective in most of the regional council and people at the grass

5. CONCLUSION

The paper's focus was on the findings presentation of data and analyzing it. The data was analyzed according to how information was gathered and that was by means of questionnaires. The tables showed the results obtained from the respondents.

6. RECOMMENDATIONS

The paper would recommend the following:

Based on above mentioned conclusions, the study recommends the following:

Maximum involvement of the stakeholders in the LED initiatives

Since stakeholders play an important role in the LED initiatives through identifying the developmental opportunities in their respective areas, the research paper recommends that all the stakeholders give their input in the LED strategy for all local authorities in the country.

In order to ensure the maximum involvement of the stakeholders in the LED strategy of town councils they should create a conducive environment for the stakeholders to participate freely. The environment entails that there should be assurance that the stakeholders' views and suggestions will be taken into consideration.

The line Ministry which is the MURD

The Ministry of Urban and Rural Development should take a lead in organizing the capacity building forum for all the stakeholders in the LED initiatives.

A dedicated budgetary account should be created for LED

It is vital that the MURD should set aside a dedicated budget to co-fund programmes and projects in the LED Strategy for all Local Authorities in Namibia. The MURD should allocate sufficient funds to the LED section in order to spearhead local economic activities in local authorities.

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