



# SOUTHERN AFRICA: 2020 VISION

## Public Policy Priorities for the Next Decade

*Edited by Mark Hannam and Jonathan Wolff*





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*Mark Hannam & Jonathan Wolff*

**March 2010**





# Southern Africa: 2020 Vision





## Introduction

*Mark Hannam & Jonathan Wolff*

On the 24th and the 25th of August 2009, a conference took place in Windhoek, Namibia with the title: **Southern Africa: 2020 Vision. Public Policy Priorities for the Next Decade**. The conference brought together academics, civil society activists, politicians and business people from Namibia, South Africa and Europe to consider topics in four areas: economic development, healthcare, democracy and governance, and legal and civil rights.

Speakers were encouraged to use a scenario-based approach to bring a focus to their presentations and the ensuing discussions. Speakers were asked to assess likely developments and outcomes in their area of expertise over the next ten years, including assumptions about resource allocation, the quality of governance and the development of infrastructure. Through discussion the conference aimed to identify areas of consensus and areas of disagreement, both with regard to the aims of public policy and with regard to the relative priorities that should be accorded to policy in different areas.

The conference was a great success, not least in its impact with the local media. The second day began with the organizers drawing attention to the front page of *The Namibian*, the largest-circulation English language newspaper in the country, which reported on a number of the presentations from the first session of the conference on the previous day. Press coverage continued for some days, in the principal English, German and Afrikaans language papers, the best examples of which are collected in the Appendix to this volume.

Throughout both days of the conference, speakers addressed matters of central importance to Namibia and the wider region in frank and open way. There were some sharp questions and some lively discussions among the conference participants at each session, but all took place within a positive framework. This volume reprints all but one of the papers presented at the conference, in the order in which they were given.

## Economic Development

The first session of the conference focused on economic development and, very appropriately, was opened by Peter Katjavivi, Director General of the National Planning Commission, Windhoek. In his helpful and open assessment of the current state of development in Namibia, Katjavivi emphasizes both the promising achievements of the post-independence years with regard to economic growth, but also the grave inequalities of participation in, and benefit from, that growth. Furthermore, as he points out, Namibia's future economic prospects are vulnerable to major exogenous events, such as the current slowdown in world economic growth and the threats posed by climate change. For these reasons, notwithstanding the priorities of the Namibian government, the country's future economic prospects remain uncertain.





Katjavivi's paper is followed by Vekuii Rukoro, a leader of the Namibian financial community, who elegantly illustrates some of the tensions between regional integration and national sovereignty, from the perspective of his experience within the banking sector. Rukoro argues that Southern Africa needs to develop an integrated business and political agenda for the region, if it is to operate successfully on the world stage, and not simply remain prey to external competitive forces. He also has some words of caution about the relationship between Namibia and China, and the need for the Namibia government to abandon any naivety in its dealings with foreign governments, whether they be former colonial powers or former allies in the liberation struggle.

The third paper in this section, by Henning Melber, returns to the theme of inequality in Namibia. Melber is trenchant in highlighting the role of political and economic elites across Southern Africa in the development of economic policy, and the pitfalls of growing dependence on extraction industries and tourism. Like Rukoro, Melber calls for a regionally defined and owned strategy, but in his case he emphasizes that such a strategy is needed not just for business, but for benefit of the poorer members of society, whose interests are often overlooked. Without this, he warns, the region is more likely to see declines, rather than gains, in the economic well-being of the majority of the population.

The final paper in this session was delivered by Calle Schlettwein, Permanent Secretary at the Ministry of Finance. Schlettwein begins by describing the innovative new system of programme, or output budgeting used by the Namibian Treasury, outlining aspects of the impressive success Namibia has had in meeting its goals to date. He warns, though, that development throughout the broader region is threatened not just by economic dependency but, more insidiously, by intellectual dependency, in the sense of adopting models and solutions introduced by outside donors and international agencies. Namibia has attempted to resist both, by ensuring, for example, that high priority projects are funded not by donors but by the Namibian government itself. He concludes by setting out a series of recommendations for development in the region.

## Healthcare

The second session of the conference concerned issues relating to health and healthcare and begins with Anne Johnson's account of priorities for healthcare for the coming decade. Johnson highlights the very limited progress that has been made with respect to health improvement in Southern Africa, and, indeed, the fact that challenges such as that from HIV/AIDS have reversed recent health gains. Johnson also points to the problems caused by what she calls 'vertical' programmes to address health problems, which are particularly focused on a single disease. While it is understandable that donors and international organizations would seek to focus their efforts in this way, the effect has often been that, by attracting health workers from other parts of the health system, vertical programmes can have a seriously adverse effect on health systems as a whole, thereby undermining such things as maternal care and public health. Johnson recommends that in future donors and



international organizations re-focus on 'horizontal' programmes, that is programmes that strengthen health systems as a whole. Such a change will also be needed if countries in Southern Africa are to be able to deal with the changing pattern of disease associated with economic development, such as increases in obesity and heart disease.

Markus Haacker continues the argument by documenting the progression of HIV/AIDS in Southern Africa, and its macro-economic consequences, including the very different spending levels on HIV/AIDS in different countries of the region. Very surprisingly, Haacker finds that the macro-economic effects of HIV/AIDS are nothing like as severe as its social effects, and, indeed, there is no evidence that the epidemic has had a discernible effect on economic growth. He suggests that the reason for this is that growth in the economies of Southern Africa is highly dependent on a small number of industries, such as mining, which employ a very small part of the potential work force. Wealthy companies are better able to manage the health of their workers and, *in extremis*, workers who become too sick to work can simply be replaced by others, drawn from the large pool of labour outside of the mainstream economy.

Finally in this section David Lush describes the HIV/AIDS epidemic from the perspective of someone who has been living with HIV since 1990, and who experienced firsthand the responses of a medical profession that found itself confronted by a disease that it could not cure. Lush argues that the profession has treated people living with HIV (PLWHIV) as 'living under a death sentence'. It has regarded them as incapable of taking care of their own health and, instead has treated them as being in need of 'control' for the sake of public health. Such an uncomprehending approach contrasts with the constructive response of PLWHIV who, through their own efforts, communication and organization, have come to understand how to manage their own health, with the help of the medical profession but not at their command. The healthcare system also needs to take a more inclusive attitude towards health workers who are themselves living with HIV. Lush is now a health activist, helping to develop support groups that work, to some degree, in partnership with the medical profession; a hard won, but highly beneficial outcome.

## Democracy and Governance

The third session begins with a series of introductory questions by Monica Koep, the Chair of the Institute for Public Policy Research, and a local consultant on civil society and governance issues.

This is followed by a paper from Steven Gruz, who discusses the African Peer Review Mechanism. Gruz explains the roots of the APRM, as an African initiative to promote better governance for Africa once the decolonisation process was finally completed in the 1990s. As Gruz points out, independence needed to be followed by improvements in political participation and decision-making, as well as by economic development. The peer-review mechanism itself is based on an extensive self-assessment questionnaire, and followed by a procedure of review and report. It is a unique process, which



aims for transparency and which holds Heads of States up to public scrutiny by their peers. Perhaps for this reason, however, those countries that have agreed to go through the peer review process have tended to be the most stable and successful. Namibia has, to date, chosen not to participate in the Review process.

André du Pisani raises the question of the prospects for liberal democracy outside of those countries that participated in the Enlightenment and thus hold a range of Enlightenment beliefs and values. In the case of Africa, the diverse cultural, historical and political factors that have influenced the drive to democracy have led to a variety of democratic forms and experiences, including cases where democracy has been imposed from outside. As a result not all attempts to introduce democracy have taken root and 'democratic reversals' have been experienced in a number of countries in the region. Du Pisani argues that in the coming years we are likely to see a continuation of uneven democratic development, which raises the question of whether the standard model of liberal democracy is the best way forward for the development needs of the peoples of the region.

The final paper in the third session by Justice Hunter and Theunis Keulder, both of the Namibia Institute for Democracy, looks at the role of Non-Governmental Organizations (NGOs) in Namibia. Currently there are around 460 Namibian NGOs, a large number considering the small population of the country, although some of these are very small and virtually inactive; perhaps only 25-30 operate at any scale, many funded by external donors. The health sector, for obvious reasons, has seen a substantial rise in activity in recent years. Hunter and Keulder provide a comprehensive picture of the situation in Namibia, focusing on the activities of NGOs and their relationship with government. While in many respects the picture is encouraging, it is also fragile. Many NGOs are, in effect, elite organization reliant on donor funding; they are not grassroots organizations growing out of popular movements. This is a problem both in itself and for the sustainability of civil society, and many other challenges for the sector are documented here. As democracy relies on a vibrant civil society, especially where the ruling party faces little effective political competition, it is vital that the NGO sector is maintained and strengthened.

## Legal and Civil Rights

The fourth and final session, on Legal and Civil Rights, contains two papers, the first of which, by Nico Horn and Isabella Skeffers, is a remarkable account of the fight against corruption in Namibia. Historically this was not helped by the weak legal framework on this issue, until the passing of the Anti-Corruption Act of 2003. Before this Act only public officials could be found guilty of bribery and sanctions were very limited. The new Act is a great improvement, yet, argue Horn and Skeffers, contains limitations. Unlike the parallel South African act, on which the Namibian Act was modelled, it omits special provisions regarding corrupt offences for members of the legislative authority, judicial officers and prosecuting authority. Accordingly the authors argue that while much progress



has been made in setting out a legislative framework to tackle corruption in Namibia, much more work remains to be done.

The final paper in this volume, by Joram Rukambe, considers political and electoral rights in the Southern African Development Community (SADC) region. There are many positive signs and indicators concerning the embedding of democratic process and political freedom. For example, Rukambe notes that there are no journalists currently in prison in the SADC region. On the other hand, state interference in the media may be on the increase in some countries. For the future, Rukambe argues that the influence of 'liberation politics' will fade, the concern for good governance will rise, and information technology will improve democratic processes. Yet all of this could be derailed by economic crisis or by a turn to more violent political processes. A co-operative 'walking together' scenario is possible, although it is not, unfortunately, the only option.

## Final Thoughts

Do conferences such as this make a difference? It would be easy to be sceptical about their value and it is therefore reasonable to ask whether and how they make a meaningful contribution to beneficial change. Indeed, this topic is the subject of a short "Commentary" piece by Eberhard Hofmann, published in the *Allgemeine Zeitung* of 28th August 2009, which is reprinted in the Appendix to this volume.

Yet, as Hofmann himself observes,

*It remains essential for the development of the complex Namibian society that the public discourse on burning issues is kept alive, always anew and with the indispensable sharpness in the encounter between politicians and the (academic) civil society.*

It is just this public discourse that the organizers set out to promote at the **Southern Africa: 2020 Vision conference**. The aim was to facilitate an encounter between politicians, academics and civil society representatives, from Southern Africa and from Europe, to promote discussion and debate that are constructive and educative. We believe we were successful. There are no easy answers, but this volume identifies many of the hurdles and suggests ways of building on existing initiatives that might move Namibia, and the wider region, in the direction its own people wish to take it.

Taken together, the papers in this volume provide an extraordinarily rich account of the current state of, and challenges for, the region, and especially for Namibia. Namibia is a success story: it is politically stable, with a functioning democracy and a growing economy. Yet it remains a highly unequal society and its political and economic successes have not been evenly shared. Over the next decade the main challenge is to address such inequalities, not simply by redistribution, but by putting in place structures that will continue to spread political and economic benefits to the population as a whole.





# 1 Economic Development





## 1.1 Public Policy Priorities for the Next Decade

*Peter Katjavivi*

It is my distinct honour and pleasure to have been invited to address you at this very auspicious occasion. I greatly welcome the opportunity to share with you some of the experiences of my country, in public policy implementation.

This conference could not have come at a better time than this when our economies are reeling under the economic pains caused by the global financial crisis emanating from the developed world, the United States of America in particular. Due to the integration of the global economies, SADC and particularly Namibia has not been spared from the economic crisis, instead the region has been hard hit by the economic meltdown resulting in closure of some industries and several job losses. This situation has been compounded by the already existing problems in our economies, that of widespread poverty, unemployment, food shortages and the impact of climate change to mention just a few.

### Background: Setting National Development Perspectives

Before our economies were hit by the current economic downturn, the region was experiencing a great deal of economic recovery from several decades of political and social unrest, marked by economic decline in some of our neighbouring countries. The improvement in economic performance was largely attributed to positive political developments in the region as well as to the introduction of macroeconomic reforms in most of SADC member states. The region's economic growth rates averaged more than 7% over the last five years before the current economic crisis hit our economies. This average economic growth rate was driven by the increased demand for and favourable prices of our commodities such as minerals and agricultural products on the international market, and mainly supported by rapid increases in growth from countries like China and India.

As you are all aware, Namibia became independent in 1990, after a long period under colonial rule. Both German and South African administrations, having gone through apartheid policies and practices, had left the country with a legacy of economic under-development and social backlogs. Key political institutions, such as a Parliament, had to be created. In fact, the developmental challenges were enormous and complex. Within the parameters of our internationally acclaimed Constitution, governance structures had to be established and the existing policies and legislative frameworks reviewed and re-written. I am pleased to say that through prudent stewardship of our natural resources and with the help of our development partners, we have achieved some remarkable successes in meeting the socio-economic and social requirements of our citizens as we strive to overcome the detrimental legacy of apartheid.





Since independence Namibia has identified the acceleration of economic growth, creation of employment opportunities, reduction of poverty and income inequality as some of the major development challenges that have to be overcome with the view to improve the quality of life and living standard of our people. As part of the strategy to address these development challenges, the country adopted a development planning system as a way of systematically coordinating development efforts. The development planning system initially focused on medium term plans in the form of the National Development Plans and, later on, the government adopted a long-term development framework in the form of Vision 2030.

We realize that we will only be able to achieve our development perspectives if we implement the Development Plans efficiently and effectively. In order to do so, apart from the Government, it is essential that private investors – including Namibian and foreign business – should participate and contribute to the development endeavours of the country. For this to happen, it is imperative to create and maintain a favourable economic, social, and political environment conducive to the implementation of the NDP3 and the achievement of the projected results.

In view of the foregoing, the NDP3 goals are among others to sustain economic growth, increase equality in income distribution, and increase employment opportunities on the basis of a pro-poor, pro-agriculture and pro-rural approach. This is of utmost importance, since although the average per capita income in Namibia is about US\$3400, the top 2% of households enjoy an average per capita income of about US\$19,000, while the “poorest” households, accounting for 25%, have an average per capita income of about US\$225 at their disposal. The Gini-coefficient of Namibia is 0.6, among the highest in the world, and can be compared to an average of 0.43 among other Middle-Income countries.

## National Development Perspectives and Priorities

Under the over-arching framework of Vision 2030 and taking into account the impact of the international financial and economic crisis on the Namibian economy, the medium-term Government priorities are based on sustainable economic growth through investment in human resources and physical infrastructure, with increased attention on improved public service delivery, especially in crucial social services. Key spending priorities are:

- (a) National Economy, Industrialization and Competitiveness: The Government development budget is expansionary, focusing on infrastructure development, wealth creation and growth stimulus. This includes increasing investment in public utilities to spur economic activities, especially in rural areas. This development drive will be accompanied by measures for improving the business environment, in order to halt slippages and position the economy on a higher growth path and industrialization trajectory;
- (b) Improving Access and Quality of Educational Outcomes: Increased funding will continue to flow to the education sector in support of



- school feeding programs, the establishment of pre-primary education and the expansion of students loans facilities;
- (c) Addressing Challenges in the Health and Social Sector, and Strengthening Social Safety Nets: Funding is earmarked for the provision of health infrastructure, improved service delivery, and strengthening safety nets. Efforts are being made to roll out coverage of social safety nets to those not presently covered and to help create employment and lay the foundations for income-generating activities for especially vulnerable and marginalized people;
  - (d) National Food Security: Budgetary support is foreseen for expanding and improving productivity, both in the commercial and subsistence subsectors, through increased allocations to labour-intensive Green Scheme irrigation projects, the expansion of agriculture extension services in communal areas, agriculture research, the application of science and technology and targeted training programs. In the same vein, budgetary support will be given to expanding aquaculture activities, particularly outreach extension services for communal fish farmers; and lastly,
  - (e) Safety and National Security: Investments to enhance political stability, public safety, and good governance have been allocated.

## Impact of the International Financial Crisis and Global Economic Slowdown on the Namibian Economy

Given the magnitude and depth of the current international financial crisis and economic slowdown, and the fact that Namibia is a small, open economy, highly exposed to events taking place in the global economy, it comes as no surprise that these global economic developments have already impacted significantly upon the Namibian economy. In essence, the basic challenges are that: economic growth is decelerating, unemployment is rising, and Government revenue is decreasing. In view of the above, the following are major issues confronting the government with regard to our development efforts.

1. Sustaining levels of economic growth recorded before crisis;
2. Maintaining macroeconomic stability;
3. Consolidating government expenditure and ensuring fiscal sustainability;
4. Managing the impact of natural disasters due to climate change;
5. Managing the continuing threats imposed by high level of HIV/AIDS;
6. Balancing volatile energy and food prices and inflationary pressures; and
7. Taking advantage of opportunities presented by increasing regional integration and global trade liberalization.

Statistics show that Namibia is one of the few countries in the SADC region that has been able to maintain macroeconomic stability over the years with GDP growth rates averaging 5%. The latest National Account report shows that GDP





was 7.1% in 2006 and 5.5% in 2007 while average inflation was in single digits over the same period. Growth has mainly been supported by an increase in consumption and investment, particularly in the mining and tertiary industries. The increase in investment and consumption was driven by the low interest rates policy of the Central Bank.

Due to the unfavourable global developments that negatively impacted on the export-oriented industries, growth in 2008 is estimated at 2.9%. This slowdown is also attributable to weak output in the primary industry sector and a deceleration of consumption. Output in our diamond and copper mines has declined, with immediate consequences for employment and grave implications for projected revenues. In this respect, it should be noted that Namibia's ability significantly to increase her economic output is hampered by high unemployment (36.7%) and by supply-side constraints. Furthermore, since GDP growth is the benchmark against which most other economic variables are calculated, it is expected to impact significantly on budget parameters such as revenue, expenditure and debt stock.

With decelerating economic growth, maintenance of stability for the main macroeconomic variables such as employment, price levels, exchange rates and budget deficits pose significant challenges. With respect to unemployment, it is worth noting that Namibia's economic growth in the recent past has failed to generate a commensurate growth in new jobs, owing to the capital intensive nature of mining projects, which accounted for most of this growth.

Overall, it should be noted that, supported by prudent fiscal and monetary policies, the Namibian economy continued to enjoy macroeconomic stability during the period 2005 to 2008. The Government's fiscal policy stance in the past focused on promoting growth and welfare for our people, while maintaining overall fiscal balance and stability through maintaining public expenditure on average at less than 30% of GDP, public debt on average at 25% of GDP and the budget deficit not exceeding 3%.

Sustaining adequate levels of public expenditure is essential to cope with the challenges imposed by the global crisis. Therefore, during the medium term (2009-10/2011-12) maintaining previous levels of fiscal consolidation will not be possible and we foresee that Government expenditure will likely to increase to more than 30% of GDP, public debt also will like to rise to an average of 28.8% of GDP and the budget deficit to an average of 7.4%.

## Socio-Economic Challenges

Namibia is classified as low middle income country with an annual average per capita income of around US\$3,400. This seemingly high income per capita masks extreme inequalities in income distribution, standard of living, and quality of life. Although an estimated 70% of the population is engaged in agricultural activities, mainly as subsistence farmers, the share of agriculture in GDP remains less than 10%, implying low productivity in the agricultural sector. Namibia is therefore highly dependent on food imports, mainly from South Africa, to meet





her domestic demand. With relatively high poverty levels, currently estimated at 28% of households, a high unemployment rate of 37%, HIV/AIDS prevalence rate of 17.8% and a skewed income distribution with a Gini Coefficient of 0.6, a large proportion of the Namibian population remain food insecure, and are particularly vulnerable to increases in food prices in the international market.

In 2009, Namibia's real GDP growth is projected to decelerate to less than 1% and despite improvement in macroeconomic policy implementation – and thus being better placed to deal with an economic slump under ordinary circumstances – Namibia, like most African countries, is in a weak position to deal with the current global economic crisis because of relatively high unemployment levels and, importantly, heavy reliance on commodities, principally diamond exports, and the general low demand for local products.

The economy of Namibia continues to rely on the exploitation of renewable and non-renewable natural resources. In order to maintain the shares of production from the exploitation of natural resources at sustainable levels and at the same time increase employment levels, we have to transform and diversify the economy from the natural resource base while ensuring that educational programmes are demand-driven to equip the youth with the skills demanded by the economy and mainstreaming youth as a priority in all employment creation initiatives.

Namibia is faced with the direct consequences of pending climate change. In terms of its arid environment, recurrent drought and desertification, Namibia is extremely susceptible to the negative effects of climate change and the Government of the Republic of Namibia recognizes that this phenomenon is considered one of the most serious threats to the country's environment, human health and well-being, as well as its economic growth and development, which is very dependent on agricultural production.

As a result of changing weather patterns, North and North Eastern parts of Namibia (six out of thirteen regions) were devastated due to severe floods during 2008 and the first quarter of 2009. These floods aggravated the impact of the international financial and economic crisis on the economy. Preliminary assessment estimated the damages and losses to be US\$241 million.

The most affected sectors include infrastructure, agriculture, and small and medium scale industries which are at heart of the affected regions. Recovery and reconstruction of damaged assets has commenced. In order to restore the situation to pre-disaster conditions requires US\$136 million. However, to plan pre-emptively for the longer-term and to re-build sustainable or disaster-resilient infrastructure (to Build Back Better/Smarter) will require US\$463 million. In this connection, we look forward to the upcoming conference on climate change in Copenhagen at the end of the year, and we hope the international community will be able to find a consensus on the way forward that fully takes into account the concerns of developing countries.

Despite all the challenges, the SADC region and global trade liberalization will provide us with prospects for diversifying our production and exports, and transforming our heavily primary-industry-based economy into the manufacturing and service sectors. In order to be able fully to exploit these opportunities, we will, of course, have to invest in the human resources and infrastructure required for such transformation.





## Strategies for Achieving Better Outcomes in 2020

Despite the present threats to our development perspectives, we are relying on the resilience and robustness of the economy to help us weather the impact of the global financial and economic crisis, based on the following:

- (a) Namibia is a living, multiparty democracy that enjoys political stability and respects the rule of law;
- (b) It has credible and dependable institutions and organizations, including a strong judiciary;
- (c) It has a vibrant and diverse free press;
- (d) The government has created an environment conducive for business and private sector growth and expansion;
- (e) It enjoys a steady flow of revenue from investments in natural resources and the SACU revenue pool;
- (f) Namibia maintains adequate reserves, underpinning the stability of the Namibia dollar which is pegged to the SA Rand.
- (g) Namibia serves as a gateway to the world for most of its neighbouring countries;
- (h) We need to put in the right mechanisms and structures to monitor and evaluate our development outcomes against the set targets. This is in line with the Paris Declaration and the Accra Action Agenda.

However, in this respect, even if global recovery does take place, as we all hope, and all of the above comes to pass, we are greatly concerned about the lack of progress on previous commitments on development assistance made by developed countries at occasions such as the Gleneagles Summit in 2005, and reaffirmed at subsequent G8 meetings, including the most recent gathering in Italy. It is our fervent hope that the developed countries will accept the responsibility they have for honouring their pledges and for translating these commitments into concrete actions.

In conclusion, I would like to end by thanking the organizers of this important conference for having facilitated our participation and given me the opportunity to share our development perspectives, public policy priorities, and strategies for better outcomes in 2020.





## 1.2 A Banker's Perspective on the Potential Benefits of Regional Integration

*Vekuii Rukoro*

### Introduction

One of the modern trends in international relations is the increasing number of regional integration arrangements and configurations. Indeed, regionalization and globalization have become two of the major trends in current international relations and for many years regional integration has been considered an important and necessary tool for economic growth for small open economies, where such small economies, such as Namibia can play a crucial role in pursuing common strategic interests for the successful economic developments for all countries involved.

Of the three levels of regional integration we have seen a fair amount on cooperation but regression on harmonisation and integration. I shall elaborate with specific banking sector examples on this latter observation. But I must admit that the vast majority of the strides in international trade have been limited to trade in goods; progress on the services side has been less than desirable.

### SADC Regional Integration

SADC is a useful case study of how we can take this process forward. We have heard so many times that our respective local markets are too small to sustainably grow local economies. Namibia for one has a population of 2 million people of whom only 30% are banked, so the local market is very small. SADC on the other hand has 248 million individuals and is simply a bigger, more attractive and economically viable market.

Because the financial sector is so important in the Namibian economy the potential benefits to be accrued from an integrated SADC economy are perhaps larger than the possible benefits for any other services sector. The financial system mobilizes savings, allocates capital to the most productive recipients, monitors the use of funds, conveys information and manages risk, to mention a few. By improving the efficiency with which savings are invested and limiting the risk in such investments, an efficient financial sector should improve growth in the overall economy. However, integration might yield undesirable results such as revenue losses, industrial polarization, trade diversion and deterioration of a country's terms of trade, to mention a few, if not properly designed, monitored and executed.



## Role of the private sector

At the end of the day it is the private sector that responds to the challenges and opportunities that regional integration brings. However, the private sector is not always involved in issues of regional integration. Private sector involvement is often limited to updates on regional integration developments. The private sector feels detached from the decision-making process and we often find ourselves at the receiving end of policy interventions that are contrary to regional integration initiatives. From our perspective we would like to see deeper economic integration taking place as we see opportunities to outsource non-core business processes to the most efficient service providers in the wider economic block.

When the FNB Group locally launched one of our insurance companies in the short-term space, called “OutSurance” we knew we needed to be cutting edge and offer a short-term insurance experience like never before seen in Namibia and that is why we opted for the call centre based in Randburg, SA. All local calls are redirected at local rates to this world class call centre which happens to run twenty-four hours a day, where all queries and claims are logged and instructions issued. Our clients benefit from this at no extra costs to them and as a result their claims are settled faster because the actual service providers are all Namibian based. The process is so seamless the client hardly ever knows that their call was diverted to South Africa in the first place. At the end of the day it’s all about service delivery and competitiveness and I would shudder to think what the costs of hosting such a call centre in Namibia would be, considering the fact that we do not have the critical mass to run such a service. That is just one example where we have been able to outsource non core business functions beyond our borders. Unfortunately, there are instances where we are being compelled to repatriate such capabilities. For example, the powers that be felt it necessary to localise the processing of bank transactions. In the past the processing was done in South Africa and they have developed the expertise and the critical mass to deliver such services. We as banks are being asked to repatriate such services back to Namibia, at an enormous cost of course, which will inevitably be passed on to the end consumers who already complain about high bank charges. Is there any rational reason for this? Not really! Bottom line, it’s all about outdated and misplaced sense of national sovereignty in an era where it is not called for. Period!

This, in my view, is contrary to all theoretical underpinnings of regional integration anywhere and certainly not within the spirit of the implementation of the SADC Free Trade Area in August 2008. So while there is talk of regional integration and even the introduction of a common currency within the SADC region, our Governments unfortunately continue to saddle the regional private sector with policies that will render it inefficient and less profitable, at a time when the rest of the world is globalising.

## The way forward

The way we see things right now is that the regional integration agenda is incomplete and has a long way to go to deliver the tangible results highlighted





and documented in the literature. We as private sector cannot become global in such an environment come the Monetary Union in 2018. As a consequence, the financial sector will be weak and vulnerable to competitive forces outside the SADC area who want to penetrate the expanded market. In realising this we have embarked on the “Business Unusual” route. It all boils down to doing things differently. As simple as it sounds it is a mammoth task to achieve; but achieve it we will because this is what is needed to survive and to thrive.

For everywhere we look there is work to be done. The state of the economy and the competitiveness of our economy, calls for action both bold and swift. The stale political arguments that have consumed us for so long no longer apply. We need a paradigm shift from our policy makers and for them to step out of their comfort zones and to embark on a “Politics Unusual” mode of running the affairs of our region.

The paradigm shift I am talking about is two-fold: firstly, to stop the politics of entitlement in our dealings with Western countries, which is predicated on the fact that we were colonised by these people and therefore they owe us and must forever provide us with development aid or special favours of one kind or another; secondly, to shake off our naivety in our dealings with our former benefactors during the liberation struggle, which is predicated on the fact that we are comrades and allies forever and these guys will never seek to pursue their narrow national interest at the cost of our own national interest!

Fellow Southern Africans, the economic developments of our region must become the direct and sole responsibility of the people and Governments of the region themselves! To achieve this successfully, Southern Africa, led by its political leadership and in partnership with the business leadership, must define a comprehensive and integrated economic and development agenda for the region. This is a pre-condition for engaging major political and economic power blocks such as the US, EU, Russia, China and Japan. In the absence of such a collective regional agenda countries such as China must not be blamed for doing the most natural thing, namely to advance aggressively their own national interests in our region, by taking advantage of the most favoured nation treatment we reserve for them exclusively throughout the region, as a Regional “thank you” for liberation solidarity!



## 1.3 Economic and Social Development in Southern Africa: Challenges and Prospects

Henning Melber

The reflections presented here are based on the assumption that the current mainstream model for socio-economic development in Southern Africa is elite-oriented and therefore inadequate. To serve the interest of the majority of the people, fundamental new approaches are required. Considering the global challenges, this is not only a task confined to Southern Africa. Given the number of unknown, or at least hard-to-predict, variables concerning both internal and even more so external dimensions, it borders to reading tea-leaves. Local, sub-regional and global dynamics are difficult to predict and not pre-determined.

The following assessment might therefore appear as a kind of 'wishful thinking' how a people-centred development in the region might be promoted. However, visions of this nature are also ingredients to policy making. In Namibia, 'Vision 2030' was initiated at the turn of the century by President Sam Nujoma to become the guiding document for the country's development strategy. It diagnosed a very true dilemma the SWAPO government has to reckon with if it wants to retain its legitimacy and credibility among the electorate, when stating:

*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. [...] 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.*

Office of the President (2004), p.174-5

In line with this conviction, which defines the challenge not only for the Namibian government but for most former liberation movements when moving into political power, my presentation is motivated and guided by the following goals a strategy should pursue in the Southern African sub-regional context:

Reduce social inequality and poverty;

Create meaningful opportunities for employment or work;

Secure an ecologically sustainable development, which adapts to climate change;

Provide a maximum of human security for all people in the region through a responsible state and government policy seeking to promote and satisfy basic needs in all spheres of life (including the political domain, based on the values and norms of a democratic culture embracing the full protection and promotion of civil liberties and human rights).



The point of departure is the conclusion that hitherto dominant and largely unquestioned growth based models of economic development and social reproduction become increasingly dubious and come at a far too high price for the majority of the people. They are also anchored in what could be termed a 'pact among elites' transgressing national, regional and continental boundaries. It is a class-based model of accumulation and (self-)enrichment at the expense of the majority of the people. Walter Rodney (1973) showed this in his seminal work *How Europe Underdeveloped Africa*. Since then, local compradors were eager to have their share in the externally dominated structures shaping African economies.

More than a decade earlier Frantz Fanon (1961) pointed to the "Pitfalls of National Consciousness" in a chapter of his equally fundamental critique relating European colonialism to the role of the new elites appropriating African nationalism for their own gains after Independence. Moeletsi Mbeki translated this into the current social, economic and political realities, not only confined to post-Apartheid South Africa, in his scathing critique of the present African elites as a "rentier class" in the following way:

*These elites have no sense of ownership of their country and are not interested in its development. They view the country primarily as a cash cow that enables them to live extravagantly on imported goods and services as they attempt to mimic the lifestyles of the colonialists. It is this mindset of non-ownership that largely accounts for sub-Saharan Africa's non-development and, as a consequence, its poverty. With the lack of a sense of ownership goes the pillaging of resources, neglect of the welfare of the people, corruption, capital flight and, ultimately, brutality against dissenting voices.*

Mbeki (2009). p.174

My own critical analyses of both the socio-economic as well as political 'limits to liberation', with particular reference to the Namibian case, concurs to a large extent with the approach by Mbeki (Melber 2007, 2009a and 2009b).

## Current Position

Southern Africa (considered to be composed of most of the SADC countries in this context) has since the mid-1990s achieved full political independence and ownership by (more or less) democratically elected governments in most (though not all) of its countries. However, this does not mean true sovereignty and ownership over all internal matters. The sub-region remains closely linked to external interests and influences and has some of the most open economies. What David Sogge recently stated in conclusion for Angola, applies to all countries in the region:

*Politics remain entwined with powerful outside actors and are still politics of limited access to assets and privileges. State/party elites pursue their interests on the basis of understandings with foreign extractive and banking corporations, and with foreign governments [...] elites harbour social and economic ambitions, but those do not now include a developmental state pursuing a socially inclusive agenda.*

Sogge (2009), p.22





He also points to the fact that the world economic crisis “has exposed the massive regulatory deficit in national and global governance” (*ibid.*, p.23). The “new scramble for Africa” triggered since the turn of the century through increased competition between industrialized and industrializing countries outside of the continent, has become a race to secure access to and control over the vast natural resources of some of the countries (cf. Southall & Melber 2009). But the resource boom (which in the sub-region benefited among others and in different degrees Angola, Botswana, Namibia, South Africa and Zambia) has been short lived and reproduced a deeply entrenched structural pattern not in support of locally owned sustainable development. Exceptionally high annual economic growth rates did not translate into poverty reduction, employment, local ownership or value-adding activities. Instead, Southern Africa registered a massive deindustrialization.

The economies of the sub-region remain dependent more than ever on a few basic raw materials for export and outward-oriented trade regimes securing revenue income and gains from international trade under preferential schemes, such as the US-American African Growth and Opportunity Act (AGOA) or some other bilateral agreements such as the South African Free Trade Agreement with the European Union. The collapse of the growth based global economy in 2008 once again underlined that the economies in the region remained at the receiving end. Their own economies ended in recession due to the massive dependencies from the world market and the skewed exchange relations.

One is tempted to conclude that recent trends testify to the bankruptcy of the established outward-oriented economies. This outward-orientation looked beyond the region and missed opportunities to consolidate a regional architecture geared towards homemade development based on mutual interests among neighbours. The massive internal discrepancies among SADC countries might add to the challenge but does not render systematic efforts futile or doomed to failure.

If the currently dominant approaches to running the economies prevail, the deterioration of socio-economic conditions seems to be more likely than any gains. The resource curse needs to be addressed. Replacing one commodity with another where possible (like in the case of Namibia, where the collapse of the diamond market was to some extent compensated with the increased production of uranium oxide) is not an answer but adds to the problem. As long as such growth-based models do not benefit the majority of the people as a means to transform the economic basis in the medium- to long-term perspective, they are merely more of the same but no cure from the disease.

‘Business as usual’ will add to the deterioration of the living conditions for the majority of people in the region and would ignore the fundamental challenges which go along with climate change and the need for climate adaptation. As a report for the Commission on Climate Change and Development stated in no uncertain terms:

*Achieving an approach to adaptation that reflects the human dimension of climate change will require a significant departure from the status quo. It will require a far more critical perspective regarding traditional development models, which must be recognized for their contribution to current levels and distributions of poverty and to vulnerability to climate change impacts.*

Christoplos et. al. (2009), p.31



A forward looking perspective would therefore need to address among other issues alternatives to the hydrocarbon-based model, the challenges this brings for energy production and consumption, as well as the need to find ways of dealing with the predictable water stress as well as droughts and floods, which will increasingly be risks for the majority of people and once again will affect the poor most of all. These challenges should be met with regional efforts to find solutions, instead of national ones. The primacy of the so-called nation state and its government needs to be supplemented (if not replaced) by collective regional efforts.

## Immediate Tasks

There are several immediate tasks which ought to be tackled in pursuance of the search for true alternatives seeking to secure survival of the poor majority of the Southern African population. The point of departure would require that Southern African countries would decide on a way forward, which strengthens the regional component and collaboration. The current disorientation is indicative of a lack of common vision in terms of a regional strategy.

In terms of emerging economic exchange patterns the architecture requires clarification over the house to be build: is it an apartment bloc in which all tenants have a say and can participate in the maintenance and expansion of the assets, no matter how big or small their own flat is? Or is it a collection of individual houses – from huge mansions and posh villas to farmsteads and huts – with their own gardens and plots in very different sizes cultivated to the liking of the owner and his/her individual means alone – if necessary even at the expenses of the neighbourhood?

The regional architecture requires urgent attention and policy-based solutions also for economic interaction. The future of SACU as much as of SADC is at stake and requires determined initiatives to solve the crisis. The positioning with regard to the external partners such as the EU's Economic Partnership Agreements (EPAs) but also the emerging actors related to the acronym BRIC (Brazil, India, China, Russia) and beyond (including South Korea, Malaysia, Mexico and others competing for access to global markets) requires a systematic approach.

The same applies to preferential access to selected markets like the regulations under AGOA. Is this a trade act, which induces true economic growth based on a model really benefiting the majority of the people? Or is the 'trade as aid' paradigm not rather more-of-the-same, therefore entrenching external dependencies even deeper? In the context of Namibia, the short bonanza and ultimate closure of the textile outlet Ramatex was a warning light, maybe the same can be said for seedless table grapes produced for the US-American and European pre-Christmas season? Who benefits from such 'windows of opportunity'?

There is an urgent need for a regionally defined and owned agenda, even though this is a difficult endeavour. Some of the internal dynamics remain a huge challenge to assess and handle: will South Africa decide to act as a benign hegemonic leader? Will Angola emerge as the competing hegemonic power





seeking a dominant role? Will Zimbabwe recover and resume a more constructive regional role in the near future? What will be the possible effects of such trends for the smaller economies?

A catalogue of imminent issues and tasks for such a collective agenda setting would also need to address a series of issues already identified by Sogge (2009, p.23). These include:

- Domestic and regional inequalities;
- Distribution of productive assets, in particular land;
- The role of domestic markets for locally produced goods (in contrast to the primacy of foreign markets and dependency on imports);
- Distribution of public goods (which include not only water, sanitation and health listed by Sogge, but also energy, housing and education); and finally
- The development of means for conflict resolution and the protection of basic rights.

The promotion of coherence and the entrenchment of common normative frameworks will be essential aspects for the implementation of such a strategy, which would pursue the interests of individual countries through a rigorous advocacy of and respect for the regional interests. The economically related topical issues on such an agenda would include the expansion of regional material infrastructure (roads, railways, harbour utilization); mobility of goods and people (including matters of migration and citizenship); securing means for reproduction of all people through addressing the issues of land utilization, water resources and energy production and use.

A 'Most Favoured Nations Policy' ought in this context to remain limited and restricted to member countries in the sub-region, instead of extending special rights and privileges to those who claim old bonds of friendship (and by doing so kind of imply that this is now pay back time).

## Challenges for an Alternative Development Path

These tasks require the de-linking from structurally entrenched global trade relations, an inward looking economic policy with domestic and regional components, the efforts to secure an ecologically sustainable (renewable) resource base (solar and wind energy) and a local and regional water management policy seeking to provide access to clean water for all people. It would emphasise the promotion of local food production and stimulate decentralized economic activities for local and regional markets with the aim to reduce the dependency from external factors such as FDI, commodity prices, income from overseas tourism based activities, access to external markets beyond the region.

In the first place, however, this draws attention to the role of the current political and economic elites and beneficiaries of the past, as well as the role of a developmental state and its bureaucracy. As Sogge suggested:





*A realistic way forward in the short term is to promote a 'minimally responsive state', one that would act as chief duty-bearer towards a rights-holding citizenry.*

Sogge (2009), p.24

This ultimately becomes once again a question of class interests – domestically, regionally and globally. Given the massive challenges facing human reproduction not only but also in Southern Africa, the time to accept such a challenge is ripe:

*At a time of unprecedented economic and ecological crisis, the means and imperatives for an in-depth debate have intensified. Important tenets of capitalist growth are being critically re-visited. Alternative models appear more viable and even necessary. It is time to adopt a new compass and chart another way forward.*

Sogge *ibid.*

While this paper formulates a strategy directed towards the governments in the sub-region, it should not be taken for granted that those occupying the commanding heights in politics and in local control over parts of the economy would be willing listeners and learners when it comes to such appeals. Social change in the interest of the majority of the people hardly ever (if at all) came voluntarily from the top. It almost certainly was in nearly all cases enforced through popular pressure and demands from below. Hence the decisive local aspect in the Southern African region will remain the force of the people and the strength of the social movements. As the (modified) African proverb says: "Don't focus too much on the elephants, whether they are fighting or making love: the future lies with the grass!"

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## 1.4 Programme Budgeting and Economic Development

*Calle Schlettwein*

May I say how much I welcome the organiser's initiative in bringing this conference to Windhoek and how honoured I am to have been invited to make this presentation.

The paper I am presenting this morning has been produced jointly with Paul Randall, from HM Treasury, who has been an adviser to the Namibian Government for a number of years. He has asked me to send his greetings and wishes for a successful conference.

In this presentation, I would like to set out briefly the approach we have taken to ensuring sustainable economic growth while addressing the problems of poverty and inequality that affect the country.

### Key to that have been the reforms we have made to our Budget process

There was a deliberately gradual introduction. In retrospect, maybe big bang would have been easier – each time we try to take a step forward, we find that the staff in Ministries have changed and we need to explain the process and thinking again from scratch. But, politicians and senior officials were understandably nervous about moving too fast.

We wanted public servants and decision makers to focus on outcomes – not what we are spending, but what we achieve. What difference are we making to poverty, ill health, poor educational attainment etc.

It was to be an empowering process, giving managers greater freedom to manage, while holding them accountable for results.

We wanted to provide greater transparency and accountability at all levels. Showing Parliament and citizens not just what we spend on cars, salaries etc, but why we were spending it and what was actually being achieved by the Government.

And, we wanted Programme Budgeting to provide hard measures against which efficiency and effectiveness could be judged, as the first step towards finding ways of delivering better value for money.

I would now like to introduce you to the logic behind the Budget process, because having that clear logic has enabled us to build a system that delivers the outcomes we want. That is in stark contrast with many budget processes that concentrate on delivering inputs to meet stated financial and fiscal goals.

We start with the macro-economic forecast. That, together with our revenue policies, allows us to develop an estimate of resources. I should note that our





revenue policies are not solely aimed at generating a set sum of money. Rather, we view revenue policies as having dimensions of:

- Equity – widening and deepening the tax base so that all who can afford to contribute;
- Re-distribution – reducing income inequalities that are particularly high in Namibia;
- Economic growth – ensuring tax levels do not act as a bar to investment, while providing incentives to industries with growth potential.

The Government has fiscal policies in terms of the deficit and debt stock % of GDP. If one applies those policies to the existing debt levels and forecast revenues, simple arithmetic supplies a total limit on expenditure for the coming years – the Resource Envelope.

## Now, moving to the other side of the equation

Ministries and pressure groups always have proposals for spending more money. Those proposals have to be carefully appraised to establish their likely impacts.

And, we look at the impacts that really matter. There are many different definitions of poverty, but one approach is to equate it with disadvantage and exclusion. So, when we analyse proposals that is what we look at – how far will they reduce disadvantage and exclusion in different sectors – health, education, income etc.

And, we also look at potential for stimulating the economy because, as we saw earlier, it is that growth that provides the revenues to do more to reduce poverty and inequality.

I pause to remind everyone present that spending is not always the only, or even the best, way of addressing problems. Taxation, exhortation and legislation have their place. Take smoking for example. We could:

- give cash rewards for those that give up;
- tax cigarettes at progressively higher levels to make consumption less affordable;
- get famous athletes, musicians etc. to extol the virtues of giving up; or
- make smoking illegal in workplaces, public areas etc.

Increased public expenditure is undoubtedly a possible policy response, but I would question whether it is necessarily the best. In policy appraisal we must always look for the non-expenditure alternatives.

This looks deceptively simple. But the reality is more complex; we have many proposals, representing many different outcome types. What we seek to do is deliver an optimal mix of outcomes within the resource envelope.

Note this is not formal optimisation. Rather the mix that emerges reflects the democratic principle that relative judgements between outcomes are essentially matters for political judgement.

Note also that this is often an iterative process – different economic assumptions and revenue policies can be introduced to change the size of the envelope.





And, different configurations of expenditure are possible within any 3 year cycle. We mainly use that flexibility to help maintain economic stability through counter-cyclical expansion or restraint.

## **So, how far have we got in implementing our new budget system?**

It is in place and operating in all Government Departments. Although there are still those that have yet to embrace it fully and still try to revert to the old system of input budgeting.

It does form the basis for Parliamentary approval of the Votes and the information contained in the Ministries' Medium Term Plans, on planned programmes, activities and targets to be achieved, and has increasingly become the currency of debate. A change HE the Founder President had announced would be critical to the development of the country, when he reflected in his State of the Nation address on the importance of the first MTEF.

And, we have taken the Programme Budgeting approach full circle by introducing the Accountability Report which sets out both achievement against the targets set in the MTEF and expenditure by programme against budget for every Ministry.

That not only represents a major step forward in accountability; it also provides a major spur for Ministries to concentrate on achieving results, rather than managing inputs. As I said earlier, this approach is designed to ensure that we focus on achieving socio-economic outcomes.

## **So, overall, how is Namibia developing?**

The World Economic Forum recently published its annual Africa Competitiveness Report. That showed Namibia to be ahead of most of Africa in its development and to be moving forward at a faster rate than its fellow African states. Moreover, the Report highlighted four African countries as outstanding examples of what can be achieved. And, yes, Namibia was one of those.

On independence Namibia inherited one of the most unequal societies in the world with wealth overwhelmingly concentrated in a small segment of the population. That is why one of Namibia's key goals has always been the reduction of inequality. The latest household income and expenditure survey found that Namibia had reduced its Gini coefficient from 0.7 to 0.6 – an unprecedented reduction.

Namibia was the first country in sub-Saharan Africa to complete its roll-out of ARVs and make them available to all sufferers, thus significantly reducing HIV/AIDS mortality rates. It has also reduced overall infection rates, particularly amongst 15-24 year olds, an achievement that caused UNAIDS to judge the country top of the class.

Our public finance systems are examined every year by the IMF and judged sound. Moreover, our fiscal and economic policies and results have warranted







our sovereign debt to be awarded investment grade rating by one of the world's premier credit rating agencies (and stable, despite the global downturn adversely affecting other countries ratings) – a feat few in Africa have emulated.

Namibia is also on track to meet most of the MDGs set. There is one major blip I should, however, report. We will not meet the target for increased receipts of aid. And, since donors tend to want to concentrate resources on less developed countries, it is not a target we would want to pursue!

## What are our next steps?

One of things we have realised, is that with the long gestation period that I referred to earlier, many of our staff have arrived since we provided initial training and do not understand the budget process or have not kept up to date with developments. We are, therefore, embarking on a new programme of sensitisation and education regarding the Programme Budgeting approach.

We have also noted that, in common with experience elsewhere, the disciplines of performance measurement and the need to delineate programmes properly begins to drift over time. We are, therefore, undertaking an exercise to refine them.

That exercise will be a precursor of the move to producing accounting information by programme and activity and, in due course, moving to the formal submission of audited accounts to Parliament on a similar basis.

At present the programme budget approach only applies to central government and, to a more limited extent to subsidies to State Owned Enterprises. We intend extending that approach to all parastatals and local authorities.

Of course, there are technical difficulties and issues of autonomy that will need careful handling. But, we are convinced that there are benefits to be realised if the rest of the public sector was more clearly focussed on outcomes in its resource allocation and its appraisal of expenditure options.

## The organisers ask that I address three questions:

- What is the current position with regard to economic development in Southern Africa?
- What will happen if we continue on our current path?
- How to achieve better outcomes?

With regard to the first question it is difficult to determine what exactly is meant with Southern Africa. Is it SACU, is it SADC or the SADC-EPA grouping, or is it even the tripartite SADC – COMESA – ECA configuration? Without knowing the meaning of "Southern Africa" I shall not attempt to answer this question.

Equally, I do not intend being fool hardy enough to get into the prophecy game. I was reminding myself the other day that in 2001 some learned experts got together to produce "Southern African Scenarios 2015" a set of forecasts as





to how SADC countries would develop under different policy assumptions. To-day we can sit back and wonder at the possible worlds they envisaged and how they got it so wrong.

However, let me attempt to address the third question, and try to cover at the same time elements of the first two questions. Because, in a sense, the other questions illustrate the sorts of myths we need to avoid if we are to continue to develop, as the Nation desires.

If Southern Africa is to develop successfully, the first thing we need to do is reduce dependency, both financial and intellectual.

Much has been said about the neo-colonialist tendencies of donors, especially multilaterals agencies, of inducing dependency amongst African countries as a means of controlling their development. That may be true. Namibia has carefully avoided financial dependence – donor funding is very small compared to Government expenditure, about 3%, and Namibia has a longer-term objective of being a net donor itself.

But, even in a country such as Namibia that is not dependent financially on donor funds, there may be an equally damaging (and more insidious) form of intellectual dependency to be overcome. That too often results in Africans meekly adopting 'solutions' proffered by donors, without properly evaluating their utility or whether they might distort the Nation's developmental priorities.

Let me give you some examples. Under the Paris Declaration, donors undertook to use recipients systems, wherever possible. Namibia's public finance systems have been independently evaluated on a number of occasions and found suitable for budget support.

Yet, because programme budgeting is not yet accepted as a standard practice for developing country, donors still seek to make use of our systems conditional on making changes to conform to standard models. Had it not been for our stout resistance to those pressures, we would have been forced to accept a standard model that represented a substantial backward step in budgeting practice.

Project funding is much beloved of donors – it provides jobs and influence for their staff. Professor Collier<sup>1</sup> has recently written powerfully on the way project funding is used by corrupt Governments to fund essential services and enable politicians to cream off revenues from the state finance system.

In Namibia, we take the converse view. We seek to persuade Development Partners (DPs) not to provide project funding. And, if they do, we ensure that it is only used for second order priority projects. Projects, that are a priority for the Namibian Government, should be funded by the Government. That way, there is little dependency and little chance of DP systems contaminating the running of effective Government systems.

DPs, quite understandably, try to insist that states implement so-called pro-poor budgets. But, they do so by arbitrarily nominating certain sectors of the economy 'pro-poor' and others not, regardless of the actual extent of the impacts on the poorest. Moreover, that categorisation is so crude as to exclude many of the most effective poverty reduction programmes, but include expenditures that predominantly benefit the middle classes.

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1 Professor Paul Collier, "Send in the Accountants", *Guardian* 14 July 09



The fact that in many countries, including Namibia, poverty tends to be greatest in rural areas, has led many DPs to try to push rural development agendas. However, as many commentators have observed (including recently Professor Collier, in his comments on a British funded rural development project) real development and growth will only come from urban areas. That is especially true for much of Namibia with its arid climate and limited access to water. What needs to be funded is poverty alleviation in rural areas

Lastly, let me pause to put the question of who benefits from many of the projects DPs put forward. How many are tied to jobs and profits in Western countries, or constructed in such a way as to make it impossible for local enterprise to develop and compete with international firms? How many have large sums reserved to pay western consultants who do not know the country and whose inputs often have little beneficial results?

An example of such practice is experienced in terms of the technical assistance we receive from Germany. With similar qualification and experience a local (Namibian) technical advisor is paid less than half of that paid to an external (European) technical advisor.

So, part of the way forward is having the confidence to insist that DPs, if they are to contribute, do so using mechanisms, and for priorities, that are Namibian. It takes courage and can be counter-cultural to resist aid proposals, but it is an essential part of reducing dependency.

Project funding lends itself to corrupt practices where the DP and the recipient share the spoils instead of ensuring that target groups are the principle beneficiaries.

And, before anyone gets the wrong impression, Namibia is grateful to donors who can help our development. We can demonstrate that we can use the money wisely; and, we are prepared to be held accountable for the results. But, it must be for Namibian programmes and priorities and delivered in ways that really benefit the nation.

An example of recent is our customs scanner project co-funded through a Chinese loan. Would we have been allowed to use the Namibian procurement system, which obliges the use of an open bidding process, I am certain we would indeed have landed a more transparent and better deal for Namibia.

It is also important that Southern Africa confronts the myths that have grown up about economic development. Many of those originated in the one size fits all approaches of donor nations and international financial institutions that have since taken on a life of their own.

## The concept of common solutions for Africa is difficult to grasp

The idea that there are common issues with common solutions between, say, Burkina Faso and South Africa or Nigeria and Mauritius is so bizarre that it is hardly worth considering. And yet, "African solutions" continue to be advocated by Western politicians and activists alike. Let me be clear, any "African



solution” is by definition ill-suited to any particular country, because it fails to take into account local culture and circumstance.

Again an example can illustrate the point. The recent debt relief programme of the Breton Woods institutions were aimed solely at HIPC and LDCs and these countries were relieved of significant debt burdens. Namibia however, due to sustained economic growth is classified as a Low Middle Income Country and, as a result of its prudent macroeconomic policies has very low debts. Consequently, Namibia was disqualified from benefitting. Even worse, the terms and conditions for accessing development funding became less favourable. So, at very least, this “African Solution” turned out to be harmful for Namibia. In fact, it could be perceived as “punishment for doing well”.

Closely linked to that is the myth of ‘best practice’. We know from the literature that organisations that are most successful are those that break with existing business. The same is true of countries. Moreover, there are countless studies (for example Sylvie Trosa’s work) demonstrating that culture and history prevent the effective transfer of models from one country to another.

And yet, too many Governments continue to deceive themselves that there is some best practice out there somewhere that they can adopt to improve their performance.

Participatory approaches were previously a major tool of colonial oppression. The stakeholder workshop was a useful way of ensuring that nothing happened, while keeping everyone happy. Little has changed:

- they are still urged upon us by western countries and multilaterals;
- they still seek to replace the role of elected representatives of the people in decision making by unelected, unrepresentative people. (Indeed, it has been suggested that the emphasis on participatory approaches is a way of getting round the problem that Africans will insist on electing politicians the West doesn’t like too much)
- they still prevent the adoption of radical policies for the development of the country.
- and they compromise our policy space.

To avoid confusion, can I confirm that Namibia stands firm on the importance of consultation? Indeed, it is part of common law as adopted in our Constitution and politicians have a clear duty to listen to all citizens. But, that is very different to giving prescriptive rights to groups who chose to participate.

## **There still exists the myth that capital expenditure drives development**

Yes, provision of adequate infrastructure for enterprise to flourish is a prerequisite for development. But, that is not the same thing as assuming that ever increasing capital expenditure will drive development. It will not. And, unless properly appraised against non-capital expenditure options, it can result in a





drain on the operation costs of improving health, education and incomes that are at the heart of development.

Manufacturing has been touted as the next phase in the development of countries such as Namibia. Yes, industrialisation was the trigger for Europe moving away from a largely agrarian economy. But, in today's world, is it likely that Namibia could compete against, say, Chinese manufacturing? Far better to find niche markets where we can provide competitive advantage, than be stuck with uncompetitive manufacturing plant. We should, for example, optimise the benefits of our raw materials instead of blindly following the traditional approach of industrialisation.

I mentioned before the African Competitiveness Report. One of its conclusions was that (apart from education – which we are working on) the barrier to Namibia's development was the small size of its domestic market making it difficult for companies to build up to the scale needed to compete internationally. So we need to expand the scale of our markets and some further regional integration is the chosen path.

But, here again, we hit the myths:

- it is not necessary for every sub-regional integration to follow the EU model of freer trade leading to a customs union leading to economic integration and a common currency;
- nor is it necessary for all countries within a region to move towards integration at the same pace;
- a freeing up of trade not necessarily provides developmental advantages;
- local enterprise will not benefit from competition if it has not been allowed to develop the wherewithal to compete.

Here the European EPA approach can serve as an example. The premise for negotiation is that of “equal partners” and is of course totally flawed. One almost cannot perceive more unequal partners! If we, the developing countries, are not accommodated with asymmetrical approaches that would accelerate our development and close the gap between these very unequal set of countries, I cannot see a win-win scenario emerging.

## Let me end on a positive note

- For the best 2020 outcomes countries in Southern Africa should:
- Avoid dependency;
- Demolish the myths;
- Learn from the mistakes of others, but not seek to copy success;
- Consult, but not give the unelected policy veto rights;
- Look for niche competitive advantage;
- Budget for results;
- Make policy decisions based on evidence and analysis;
- Develop and use trusted local fiduciary systems;
- Insist on home-grown policy priorities;
- Have the courage to say “no” to unfavourable development assistance offers.





And, before anyone points out that I denied earlier that there is a place called Southern Africa or that there were common solutions, may I point out that it is precisely such contradictions that makes development policy so interesting and challenging.

## Two final comments

Firstly, let me comment on the question about Namibia's position on the NEPAD Peer Review Mechanism. As was indicated by the Director General of the National Planning Commission, Dr Peter Katjavivi, Namibia is now ready, in principle, to join. However four question marks remain.

- Who developed the rules for the peer review and were these rules developed by us or for us? I suspect the latter.
- Who are our peers? As I observed earlier, there are great disparities between African countries in their progress in development and governance.
- The point is not fear of being exposed, but how many times must we subject ourselves to reviews, especially bearing in mind that we are continuously reviewed by the IMF, World Bank, European Commission, African Development Bank, and in addition we have subjected ourselves to sovereign credit ratings. One suspects that some of these reviews are nothing else but employment-creation schemes for consultants.
- What is the value added, given the costs in scarce skilled administrative resources that such review would inevitably entail.

Secondly, let me briefly touch on climate change. Surely, climate change is happening, but are we not again drawn into an agenda with limited relevance to our developmental priorities?

Droughts and floods occurred in Namibia since time immemorial; they are not only of recent origin. No-one knows what the effects for Namibia of climate change will be. Should we not rather focus on other more pressing threats to our development such as those posed by the exploitation of our natural resources of others. Consider, for example, overfishing and resultant fish stock collapses?

I thank you for listening.





## 2 Healthcare





## 2.1 Priorities for Health Care

Anne M. Johnson

### The current position

Basic health indices such as under-5 mortality, maternal and infant mortality as well as expectation of life, are known to be correlated with gross national income *per capita* at a country level. As GNP rises, health indices improve. Many of the countries of sub-Saharan Africa have some of the highest rates of under-5 mortality and the lowest life expectancies in the world. Some of the countries of Southern Africa, including South Africa and Namibia are closer to middle income countries, but have high rates of under-5 mortality compared with their counterparts in countries of similar income brackets (Gapminder; Baird *et al*, 2007).

In the year 2000 the leading cause of death in Africa was HIV/AIDS, accounting for 22.6% of all deaths, followed by lower respiratory conditions, malaria and diarrhoeal disease (WHO 2001). But there is now evidence of rising incidence of diseases of more affluent countries, including ischaemic heart disease and cerebrovascular disease associated with emerging problems of high exposure to smoking and increasing levels of obesity (Tillman *et al*, 2008; World Health Organization, 2009).

The high proportion of deaths relating to AIDS is particularly prominent in the countries of Southern Africa. While HIV was first identified in East Africa, the spread of HIV in Southern Africa has been more rapid and intense than in any other part of the continent. Between 1986 and 2001 adult prevalence of HIV increased from less than 5% in many of the countries of Southern Africa to 20-39% in some of the worst affected countries (UNAIDS, 2008). In 2007, the total number of people living with HIV in Southern African countries is the highest in the world (5.5m), accounting for 17% of all the infections worldwide (Karim *et al*, 2009).

Between 1950 and 1990, life expectancy rose steadily in every region of the world. In Southern Africa the rise was around 45 years to over 60 years. But between 1990 and 2005 many of the gains of the last 50 years were lost and life expectancy in parts of Southern Africa has now fallen to below 50 years, due almost entirely to the impact of the HIV epidemic (World Health Organization, 2004; United Nations Population Division, 2008).

### Millennium Development Goals

The Millennium Development Goals (MDGs) set out key areas for improvement in health and economic indices between 1990 and 2015 (United Nations, 2008). The relevant MDG for health in Southern Africa are:







- MDG 4 Reduce child mortality: To reduce by two thirds between 1990 and 2015 the under-5 mortality rate.
- MDG 5 Improve maternal health: To reduce by three quarters between 1990 and 2015 the maternal mortality rate. Achieve by 2015 universal access to reproductive health.
- MDG 6 Combat HIV/AIDS, malaria and other diseases: To have halted by 2015 and begun to reverse the spread of HIV/AIDS, the incidence of malaria and other diseases.
- MDG 8 Develop a global partnership for health: Relevant targets are
  - › Co-operation with pharmaceutical companies to provide access to affordable essential drugs in developing countries
  - › Co-operation with the private sector, making available the benefits of new technologies, especially information in communications.

## Progress towards the MDGs in Sub-Saharan Africa

It is widely acknowledged that as a whole sub-Saharan Africa is not on track to achieve the Millennium Development Goals for health although progress has been made in some of the non-health areas (United Nations MDG African Steering Group, 2008). Maternal deaths per 100,000 live births are the highest of any region of the world and have only fallen from 920 per 100,000 live births to 900 per live births between 1990 and 2005. Access to skilled health care personnel remains limited. For example, between 1990 and 2006 the proportion of women who had their deliveries attended by skilled health personnel increased from only 42% to 47%. The greatest proportion of women with an unmet need for family planning is in sub-Saharan Africa and the proportion with an unmet need declined by only 2%, to 24% between 1995 and 2005.

There is increasing recognition of the importance of contraception services, particularly around the “epidemiological transition”: as life expectancy improves in countries so does child survival, leading to population growth which place new stresses on infrastructure. This is an issue which has been particularly discussed in the context of the new stresses which sub-Saharan Africa will face with respect to food and water security for a growing population in the context of climate change (Costello *et al*, 2009).

While there has been large and growing investment in the roll-out of antiretroviral therapy and great progress has been made in recent years, only around one third living with HIV and in need of treatment were receiving antiretroviral therapy by 2007 (Millennium Development Goals Report, 2008).

Worldwide 33 million people are estimated to be living with HIV (UNAIDS, 2008). In recent years there is estimated to have been a modest decline in the number of deaths as a result of antiretroviral therapy. Thus, 2 million are estimated to have died from HIV in 2007. However, the number of new infections – at 2.7 million – now exceeds the number of deaths, leading to an overall increase in the number of people living with HIV. The HIV epidemic is particularly intense in Southern Africa. It is estimated that over 50% of deaths in Malawi and South Africa in 2004 were due to HIV/AIDS. Importantly, these



deaths disproportionately affect those in the younger age groups and working age groups, with the overwhelming majority of deaths up to age 50 being attributable to HIV (Egger and Boulle, 2008).

## New challenges for 2020

In the coming decade, Southern Africa faces major challenges in the field of health. The HIV and associated tuberculosis epidemic will remain the biggest challenge and burgeoning HIV treatment costs may overwhelm health systems (Karim *et al*, 2009). At the same time there is evidence of increasing emergence of multi-drug resistant tuberculosis and of HIV resistant to antiretrovirals. Existing health system weaknesses may be accentuated by the challenges of the HIV epidemic.

Despite significant progress made in the post-apartheid era there is evidence in some areas of increasing inequality (Mooney and Gilson, 2009). In others, where there is rapid economic development, an epidemiological transition and changing patterns of disease, including the emergence of obesity and cardiovascular disease epidemics, will present new challenges for health care and prevention (Tollman *et al*, 2008).

Gender inequality will continue to create the conditions which fuel the spread of HIV through contradictory social expectations of women's and men's sexual behaviour, inequality in economic terms and in access to education. Economic migration may also create conditions which encourage the spread of HIV (Rees *et al*, 2009). Population migration fosters the formation of conurbations and the development of urban slums which present new challenges for health.

Finally, Southern Africa is likely to be one of those areas most severely impacted by climate change, despite the relatively low contribution of southern countries to global CO<sub>2</sub> emissions.

The impact of climate change will include not only direct impacts on health but also the indirect impacts related to food and water security, migration and extreme events, all of which are significant challenges for human wellbeing (Costello *et al*, 2009). Thus the impact of climate change, in terms of disability-adjusted life-years per million of population, are projected to be the greatest in the African region (IPCC).

## Progress in the field of HIV/AIDS

While HIV/AIDS remains the most pressing problem in Southern African, there is concern that excessive attention on HIV alone may lead to undermining of government and primary health care while funders focus on attempts to control the HIV epidemic and to roll out treatment with antiretrovirals. The good news, however, is that there has been extensive investment since 2000 in programmes primarily for HIV treatment but also increasingly for prevention. Very significant investments have come from the Gates Foundation, the Global





Fund for HIV/AIDS and Malaria and from PEPFAR, with annual resources rising from around \$1bn in 1999 to \$10bn in 2007 (UNAIDS, 2008).

A major component of this investment has been the roll-out of antiretroviral therapy initiated first by the WHO “3-by-5 programme” which aimed to have 3 million people on antiretroviral therapy by 2005. While this goal was not achieved, around 3 million people in lower middle income countries were estimated to be on antiretroviral therapy by the end of 2007 (UNAIDS, 2008).

The extent of the roll out and the proportion of those eligible for treatment varies across Southern Africa. However, some of the highest rates have been achieved in Namibia with over 80% of those eligible for antiretroviral therapy now reported to be receiving it. The figure in South Africa however, is lower and estimated to be around 38% (Karim *et al*, 2009).

A PEPFAR evaluation showed that HIV-related deaths decreased in sub-Saharan countries with focussed PEPFAR programmes, compared with control countries without them (Bendavid and Bhattacharya, 2009). However, trends in adult prevalence did not differ between control and intervention countries. Thus it appears that antiretroviral therapies are beginning to have an effect on overall mortality in some of the countries where more extensive roll-out has been achieved, but are not impacting the transmission of HIV.

In some parts of East and West Africa there is evidence of declining prevalence of HIV, but similar gains have not been achieved in many of the countries of Southern Africa. Prevalence in South Africa was continuing to rise until 2005. There is however, evidence of modest declines in some countries including Botswana, Namibia and Zimbabwe (UNAIDS, 2008).

Thus, while considerable progress is being made in the roll-out of HIV treatment programmes, significantly less progress is being made in the prevention of HIV transmission. Thus for example, it is estimated that for every person put on antiretroviral therapy in 2007, more than two new infections occurred. Nevertheless, worldwide UNAIDS estimates that the number of people newly infected declined from 3 million in 2001 to 2.7 million in 2007.

Infection amongst young people under the age of 25 remains high and demographic and health survey data shows, for example, that over 15% of South African women aged 15-24 sampled were infected. These high rates of infection close to sexual début reflect the particular vulnerability of young women. These rates in women are much higher than those in young men. While this may in part reflect biological differences in susceptibility between men and women, it also reflects patterns of sexual mixing with younger women having older male partners. This in turn is determined by aspects of gender power, gender relationships and the greater economic power of men, which places young women at particular risk.

Over the last decade, during a period of rapid roll-out of antiretroviral therapy programmes, it has been recognised that there has been underinvestment in HIV prevention. This has been compounded by the difficulties in demonstrating the effectiveness of intervention programmes in randomised controlled trials. Nevertheless, declines in HIV transmission at population levels have been greater in some countries where there has been investment in wide-scale population interventions. There is evidence of reduction in prevalence, for example, in Uganda (Kirby, 2008).



There is increasing recognition that HIV treatments, like antiretroviral therapy, are likely to need many components in order to be effective at the population level. Coates *et al* (2008) have coined the term “highly active HIV prevention” encompassing behavioural change, treatment through antiretrovirals of sexually transmitted infections, biomedical strategies such as circumcision, and intervention through social justice and human rights. Interventions need commitment at the highest political level for scaling up of treatment and prevention efforts with strong community involvement. Nevertheless, we continue to lack the firm evidence base of what might work, what does work, and what are models of best practice in parts of Southern Africa.

In a review of 35 randomised controlled trials of 37 interventions to prevent sexual transmission of HIV presented by Wasserheit (2009) it was shown that the majority of randomised trials have been unable to demonstrate impact on reducing HIV transmission. Of 30 trials involving behavioural and micro-finance interventions (8), diaphragms and vaginal microbicides (10), HIV treatment and STI treatment (8) and male circumcision (4), only four trials were shown to have positive effect. Three of these trials were of male circumcision, all demonstrating reduced female to male transmission and one trial showing the impact of STI treatment on HIV transmission.

Perhaps one of the greatest difficulties in evaluating trials of behavioural interventions has been the problem of separating out the effects of focussed interventions from the many influences on sexual behaviour, including those profound influences which are cultural, social, or driven by overall educational attainment, such that the individual effects of programmes cannot be demonstrated. While trials have been able to demonstrate increases in knowledge and reported behaviours, they have not been able to confirm effects on HIV transmission.

It is thus likely that achieving behavioural change at population level will require concerted and evolving approaches using interventions at individual, community and national level. Behavioural intervention and education programmes must be tailored to individual epidemics and their characteristics. They require the promotion of behavioural changes in individuals, their partners, families and communities, engaging with cultures, faiths and organisational structures. More attention needs to be given to the content of prevention messages and the skills required to put them into practice. Programmes need to achieve high coverage among populations, with an improved evidence base to measure outcomes. It is suggested that we need to build on the synergistic benefits of small effects, investing in what works while investigating new approaches. Societies evolve over rapid time scales so efforts need to be sustained and flexible to changing social and cultural norms, as well as use of new technologies such as mobile phones and the internet as new media and forms of communication. More could be done to engage with experts from communications and advertising industries.

We have frequently found ourselves behind the frontline of the spread of the epidemic. We need to stay ahead of the virus and to be aware of the new ecological niches that emerge, which are fertile for HIV transmission. For example, an epidemic of drug related transmission emerged rapidly in Eastern Europe following the breakup of the Soviet Union. We need to have adequate surveillance methods to measure the outcomes of interest for prevention of HIV which





include later first intercourse, reduction in the number of partners and the reduction of concurrent partnerships, increased condom use, lower risk sexual practices, and safer injecting in healthcare settings and in recreational drug use.

The development of the UNGASS indicators for countries to measure progress against the set of standard prevention indicators has gone some way to improving both the focus on prevention and our ability to measure outcomes. Thus for example, there has been a significant increase in Namibia between 2000 and 2006 in the proportion of 15-24 year old with comprehensive knowledge of the transmission of HIV, in rates of HIV testing, and in condom use. And, at the same time, a modest reduction in those having sex before aged 15 and those reporting sex with more than one partner (UNAIDS, 2008).

## Treatment as prevention

A number of treatments may have the added influence of preventing onward transmission of HIV. As antiretroviral treatment suppresses blood viral load, it may reduce infectiousness. It has been proposed that antiretroviral treatment at a population level, provided adequate cover is achieved, may reduce transmission. Granich *et al* (2009) undertook a mathematical modelling study demonstrating the theoretical impact of wide scale and early HIV screening and treatment of all infected people in reducing HIV transmission. Such approaches however, require appropriate proof-of-concept studies to show whether they might be effective in practice. This requires large scale population interventions with significant organisational and financial challenges and community engagement. In addition, the impact on the emergence of antiretroviral resistance and toxicity as a result of early treatment would have to be studied.

The stigma associated with HIV infection remains a major barrier to individuals seeking diagnosis. Voluntary testing and counselling are an important component of HIV diagnostic strategies, but have been viewed by some as a potential barrier to testing, and to the normalisation of HIV as an infectious disease like any other, that requires early identification, management and prevention. This involves a major change in attitudes to HIV and reduction in stigma. Diagnosis is not always a mechanism for reduced transmission as many of those on treatment continue to engage in risky sex. Currently only those with advanced infection are eligible for treatment and viral load suppression. Thus it is important to integrate prevention interventions as standard care for those living with HIV.

Whether wider spread and earlier HIV diagnosis and treatment can reduce onward transmission is unproven and would require interventions amongst those in the early stages of infection when infection is asymptomatic and individuals are likely to be the most infectious. In the UK's homosexual communities for example, despite widespread access to diagnosis, treatment and care, a quarter of those infected are estimated to remain undiagnosed and incidence of new infections has remained around 2-3% in recent years, despite antiretroviral treatment being available for all those who require it (Health Protection Agency, 2009).





## Public health implications of antiretroviral treatment

Widespread introduction of antiretroviral therapy brings its own public health challenges. Improved survival and improved quality of life are important outcomes and benefits of antiretroviral treatment. However, increased prevalence as a result of improved survival also means larger numbers of people living in the community who may pass on their virus. In homosexual populations throughout the world there is evidence of increased sexual-risk behaviour since the introduction of antiretroviral therapy and this in its turn has contributed to the re-emergence of sexually transmitted infections, which in turn may increase infectiousness of people with HIV (Dodds *et al*, 2004). Furthermore, introduction of antiretroviral therapy may result in the emergence of viral resistance and in the absence of reduced risk behaviour, the transmission of resistant strains. HIV will continue to place major strains on health care systems well into the future. In the absence of a cure, HIV treatment remains for life, but sustaining antiretroviral treatment over the coming years may overwhelm or undermine public health care systems.

With respect to biomedical strategies for antiretroviral treatment, male condoms are known to be effective but there are many problems in supply, access to and uptake in many communities. STI treatment in many African countries remains under resourced so that asymptomatic infections remain untreated. No vaccine is yet available for HIV. Male circumcision has now been demonstrated to be effective in reducing female to male transmission but there has been limited roll-out in Sub-Saharan African countries. Vaginal microbicides have been proposed as a female controlled method to prevent HIV, as yet there is no effective product available and the approach remains one still subject to experiment. Antiretrovirals for mother-to-child transmission have been shown to reduce mother-to-child transmission but their uptake is, as yet, far from universal.

## Social justice and human rights

Reducing the spread of HIV requires attention to many aspects of the socio-economic environment. Increasing access to general education as well as specific sex education remains an important element of the MDG goals which are likely to reduce HIV transmission. There is evidence from a number of early African studies that HIV prevalence increases with increasing educational attainment, although this situation may now be reversing (Hargreaves and Howe, 2010). Economic, social and sexual exploitation, as well as circulatory migration, remain potent social factors that increase vulnerability to HIV. Stigma and discrimination are widely recognised as barriers to acknowledging the impact of HIV and barriers to seeking early diagnosis and treatment in both southern and northern countries, as well as in African communities migrating, for example to the UK (Burns *et al*, 2008). Access to goods and services remain highly variable. Thus access to health services and access to robust and reliable supplies of drugs and condoms are major challenges to controlling HIV and to improving health more broadly.





Gender inequality is a potent inhibitor of improved health. Decreasing maternal mortality and child mortality are crucially dependent on improving the educational level and economic independence of women. Social and economic inequities allow parallel systems of care to exist in the same country, with great inequity of access to and quality of health services (Gupta *et al*, 2008).

Piot *et al* (2008) published a call for action for HIV prevention urging governments and communities to implement combination HIV prevention. They advocate sustained political and technical leadership, urging international institutions, national governments and community activists to work to increase demand for HIV prevention. They also urge scientists and funders to broaden the HIV prevention research agenda and to build capacities at all levels for HIV prevention efforts. However, it remains the case that despite the extensive and rapid increase in investment in HIV, many countries of Southern Africa are far from their 2010 targets for roll-out of treatment for children and adults and of controlling the transmission of HIV.

## Vertical or horizontal programmes?

A major current debate is the relative advantages of vertical or horizontal programmes for health. Vertical programmes are those single disease-based programmes such as PEPFAR which cut across general public health services (horizontal programmes) in order to deliver measurable health gain through control of a particular disease. While roll-out of ART has been remarkable, nevertheless there are real concerns about the mechanism of roll-out and the potential lack of integration with existing under-funded health services. Thus, high quality ART services may be delivered in the same community where there is poor care for other conditions. There may also be lack of coordination between elements of vertical systems where multiple NGOs, or others, provide independent services in the same area. There is also concern about the lack of integration between vertical disease based programmes and government health services. For example, there is little integration in many areas between HIV treatment, STI treatment, contraception services and reproductive health services, or with primary health care. This comes at a time when the WHO are attempting to re-invigorate investment in primary care. There is also the problem of an internal brain drain and resource drain. Skilled staff may be pulled into HIV treatment programmes for higher salaries, undermining existing programmes. Most recently this has led to greater attention being paid to the impact of programmes on healthcare systems (Swanson *et al*, 2009).

One example is the re-emergence of congenital syphilis in African communities where antiretrovirals are given to prevent HIV transmission but no screening is done to prevent the entirely treatable condition of congenital syphilis (Peeling *et al*, 2004). While vertical investment can bring rapid gains and innovation, there is a need to look at long term investment and health system integration and capacity development. Increasingly, there have been calls for health impact assessment of vertical programmes to obtain an evidence base for the relationship between vertical programmes and other impacts on health.







The Millennium Development Goals (MDG Africa Steering Group, 2008) have identified a number of scaling up opportunities in Africa to improve health and have emphasised improvement of health systems for child survival and maternal health, building effective primary health care systems, investing in human resources, immunisation programmes and universal access to reproductive health services, with a required investment of around \$10bn per year. Similar investment of \$1bn per year is estimated to achieve universal access to family planning. Nevertheless, it is likely that the majority of investment will go into vertical programmes for the control of HIV, TB, malaria and neglected tropical diseases with an estimated total of \$17bn primarily from the Global Fund. However, the success of this strategy depends upon the way in which vertical disease programmes interface with primary health care systems, especially where there is clear overlap between elements, for example in sexual and reproductive health.

## Human resources for health

It is widely recognised that there is a significant lack of human resources for health throughout sub-Saharan Africa. There is a shortage of trained staff at all levels arising from scarcity of professional training and higher education facilities, for example for the training doctors and nurses. There is a significant external brain drain with large numbers of doctors trained at the cost of governments in sub-Saharan Africa and particularly Southern Africa, being recruited to Europe and elsewhere. An internal brain drain also results in trained staff moving from public to private sector organisations, as well to NGOs and to vertical programmes, thereby potentially undermining the existing fragile government health systems.

Low salaries for trained staff are a major disincentive to staff retention and in some countries there have been reductions in salaries in real terms. The impact of the HIV epidemic on the health of healthcare workers themselves, in countries with high HIV prevalence, further diminishes the trained workforce. The burdens of excessive workload are further disincentives to staff retention and can undermine the quality of service and encourage migration of health care workers. Career structures are often poor with little prospects of improvement in status and salary.

Finally there is immense inequity in distribution of healthcare staff (McCoy *et al*, 2008). Thus in major cities of Southern Africa, health services may be equivalent to those available in the best hospitals in the US and Europe, while rural postings in economic disadvantaged areas are frequently unfilled and services are of much poorer quality. Thus building human resources involves sustainable investment in education infrastructure such as universities and tertiary education and training centres. Salary inequity needs to be addressed and examples of agreements to reduce workforce migration need to be developed. One example is the Memorandum of Understanding between South Africa and the UK to reduce workforce migration.

New programmes for the management of HIV and TB have looked at the phenomenon of “task shifting” whereby drugs normally prescribed only by







doctors, can be prescribed by trained nurses and auxiliary workers. Such programmes are being increasingly encouraged to maximise the effective use of the limited highly skilled workforce (Philips, 2008).

## Building health systems to deliver on the MDGs

Building health systems will remain a major challenge to deliver on the MDGs. This involves investment in people who are adequately trained and supported to develop human resources for health. It involves investment in buildings and infrastructure with appropriate integrated services. It involves greater investment in management systems and the development of integrated health systems, for example, one-stop-shops for HIV, STIs, family planning and ante-natal care. Health financing requires coordination and integration to avoid overlap. Inequalities need to be reduced in relation to access and resources. This includes for example, reducing rural inequalities and equalising access for women and men. For example, men are much less likely to undergo HIV testing than women.

Prevention and treatment require harmonization such that prevention is seen as part of the treatment process. Stigma needs to be reduced with a promotion of cultural understanding and appropriateness. Supply chains of vaccines, medicines and equipment are essential to maintain services. It is not uncommon to find that while antiretrovirals are available through the vertical programmes, basic antibiotics, analgesics etc. are not maintained in the horizontal system. New technologies need to be harnessed for easier diagnosis and record keeping, including the use of electronic methods of collection. Surveillance and outcome monitoring is critical to understand progress and all this will be achieved only through high level leadership from governments.

## In conclusion

Throughout Southern Africa there are major health challenges to be faced, made particularly acute by the severity of the HIV/AIDS epidemic. Vertical programmes for HIV/AIDS immunisation have brought considerable benefits in specific areas. But delivering the MDGs for Southern African requires renewed focus on building human resources for health, and improving health systems to reverse the trends of declining life expectancy and to respond to the emerging burden of non-communicable diseases.

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## 2.2 HIV/AIDS: Development Impact and Policy Challenges

*Markus Haacker*

### Introduction

Southern Africa is the region with the highest HIV prevalence rates world-wide. This chapter takes stock of the health and economic impact of HIV/AIDS in the region, and discusses challenges and economic repercussions of the response to HIV/AIDS.

The chapter is broadly organized in two parts. The first part provides a stock-taking of the impact of HIV/AIDS in the region. At the outset, it provides some summary indicators of the impact of HIV/AIDS across countries – while it is possible to make general statements about the nature or the direction of the impact of HIV/AIDS, it is important to recognize that the scale and the state of the epidemic, as well as the economic context, differ very substantially across the region (and even within some countries). From this, we proceed to a discussion of the impact of HIV/AIDS, setting out with a review of the most direct (health) consequences, which sets the stage for a review of the development impact of the epidemic (looking at some broad macroeconomic indicators, such as economic growth, but also at aspects of the impact of HIV/AIDS across the population).

The second part focuses on challenges related to the response to HIV/AIDS. In some regards, of course, the impact and the response to HIV/AIDS are interdependent. On the country level, the response to HIV/AIDS is designed to address the specific impact and transmission patterns of the epidemic. At the same time, the course of the epidemic and its impact also reflect the history and the state of the response to the epidemic. With these points in mind, we find it useful to discuss some aspects of the response to HIV/AIDS separately, including the scale of the response from a macroeconomic or fiscal angle, the financing of HIV/AIDS-related expenditures, and some trade-offs that occur between HIV/AIDS programmes and other government objectives, and within HIV/AIDS programmes.

### Health impact and economic impact of HIV/AIDS

The most direct effects of HIV/AIDS occur in the health area, resulting in increased mortality and morbidity. Our analysis therefore sets out with a review of the impact of HIV/AIDS on common summary indicators of the state of health, to highlight the scale of the impact of HIV/AIDS across the region, but also illustrating the diversity in the impact of HIV/AIDS across countries. We then proceed to discuss some of the economic repercussions of the epidemic.





## HIV/AIDS and health outcomes

Table 1 summarizes the most common indicators for stating the impact of HIV/AIDS across Southern Africa, using data from UNAIDS (2008) and the United Nations Population Division (2009). While the region includes the countries with the highest HIV prevalence world-wide (notably Botswana, Lesotho, and Swaziland), HIV prevalence is uneven across the region (and as low as 2.1% of the population of ages 15-49 in Angola).<sup>1</sup> In reflection of high HIV prevalence across (most of) the region, the absolute number of people living with HIV/AIDS in the region is also very high, exceeding one million in four countries. Overall, the number of people living with HIV/AIDS in the 10 countries covered in Table 1 adds up to 11.7 million, corresponding to 35 percent of the global total of people living with HIV/AIDS, even though the region accounts for only 2% of the global population.

Table 1. The State of HIV/AIDS Across Southern Africa

Country	HIV prevalence (Percent, ages 15-49)	People Living with HIV/AIDS	AIDS deaths	Life expectancy (Years, no AIDS)	Life expectancy (Years, actual)	Crude Mortality (Percent, no AIDS)	Crude Mortality (Percent, actual)
	2007	2007	2007	2005-10	2005-10	2000-05	2000-05
Angola	2.1	190,000	11,000	48.3	46.8	1.6	1.7
Botswana	23.9	300,000	11,000	68.7	54.9	0.5	1.2
Lesotho	23.2	270,000	18,000	62.3	45.3	0.9	1.7
Malawi	11.9	930,000	68,000	64.3	52.9	0.8	1.2
Mozambique	12.5	1,500,000	81,000	55.7	47.8	1.2	1.6
Namibia	15.3	200,000	5,100	70.0	61.4	0.5	0.8
South Africa	18.1	5,700,000	350,000	64.6	51.6	0.8	1.5
Swaziland	26.1	190,000	10,000	63.8	45.8	0.7	1.6
Zambia	15.2	1,100,000	56,000	54.7	45.2	1.3	1.7
Zimbabwe	15.3	1,300,000	140,000	65.1	44.1	0.7	1.6

Sources: UNAIDS (2008) and United Nations Population Division (2009).

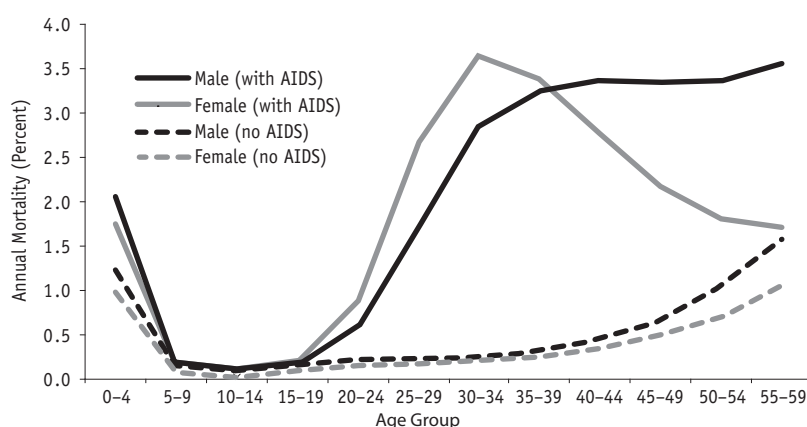
The high HIV prevalence in the region is reflected in health indicators such as life expectancy or mortality rates. Even in Angola (HIV prevalence 2.1%), HIV/AIDS shortens life expectancy by 1.5 years. In some countries with very high HIV prevalence (Lesotho, Swaziland, Zimbabwe), the loss in life expectancy amounts to around 20 years. In addition to HIV prevalence, there are arguably two factors contributing to the size of the impact of HIV/AIDS. In countries with weak health systems and a very low level of GDP per capita (e.g., Malawi, Zimbabwe), the impact of HIV/AIDS on life expectancy appears

1 Major differences may also occur within countries. For South Africa, for example, Day and Gray (2008) report HIV prevalence rates at antenatal clinics in 2007 ranging from over 30% (in the Free State, Gauteng, KwaZulu-Natal, and Mpumalanga) to 16% or less in the Northern and Western Cape. Day and Gray (2008) and Shisana et al (2005), also summarize evidence regarding differences in HIV prevalence according to ethnic background, with the highest HIV prevalence observed among the African population and the lowest among the Indian (Day and Gray, 2008) or white population (Shisana et al, 2005), respectively.

to be disproportionately large. The other factor is the availability of antiretroviral treatment. In Botswana and Namibia (treatment coverage rates of 90% or higher), mortality among people living with HIV/AIDS in 2007 was 3.7% and 2.6%, respectively.<sup>2</sup> This contrasts with mortality rates among people living with HIV/AIDS of just over 5% in Mozambique, Swaziland, and Zambia, and exceeding 10% in Zimbabwe.

Figures 1 and 2 illustrate the impacts of HIV/AIDS on mortality in more detail using estimates for Botswana in 2000-05 as the example, because it is one of the countries with very high prevalence, allowing us to illustrate clearly the direction of the impact of HIV/AIDS, and looking at the period 2000-05 as it precedes the period of almost universal access to treatment in this country.

Figure 1. Botswana: Mortality by Age and Sex, 2000-05



Source: Author's calculations, based on United Nations Population Division, 2009.

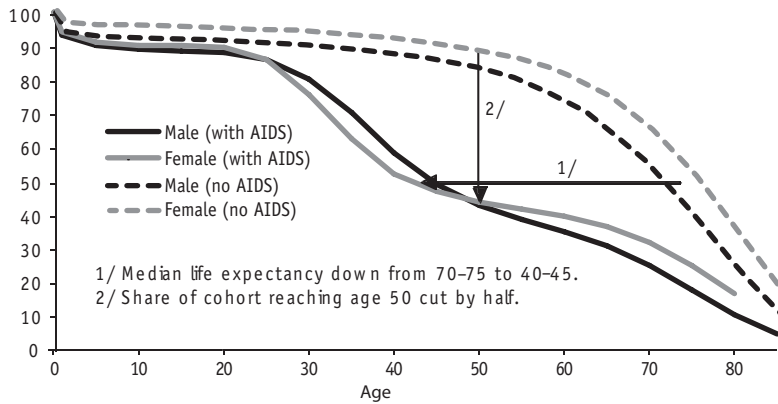
Figure 1 illustrates the impact of HIV/AIDS on mortality across age groups and sexes. Overall mortality (population weighted) attains 1.6% both for males for females, which compares to 0.6% (males) or 0.5% (females) in the scenario excluding the impacts of HIV/AIDS. The increase is most pronounced between ages 15 and 49. For females, mortality peaks at 3.7 between ages 30-34 (a level not attained later until about age 70), comparing to only 0.3% for this age group in the scenario excluding the impact of HIV/AIDS. For men, the increase in mortality occurs later, but from age 40 HIV/AIDS-related mortality remains higher than for women. Other notable effects of HIV/AIDS regard child mortality, rising from 1.2% annually to 2.0% for males, and 0.9% to 1.8% for females.

Figure 2, rather than illustrating changes in mortality at a point in time or for a specific age group, shows the consequences of the increase in mortality accumulated over the life span. The median life expectancy drops by about 30 years (from 72 years to 44 years for males, and from 75 years to 42 years for females).

2 In addition to the availability of treatment, mortality rates also importantly reflect the course of the epidemic. Where HIV prevalence has escalated only recently, mortality would be lower.



Figure 2. Botswana: Survival rates from age 0 by sex, 2000-05 (Percent)

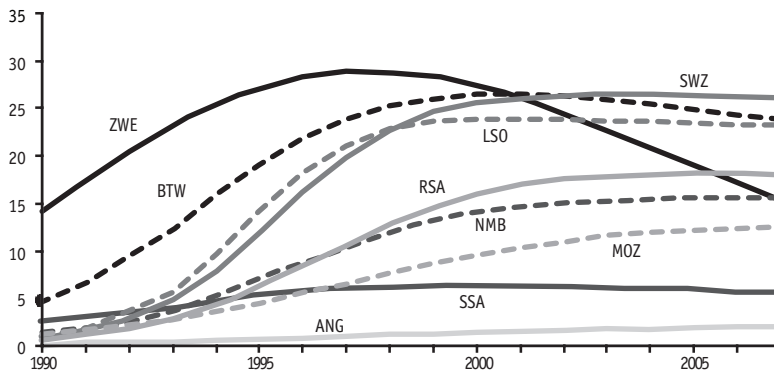


Source: United Nations Population Division, 2009.

Meanwhile, the probability of surviving through age 50 is reduced by about one-half, declining from 85% to 43% for males, and from 88% to 43% for females.

Figure 3 and 4 provide some historical context. Figure 3 describes the evolution of HIV/AIDS in Southern Africa (and sub-Saharan Africa overall). In most countries HIV prevalence has increased steeply through the 1990s and stabilized after 2000 (with aggregate numbers for sub-Saharan Africa showing a very moderate decline). Zimbabwe is an outlier in Figure 3, with a steep estimated decline in HIV prevalence since about 1998, though that is not necessarily a measure of success considering the very high mortality figures among people living with HIV/AIDS in that country.

Figure 3. Trends in HIV Prevalence Across Southern Africa, 1990-07  
(Percent of Population, Ages 15-49)



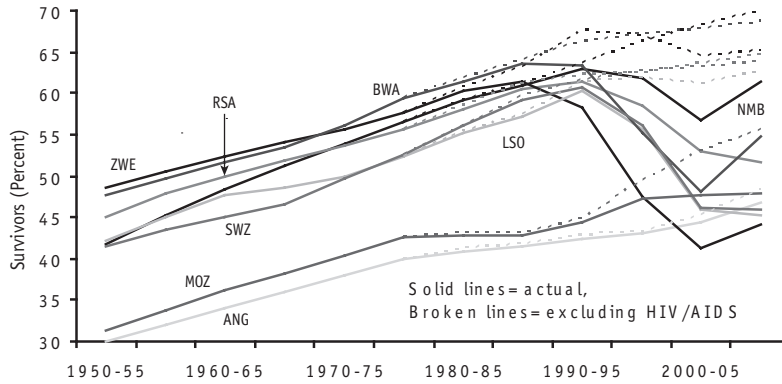
Source: UNAIDS, 2008, 2008 Report on the Global AIDS Epidemic (Geneva: UNAIDS).

Figure 4 adds a historical dimension to our interpretation of HIV/AIDS as a major health shock. In five countries (Botswana, Lesotho, South Africa, Swaziland, Zimbabwe), the impact of the epidemic essentially wiped out all health gains (in terms of life expectancy) since the early 1960s, and in one case (Zimbabwe),



life expectancy after 2000 is over 10 years lower than in the 1960s (arguably as a consequence both of HIV/AIDS and the economic crisis in that country).

Figure 4. Life Expectancy at Birth in Southern Africa, 1950-2010 (years)



Source: United Nations Population Division, 2009.

Additionally, Figure 4 illustrates the impact and potential of scaling-up of treatment in reversing the losses in life expectancy, as scaling-up of treatment is the decisive factor behind the rebound in life expectancy in a number of countries (notably Botswana and Namibia). However, even in countries which have attained universal access to treatment, the rebound is only very partial, accounting for about one-half of the unmitigated losses in life expectancy.

### Economic repercussions

Our review of the economic repercussions sets out with an informal analysis of the growth experience of countries facing HIV prevalence over the past years. This provides a context for a discussion of the empirical and analytical literature on health, HIV/AIDS and growth, followed by a more prospective section focusing on the interplay between the microeconomic and macroeconomic consequences of HIV/AIDS.

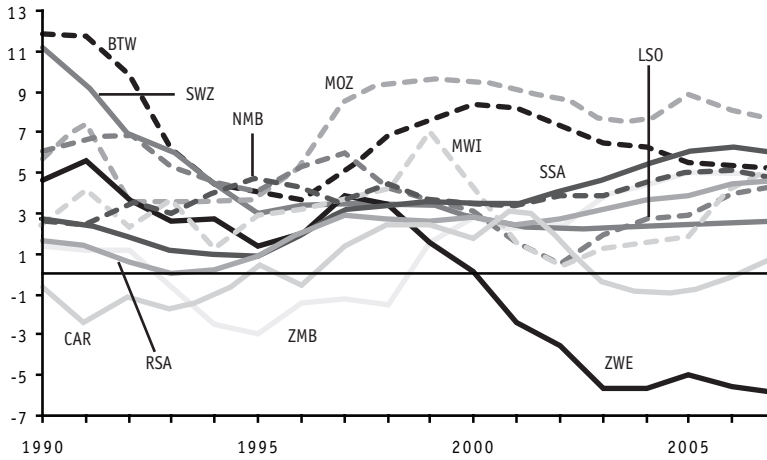
To start with, it appears clear that the overall macroeconomic effects of HIV/AIDS, as measured by the level or the growth rate of GDP, have not nearly been as pronounced as the health impacts illustrated in Figures 1, 2, or 4. This point is illustrated in Figures 5 and 6, which track the growth rates of GDP and GDP per capita for the 10 countries with the highest estimated rates of HIV prevalence (UNAIDS, 2008).

Turning first to the observed trends in GDP growth, we find little difference between the high-HIV-prevalence countries and sub-Saharan Africa overall, especially when one considers that in 3 countries which have experienced large negative swings in economic growth between 1990 and 2007 these cannot be plausibly attributed to HIV/AIDS: In Botswana, the expansion of the mining sector slowed down in the early 1990s, while Swaziland lost its main competitive advantage as a host for FDI serving the South African market with the end of apartheid. In both countries, the slowdown in growth preceded the escala-





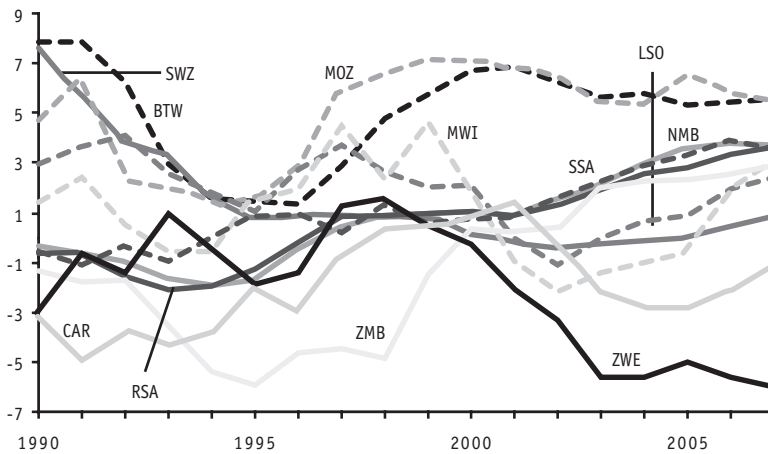
Figure 5. Real GDP Growth (Average annual growth in 5-year period ending in year indicated)



Source: Author's calculations, based on IMF, 2009.

tion of HIV/AIDS (especially if the focus is HIV/AIDS-related mortality rather than incidence). In Zimbabwe, a large slow-down in growth broadly coincided with an increase in HIV/AIDS-related mortality, but is usually attributed to other causes.

Figure 6. Growth of Real GDP per Capita (Average annual growth in 5-year period ending in year indicated)



Source: Author's calculations, based on IMF, 2009.

The picture regarding growth of GDP per capita is similar. This is puzzling as HIV/AIDS results in a decline in the rate of population growth (United Nations Population Division, 2009). If there is only a very small impact of HIV/AIDS on GDP growth so far, we would expect a positive change in the growth rate of GDP per capita (alternatively, a very small change in the growth of GDP per





capita would be associated with a decline in GDP growth). This puzzle can be resolved considering the cross-country dimension of the data summarized in Figures 5 and 6: the countries facing the highest HIV prevalence tend to be those most advanced in the demographic transition – while HIV/AIDS did slow down population growth in these countries, declining fertility contributed less than in other countries, so that the slowdown in population growth in countries with high HIV prevalence is not notably different from other countries in the region.

Why did the – at least in some countries – catastrophic health impact of HIV/AIDS not translate into a substantial slowdown in economic activities? We attempt an answer along two lines, looking at the empirical literature on health and growth, and discussing some aspects of the structure of many economies in Southern Africa.

Regarding lessons from the empirical literature on health and growth, we note that life expectancy is frequently used as a measure of the state of health in growth regressions, and that it is one of the more robust predictors of growth in the literature (the relevant coefficient typically comes out positive and significant). Thus, a number of researchers (Bonnell, 2000 and MacDonald and Roberts, 2006) have attempted to estimate the impact of HIV/AIDS by linking growth to life expectancy, and life expectancy to HIV/AIDS. The problem with this approach is that it involves a large leap of faith, namely that the very particular health impacts of HIV/AIDS – materializing over a relatively short period – would have a similar relation to economic growth as the one evident from the long-term correlation between health and growth.<sup>3</sup>

If we accept the point that the correlation between health and growth in the econometric literature describes a long-run relationship, however, this could mean that we have seen only the beginning of the growth repercussions of HIV/AIDS, for example, as the impact of HIV/AIDS on human capital materializes only slowly, including by changing incentives for investments in education and thus slowly eroding the economy's human capital. Some studies concentrating on this aspect of the impact of HIV/AIDS suggest that the long-term growth impact can be very substantial (Corrigan, Glomm, and Mendez, 2005; and Bell, Devarajan, and Gersbach, 2006).

The other factor that could explain why the growth impact of HIV/AIDS so far has been quite small regards the structure of the economy. Most economic models assume that the impact of HIV/AIDS is fairly even across the economy, and it is not clear if this working assumption captures the way in which HIV/AIDS affects the economy. Our argument builds on the observations (1) that the impact of HIV/AIDS is highly uneven across households, (2) that many economies in Southern Africa are characterized by high degrees of inequality, and (3) that the distribution of value added may also be uneven across the economy.

The fact that the impacts of HIV/AIDS are uneven across households means that microeconomic evidence regarding the impact of HIV/AIDS does not necessarily translate to the macroeconomic level, for two reasons. First, some of

3 A related point is made by Temple (1999), who observes that “variables like life expectancy are often used in growth regressions,” but that “their role is never justified by a well-articulated theory.” Deaton (2006) suggests that the correlation between health and growth (or income) may reflect underlying factors that affect both health and growth, rather than a causal link that goes from health to growth.



the income losses in households affected by HIV/AIDS correspond to income gains in other households, because the sickness of a family member may open employment opportunities to the members of another household, which therefore is better off as a result of HIV/AIDS.<sup>4</sup> Second, HIV/AIDS opens new employment opportunities, notably in the health sector, and thus contributes to GDP. Thus, a small impact of HIV/AIDS on GDP masks shifts in the composition of expenditures which have welfare implications – to understand the implications of the impact of HIV/AIDS for material living standards, it therefore makes sense to exclude such “defensive” expenditures and focus on measures like “non-HIV/AIDS” consumption.<sup>5</sup>

The point that the impacts of HIV/AIDS are uneven across households is particularly relevant because income inequality in the region is high.<sup>6</sup> This means that – considering the level of GDP per capita – households representing a large share of the population are barely able to cope with the economic repercussions of a health shock like an HIV infection, whereas members of households in the upper deciles of the income distribution are in a better position to cope with the impact of the epidemic. Additionally, these richer households have privileged access to (private) health services, including access to antiretroviral treatment, so that the impact of the epidemic on household incomes is much reduced. Since high-income earners carry a disproportionate weight in GDP, high inequality can translate into a small impact of HIV/AIDS on GDP (which, in turn, masks severe impacts on the welfare of the households further down the income distribution).

The implications of the uneven distribution of income are illustrated in Figure 7, using South Africa as an example. Household income per capita differs between the bottom decile (ZAR 3,700) and the top decile (ZAR 105,000) by a factor of 29. Health spending out of pocket, in percent of total expenditures, is roughly even across population groups. However, for the top deciles, health spending is dominated by health insurance payments, which play essentially no role for the bottom half of the income distribution. Consequently, overall health spending is over 100 times higher for the highest income decile than for the lowest income decile. Thus, high-income households are better able to cope with a health shock such as an HIV infection – not only because they can better afford access to private treatment, but also they are able to spread the (prospective) costs of health services through insurance.<sup>7</sup>

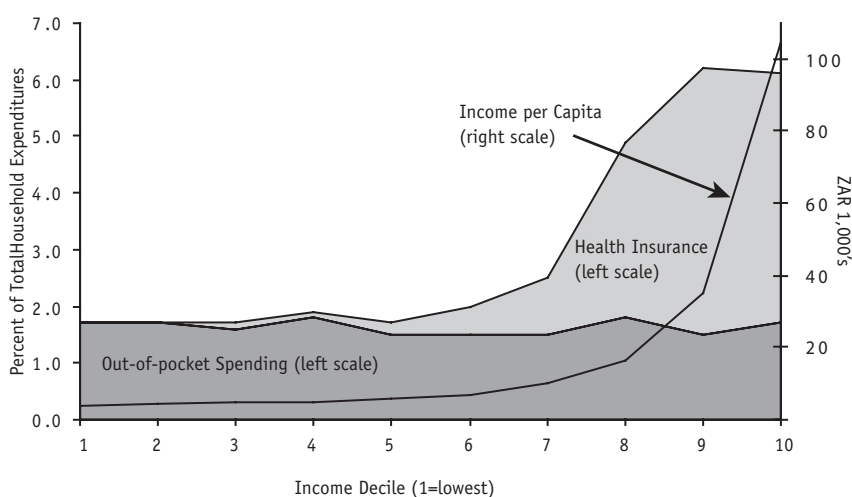
4 For a more thorough discussion and analysis of this point, see Salinas and Haacker (2006).

5 Arndt and Lewis (2001) elaborate on this point in a macroeconomic analysis. Van Doorslaer *et al* (2007) are a good reference point for the implications of health shock for poverty on the microeconomic level (although their paper focuses on Asia).

6 World Bank (2009b) provides the Gini coefficient, describing income inequality, for 126 countries globally for at least one year between 1998 and 2007. The regions with the highest levels of inequality are sub-Saharan Africa and Latin America (with Caribbean), with Angola ranking 4th, South Africa 6th, Lesotho 16th, and Swaziland 22nd.

7 A further consequence of the high degree of inequality is the difficulty of interpreting aggregate data. Average health spending in the South African data is about ZAR 750, of which two-thirds are accounted for by health insurance payments (similar to, but somewhat higher than, the values for the eighth decile). This average, of course, provides a very misleading picture of the role of health insurance in the country, and illustrates how much spending averages can be dominated by high-income groups.





Third – related to the point regarding inequality across households – the distribution of value added (per capita) across the economy is uneven. To illustrate this point, we consider data from Namibian Labour Force Surveys, summarized in Table 2. Even when only averages for broad sectors are considered (mining, agriculture, other), we see that value added per worker differs by a factor of about 25 (between mining and agriculture). This does not yet take into account substantial difference within sectors. For example, value added in agriculture represents an average of commercial agriculture and subsistence agriculture.

Table 2. Namibia: Employment and Value Added Across Sectors, 2004

Labour Force Status	No. of People (Thousands)	No. of People (Percent of Total)	Value Added per Employee
Total employment	385	78.1	\$13,300
Mining	8	1.6	\$71,500
Agriculture	103	20.9	\$2,800
Other employment	275	55.8	\$15,500
Public sector	83	16.8	n.a.
Private sector	192	38.9	n.a.
Unemployment	108	21.9	n.a.
<b>Labour force</b>	<b>493</b>	<b>100.0</b>	<b>n.a.</b>

Source: Namibian Labour Force Surveys, as quoted in IMF (2008).

This is relevant because companies where value added per employee is high are in a good position to mitigate the impact of HIV/AIDS on their operations, by investing in prevention, providing treatment, or managing human resources so as to allow for an increased level of sickness and mortality among their staff.



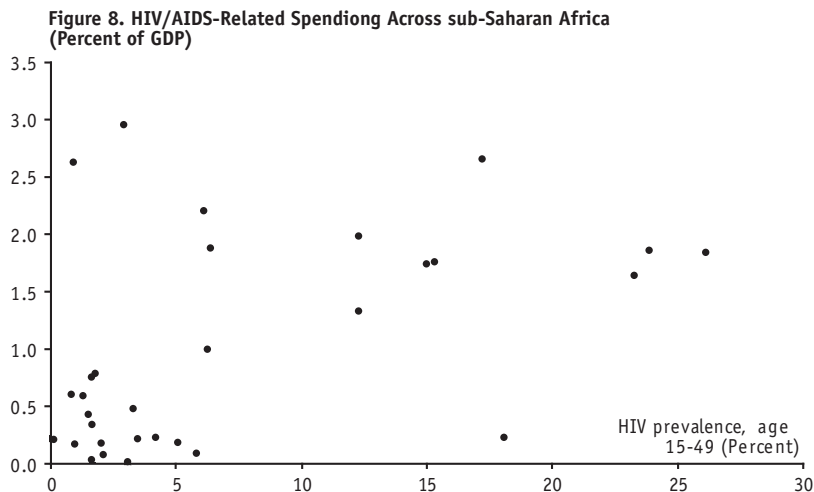
As a consequence, the impact of HIV/AIDS on companies may be substantially reduced by these mitigation strategies.<sup>8</sup> Additionally, it is worth pointing out that some of the additional costs incurred by companies to address the impact of HIV/AIDS (e.g., treatment) also count towards GDP, so that the macroeconomic consequences of the impact of HIV/AIDS on an individual company are smaller than the costs to that company.

## Response to HIV/AIDS

The development implications of the response to HIV/AIDS can be interpreted by reference to the impact of HIV/AIDS (which it aims to mitigate), but there are important aspects unique to the response to HIV/AIDS.<sup>9</sup> Having discussed the impact of HIV/AIDS in the preceding two sections, our discussion of the response to HIV/AIDS focuses on the latter aspect. Specifically, we will discuss resource flows associated with the response to HIV/AIDS from a macroeconomic angle. This provides the basis for addressing a number of trade-offs that occur in the design of HIV/AIDS programmes, across a government's broader development objectives, the quality of health services, and within HIV/AIDS programmes.

### Macroeconomic dimension

Rather than discussing how the response to HIV/AIDS reverses or modifies some of the impacts of HIV/AIDS,<sup>10</sup> we focus on the resource flows associated with the



Source: UNAIDS (2008a) and IMF (2009). For each country, data relate to latest available observation according to UNAIDS (2005 for 3 countries, 2006 and 2007 for 13 countries each).

<sup>8</sup> For a more extensive discussion of the impact of and the response to HIV/AIDS on the company level, see Rosen *et al* (2006).

<sup>9</sup> For a more thorough discussion, see Greener, Haacker, Lamontagne, and Ventelou (2010).

<sup>10</sup> We briefly touched upon this point in our discussion of the impact of HIV/AIDS on life expectancy (Figure 4).

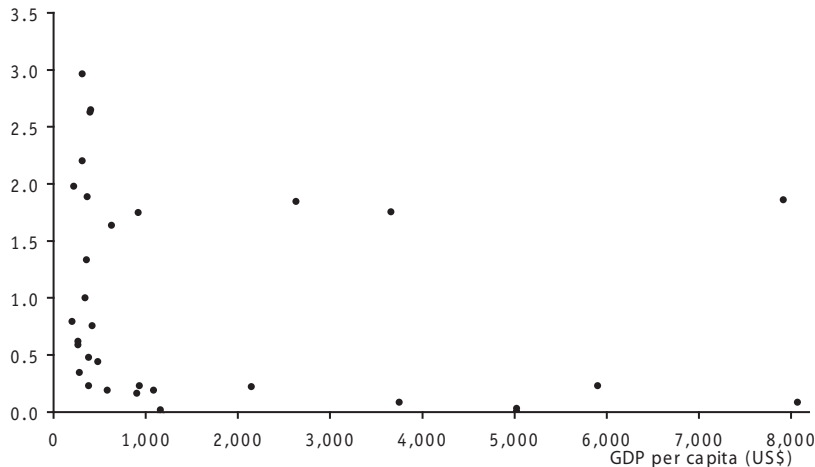




response to HIV/AIDS and their macroeconomic relevance. Figures 8 and 9 summarize the scale of HIV/AIDS-related spending across-sub-Saharan Africa.

Not surprisingly, HIV/AIDS-related spending broadly increases with HIV prevalence. However, there is no close correlation, so we see several examples where HIV/AIDS-related spending, for similar levels of HIV prevalence, differs by a factor of more than 2.

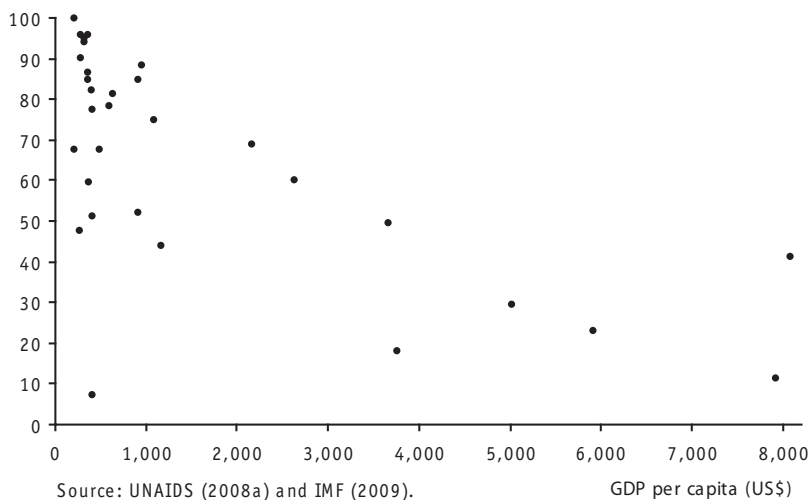
**Figure 9. HIV/AIDS-Related Spending Across Sub-Saharan Africa  
(Percentage of GDP)**





Consequently, external aid has been playing a central role in financing the response to HIV/AIDS. Figure 10 summarizes the available data on the role of external aid across countries. We see that external aid follows largely the pattern of development assistance overall (though the share of external financing is higher than for non-HIV/AIDS health, or development spending overall), declining with GDP per capita. In fact, Haacker (2009) finds that the share of external financing is uncorrelated with HIV prevalence, once the level of GDP per capita is taken into account. As overall spending nevertheless increases with the level of HIV prevalence, this means that the commitments of both domestic governments and donors increase with HIV prevalence, and that donors take a more prominent role in low-income countries.

**Figure 10. External Financing of HIV/AIDS Programs Across sub-Saharan Africa (Percent of total costs)**



While external financing is thus instrumental in enabling the international response to HIV/AIDS, and averting (or at least mitigating) a widening in health disparities across countries owing to HIV/AIDS, the fiscal burden of HIV/AIDS programmes (in terms of domestic financing needs) remains substantial. Moreover, uncertainty regarding the availability of external financing, against rising costs of HIV/AIDS programmes, translates into risks to domestic budgets. For example, Haacker (2009) estimates that the domestic financing needs of HIV/AIDS programmes will rise by at least 0.5% of GDP by 2015 if HIV/AIDS financing does not increase in proportion to the costs of HIV/AIDS programmes, but in line with the rate of growth of GDP of the main donor countries.

#### Trade-offs

Trade-offs in the allocation of resources in the context of the response to HIV/AIDS occur in three areas. First, resources spent on HIV/AIDS programmes are not available for other purposes, so there can be target conflicts between the attainment of HIV/AIDS-related objectives and government policy objectives in





other areas. Second, many HIV/AIDS-related services are delivered through public or private health providers. To the extent that there are resource constraints other than financial ones within the health sector (facilities, skilled personnel), or health services are delivered subject to budget constraints that are not changed 1-to-1 in line with the increased need for health services caused by the impact of HIV/AIDS, trade-offs may occur between HIV/AIDS-related objectives and the quality of non-HIV/AIDS health services. Third, the allocation of resources within HIV/AIDS programmes also involves choices between different objectives.

Regarding the first trade-off, it is useful to recognize that the impact of HIV/AIDS interferes with a broad range of government objectives. Apart from the most direct (health) consequences, the epidemic may – for example – complicate the attainment of government objectives in education policy or social policy (such as enrolment rates or poverty reduction). From this perspective, HIV/AIDS policy is development policy. For example, with health insurance unavailable in most African countries (and even in a country like South Africa largely confined to the top deciles of the income distribution),<sup>11</sup> scaling-up access to treatment through the public sector reduces inequities in access to care. Also, in light of these repercussions, the impact of HIV/AIDS has sometimes motivated broader policy changes (e.g., the policies to broaden access to education in Swaziland over recent years).

On the other hand, the response to HIV/AIDS absorbs very substantial budgetary and human resources in countries facing a high HIV/AIDS burden, and a significant share of global aid (about the same magnitude overall as non-HIV/AIDS aid). This has provoked questions regarding the appropriateness of the high level of funding for HIV/AIDS relative to other development objectives. Addressing this question appropriately goes far beyond the scope of this chapter. However, our discussion so far offers some pointers. First, the impact of HIV/AIDS is highly uneven across countries, and – in a considerable number – has a catastrophic impact (in terms of a deterioration of health outcomes, the high and persistent costs of the response, and – as many argue – the long-term development outlook). Second, in light of the large scale of HIV/AIDS programmes, it is important to take into account the implications for the health system in planning, implementation, and evaluating such programmes.<sup>12</sup> Third, the frequently voiced insistence on efficiency gains required now to sustain the international response to HIV/AIDS suggests a tacit consensus that there is some scope for improvement in this area – for good reasons (many HIV/AIDS programmes were scaled-up quickly in a kind of emergency response mode) or bad reasons (such as lack of accountability).

The second type of trade-off regards the attainment of different health-related objectives. HIV/AIDS directly affects a number of key health indicators, such as life expectancy (discussed above), infant mortality, and child mortality. In

11 Statistics South Africa (2008).

12 See World Bank (2009), which observes that “in an environment of scarce human resource capacity within the health system, care must be taken to balance the allocation of resources across health programmes and budget lines, to ensure that large earmarked funds for specific diseases do not result in lower efficiencies or reduced care elsewhere in the health system. There is little evidence in recently approved Bank support for HIV/AIDS or the other high-priority diseases that this issue has been considered in funding decisions or in risk analysis.”

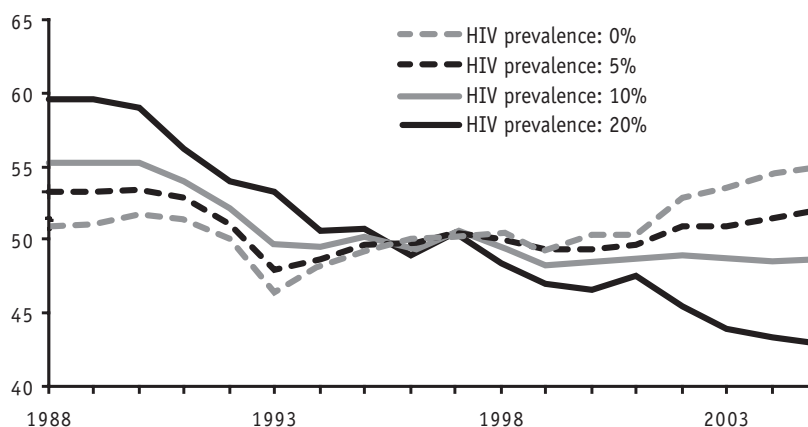






these areas, measures to mitigate or reverse the impact of HIV/AIDS contribute to improvements (or a reversal of the preceding decline caused by HIV/AIDS) in these indicators of the state of health. For example, the United Nations Population Division (2009) estimates that increasing access to antiretroviral treatment has resulted in a marked increase in life expectancy between 2000-05 and 2005-10 in a number of countries in the region.

Figure 11. Coverage Rates of Birth Attendance (Percent Births)



Source: Case and Paxson, 2009. Data are predictions generated by empirical model.

These improvements, however, come at an opportunity cost, and it is possible to conceive that alternative public health measures would have yielded similar benefits. Additionally, the aggregate indicators like life expectancy can mask distributional implications, as the beneficiaries of HIV/AIDS programmes and of other public health interventions are not necessarily the same. One way of assessing such trade-offs is by means of comparison of unit costs of certain health interventions, and linking them to variables of interest. (Estimated unit costs, however, offer very imprecise guidance for the analysis of large interventions, such as in countries with high burden of HIV/AIDS, as they frequently vary depending on the scale of an intervention.)

The Demographic and Health Surveys which have become available over recent years offer some opportunities to analyze the trade-offs regarding the response to HIV/AIDS. The most thorough attempt in this direction is Case and Paxson (2009), using data from 14 Demographic and Health Surveys across sub-Saharan Africa. They examine indicators like antenatal care, birth deliveries, and immunization rates for children born between 1988 and 2005, and find that there was a deterioration in nearly all of these dimensions of healthcare over this period, and that the erosion of health services was highly correlated with HIV prevalence. Figure 11 shows changes in birth attendance by trained personnel estimated for different levels of HIV prevalence, showing a moderate increase for an HIV prevalence rate of 0%, but a steep decline (from 59% to 43%) for an HIV prevalence rate of 20%.

These findings are important in our context as they signify that the burden of HIV/AIDS (i.e., a reallocation of resources to HIV/AIDS-related services,





as well as the direct burden of HIV/AIDS on healthy sector capacities) has resulted in a deterioration of health services in other areas. This does not mean that there is an over-investment in HIV/AIDS-related services at the expense of other health services: in response to a major health shock, arguably it is rational to re-allocate scarce resources to meet additional needs. However, the evidence regarding such a negative spill-over across the health sector underscores the value of synchronizing HIV/AIDS programmes with national health strategies. The third type of trade-off regards the allocation of resources within HIV/AIDS programmes. The most prominent of such trade-offs regards “prevention vs. treatment,” as spelled out, for example, by Canning (2006). Our discussion of the costs of HIV/AIDS, above, offers some insights regarding such trade-offs: in the context of scaled-up access to treatment, the (fiscal) costs incurred for an additional infection, have risen and can be very large, say, relative to GDP per capita (e.g., around 12 times GDP per capita in certain low-income countries). In this regard, UNAIDS (2008a) recognizes that “the global HIV epidemic cannot be reversed, and gains in expanding treatment access cannot be sustained, without greater progress in reducing the rate of new HIV infections.” On the other hand, prevention programmes are subject to decreasing returns, and, “especially in countries with concentrated epidemics, fail to reach many people at high risk of exposure to HIV” (UNAIDS, 2008a).

## Concluding remarks

HIV/AIDS, in a number of countries in the region, has resulted in catastrophic declines in summary health indicators, and – even setting aside some of the broader repercussions – represents a challenge to regional development of the first order. However, we note that the epidemic has so far not translated into large adverse macroeconomic impacts, and offer two reasons why this may be the case. First, the correlation between GDP or economic growth on one hand and health indicators such as life expectancy on the other hand, may reflect long-run relationships, which would mean that the impacts of HIV/AIDS on economic growth (e.g., by eroding “human capital”) have not fully materialized yet. Alternatively, the correlation may not reflect a causal relationship, so that the lessons on the link between HIV/AIDS and growth from the empirical literature are unclear.

Second, we point to the role of an uneven distribution of income or value added across the economy. High-income individuals, or companies with high-value added per employee, can take measures to minimize the impact of HIV/AIDS. Individuals outside the formal sector generally do not have this possibility so they tend to be less able to cope with the economic consequences of illness. Thus, inequality arguably mitigates the macroeconomic impact of HIV/AIDS, while the small macroeconomic impact so far masks distributional effects which exacerbate the development challenges posed by HIV/AIDS.

Against this background (and considering the high degree of income inequality observed in some countries, coupled with highly uneven access to health insurance), scaling-up access to treatment is not only a health intervention, but





also a means of social policy. More generally, the macroeconomic and development repercussions of the response to HIV/AIDS go beyond simply reversing some of the adverse impacts of HIV/AIDS. Expenditures and commitments under HIV/AIDS programmes are significant from a macroeconomic or fiscal perspective in many countries in the region – not only high-HIV-prevalence countries, but also a number of low-income countries with lower HIV prevalence rates.

We also discuss the role of external finance in enabling the response across the region (and the fiscal risks associated with high reliance on donor financing). We further provide a discussion of the trade-offs that need to be taken into account when evaluating or planning HIV/AIDS programmes – across the government's broad policy objectives, within the health sector, and across HIV/AIDS programme categories. While the previous part of the chapter pointed at the need better to understand the broad development repercussions of HIV/AIDS, the latter part thus places HIV/AIDS programmes within the umbrella of national development policy.

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## 2.3 Medical Totalitarianism and My Part in its Downfall

David Lush

*We as a community are prepared to accept that nature will have its enigmas which are beyond our powers to solve.*

Steve Biko

### Over-rationalisation

The HIV/AIDS epidemic is perhaps one such enigma which, until now, has been beyond the considerable powers of modern medicine to solve. Biko – a medical student at the time – was reflecting on (then) Zambian President Kenneth Kaunda's belief that Africans "experience a situation rather than face a problem", while Westerners "over-rationalise". In Southern Africa, "modern" medicine, and the public health policies that underpin its application are practiced along a Western paradigm. Having lived through most of the AIDS epidemic in Southern Africa as someone infected with HIV, my experience suggests that our failure to tame the epidemic may be rooted in our over-rationalisation of the disease, and the African context in which the epidemic has occurred.

The initial inability to treat HIV, and the continued inability to cure it, has laid bare the myth of medical invincibility, and prompted a crisis of confidence in contemporary medicine. As one of the 1-2 million people in Southern Africa whose life now depends on antiretroviral therapy (ART), I am in no position to question the validity of medical science. However, I had to rely on more than pills to survive in the days when medicine could do little to help me and millions of others infected with HIV, prior to the advent of ART.

Having seen the efficacy of such medicine succeed and fail owing to factors beyond the control of doctors and nurses, I believe there is a need to reform modern medicine's totalitarian tendencies and to come more into tune with the African context in which it is practiced. The AIDS epidemic has created the opportunity for a more inclusive and egalitarian approach to healthcare that would continue the democratisation process initiated by the likes of Biko and other leaders of Africa's liberation struggles.

### Medical totalitarianism

Were medicine a state and public health an ideology, we would have called for sanctions and armed insurrection long ago! Medics play god over those they treat, who often receive little or no information about the nature and the consequenc-





es of the treatment we receive. Billions of dollars have been spent on deliberate propaganda telling us what we should and should not do to prevent the further spread of HIV. None, from politicians to journalists, dares to question or challenge the conventional wisdom behind responses to the HIV and AIDS epidemic that are, by and large, bank rolled by western benefactors. And still thousands of people continue to die needlessly. Given that much of this has been done with a view to ensuring the greatest good to the greatest number of people (Seidel, 1993 p.182), we are probably talking about medicine as a benevolent dictatorship, but a dictatorship nonetheless. I hasten to add that it is the practice of medicine that I consider to be totalitarian, and not the states in which this practice occurs.

For example, the International Community of Women Living with HIV (ICW) has documented the forced and coerced sterilisation of HIV-positive women in Namibian hospitals (Ahmed and Bell, 2009). In focus group discussions with 230 HIV-positive women, ICW found that 20 per cent had been forced or coerced into sterilisation.

*Interviews with health care providers demonstrated that HIV positive women, particularly women who become pregnant, are often viewed as irresponsible and incapable of managing their own health care needs and those of their families. Doctors interviewed by ICW ... articulated discriminatory views against HIV positive women. These doctors felt that some patients could not manage their own health care needs and therefore doctors should be authorized to make decisions on behalf of HIV positive women. One doctor remarked that he is protecting the needs of the 'community' when he makes decisions to sterilize on behalf of positive women. Doctors also expressed the belief that women did not know how best to care for their own bodies or did not understand the information that was given to them.*

Ahmed and Bell (2009) p.8

The medics interviewed had a total disregard for the ability of the HIV-positive women – and, presumably, other people living with HIV (PLWHIV) – to look after themselves and to take decisions in the interests of their health, and the health of other people. As a result, the medics assumed control over the women's bodies on the pretext of protecting public health, often without even trusting the women enough to inform them properly about the procedures they were performing. The arrogance of the medics goes so far as to blame the women for not understanding the information given to them, rather than questioning their (the medics') ability to communicate with their patients effectively.<sup>1</sup> Such is the arrogance that accompanies unbridled power.

During the HIV and AIDS epidemic, information and communication campaigns in sub-Saharan Africa have been based on what Seidel (1993, p.176) terms the "medical discourse": an authoritative voice that is usually mediated by the

1 Ashby and Lush (2007) found that Namibian PLWHIV relied heavily upon doctors for information about their treatment, and yet found it difficult to get appointments with their doctors, who could spend only a little time with each patient because of their case loads (*ibid*: 20). Most PLWHIV respondents in both this and a subsequent study (van Zyl, 2009) had poor educational backgrounds, and preferred information in their mother tongue. And yet information materials tended to be produced in English, and often medics do not speak the same language as their patients.





Ministry of Health, and thus shapes the AIDS agenda. This voice is echoed by the mass media, whose coverage of the epidemic consists largely of the reporting of official speeches, workshops and seminars, and any attempts at more investigative journalism are rare (Mchombu, 2000; Page, 2004; and Lowe Morna *et al*, 2006). Similarly rare are the voices of PLWHIV, with HIV-positive people making up only 4% of sources in Southern African news coverage of HIV and AIDS issues (Lowe Morna *et al*, 2006, p.4). Such is the saturated and exclusive nature of the medical propaganda.

While HIV-infection rates were skyrocketing in the early 1990s, Members of the Namibian Parliament buried their heads in the sand, and they continue to consider the AIDS response to be primarily a health issue, despite the government's commitment to a multi-sectoral response (Lush *et al*, 2004). Most of the funding for this response comes from foreign donors, with the government's budget allocation to health consistently falling well below the 15% that former President Sam Nujoma committed to, upon signing the Abuja Declaration on HIV/AIDS Tuberculosis and Other Related Infectious Diseases in 2001 (Lush 2006a). Such has been the surrender to Western medicine's hegemony in the Aids response.

Ironically medicine's totalitarian response to the epidemic has occurred within an international and national policy framework that has increasingly stressed the importance of a "rights-based approach" to HIV and AIDS. The right to the highest attainable standard of health (the "right to health") first emerged in the World Health Organisation's constitution in 1946, and was enshrined in the Universal Declaration of Human Rights two years later. But it has only been in the last decade or so that health and human rights have been linked in any explicit manner (Mann *et al*, 1994, Gruskin S and Tarantola D, 2000). And it was the HIV and AIDS epidemic that acted as a catalyst, bringing together these two domains previously segregated by professional divisions and Cold War politics. However, this has yet to translate into a change in the way medicine is practiced.

## From victims to victors

While the rights-based approach has yet to influence significantly the way medicine is practiced and perceived, it has had a profound effect on the way those of us living with HIV have perceived ourselves, and our role in our own health-care. Contrary to the view of the medics who condoned the forced sterilisation of HIV-positive women in Namibia, PLWHIV have become "perhaps the most health- and treatment-literate client body in the history of disease management (Morolake, *et al*, 2009). And this fact alone "is of fundamental importance to our role in the HIV health care and treatment systems" (*ibid*).

For starters, we have redefined the term "patient", and thus our role in the healthcare system. This is thanks largely to the inspiration of early AIDS activists who refused to accept the patronising attitude of a medical profession that wrote us off on account of its own inability to treat us. "We condemn attempts to label us as 'victims', a term which implies defeat," declared the Advi-





sory Committee of the People with Aids, one of the pioneer activists groups to emerge during the AIDS epidemic, in their 1983 Denver Principles.<sup>2</sup> “And we are only occasionally ‘patients’, a term which implies passivity, helplessness and dependence up on the care of others.” In turn, the Denver Principles informed the 1994 Paris Declaration,<sup>3</sup> in which 42 governments committed to the Greater Involvement of People Living with HIV and Aids in the response to the epidemic – commonly known as the GIPA Principle.

Not only were the Denver activists articulating “the key challenges in the lives of those living with HIV, and the role of people living with HIV in overcoming such challenges by refusing to be victims and demanding to be involved” (Morolake, *et al*, 2009). They were also redefining the predominant, centuries-old, western tradition of how people with an illness should be perceived – and how we should perceive ourselves (Lush, 2009). No mean feat given the ravaging effects AIDS was having on those infected with HIV at the time, and the fact that there was no way of treating this frightening disease. Caught in the jaws of the AIDS epidemic, PLWHIV were defiant, saying to the medics and decision makers who looked on helplessly: “treat us differently and, above all, respect our dignity”.

When I was diagnosed with HIV in 1990, there was little health care workers could do for me besides offer encouragement, and some struggled to do that. I was given, at most, two years to live. Presumably this prognosis was based on the data available at the time on how long PLWHIV survived between first testing positive and eventually succumbing to the virus. What this data ignored was how long people testing HIV-positive may have lived with HIV before falling sick and being tested; at the time, many people only tested for HIV when they had developed AIDS. Presumably no one knew how long people testing positive for HIV in the early days of the epidemic had survived with the virus before succumbing to AIDS. But no one seemed to consider this, either. What counted, it seems, was the length of time they survived while in the care of the health care system, the inference being that it was irrelevant what happened before this care began.

Almost 20 years after entering Namibia’s health care system as someone with HIV, I’m still going strong. For the first 14 years I made do without ART, and rarely troubled my doctors except for routine check-ups and the occasional bout of ‘flu, as remains the case today. In the early days of the epidemic, the health profession was traumatised by its inability to treat us, and terrified the public with the disease’s ghastly reputation. As had been the case with cancer, the myths and metaphors of the AIDS epidemic literally killed (Sontag, 1991, p.99) and continue to kill. Still people resist testing for HIV, and die of AIDS having not accessed treatment, because infection with HIV is still considered a “death sentence”, largely on account of the myth created by those early, misleading prognoses.

This trauma, and the ensuing panic it caused, was perhaps a consequence of medicine’s preoccupation with making us better, rather than preventing us from becoming ill in the first place. By and large, healthcare workers deal with

2 1983 Denver Principles available at [www.actupny.org/documents/Denver.html](http://www.actupny.org/documents/Denver.html)

3 1994 Paris Declaration available at [www.hiveurope.org/GIPA/ParisDeclaration/tabid/57/default.aspx](http://www.hiveurope.org/GIPA/ParisDeclaration/tabid/57/default.aspx)







us when we are sick, and we tend only to see medics when we are sick. This is how the profession derives its aura, and medics assume the roles of demigods. They cure, they make us better, and we are dependent upon them to do this when we are at our most vulnerable. This is what makes us helpless victims. But in the early days of the AIDS epidemic, medics could not treat us, let alone cure us (they still can't). We were left to our own devices, and this forced many of us to tap into our survival instinct, and to refuse to give in to conventional wisdom that was the death-sentence prognosis. We discovered within ourselves an ability to remain healthy, and thus reduce the impact of HIV on our immune systems, thereby preventing the onset of AIDS. In so doing, we broke the spell that holds "patients" captive to power of medicine, and blinds us to our own responsibilities and self-efficacy when it comes to maintaining our health.

Tens, maybe hundreds of thousands of us have now experienced this liberation on account of the scale of the epidemic, and there is no going back. We have taken charge of our destiny, and only turn to medics for back up. Yes, the dependency is still there, but not in the way it was before. We have become more partners in, rather than subjects of health care. And this has caused a subtle shift in the predominant paradigm that frames medicine – and medics – as curers of disease.

## From cure to prevention

Might the AIDS epidemic have turned out differently had medics and public health experts been less obsessed with curing AIDS, and been more focussed on reducing the impact of HIV through the promotion of general wellness and the prevention of opportunistic infections that sap our immune systems? For starters, we may not have had so many infections in the first place, as there would have been fewer barriers to being tested for HIV. The panic induced by the medical profession's inability to treat HIV means that, to this day, we struggle to shake off the "death-sentence" prognosis attached to the disease; a stigma that fuels the denial we have of the disease, and the reluctance we have to test for HIV until we fall sick.<sup>4</sup>

Had medics taken a more preventative perspective in the early days of the epidemic then, instead of telling people diagnosed with HIV that we had little time left to live on the basis of a narrow interpretation of limited data, my prognosis may have gone as follows:

Look, we don't know how long this virus has been around, but you have tested early, your immune system is still strong, and if you take the following measures, it's likely you can keep the virus in check by yourself, and we can help out by treating opportunistic infections as and when they occur.

This encouraging news would have been followed by an explanation as to what I could do to keep my immune system strong, and I would have been sent on my

<sup>4</sup> It is believed that the vast majority of people in Africa living with HIV still do not know their HIV status.



way with a pamphlet not only detailing how I could avoid spreading the virus to others, but also what I could do to remain healthy for longer, and thus prevent my own demise. This would have made me feel a lot better from the outset.

Instead, these lessons were self-taught over many years, usually by way of sharing experiences with other PLWHIV in places far removed from hospitals and clinics; we were the ones who wrote the guides to positive living, not the medics! Another consequence of such an approach may have been that medics would have perceived those of us living with HIV as the embodiment of preventative, healthy-living practice rather than as vectors of incurable disease who were going to obliterate their hard-fought-for life expectancy indicators; the longer we stayed alive, the better the medics wellness dictum would have appeared. The medics and those of us living with HIV would have had a shared agenda, rather than being put at odds with each other because of the incurable nature of the virus in our bodies.

As long as medicine's priority is to isolate and treat illness, rather than to prevent it in the first place, the emphasis will always be on control, thereby making it difficult to practice a rights-based approach to health. For the rights-based approach ultimately entrusts us, the citizen, with responsibility for our own health, and thus the health of the public as a whole. As the example of the forced sterilisation of HIV-positive women illustrates, many medics do not trust their "patients" enough to cede this responsibility. A shift towards more preventative medicine may help with this transfer of responsibility as preventing illness – or promoting wellness – would be in the interest of both medics and their patients.

But prevention is not medicine's strong point. The failure to stem the spread of HIV is testimony to that. Even today, as the pendulum shifts from treatment back towards the prevention of HIV, medics struggle to think "outside the box"; reaching instead for the only tools they seem comfortable with – pills and medical procedures. Hence the current emphasis on male circumcision as a means of reducing the risk of HIV infection, and the mounting advocacy around increasing the number of people on ART in order to make more HIV-positive people less infectious. The circumcision debate highlights once again how out of touch the medical profession is with the African reality. The reason why male circumcision is on the prevention agenda in the first place is because male circumcision is already an inherent part of some African cultures. Yet little or no recognition is being given of this in the new drive for male circumcision that legitimises circumcision carried out in a surgery, but turns its nose up at traditional procedures carried out under a tree.

Seeing that traditional healers are often more accessible to most people than medical doctors, and tend to be trusted more than 'modern' healthcare workers, I would argue that it is in the interest of public health to involve traditional medics in the circumcision drive. In a similar vein, the Parliamentarians for Women's Health (PWH) project found that many HIV positive Namibians would rather pay to see a traditional healer than attend a medical clinic because "traditional healers offer a more humane experience than clinics and hospitals" (PWH, 2006, p.7). Who better to engage with the enigma of disease, and to help medics understand the complex African response to it, than those who have been dealing with disease in Africa down the centuries?



## A shared agenda

Almost three decades into the epidemic, a shared agenda between the medical profession and the lumpen-proletariat is beginning to emerge as medics begin to give tacit recognition to the role PLWHIV could play in both the treatment and prevention of HIV. The concept of “positive prevention” – the involvement of PLWHIV in HIV-prevention measures – has begun to gain currency as new approaches to preventing the spread of HIV are considered in light of the failure of conventional strategies. Who better to explain the undesirability of HIV infection than someone who has to live with HIV 24/7? Who better to take the lead in promoting safer sex than those of us with HIV in our blood?

Similarly, health care workers are beginning to work alongside experienced PLWHIV in clinics and hospitals, while armies of voluntary home-based care workers – many of them living with HIV – have been taking care for the sick in their communities. After all, who better to explain to a newly diagnosed HIV-positive person the importance of adhering their medication, and the possible side effects the medication may have, than someone who is already taking the pills, and has experienced the side-effects first hand? As Namibian medic Dr David Uirab explains: “It is important for patients to have someone who can tell you what they have gone through and that you are not alone.” (Lush 2006b)

Better still, what about the trained healthcare workers who are themselves living with HIV? They have a unique combination of professional skills and personal experience needed to deliver empathetic care to other PLWHIV. Yet HIV-positive medics are driven underground by the sense that they have betrayed their profession by becoming infected with HIV. As Morolake *et al* (2009) point out, HIV is decimating the health workforce in many countries, but HIV-positive medics are terrified of disclosing their HIV-status. The lack of proactive recruitment of HIV-positive medics to work in the HIV and AIDS field “reflects and reinforces entrenched stigma and discrimination” (*ibid*, p.3) contrary to the GIPA principle:

The GIPA statement requires investment in people with HIV in order to establish the conditions in which we can become meaningfully involved. Health workers living with HIV must be affirmed and encouraged. Opportunities must be created to help them become the very best they can be.

This shared agenda could be strengthened further by the recognition that the efficacy of healthcare can be enhanced by factors beyond the realm of medical professionals.

For the past five years, my organisation and others have been developing methods that seek to build self-help groups of people living with HIV, and for members of these groups to move from being victims of the AIDS epidemic to become victors over it (Positive Vibes, 2008). These methods have sought first to build the self-esteem of PLWHIV, and thus repair the damage done by a “death-sentence” diagnosis, before equipping participants with the skills to communicate better about their experiences of living with HIV, and with the knowledge of how to better care and fend for themselves.





A survey of 720 PLWHIV who participated in these pilot activities (van Zyl, 2009) found the vast majority of respondents to be healthy and doing their utmost not to infect others, while still enjoying active sex lives. The study found that those reporting regular use of condoms and informing sex partners of their HIV status had a higher self-esteem and a more optimistic outlook on life than those who did not. While unable to prove it conclusively, the study did, nonetheless, find a “strong correlation” between support group membership and healthy behaviour. The findings give credence to the growing practice of clinics and hospitals to forge links with support groups of PLWHIV in their communities in recognition of the value these groups can add to medical care.

## What if...?

Part of our brief for this conference was to cast our eyes five years into the future, and to predict what may happen if we continue with “business as usual”, and what could be done to begin to change health care for the better.

### Business as usual

As Alex de Waal (2006, p.121) argues, democracies do not prevent HIV. Nor is the epidemic likely to bring about radical political change, despite the inability of governments to keep HIV in check. Both of which might explain why there is relatively little political commitment to the AIDS response in Southern Africa. This also means there is likely to be little political impetus for changing the way the response is run. Which makes “business as usual” a likely scenario, whereby we will continue trying to treat and cure our way out of the epidemic.

This will become an increasingly uphill struggle, particularly given the growing shortage of healthcare workers to deliver the professional services that go with such an approach. This runs the risk that the legitimacy of contemporary healthcare will decline as people lose faith in this system, and turn increasingly to the more accessible, more empathetic traditional alternatives.

The continued reliance on short-term donor funding of the AIDS response has helped nurture politicians’ low prioritisation of HIV and AIDS in the competition for local resources. This will continue to deprive health systems of the investment needed to re-instil public confidence in contemporary medicine. This reliance on donor funding, and its preoccupation with the specialised treatment and containment of HIV, will widen further the gap between HIV and AIDS services and the rest of the health care system; an approach that already has spawned well-stocked, functional ART clinics in otherwise under-resourced, crumbling health facilities.

Until the donor funding dries up, that is. After which governments will struggle to pick up the tab for treating so many PLWHIV. This will leave decision-makers with awkward choices about whom to treat and not to treat, and whether or not one disease should receive precedence over another. Ultimately medics will be entrusted with such life-and-death decisions, and their role as demigods – and ours as hapless “patients” – will be entrenched further.





### Thinking out of the box

Alternatively, we could learn from the mistakes of the AIDS response, and begin to develop a more inclusive approach to health care. A starting point would be to recognise and reward HIV-positive healthcare workers as an asset, rather than a liability to the healthcare system. Similarly, we could bolster the involvement of experienced PLWHIV in the delivery of services, while also acknowledging and then assessing the value that non-health care structures, such as PLWHIV support groups, can add to the delivery of healthcare.

This would require medics to swallow some of their professional pride, and to recognise that a degree of de-professionalization is needed if the right to health is to become both attainable and sustainable. The armies of home-based care volunteers that mobilised to care for the sick and the dying prior to the advent of ART can be re-orientated to promote a more holistic approach to healthcare built around wellness and self-efficacy. Likewise, medics could engage more with traditional healers with a view to further extending healthcare beyond the current limited reach of clinics and hospitals.

Given men's aversion to these healthcare settings, greater emphasis could be placed on men's health through such "community outreach" initiatives, thereby creating an alternative, less feminine domain in which men could feel more comfortable about seeking healthcare. Men may also feel more inclined towards approaches that promote wellness, as this could be seen less as an admission of weakness and more as a strategy to build strength; a dichotomy that lies at the core of men's age-old reluctance to be proactive in health matters.

This, in turn, may fire the imagination of male-dominated Southern African legislatures, and garner the political will needed to ensure that our governments commit 15% of national budgets to healthcare, as they promised to do in the 2001 Abuja Declaration. Failing which, the necessary political pressure could be generated through greater solidarity and shared purpose among healthcare workers and those they service, on account of the former entrusting the latter with more responsibility for their own health.

## Conclusion

The AIDS epidemic in Southern Africa has begun to blur the boundaries between the medical profession and the populations it serves. In so doing, the epidemic may be the catalyst for a broader democratisation of healthcare that could result in a more inclusive, wellness-focussed medical paradigm. This, in turn, is perhaps nothing more than a continuation of the democratisation process initiated in the political arena by Steve Biko and other leaders of Africa's liberation struggles.

Like other professions, medics are being forced to move from being mediators to becoming facilitators, by adopting practices that put citizens at the centre of health care, and thus in greater control of our health. The AIDS epidemic has helped stimulate such changes by highlighting the shortcomings and frailties of the medical profession, its conventional wisdom, and its totalitarian tendencies. Not that these shortcomings and frailties are new. Rather, they have



been exposed by the magnitude of the AIDS epidemic and its creation of a large, increasingly mobilised client body.

Just as contemporary African states and their economies have become hybrids of their colonial and pre-colonial antecedents, so should the medical profession embrace rather than resist African culture and practice. Then we may find it easier “to accept that nature will have its enigmas which are beyond our powers to solve”, and healthcare professionals may be freed of our unrealistic expectations that they, and they alone, can overcome such enigmas.

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# 3 Democracy and Governance





## 3.1 People, Power and Politics

*Monica Koep*

Today's session lies at the heart of the Conference. In whatever way the nexus between democracy, governance and development is drawn, there is a relationship: whether it is causal, contingent and interdependent; or whether it takes the form of a forward-moving spiral; either way we cannot discuss public policy challenges without regarding the governance context within which policy options are considered and policy choices are taken. In addition we must address the loci and forms of power from which various stakeholders derive their authority and legitimacy to participate in those processes.

This session will aim to answer some key questions with respect to Southern African scenarios for the next decade and will map out the future based on three possibilities:

- a) Democracy-as-usual. Let's call this "Democracy Lite", as in the famous beverage in its anaemic form: an election every now and then, plus a little bit of participation, plus some limited media freedom, some transparency, and just enough anti-corruption activity, but nothing more; or
- b) Democracy-plus. Let's call this "The Full Monty": all the bells and whistles, democracy in its less-manageable, un-guided, more open form, with all the attendant messiness, noisiness and unpredictability; or
- c) Some other democratic-configuration that is more appropriate and acceptable to Southern Africans?

As I see it, in order to come at this task, we need to consider a number of questions:

- What do the concepts democratic culture, democratic transformation, democratic consolidation and good governance mean in our context? And who determines that meaning? What degree of consensual understanding exists around these terms and processes? What "buy-in" and "ownership" is there?
- If we are to meet the kinds of development challenges we've been talking about, what kind of ideological mindset, culture and governance structures will most effectively take us forward and serve us best?
- What visions and fundamental values (interpreted in what way and by whom?) should shape the context within which we make decisions with regard to our economic and social development policies and plans?
- Do our Constitutions (as well as our policies and legislative frameworks) adequately reflect such guiding values and key principles?
- Which democratic institutions will best serve our governance purposes and how can they be strengthened?
- Which key players/stakeholders/agents should exercise what roles and hold which responsibilities and duties within our governance structures and institutions?
- What governance processes will provide the legitimacy and credibility necessary to forge national cohesion and a sense of common destiny?





- What constraints will we have to overcome and which opportunities are open to us, both at national level and within the regional governance structures?
- By which standards will we measure our achievements and allow ourselves to be compared?
- What are the rules of the game and who has the power to change them?
- Do we regard ourselves as citizens invested with rights and powers (as well as duties and responsibilities) that derive from our supreme law, or rather as subjects, locked into loyalty structures and patronage networks?
- How do we loosen those fealty ties and transition towards becoming citizens who not only believe that we have the right, but who exercise the right to hold our elected representatives and leaders accountable and replaceable (regardless of party-political, ethnic or racial affiliation, culture, clan or class)?

I have no doubt that Steven, André and Justine will address a number of these points in some form or other during their presentations, and that they will offer us a veritable feast of challenging thoughts and controversial contentions. I look forward to a very interesting and lively debate.



## 3.2 Reflections on the African Peer Review Mechanism

Steven Gruzd

In my presentation, I plan to discuss four aspects of the African Peer Review Mechanism (APRM). First an introduction to the APRM itself, considering its history and rationale; second an assessment of the progress of the APRM to date; third particular issues relating to the APRM in member countries of the Southern African Development Community (SADC); and finally some suggestions about ways in which the APRM process might help to get SADC members onto the “high road” of improvements in governance and democratic practice.

Before discussing the APRM, by way of background, let me say a brief word about the Governance and APRM Programme at the South African Institute of International Affairs (SAIIA). The Programme, which was launched in October 2006 (but followed on from an earlier programme that examined the New Partnership for Africa’s Development (NEPAD) and Governance from 2002), aims to stimulate public debate and scholarship about governance and development questions in Africa and beyond and, in addition, to improve public policymaking by linking governments, citizens and researchers through a variety of publications, training workshops and research fellowships.

The Programme has facilitated workshops in nearly 20 African countries and directly participated in the South African peer review process as one of the four Technical Support Agencies that helped compile the Country Self-Assessment Report in 2006. As part of its research commitment, the Programme has developed an online APRM Toolkit in English and French (<http://www.saiia.org.za/aprmtoolkit>), plus guidebooks on the APRM for civil society groups and governments, and has collated all the standards and codes cited into the APRM Standards Book. In 2008, the programme published the first in-depth study on the APRM process, entitled *The African Peer Review Mechanism: Lessons from the Pioneers*, and has continued to track the process around the continent.

### An introduction to the African Peer Review Mechanism

When the Organisation of African Unity (OAU) was founded in May 1963, its objectives, set out in the founding Charter, included the eradication of colonialism and the unity and solidarity of African states. Members also pledged to defend their sovereignty, territorial integrity and independence: from the outset, the internal affairs of the newly independent African states were off-limits. African governments did not criticise one another in public.

After the end of the Cold War, the wave of democratisation that began in Central Europe spread to Africa and by the mid-1990s, the decolonisation process was complete – with the independence of Namibia in 1990 and the advent of





democracy in South Africa in 1994. However, the democratisation process also challenged the idea that independence alone was enough: it raised the aspirations of citizens for better governance and greater participation.

A range of new bodies was established: the OAU became the African Union (AU) in July 2002, and it adopted the New Partnership for Africa's Development (NEPAD) as its economic and developmental blueprint. In March 2003 the African Peer Review Mechanism was established, and the Pan-African Parliament was launched in March 2004.

The APRM is best understood as a brick within the architecture of governance. It is a voluntary, African-owned governance self-monitoring mechanism that countries join up to by signing a Memorandum of Understanding. Those countries that do not sign the document do not participate in the review process. To support the process, a specialist secretariat for the APRM based in Midrand, South Africa was established, and a Panel of seven eminent persons was appointed, who are responsible for maintaining the integrity of the process.

The APRM process aspires to improve governance and development by identifying problems and then proposing, instituting and monitoring solutions. It is non-punitive, and founded on the ethos of peer learning and dialogue. The process is based around an 88-page self-assessment questionnaire, which involves a variety of research and consultation methods, including significant participation by civil society groups.

The process measures adherence to African and global standards in four broad thematic areas: democracy and political governance, economic governance and management, corporate governance, and socio-economic development, and within these themes covers many issues including human rights; elections, corruption and accountability; the business climate, corporate governance and trade; and the provision of public services in health, housing and education. Each country establishes a multi-stakeholder National Governing Council or National Commission to oversee the research and consultation process and ensure its integrity. Answers provided in the questionnaire are subjected to both internal and external review, with the final reports being made public. Finally a National Programme of Action must be drawn up to address shortcomings that have been identified, and countries are obliged to report regularly on progress in implementation.

The mandate, purpose and principles of the APRM are set out in the Base Document:<sup>1</sup>

The mandate of the African Peer Review Mechanism is to ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Political, Economic and Corporate Governance. The APRM is the mutually agreed instrument for self-monitoring by the participating member governments.

The primary purpose of the APRM is to foster the adoption of policies, standards and practices that lead to political stability,

1 Organisation of African Unity (OAU), 'The New Partnership for Africa's Development – The African Peer Review Mechanism (APRM)', Durban, South Africa, 8 July 2008, paragraphs 1-3, p. 1



high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building.

Every review exercise carried out under the authority of the Mechanism must be technically competent, credible and free of political manipulation. These stipulations together constitute the core guiding principles of the Mechanism.

## Significance and progress of the APRM

The APRM involves an innovative combination of peer pressure, diplomacy and the voice of civil society groups, in an attempt to catalyse the reform process. The process is unparalleled in its breadth and the number of sensitive subjects – such as corruption, electoral management and corporate behaviour – that it covers. Part of the aim is to open up political space and to promote much greater transparency in policy-making. Public involvement in the APRM process in turn should lead to debate and criticism about public policy being considered as a normal and natural part of politics and governance.

The APRM is a novel process that navigates a difficult course between, on the one hand, non-interference (which remains a legacy of the founding principles of the OAU) and, on the other hand, non-indifference in the face of government failures to protect the rights of their own citizens or to promote their political, economic and social well-being. Under the APRM, Heads of State face public scrutiny from their peers, their own citizens as well as the wider court of African and international public opinion: internal affairs can no longer be kept out of public view.

With regard to the benefits of participation it seems clear that nations get out what they put in. Leadership attitudes matter; if a government does not take the process seriously, it will learn less and its citizens will benefit less. The reports to date have been solid, detailed, comprehensive, and have identified salient issues. For example, APRM reports highlighted the risk of ethnic violence in Kenya well before it erupted after the flawed elections of late 2007. Likewise the problem of growing xenophobia in South Africa was noted – and warned about – before the outbreak of violence against immigrant workers in May of 2008 that left scores dead.

However, the APRM is not a cure for countries in crisis. While those states that are already making progress with regard to political and economic development might find the process useful, as a stock-take on what has been achieved to date and a means of setting priorities for the future, for those states that are falling backwards the process cannot offer a panacea. The results of the process are being taken seriously, both within Africa and abroad amongst the donor community. However, there are some critical voices that doubt that much value has been added or that much real change has been achieved. Are these criticisms fair?





So far, twelve Peer Reviews have been completed, among the twenty-nine members that have signed up to the process.<sup>2</sup> The twenty-nine include more than 75% of Africa's population, suggesting a very successful take-up of the process on a population-weighted basis. However, many of the countries that have yet to undergo the review process are the very countries with the most obvious political and economic problems. In other words, the process has been led by the more successful and stable states not by the most fragile and needy states.

The reports have been robust: they have identified achievements and marked them for praise and have pointed to difficulties and areas that require more attention, political will and resources. However the process of conducting the reviews and writing the reports is itself expensive in terms of time and resources, is easily politicised, and can be subject to battles between different national stakeholders and factions. The process consumes significant amounts of time and energy, and requires considerable stamina from the nation under review as it completes its self-assessment and then considers how to implement any recommendation that might arise from the process.

Many civil society organisations have shown great interest in the process, but they often find it difficult to make their inputs, especially when they seek to challenge the views and assessments of government, where there are obvious imbalances of power and resource. The media have shown modest interest in the process; unsurprisingly they tend to focus on the set-piece elements of the process and are more interested in any scandals or disputes that might arise, rather than providing an informed commentary on the overall process, or unpacking the governance issues underlying it.

The APRM Secretariat has suffered from lack of resource and instability of leadership. There have been difficulties related to its legal status in South Africa and the quality and quantity of its staff. However, in general it is true to say that the nations under review are mostly responsible for delays in the process. A full review may take up to three years to complete, and local political will is vital for the process to work well throughout this period. The risk of alienating international goodwill does act as an incentive to take the process seriously, but in summary it is fair to say that to date much of the potential of the Peer Review process remains unfulfilled.

## SADC members and the APRM

Among the 15 members of SADC, eight have joined the APRM and seven have not, although some of this latter group have not ruled out joining at some point. The eight members are: Angola, Lesotho, Malawi, Mauritius, Mozambique, South Africa, Tanzania and Zambia. Of these, Lesotho, Mozambique and South Africa have already been through the Review process. The seven nations who have, as yet, not signed up to APRM are: Botswana, Democratic Republic of Congo, Madagascar, Namibia, Swaziland, Seychelles and Zimbabwe.

<sup>2</sup> In order of their presentation, the twelve reviewed by January 2010 were Ghana, Rwanda, Kenya, Algeria, South Africa, Benin, Uganda, Nigeria, Burkina Faso, Mali, Mozambique and Lesotho.



It is interesting to note that there is no strong connection between membership of APRM and the quality of governance amongst SADC members. This becomes clear if we consider the Economist Intelligence Unit's Democracy Index rankings for 2008.

Full democracies – Mauritius

Flawed democracies – Botswana, Lesotho, Namibia and South Africa

Hybrid regimes – Madagascar, Malawi, Mozambique, Tanzania, Zambia

Authoritarian regimes – Angola, DRC, Swaziland, Zimbabwe

Of the full and flawed democracies, three out of five have joined the APRM; of the hybrid regimes, four out of five have joined; of the authoritarian regimes one out of four has joined.

Those nations that have not joined have cited a number of different reasons for not participating. Some question whether there are sufficient shared values across the whole group of nations for the process to work; others suggest that process by-passes national accountability for policy making; others that there is little value added for a large opportunity cost in time and resource; others still hint at their dislike of a process that they regard as tainted by the dominant role played by South Africa, or indeed suspect northern hemisphere donors to be behind the whole endeavour.

In addition it seems clear that for many nations, still enjoying the early years of sovereign independence, a process that appears to sanction external interference in domestic affairs is not popular. While the benefits of going through the process include an improved profile with aid donors from outside Africa, within the African continent itself, tensions remain as to which nations are entitled to preach to others about the merits of good governance.

In this regard, an interesting debate on Namibia's position occurred at the workshop. I asked the senior government officials and academics present why Namibia had not yet joined the APRM. Responses outlined the principle objections to the APRM that had been traditionally mentioned in the country. First, given the strong relations between former President Sam Nujoma and Zimbabwean's President Robert Mugabe, Namibia said that it would not be part of a process that appeared designed to attack fellow African leaders. Second, the argument was made that Namibia was not as desperate to secure foreign aid and investment as some other states that rushed to join the mechanism, given its ability to attract aid and investment anyway. Thirdly, there was a question about the peers, the heads of state, with the argument that some had dubious democratic and governance credentials, and therefore had no right to stand in judgement. However, it was interesting that officials mentioned that Namibia is considering accession more seriously at present, and this may present an opportunity for all stakeholders to become more familiar with the mechanism.

Over the next few years there are a number of issues that will be crucial to the success of the APRM process, particularly in the SADC region. One is the increasingly close relationship between South Africa and Angola, two of the most influential nations within SADC. In part this also includes the question of whether President Zuma pays as much attention to African issues as his pred-





ecessor – President Mbeki – did. Another issue is whether and when Zimbabwe will recover economically and politically, to be able to play a more significant role in SADC affairs. A third issue concerns the growth of new political parties and movements, which challenge the entitlement of the liberation movement parties to the continuing spoils of government.

## Towards the “high road”

To conclude I would like to set out a number of pointers that will demonstrate whether the APRM process is working well, and if it is helping to achieve the improvements in governance and well-being that are claimed as its goals.

- Will citizens increasingly be able to hold their political leaders to account?
- Will the economic benefits from participation in the APRM process become more tangible to citizens?
- Will there be a significant move from formal to substantive democracy among the SADC nations?
- Will civil society organisations use the APRM process to create links within and across national borders?
- Will the instability in Zimbabwe be resolved, without further bloodshed?
- Will the APRM process become more integrated into the SADC system of decision making?
- Will the process of second (or follow-up) reviews remain inclusive and comprehensive?
- Will the APRM process help to alleviate some of the inequalities that arise from the differential costs and benefits of globalisation in Southern Africa?

In many cases, it is too early to tell. While we might not expect all of these pointers to be achieved in the short term, success in several of them is necessary for us to be able to say that the APRM process is contributing to successful development in Southern Africa.





## 3.3 Democracy and Governance in Southern Africa

André du Pisani

*“Think it over!” More easily said than done. Of course that doesn’t prevent one sinking into thought. Only the stagnant and obdurate stay motionless”.*

Ernst Bloch *A Philosophy of the Future*

### Introduction

Representative democracy is a product of the historical Enlightenment whose main centre of gravity was eighteenth-century France. From there the core enlightenment values percolated towards England, Scotland, Germany, and North America. It was in North America with the Declaration of Independence (1776) and the Constitution (1787) where the Enlightenment reached its fullest contemporary political realization (Grayling, 2008, p.ix).

Reference to “Enlightenment values” raises a much larger issue; for these frame a rational, discursive, secular, liberal, scientifically-minded, and democratic outlook. Because the historical circumstances are of course different as between the eighteenth century and now, in the language of Grayling (2008, p.x), “Enlightenment values” in today’s sense have to be understood as evolved descendants of the values that the historical Enlightenment articulated. Reason, tolerance, autonomy, conceptions of the rights of man, the application of the scientific method to social and political thinking, and the rejection of superstition as barriers to human progress; these are among the distinctive features of the historical Enlightenment.

Despite the many forms of counter-Enlightenment that immediately arose and have continued ever since, “democracy, commitments to regimes of human rights and civil liberties, secularism and an associated tolerance of religious variety, the ethical autonomy of the individual and the scientific outlook”, are, for Grayling (2008, p.xii), today’s versions of the historical Enlightenment’s values – at least as “defining characteristics of modern Western societies”.

Grayling (2008, p.xii) is quick to point out that some critics make the mistake “of thinking that the historical Enlightenment was perfectibilist in its hopes, that is, took itself to be directing mankind towards an ideal future state. In fact it was meliorist: that is, committed to the idea that things can be made better; and this remains true of contemporary Enlightenment thinking”. This certainly also applies to democracy and governance. Both are historical constructs and are processes rather than events.

The contention that modern liberal democracy is a uniquely Western artifact that has proven difficult to successfully replicate in non-Western cultures – the late Claude Ake one of Africa’s most discerning thinkers made the argument





elegantly in his seminal work *The Feasibility of Democracy in Africa* published in 2000 – remains a serious concern, even if liberal democracy is practiced in a number of non-Western societies. This is so, because democracy in its different variants – social, liberal, developmental – is an historical and social construct that needs to embed itself in democratic institutions, practices, citizen activism, and values. While the desire for liberty may be innate – a philosophical assumption that underlies most democratic thought – the practice of democracy must be learned. Rights and fundamental freedoms require shared responsibility on the part of citizens to craft a future grounded in the core values and practices of democracy. These include, but are not limited to, the following:

- The Sovereignty of the people.
- Government based upon the consent of the governed.
- Majority rule and minority rights.
- Constitutional guarantee of basic human rights.
- Free, fair and transparent elections.
- Equality before the law.
- Due process of law.
- Constitutional limits on government.
- Social, economic, and political pluralism (democracy has been designed to mediate disagreement peacefully).
- Values of tolerance, pragmatism, compassion, cooperation, and compromise.

## Two perspectives, many trajectories

In a compassionate and elegantly written offering, Patrick Chabal (2009) recently argues that political thinking ought to be driven by the immediacy of everyday life and death. By extension, democracy and governance, too, should be grounded in the life-world of citizens. The political theories that are relevant to the study of post-colonial Africa fall into distinct, largely chronological, categories: development, Marxist, dependency, socialist, indigenous, neo-patrimonial and democratic (Chabal, 2009, p.3). He points out that the situation in Africa at the time when the linked discourses on democracy and the market gained ascendancy was “that of extreme economic and political crisis” (Chabal, 2009, p.9). So it was too that the discourse about Africa began to change.

The recognition of the limited success (or failure) of the benign ‘paternalism’ that had presided over the imposition of structural adjustment programmes – the thinking being that Africans had to be taught how to manage their economies for the purpose of development – was linked to a different vision of African agency. This vision had its genesis in two separate though interrelated processes. One was the extent of social mobilization that had led to opposition against the one-party state and ushered in competitive politics and processes of democratisation in most African countries. This trend underlined both the importance of a vibrant civil society as a driver of change and “the potential for positive transition from conflict and authoritarian politics inherent in democracy”.

Many of the recent transitions in southern Africa were anchored on this potential embedded in genuine democratic politics; Namibia (1989-90), Mozam-



bique (1992), South Africa (1994), Zimbabwe (1980), and Angola (2008). The other process was the realization that there were numerous informal social, economic and political practices and activities that demonstrated the ability of Africans “to survive the catastrophic conditions under which they were compelled to live” (Chabal, 2009, p.9-10).

Chabal shows that since the 1990s, there has emerged two dominant discourses on African agency. One has emanated from the “new aid ideology” of providing support to civil society at the local level. The other has linked to the idea that development would require the combined efforts of individuals: informal creativity would have to be harnessed and fed into formal productive economic activities that would sustain economic growth. This largely foreign vision of the new Africa was reinforced by the discourse of African elites who distanced themselves from the one-party state model of development and promised to introduce both political reform and market-friendly policies. It is important to remind ourselves that in some SADC countries like Tanzania, Mozambique and South Africa, liberal democracy was not the only model of democracy. The alternative – at least at the discursive level – was one that “stressed the transformation of social relations of power (socio-political transformation) and did not restrict itself to directing its interest towards transforming legislation, electoral systems, formal democratic processes and the composition of the state bureaucracy (state-political transformation)” (Neocosmos, 2002, p.7).

Notwithstanding, the new dominant discourse on Africa was embedded in two key framings: the New Economic Partnership for Africa’s Development (NEPAD) replete with its African Peer Review Mechanism (APRM) and the United Nations Millennium Development Goals (MDGs). Chabal comments succinctly:

*The subtext was clear: help yourself and the world will help you. The new discourse was predicated on the force of agency: directed African action would, with the help of the outside world, bring forth greater political accountability, more development and a reduction in poverty. The G8 summit in 2005 finalised this compact with Africa.*

Chabal (2009) p.10.

Yet there was another attempt to counter the mood of Afro-pessimism. This preeminently structural approach emphasized the corrosive power of neo-patrimonialism, as being one of the principal factors in the present crisis. The claim made by those who favoured agency was that a focus on what was being achieved, instead of what has failed, would highlight the ways in which Africans had managed to cope with the burden of weak/failed states and the challenges of democratisation and globalisation. This exploratory paper will attempt to highlight what has been achieved, rather than what has failed.

Chabal (2009, p.11) is quick to admit that a closer look at agency in Africa “reveals an ambiguity at its very core”, drawing the reader’s attention to epistemological changes in the primarily Western social sciences that centers on the recognition that in ‘modern’ societies the individual is regarded as more of a free agent than in so-called ‘traditional societies’. The ability of Africans “to adapt to, and to process, modernity and democracy as integral to it for their



own purposes and in their own ways, derives from what is often dismissed as 'tradition'".

Of course, one has to recognize the resource constraints and democratic deficits under which African men and women had to exert their human agency. Focusing on agency, at the very least, not only the questions why Africa has not developed or does not mirror liberal democracies in every respect, but rather to consider the ways in which Africans have adapted to rapidly changing global conditions. Especially impressive has been the "speed with which Africans have deployed the discourse and instruments of democracy to force greater accountability on their governors" (Chabal, 2009, p.12). Seen from the agency perspective, remarkable progress has indeed been made. Chabal (2009, p.13), however, is the first to admit to two shortcomings in an approach that privileges agency. The first, [that] "contrary to the early expectations of the early post-independence period, the continent has failed to develop". This situation, demands an explanation; and, secondly, is the concern that globalisation is seriously detrimental to Africa.

Explanations of the present economic and political situation in Africa fall into two, distinct, categories. The first lays the blame on historical, environmental or structural factors, which range from neo-colonialism to the nature of the continent's political economy in general, and the effects of globalisation on world trade, in particular. What these explanations have in common is their emphasis on those conditions that affect Africa, which are outside local control. In short, Africa is the victim of unforgiving circumstances.

The other explanation, which stresses political factors, considers processes and events that are largely internal to the different countries and regions. Without neglecting any of the issues linked to the continent's marginalization, the principal worm in the apple in this second explanation emanates from the nature of accountability and the corrosive neo-patrimonial impulses and complicity of African elites in the (inelegant) "politics of the belly", to invoke a phrase from Bayart (1993) .

The influential work, *State, Conflict, and Democracy in Africa* (1999) edited by Richard Joseph, follows the second explanation for the many 'false starts' in Africa. Joseph and his co-authors opined that on the eve of the transitions to democracy, "there had been little confidence that viable structures of democracy would be installed in Africa in the near future". By 1997, on their analysis, it was clear that even a vibrant civil society such as in Nigeria or a nascent one such as in Zambia, "could be suppressed by regimes determined to avoid democratization" (Joseph, 1999, p.3). More recently, of course, one can point to Zimbabwe where civil society was systematically disempowered and silenced by the neo-patrimonial regime.

A few years earlier, the noted Africanist Goran Hyden (1992) proposed a conceptualization of 'governance' as involving "the institutionalization of values and rights and the politics of regimes". This conceptualization was soon rendered less useful by the transitions to democracy that took place in several African states in the early and mid- 1990s. In retrospect, however, several transitions to democracy (among these Zambia, Malawi, Lesotho and Nigeria), underlined the importance of establishing the normative foundations for a viable democracy. The overriding emphasis on multiparty elections and the introduction of





new legislatures and political parties led to a view both in Africa and abroad that equated democracy with competitive elections and the (re-) introduction of multiparty politics. In 1999, Hyden suggested that “Africans must be able to perceive the emerging systems as connected in fundamental ways to their self-conception as communities, in addition to having their basic individual rights restored” (Hyden, 1999, p.179-196).

In retrospect, it is clear that the widespread dissatisfaction with electoral approaches to democratic transitions has led to new approaches that could keep societies intact despite the renewal of often divisive partisan competition. Haberson (1999) explored the importance of pact-making in such transitions, which has featured prominently in studies of Southern Europe and South America. He suggested that the limited number of pacts in Africa, compared to other regions, may be a deficiency in the continent’s attempts to democratize.

It is widely acknowledged that the South African transition of 1994 was propelled at each critical turn by agreements that took the form of foundational pacts. Equally important has been the realization on the part of civil society and the key political actors to create a normative foundation for the post-apartheid political and social order. The Namibian transition to democracy in 1989-90 was also instructive in that it was grounded in a core set of constitutional principles that had their genesis in 1982. While not without controversy, these principles did provide a normative foundation for the new independence constitution and the subsequent democratic state institutions (Du Pisani, 2007).

Goran Hyden (1999, p.179-196) emphasizes the importance of what he calls, “the self-binding qualities” of stable politics such as the nature of the institutional design, the authority of state institutions such as the judiciary and the courts, notably the independence of the courts and of the Constitutional Court, and how political power is validated. Richard Sklar (1999, p.165-178) invokes the concepts of “political invention and exchange”. Both of these require considerable engagement by citizens in the design of their political systems. For Sklar, elite pacts are too narrowly grounded to be stable over the long haul. He also questions the appropriation of democratic discourse by elites, often without much substance.

Kenneth Good (2002), writing on Botswana, spoke of “illiberal democracy” in that country, while Claude Ake (1995) coined the memorable phrase, “the democratization of disempowerment” with reference to liberal democracy. In a parallel vein, Dele Oluwu (1999, p.285-298) criticizes the overemphasis on urban politics by both activists and scholars of the processes of democratic transition. Leonardo Villón and Peter Von Doepp (2005) emphasize the interplay between elites and democratic institutions as key to understanding the fate of Africa’s democratic experiments.

Considering the current position in southern Africa, it is clear that not all transitions to democracy are likely to endure in the next decade. The reasons for this are complex and multiple. Several of the most recent transitions to democracy such as those in the Democratic Republic of Congo and the nascent transition in Zimbabwe are not firmly anchored on normative foundations. Most of these transitions have been mediated by third parties, often as a con-





sequence of war termination, and resulted in elite pacts that may have enabled the dominant parties in those countries to defuse sharp conflicts among the political parties and their leaders by selectively including their leaders in cabinet. A closer analysis of such transitions will show that these have been variations on the theme of co-opting opposition politicians by allowing them to share in resources controlled by the state. Although sold as 'power sharing' these may more accurately be described as 'resource sharing'.

In Zimbabwe, for example, President Robert Mugabe and the robber barons of ZANU-PF have retained control of the principal instruments of state power, including the capacity to manipulate elections, while the security system has yet to be transformed to conform to models of democratic governance.

## Southern Africa – where are we?

Against this cursory backdrop, what is the state of democratisation in Southern Africa? As the above introduction made clear, the picture is a complex and varied one with different societies and states finding themselves along different trajectories. Several scholars, among them Bratton and Van de Walle (1997) and Crawford Young (1999), have proposed typologies for different transitions and political outcomes in Sub-Saharan Africa.

Bratton and Van de Walle (1997) proposed four principal types of transitions and outcomes.

Precluded Transitions	Blocked Transitions	Flawed Transitions	Democratic Transitions
None in SADC	Angola	Swaziland	Lesotho
	Tanzania		Madagascar
	Zaire (DRC)		Malawi
			Mozambique
			Namibia
			Seychelles
			South Africa
			Zambia
			Zimbabwe

What is instructive is that Bratton and Van de Walle's typology has not stood the test of time in respect of Lesotho, Madagascar, Seychelles, and Zimbabwe. In all of these cases, we have witnessed some form or another of what can only be described as 'democratic reversal'. This illustrates the point that democratisation is not a linear process that its outcomes are often difficult to predict.

Two years later, when democratisation was ostensibly spreading like a 'benign rash' throughout southern Africa, Crawford Young (1999: 27) came up with a different typology of the 'degrees of democratization'. Applying his typology to southern Africa, the following picture emerges:

Relatively democratic	Directed Democracy	Transition with moderate democratic commitment	Transition with ambiguous or circumscribed democratic commitment	Transition promised not implemented	Contested sovereignty
Botswana	Uganda	Lesotho		Swaziland	Angola
Congo-Brazzaville		Mozambique		DRC (Zaire)	
Madagascar		Seychelles			
Malawi		Zambia			
Mauritius		Zimbabwe			
Namibia					
S. Africa					
Tanzania					

Now more than a decade later, Southern Africa has made progress in terms of transitions to democracy. Such transitions, however, have their own characteristics and trajectories as evident in the cases as diverse as the DRC, Angola, Malawi, Zambia and Zimbabwe. Again, Lesotho and Swaziland have made erratic and limited progress in terms of democratic governance, while Madagascar recently experienced democratic reversal.

The point about such typologies is that the actual processes of transition and democratization are more complex than suggested by the academic scholars and analysts. Such typologies, however, do have heuristic value. Cognizance of the electoral fallacy should not lead us to commit the anti-electoralist fallacy, suggesting that elections never matter (Bratton, 1998, p.52). While a near-exclusive focus on elections as a measure of democratization is problematic, it is equally problematic to assume that there were not important differences between those countries that experienced free and fair founding elections and those who did not. The fact that these countries witnessed effective founding elections indicates that significant changes had occurred in the polity (Villalón & Von Doepp, 2005, p.9).

Moreover, despite the fact that subsequent developments indicate that countries that experienced blocked or flawed transitions could still undergo significant democratic development (witness Ghana and Nigeria). Yet, 'the democratic label' is decidedly problematic. In many of the so-called 'new democracies' in Southern Africa – Angola, Zambia, Malawi, the DRC, Lesotho and Zimbabwe – their transitions actually have not transferred meaningful power to the citizenry. Citizens in these societies often remain quite unable to shape public policy decisions, let alone to hold their elites to more effective standards of accountability (Ake 1995; Mkandawire 1999).

A more sobering analysis of democratic strategies for security in transition and conflict has been provided by Cawthra and Luckham (2003, p.8-9). These authors speak of 'the globalisation of insecurity' and the rise of new forms of military politics. Their historical trajectories locate southern African states in





their transitions from authoritarian politics and from conflict in various analytical categories. These are:

- Consolidating Democracies.
- Transitional Democracies.
- States under Reconstruction.
- Lapsing or Stalled Democracies.
- Authoritarian or Military-dominated States.
- Conflict-torn States, and
- Failed or Collapsed States.

Without unpacking each of these categories, and mindful of the fact that the state comes in various guises such as 'bureaucratic-authoritarian', 'neo-patrimonial', and 'developmental', it may be useful to locate different Southern African states and societies in one or more of these categories. Based on the *Afrobarometer* data for 2008, for example, Botswana, Mauritius, Mozambique, Namibia and South Africa may loosely be grouped under the rubric of 'consolidating democracies'. Many states would fit into the category of 'transitional democracies' and/or 'states under reconstruction' – Angola, Malawi, the DRC, Zambia and Zimbabwe. Whereas Lesotho, Madagascar and Swaziland (and some analysts would argue, Zimbabwe) all broadly fit into the 'lapsing or stalled democracies'. From a security perspective, the DRC may be classified as a 'conflict-torn state' – at least in respect of its Eastern provinces.

A long and diverse tradition of scholarship has emphasized how cultural, structural, and economic factors have shaped the prospects for democratic development (Lipset, 1960; Almond and Verba, 1963; Diamond, 1988; and Linz and Stepan, 1996). It serves little purpose to trawl over this vast and complex body of literature, suffice to say that the *breakdown* or *reversal* of democratic regimes often depends centrally on the actions of political elites; "failures of leadership" to paraphrase Linz (1978) as indeed structural factors cannot be left out of the equation.

## Southern Africa in 2020

From the above argumentation, it is clear that scenario generation in Southern Africa is at best a risky business. This, however, does not mean that it has not been attempted. It has indeed with surprising regularity. This paper argues that at best, one can identify the key variables or "driving forces" as one recently published set of Southern African scenarios for 2015, called them (South African Institute of International Affairs, 2003).

The following key variables would arguably shape the future trajectory of the southern African region (in no order of priority):

- Regional demographics – average population growth rates and rates of urbanisation.
- Poverty in its different understandings (asset poverty, monetarist measures of poverty and access to basic services).
- Education – key education and literacy indicators.
- Health – HIV/AIDS, malaria, tuberculosis and other communicable diseases.



- Globalisation – with special emphasis on its key features such as the movement of financial capital and improved information and communication systems.
- Regional unemployment and under-employment (the region has been experiencing jobless growth in the recent past).
- Water stress.
- Trade, investment and infrastructure.
- Regional security (inclusive of transnational crime syndication).
- The SADC project(s), and
- Leadership and governance.

Based on current trends, the region will remain deeply asymmetrical – a region characterized by multi-geometry. Clearly, not every SADC member state will meet every Human Development Indicator (HDI) provided for in the Millennium Development Goals (MDGs) and in the respective national development plans of the member countries. While some states will continue to make modest gains in consolidating their democracies, others will face the real prospect of democratic reversal and development failure.

## Policy Interventions

If policy is understood as the interface of ideas (ideology), interests, institutions and impacts, then SADC is overdue for a deep and radical policy review at many levels. Personally, I am not convinced that neo-liberal economics and its corollary liberal democracy are best suited to the human and development needs of the people of the region. It is also clear that elite democracies based on the economics of affection fall far short of what is required to transform social and economic relations. The institutions – inclusive of SADC and the states – have their own defects. I do not believe that the answer lies in a stronger and more bureaucratic SADC Secretariat, but rather in more accountable governance and in greater budget transparency.

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## 3.4 NGOs in Namibia: Counterbalancing the Dominant Party State?

*Justine Hunter & Theunis Keulder*

### Historical Background: Civil Society in Namibia

Namibia, having obtained independence in 1990, is one of the youngest and most stable democracies in Africa. The former liberation movement SWAPO controls the parliamentary decision-making process by two-thirds majority, where legislative power is subsumed by executive power due to this dominance. Namibia is classified as a lower middle-income country, but is one of the most unequal societies in the world, with a Gini coefficient of 0.6.

Prior to independence in 1990, Namibia had a small number of non-governmental entities at various levels, from the communal to the national levels, fulfilling a variety of social and economic purposes. The key feature of Namibian pre-independence civil society, however, was the emergence of the national liberation movement, which defined civil society overwhelmingly in political terms. The basic functions of civil society regarding social services, membership-based organisations, or mobilising citizens around common interests of any sort, were subsumed within the struggle for independence from South Africa. By all accounts, this legacy remains predominant in the evolution of civil society as a sector and in relations between government and civil society in Namibia since 1990.

International donor resources flowed into Namibia in the 1990s to help the newly independent nation establish itself, create the structures and conditions for both economic and socio-political development, and provide citizens with basic services. Even though Namibian civil society had to redefine itself due to the absence of a “common enemy” (South African rule), and Non-Governmental Organizations (NGOs) emerged as important partners with government and the donors in these tasks. As a result, since independence, civil society and NGOs have grown substantially to touch almost all aspects of society.

### NGOs in Namibia

In 1994, Namibia’s National Planning Commission estimated that there were about 300 NGOs active in Namibia, which could be categorised by sector of activity as follows:

Education and training	36%
Agriculture and rural development	25%
Women	9%



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Small business and informal sector	7%
Health	6%
Housing	6%
Environment and conservation	6%
Human rights and democracy	6%

Data collection by the NID for the purpose of compiling a guide to Namibian civil society in 2009 found about 460 active NGOs in Namibia, which are segregated by sector as follows (Keulder and Hishoono, 2009):

Health and HIV/AIDS	47%
Natural resource management	14%
Rural and urban development	11%
Training and capacity building	6%
Education	6%
Women	6%
Economics and social justice	5%
Governance and human rights	4%

The total number of NGOs in Namibia is impressive given the relatively small population of about 2 million people. It should be noted, however, that of the 460 total, many are very small, operate only perfunctorily or are inactive. Even though 47% of these NGOs have indicated that they operate nationally, realistically national-level NGOs with active and substantial programmes, full-time staff, and functional organisations can be estimated to number only about 25 to 30.

The greatest increase of NGOs between 1994 and 2009 has been in the health sector, mainly due to the increasing prevalence of HIV/AIDS and the resultant increase in donor funding in this sector. The greatest decline has been in the environment and natural resources management sector. Of NGOs captured for purposes of compiling the guide to civil society, 55% have women in management leadership positions.

Civil society in Namibia has sought both to work in partnership with Government, on critical development needs, and to carve out societal space for independent social, political, and economic development actions. The road to achieving these goals has been rocky at times, though progress has been made. Relations between Government and NGOs have confronted mistrust, suspicion, ignorance, confusion, and misunderstandings on both sides.

Regarding service delivery, NGOs in several sectors work in concert with sectoral ministries on development projects and programmes. They collaborate with the National Planning Commission on development programming, and they contribute to parliamentary policy dialogue through committee hearings and meetings with legislators. For example, government-NGO collaboration on community-based natural resources management (CBNRM) has been substantial and productive in supporting the development of 95 local conservancies.



Associational mechanisms for aggregating NGO interests are new and/or relatively weak. For example, NANGOF (the Namibia Non-governmental Organisations' Forum) was founded in 1991 (formalised in a secretariat with staff in 1995) as a membership-based networking and facilitating organisation for NGOs, but has suffered from serious management problems and from a tendency to do more project implementation than networking and facilitating. As a result of this, NANGOF collapsed in 2005. It was reconstituted during 2007 as a trust with the assistance of EU funding, but is still seen by some NGOs as not fulfilling its mandate as an umbrella body for NGOs efficiently. In the community-based natural resources management (CBNRM) sector, the CBNRM Association of Namibia (CAN), a joint project of the Ministry of Environment and Tourism and the CBNRM NGOs, has been set up to mobilise and support conservancies. In the industry sector, the Namibia Chamber of Commerce and Industry (NCCI) has commissioned white papers on policy issues and has set up standing committees of members to track and respond to legislation coming out of parliament.

Besides these associations, several individual NGOs focus specifically on independent organising, constituency mobilisation, and provision of information, all of which are essential to expanding civil society's role and strengthening its voice. Examples include the Legal Assistance Centre (LAC), the Labour Resource and Research Institute (LARRI), the Namibian Society for Human Rights (NSHR) and Sister Namibia. The LAC and NSHR have been vocal in speaking up for human rights and in the case of LAC, pursuing these rights in court. The NSHR tends to be more focused on political rights and has been very vocal on perceived human rights violations. Hence, the organisation has become the target of much government criticism, but blames other NGOs for not coming forward to defend it when it comes under government criticism. It is especially difficult for the NSHR to attract funding from inside Namibia due to government's over-reaction to its criticism.

The Institute for Public Policy Research (IPPR) and the Namibia Economic Policy Research Unit (NEPRU) are the only think tanks on political and economic issues in Namibia and contribute richly to the public debate in Namibia through independent policy analyses. Both, however, suffer from decreasing funding levels, which has led to a significant reduction in staff at both institutions that may influence the scope of their work.

As civil society defines its interests apart from government and finds its voice, groups are expressing their views, although with varying degrees of assertiveness. The NSHR and LAC are the most vocal in this regard. Other NGOs, however, appear much more reticent to speak publicly, although they will discuss concerns and offer criticism of government in private (clearly the mode preferred by government).

CBNRM groups seem to be among the strongest in the NGO community and perhaps the best organised. They are actively engaged in a range of policy issues. The policy and legal framework was by and large a very good and progressive one, but the implementation of policies and laws is a problem. The causes of implementation problems appear to vary, but they relate to a lack of fit between progressive policies on natural resources management and the institutional structures in place to carry them out.





In terms of funding, Namibian NGOs have relied for the most part on international donors for support, which over the past decade can be estimated to average about US\$10 million per year. As some donors begin to phase out assistance to Namibia, the NGO community is becoming concerned about sustainability. Despite the growth of the civil society sector over the past ten years, the number of viable NGOs is relatively small. Government funding through contracting out is practically nonexistent, and the notion of NGOs charging fees for service is not well accepted.

Government sometimes transfers public programmes to NGOs and asks them to find financing. For most NGOs, whose mission focuses on creating independent political and democratic space for alternative views and accountability, the possibility of government financial support is out of the question. Donations from private firms are not a reliable source of support, and tend to be one-off contributions of cash or material goods. Many company offices in Namibia consist of regional representatives of South African or multinational firms, and are not motivated to support Namibian civil society groups. At least one NGO has begun selling its services to the private sector as a way to bring in some income; this however is not a realistic option for most NGOs.

## NGO – State Relations: Government Watchdogs?

Overall, the strength of civil society has increased, particularly in the last four to five years. Some of the increased strength derives from numbers; there are more NGOs active in the civil society sector than before. The numbers of grassroots groups appear to be growing as well, mainly through focused development programmes such as the NID's Civil Society Support Programme, where rurally based civil society organisations in all sectors are assisted through institutional capacity training. The strength of civil society varies depending upon the specific focus of NGOs.

With regard to intermediation functions, for example between local and national-level NGOs, or between NGOs and government, the degree of strength is weaker, although the CBNRM group of NGOs appears to be an exception. Capacity for interest aggregation, creation of public forums, and advocacy exists in some organisations, but management weaknesses and limited numbers of staff reduce this strength. Below the national level, interest aggregation and advocacy capacity does not appear to be widely distributed. Civil society's watchdog function exhibits the weakest degree of strength, with the key exceptions of the LAC and NSHR, both of whom have spoken-out and advocated on human rights issues.

As far as the official regulation of NGOs is concerned, NGOs are largely legally registered as trusts or companies without profit motive. Government adopted a Civic Organisations Partnership Policy in 2005, which was launched by the National Planning Commission (NPC) in 2006. The policy formalises the government's relationship with NGOs and in terms of the policy, the NPC has established a desk to co-ordinate co-operation with NGOs. It has further drafted an NGO Partnership Bill and is preparing a memorandum of understanding to be signed between Government and NGOs at an unknown date. An advisory committee is being set up too. Guidelines for setting up a grant funding scheme





from which NGOs are to benefit have been completed. It has transpired that the Bill was not a product of a consultative process with NGOs.

There is, however, informal and mostly *ad hoc* collaboration around policy formulation between ministries and NGOs. Many NGOs have chosen a partnership model and work hard to maintain a cordial relationship with select ministries. The process is not always perfect; sometimes NGOs are consulted early in the process and sometimes late. Sometimes they are given too little time to respond, and sometimes they find it difficult to present a coherent point of view due to their own weaknesses.

As Namibia is a relatively young nation, there is a strong consciousness on the part of NGOs of political and socio-economic issues that affect the Southern African region. There is a common sense among NGOs of the ways Namibian issues fit into the region. A strong political consciousness on the part of NGOs creates a strong commitment to social change and development.

However, apart from a few pockets of strength, civil society has little depth. This shallowness is of two types. First is lack of depth in terms of basic management capacity. This capacity gap cuts across all types of NGOs, and concerns basic planning, management, and accounting functions. It reflects the general lack of skilled human resources in Namibia, and the competition for qualified personnel among the public, private, and NGO sectors.

Second is lack of depth in terms of indigenous constituencies. Some of the Windhoek-based NGOs are elite organisations that try to define and represent the interests of the marginalised, but they did not grow out of grassroots organising; often they are speaking for but are not of disadvantaged constituencies. They may be effective in influencing policy and government action particularly when government is relatively open, as in Namibia, but they are not sustainable in the absence of donor funding because they lack a mass following. People would not support them should donor funding disappear. Their goals are often too abstract, too removed from everyday socio-economic realities, or have limited appeal for the bulk of ordinary citizens. Government and political parties may be able to ignore them or repress them with few repercussions, and/or donors may dominate their agendas. When donors become the main stakeholders, this can lead to accountability problems within NGOs.

## Constraints to Civil Society Development

The constraints to civil society development can be divided into two categories: Constraints deriving from factors internal to individual NGOs or internal to the civil society sector, and external constraints related to NGO operating environments. In many cases these two categories are linked.

### Internal Constraints:

NGOs in Namibia to a greater or lesser extent suffer from internal constraints that compromise programme implementation and their institutional sustainability. Such constraints include the following:



- a) Weaknesses in financial management: Many NGOs have poor financial and accounting systems, and cannot track or report on expenditures. In some cases, grants have been withdrawn or awards have not been made as a result of these weaknesses.
- b) Dependence upon external sources of financing: As noted above, Namibian NGOs are heavily dependent upon donor funds. Core funds tend to be scarce, driving NGOs to pursue multiple short-term projects, which can mean fluctuations in funding levels, uncertainty concerning resource levels, and fragmentation of programmes. Such fragmentation compounds NGO management problems. Namibian NGOs also battle each other for scarce resources due to competition created by donors.

Currently, the “watchdog sector” (human rights, governance) is in crisis as traditional donors to these sectors are withdrawing from Namibia. For example, Sweden and the Netherlands have closed their embassies in Namibia, and USAID closed their “Democracy and Governance Programme” in 2008. The official reasons given are that Namibia is classified as lower-middle income country, and a perception of the Namibian state as democratically consolidated. The main remaining sector donor is the Embassy of Finland.

NGOs in the health sector have benefitted from a steep increase in funding, due to the HIV/AIDS pandemic. For example, as beneficiaries of former US President Bush’s President’s Emergency Plan for AIDS Relief (PEPFAR), Namibian NGOs were able to extend their activities, also leading to a number of new NGOs being formed. NGOs outside the health sector are trying to connect their projects to the topic HIV/AIDS in order to get funding.

- c) Brain-drain from NGOs: The pool of well-trained previously disadvantaged Namibians is very small. This constraint limits the ability of NGOs to expand their activities or take on new functions and makes it difficult for new NGOs to form. This has been exacerbated by competent NGO staff joining the public or private sectors on account of better remuneration. The shift from core-funding to project-funding resulted in a further brain-drain as, with insecure working conditions, NGOs are increasingly unable to compete with government and the private sector for qualified people. The “good cause” is not always enough, as usually monetary benefits attract skilled people.
- d) Lower salaries and benefits compared to government: Namibian government salaries and benefits are among the highest in Africa. Generally, they exceed those offered by NGOs. This makes staff recruiting and retention difficult.
- e) Lack of a clear mission or mandate: Some NGOs lack a mandate or sense of mission, apart from the objective of attracting donor funding. In other cases, NGOs with a mission find their goals diluted by the necessity to seek donor funds, which are allocated to fulfil donor purposes. This creates a tension between pursuing a clear mission and the demands of sustainability.
- f) Shallow capacity: In many NGOs, capacity is often embodied in particular individuals; when they leave, the NGO no longer can function





effectively. As noted above, competition for qualified people is intense and the pool is small.

- g) Management skills are in short supply: The capacity to absorb training (the most popular form of institution-building) is limited. There are few staff able to provide training and most NGOs are so thinly-staffed that they cannot afford to let staff go for any length of time. In addition, training one individual with no follow up may make it difficult for that person to bring about change in the NGO. That person's understanding of how to make changes may still be weak and there may be little support within the NGO for change.
- h) Weak civil society interest aggregation: As noted, despite the existence of umbrella NGOs, the ability to organise around common interests and respond to membership demands is limited. For some NGOs, while they claim to speak for certain constituencies, it is unclear to what extent they actually represent the particular group, or have linkages that reach to the grassroots. Building constituencies is difficult in Namibia. For example, the indigenous business community is small. Industry and labour are largely dependent upon public sector contracts, and therefore the working class is a weak critic of government. The majority of the population consists of peasant agriculturalists, who traditionally are difficult to organise as an interest group. Some ethnic tensions exist as well. The CBNRM groups are beginning to succeed in organising rural populations through the conservancy mechanisms. Local level women's organisations in some cases appear to be captured by political party agendas. Organising at the grassroots level is also influenced by Namibian demographics. Low population density and a huge country make it logistically difficult for groups to get together.
- i) Lack of clarity regarding accountability: One aspect of this lack of clarity relates to interest aggregation and member representation; umbrella and membership-based NGOs do not always act in ways that demonstrate accountability to their membership. Another aspect links to one of the external constraints, which is vagueness or confusion regarding the roles NGOs are expected to play.
- j) Poor understanding of the role of boards: While most NGOs have boards, they do not make effective use of them, and do not understand the purposes they can serve. There exists also a tendency for persons to get appointed to many of these NGO boards, without meaningfully contributing to any of them.
- k) Constraints on lobbying activities: One of the core functions of many NGOs is advocacy work, but NGOs' capacity to lobby is limited because of their dependence on foreign aid. NGOs' plans of action are often linked to foreign aid goals, and there is not much time left to monitor events.
- l) Competition between NGOs: There is a trend away from collaboration between NGOs due to ever-dwindling resources. The international experience suggests that when civil society is not organised, democracy is eroded.



### External Constraints

Various factors in the external environment in which Namibian civil society groups operate may impede the effectiveness of their programmes. Such factors include:

- a) Suspicion and jealousy: In some quarters of government, NGOs are regarded negatively based on suspicion of their motives and the extent to which they may be mouthpieces for donor interests. Jealousies arise in some cases because of personal relations where former government employees left the public sector to found or work in NGOs. The government has also shown skill at co-opting some critics, for example, senior trade union personnel have been appointed to high-level party or government positions, subsequent to them making even modest criticisms.
- b) Political sensitivity to criticism: As noted previously, SWAPO and the government often consider criticism from NGOs, especially on human rights issues, to be politically unpalatable. Public criticism has created a reticence by some NGOs to speak out for fear of a negative reaction; many have opted for a partnership model even when that model compromises their ability to defend their constituents. The government's criticism can be immoderate but extreme statements are generally reserved for a couple of groups that concentrate on human rights issues, elements of the press, and opposition political parties. It is possible that if other NGOs were more adversarial in their pursuit of their objectives, they would come under more fire. However, it is worth noting that mostly the government restricts itself to verbal lashings. There has been no threat of restrictive legislation and NGO representatives have not been arrested or physically intimidated.
- c) Proportional representation: The structure of government and the system of proportional representation used to elect members of the National Assembly makes effective access to decision-makers limited, while it may increase loyalty to the party (and its leader) by legislators, diluting accountability to the electorate. The influence on policy of parliamentary committees, where some NGOs have participated in hearings, appears low but there are examples of parliament amending legislation in local interests (e.g. the Rape Bill).
- d) Lack of donor co-ordination: Donors lack a coordinated framework for dealing with NGOs. This constraint is exacerbated as individual donors provide less funding, and NGOs end up with multiple sources and lots of proposal preparation and reporting requirements. With little core funding, they pursue, as noted in the list of internal constraints, short-term (1-3 year) projects. This dilutes their ability to plan and to attract skilled staff.
- e) Limited access to external resources other than donor funding: There is not a financial base in Namibia to support the local NGO community beyond small and selective contributions. The private sector has been difficult to mobilise around a social responsibility agenda and it is small. There are no tax incentives for private or corporate donations. Self-generated income often leads NGOs down a path of trying to become profit-making enterprises, which can end in failure and may divert them from



their mission. The government in some cases has pre-empted private sector resources that could be accessed by NGOs, for example, multinational oil company resources are placed in a government-controlled fund.

- f) International collaboration and partnerships: The context in which NGOs work is increasingly determined by globalisation and the consequent concentration of ownership and control, the free movement of capital, the declining ability of marginalised people to defend their resources and the declining ability of governments to define and implement development. The grassroots often do not share in the benefits of democracy, therefore, NGOs should speak for the poor and marginalised. In Namibia, this is happening only to a lesser extent with the result that NGOs may lose their legitimacy and credibility.

Presently, few foreign northern NGOs play a role in Namibia. Appropriate roles for northern NGOs are primarily those of funding, advocacy, networking and public education (in their home countries). Bilateral funding is currently declining which may hamper long-term grassroots development. In some cases bilateral funding has been replaced by direct institutional cooperation, as in the case of NID implementing a programme to establish study-circles in Namibia together with Swedish-based Studieverbundet Vuxenskolan with funding from Forum Syd.

## NGO Sector: Ways out of the Crisis?

The opportunities for civil society strengthening can be seen as falling into the same two categories as the constraints. First are opportunities relating to individual NGO-strengthening or sectoral development of NGOs. Second are opportunities to broaden the operating and governance environment that NGOs function within, which includes the role of international partners and the international NGO community, as well as the role of the corporate sector.

### Support for increased NGO capacity

NGOs internal capacities are often weak, detrimental to their programmes and sustainability and should thus benefit from the following:

- a) Training and technical assistance in financial management, financial systems development and accounting is needed. Ongoing periodic monitoring and oversight could accompany these. As noted, poor financial management has lost NGOs donor funding. They must cope with different donor requirements, some of which are notoriously complex and difficult to fulfil. The ability to absorb and use training is not very high. There is a much greater need for technical assistance in setting up or improving actual systems and in assisting with the application of those systems, through the provision of periodic technical assistance and mentoring.
- b) NGO programme impact monitoring, evaluation, reporting and public relations, all of which feed into constituency-building and advocacy,



should be strengthened. Several NGOs indicated a need for help in this area, explaining that it would help them defend their programmes to government, the public and the donors.

- c) There is a definite need for an umbrella NGO to provide member services. The current umbrella NGO, NANGOF, has an uneven track record.
- d) A mentoring/internship programme that would provide opportunities for previously disadvantaged university students to work in NGOs should be established. The NID initiated a mentorship programme in 2005 in cooperation with the University of Namibia and the Polytechnic of Namibia, but had to stop this due to a lack of funding. The NID and other NGOs, such as the LAC and the IPPR, have initiated internship programmes, where volunteers are appointed to assist in the implementation of projects. Volunteerism is important for NGOs in the light of scarce funding and a lack of staff, while volunteers can obtain first hand practical experience.

#### Broadening of the environment in which NGOs function

Government, international and local NGOs, donors and internal corporate sector funders of NGOs may play a significant role in optimising and strengthening the external environment that civil society function in:

- a) Legal services available to NGOs should be strengthened in order to ensure protection from human rights abuses. This would enable NGOs to pursue policy and human rights issues on a larger scale. The LAC has contributed some work in this field in training 250 paralegals throughout Namibia. However, due to a lack of donor funding, this project could not be continued meaningfully. The more civic groups pursue human rights issues, the greater will be the requirement for legal assistance.
- b) The legal framework in which NGOs operate should be clarified. This objective is included in the Government's Civic Organisations Policy and therefore NGOs will need to craft a clear point of view in terms of possible NGO legislation.
- c) Government-NGO dialogue on roles and responsibilities should be promoted. The lack of clarity on the role of NGOs in assisting government in development is prevalent. Such efforts would need to be sectorally based (CBNRM, voter education, HIV/AIDS, etc.) The use of facilitated forums may be a useful means in this regard.
- d) Donor co-ordination of support to NGOs should be improved. Establishing a joint forum for the donors and an umbrella NGO could help in improving donor responsiveness to NGO problems, as well as to avoid duplication.
- e) The availability and dissemination of data and analysis on government operations including for example the budget, policies in formation and the like should be improved, to ensure input from civil society. Such effort could be woven into existing projects of NGOs and thus might not require additional funding. As one example, NID has been involved in disseminating the annual government budget through a series of roundtables. Such efforts could usefully be expanded.
- f) Support is needed for NGOs to co-operate with NGOs in other developing countries. In small enterprise development, for example, NGOs



should not, as is currently often the case, be looking at models in industrialised countries. Networks within the Southern-African region should therefore be established which Namibian NGOs could be part of. There have been initiatives in this regard previously (PACE-NET, NGONESSA), but these coalitions have faltered due to a lack of common vision.

NGOs need to understand globalisation and its impact on ordinary people and transfer this knowledge to them. In order to assume this role, regional and international alliances amongst NGOs will have to be formed based on common values rooted in grassroots experience. In order to protect vulnerable communities, labour and natural resources, NGO alliances should monitor corporate actions and investments across borders. Such alliances should not only be regional of nature, but alliances between northern and southern NGOs should be encouraged. Donors should recognise and sustainably support the costs of forming such NGO alliances.

With regard to international NGOs wishing to work through alliances in Namibia; a NGO umbrella organisation should, without constraining existing relationships, develop guidelines for such international NGOs, which should reflect government and local NGO viewpoints.

- g) A much closer relationship resulting in true partnerships is needed between NGOs and the corporate sector in Namibia. Companies should be made to realise that through corporate social investment and involvement, NGOs can assist to create a healthy and sustainable environment in which they can operate and grow. All corporate levels should be involved in the development of corporate social investment programmes. The NCCI should facilitate this process.
- h) The power of NGOs in Namibia should, much more than is presently the case, be nurtured via partnership built on mutual respect with government. Such partnership should foster self-criticism and reflection. NGOs should, for example, be invited to participate in policy-making and development efforts. Then, NGOs should be cautious in accepting assurances or information that policies are being implemented. They should rather actively monitor what is happening in local areas to ensure effective implementation. It should be accepted that monitoring legislatures and government departments at every level is part of the work of NGOs. In this process, NGOs need to break with stereotyped view of government being the only agent of development.

## The World Governance Assessment Survey

Namibia took part in the World Governance Assessment Survey (WGA) in 2006. As country coordinator, NID collected data from a cross-section of well-informed persons from ten key-stakeholder groups. Well-informed persons were drawn from the state, from the civil society and from the business sector. In Namibia, civil society received scores above the other four arenas of governance.

When asked to evaluate the role of civil society, most respondents gave a high ranking for “freedom of association” and “freedom of expression” This is





possibly a result of the fact that since the mid-1990s, the number of non-governmental organizations has grown considerably, in particular in the health sector and the environmental field. Respondents were more sceptical regarding the extent to which civil society groups have an input into policy making. In other words, constitutional rights and freedoms guiding civil society were broadly respected, but civil society groups are nonetheless frequently perceived as being denied any meaningful input into the formulation of public policy, or as being insufficiently organized to make such input.

The comments that were provided by the respondents reveal that although freedom of association has not been violated by the banning of organisations or the imprisonment of their representatives, as a result of peer pressure and defamatory remarks made by prominent politicians, citizens fear being associated with certain NGOs that have a reputation for being critical of government. Especially in the rural northern regions, intimidation of critical civil society activists seems to increase as elections approach. In 2006, the respondents emphasised, however, that this situation improved following the election of President Hifikepunye Pohamba as Head of State in 2004.

## Conclusion

In Namibia, the political will to allow democratic processes relating to the role of civil society their full rein within government appears limited, despite the espoused commitment to democracy in national and international forums. A direct approach to creating political will may therefore not bear fruit. Therefore, a more indirect route should be followed to maintain some civil society pressure that could contribute to political will for a more operationally meaningful democracy in Namibia.

However, Namibian civil society suffers from a number of constraints. Civil society in Namibia carries a particular burden for protecting and enhancing democracy in the absence of a truly competitive political society. This is not an easy burden to bear, and one should not be overly optimistic about the contribution that a small group of relatively weak NGOs can make. There is probably only a very limited possibility for a genuinely competitive party system to emerge in the near future. It is therefore largely up to civil society to work towards:

- conserving political space for the expression of diverse points of view;
- creating alternate centres of power;
- increasing the availability of resources outside of government control; and
- maintaining checks on the executive branch by maintaining demands for accountability.

Democracy and freedom rely not only on the ballot box, but on the vibrancy of civil society. Promotion of developmental issues by civil society may be achieved either through interventions to strengthen the enabling environment (increasing accountability, transparency, responsiveness, and rule of law in the three branches of government) or through sector-specific efforts that create structures and mechanisms that give citizens experience with democratic proc-



esses, build social capital, and create capacity for citizens to operate in political and economic space apart from government. These sectoral efforts can combine to enable citizens, through organised civil society groups, to hold government accountable and exercise voice.

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## Abbreviations

CAN	CBNRM Association of Namibia
CBNRM	Community Based Natural Resources Management
CSO	Civil Society Organisation
IPPR	Institute for Public Policy Research
LAC	Legal Assistance Centre
LARRI	Labour Resource and Research Institute
MET	Ministry of Environment and Tourism
NACOBTA	Namibia Community Based Tourism Association
NANGOF	Namibia Non-Governmental Organisations Forum
NCCI	Namibia Chamber of Commerce and Industries
NEPRU	Namibia Economic Policy Research Unit
NGONESSA	Non-Governmental Organisation Network of Southern Africa
NID	Namibia Institute for Democracy
NSHR	Namibian Society for Human Rights
PACE-NET	Pan African Civic Educators Network
SWAPO	South West African Peoples Organisation





# 4 Legal and Civil Rights





## 4.1 The Fight against Corruption in Namibia

*Nico Horn & Isabella Skeffers*

### Introduction

Corruption as a threat to the Namibian nation has a long history in Namibia. During colonial rule Namibia shared South African Roman Dutch common law. Consequently, the common law crime of bribery was always part of our law. Unfortunately common law bribery covers an extremely limited sphere of corruption. Only public servants can be bribed in terms of this crime, and the crime did not cover actions of agents on behalf of their principals.

This situation changed with the coming of the Anti Corruption Ordinance and later the Anti-Corruption Amendment Act of 1985. The Amendment Act was not perfect and some instances it protected public servants from prosecution.

The conundrum or shortcomings with this legislative framework as it was is the fact that no holistic, comprehensive approach was taken to in fact ensure the proper criminalization of corruption. In most cases (particularly the Public Service Act), the provisions only made the particular behaviour a matter of misconduct and therefore not necessarily criminally reprehensible. As a consequence of this approach, offenders merely got the proverbial slap on the wrist as in the case of the Public Service Act which makes an offender vulnerable to suspension and possible termination of employment as the ultimate punishment. This approach ensures that no cases ever reach the State prosecution stage. Also, no provision is made for the return of the proceeds gained from the activities of corrupt official and other persons. In fact, this species of provisions can be interpreted and perceived to essentially undermine the very existence of common law bribery.

It is worth the while to remind ourselves of these kinds of approaches of the colonial government. Too often in post-independent Namibia people with racial bias and ideological intentions tell us that in the “good old colonial days” we never heard of corruption in the public service. True so, but not because there was no corruption. Legislation protected corrupted colonial public service, and only the bosses knew about it and they preferred to keep it to themselves.

This is, however, not a justification for the ongoing corruption and corrupt practices in Namibia. Two wrongs will never make a right. The government realised in the 1990's that the open society created by our Constitution assists the democratic society in naming and shaming the corrupt officials. As a consequence of the very limited and narrow construction of both the common law and statutory implements, as discussed above, it was imperative that the Namibian Legislature introduce a new approach to the criminality of corruption and bribery in the country.



Too many corrupt officials shrugged their shoulders with the excuse that they did not commit any offence. Namibia needed a solid statutory framework and an institution to enforce the necessary laws.

Namibia's national legal stance on corruption only became specific in 2003 with the enactment of the Anti-Corruption Act (hereinafter 'the Act' unless stated otherwise). Specific in the sense that the Act creates an Anti-Corruption Commission tasked with the mandate, inter alia, of investigating, preventing and, through the direction of the office of the Prosecutor General, prosecuting instances of corrupt practices.<sup>1</sup> Furthermore, the Act is groundbreaking in the sense that it creates specific offences which may be termed or classified as corrupt practices which was not the case with the common law and previous legislative attempts addressed to corruption.<sup>2</sup>

The Anti-Corruption Act should however not be considered as the first and only attempt by the Namibian legislature to address the issue of Corruption. The Act<sup>3</sup> in fact repeals the Prevention of Corruption Ordinance<sup>4</sup> and The Prevention of Corruption Amendment Act,<sup>5</sup> neither of which dealt comprehensively and effectively dealt with the problem of corruption, as the 2003 Act aims to do.

Much in the way of public awareness campaigns and research groups led up to the enactment of the 2003 Act. The earliest noticeable initiative of the Namibian government is the 1997 *ad hoc* Cabinet Committee on the promotion of Ethics and the combating of corruption which was launched by the Prime Minister on 5 March. The committee was tasked with the mission to do research in the area of corruption and ethics and then to eventually compile recommendations for Namibia's own action plan for corruption. In addition, the committee was to consider a definition for corruption.<sup>6</sup> Furthermore, various institutional actors played their role in the prevention and combating of corruption, most noticeably being the office of the Ombudsman with its Constitutional mandate to investigate into corrupt practices.

In addition to its national legislation, Namibia is a State Party to several international mechanisms against corruption in the form of the SADC Protocol against Corruption,<sup>7</sup> the UN Convention against Corruption, and the AU Convention on Preventing and Combating Corruption. The ratification by Namibia of these mechanisms may well be described as an indication of Namibia's aversion to and seriousness in the fight against corruption. On the other hand however, the question begs to be asked of how well these instruments have been integrated into the national legal system.

The anti-corruption research of the 1990's passed through several ministries and constitutional offices, amongst other the Office of the Attorney-General and the Office of the Prosecutor-General. In 1999 both the Attorney-General and the Prosecutor-General and some state advocates from both offices attend-

1 Section 3, Anti-Corruption Act, Act No.8 of 2003.

2 Chapter 4, Anti-Corruption Act, Act No.8 of 2003.

3 Section 53, Anti-Corruption Act, Act No.8 of 2003.

4 Prevention of Corruption Ordinance, Ordinance No.2 of 1928.

5 Prevention of Corruption Amendment Act, Act No.21 of 1985.

6 Moller, M. (December 2000) *Ethics and Good Governance in Namibia – Public Service Ethics in Africa Country Report: Namibia*, Namibia Institute for Democracy: Namibia, p.15.

7 Adopted in August 2001 in Malawi at the SADC Heads of State Summit.



ed the annual conference of the International Association of Prosecutors in Beijing, China.<sup>8</sup> The theme of the conference was corruption. The Namibian team managed to obtain two of the most extensive and effective anti-corruption acts in the world, the Hong Kong and Singapore acts. Both acts circulated with other proposals for a while, but then disappeared from the table.

Back home, the Attorney-General organized an anti-corruption conference involving all the stakeholders: government, commerce, civil society, the legal fraternity, etc. Expectations were raised and Namibians left the conference expecting among other things an extensive public service ethics regime including clear guidelines on issues such as an asset register for elected officials, business ethics for public servants and determining conflicts of interest.

## Earlier frameworks

This paper is written in light of the fact that the fight against corruption has been highly publicized and vocalized by various actors in the Namibian society. An examination of the legal framework is necessary in order to consider whether the fight against corruption is, in a manner of speaking, fought with the needed amount of ammunition. In doing so, it should be possible to expose the extent to which the new current anti-corruption legislation has changed the previous dispensation.

It is quite important as well to consider the legislative position as it was before the enactment of the Anti-Corruption Act. Although of limited scope and application, it is the reality that Namibia in fact possessed a legislative framework geared toward fighting corruption, prior to the coming into force of the Anti-Corruption Act. This framework essentially consisted of the Prevention of Corruption Ordinance<sup>9</sup> (hereinafter 'the Ordinance'), as amended by the Prevention of Corruption Amendment Act<sup>10</sup> (hereinafter 'the Amendment Act'). It is necessary to consider these legislative provisions, in order to have a holistic picture of the way in which the anti-corruption legal framework evolved.

It must be admitted that the Ordinance and its subsequent amendment was a marked improvement on the narrowness of the common law and therein lays its merit. The Ordinance was most probably a realization by the Legislature that the common law was just not sufficient in order to deal with the wider manifestation of the crime of bribery in that it may transcend to include more than just state officials.

The main focus of the Ordinance was to in fact extend the common law on bribery to include the case where agents corruptly accept or obtain or attempts to obtain gratification in return for doing or failing to do the business of his

8 International Associations of Prosecutors Annual Conference, Beijing, September 1999.

9 Prevention of Corruption Ordinance, Ordinance No. 2 of 1928.

10 Prevention of Corruption Amendment Act, Act No.2 of 1985.





principal.<sup>11</sup> The Ordinance also makes it an offence to offer such gratification to an agent. However, the ordinance was still a far way off from adequately addressing the issue of corruption.

The Ordinance in its original form had several noticeable shortcomings. Firstly, the Ordinance did not cover the situation where the principal is not a public official and could therefore be punished for common law bribery. In other words, the Ordinance did not criminalize any possible transgressions by a principal. Secondly, the Ordinance did not cover the situation where a person attempts to offer gratification to an agent, only when an agent attempts to obtain such aforementioned gratification. In amplification, no definition for the term 'corruptly' is provided by the Ordinance, although corruption is evidently the main purpose and focus of the Ordinance.

Hence, the Amendment Act came into being in 1985. The Amendment had the effect of substituting the entire Ordinance, save for the definition section. Although what is surprising is that this substitution in fact contained, in all material respects, the exact same wording as the Ordinance. What changed however was where before the Ordinance created the offence of corruption and a maximum imprisonment sentence, the Amendment in fact gave no specific name to the offence and provided no particular direction to a convicting court tasked with sentencing, except that a convicted person may be sentenced as if he had committed the common law crime of bribery. It is not surprising therefore that there are no judicial decisions of note in which the Ordinance was enforced.

It should be mentioned at this juncture that several other miscellaneous statutory provisions in some way or other deals with either bribery or corruption.<sup>12</sup> However, the most important to note is the Public Service Act.<sup>13</sup> This Act generally deals with the administration of the Public Service and the question of ethics is therefore a central theme in the Act. Several provisions deal with the activities of persons who fall within the scope of the Public Service. Important in this regard is particularly section 24 of the Act, which deals with several activities considered to be misconduct in the Public Service. The section provides for seventeen variations of misconduct, pertinent however to this discussion are particularly subsection 25(f), (g) and (l) which generally create the offence of using the public service in order to promote or further private interests.

11 Section 1 of the Ordinance defines an 'agent' as including "any person employed by or acting for another, any person employed or serving under the Administration of the Territory or the Government of the Union or any municipality, village management board or any other local authority at present existing in the Territory or which may hereafter be created, or employed by or acting for any company, society or voluntary association, and also includes the trustee of an insolvent estate, the assignee of an estate assigned for the benefit of or with the consent of creditors, the liquidator of a company which is being wound up, an executor of the estate of a deceased person, the administrator of a trust, and the legal representative of any person who is of unsound mind or is a minor or is otherwise under disability".

12 Section 45 of the Prisons Act, Act No.8 of 1959, as substituted by section 24 of Act 24 of 1981; Section 50(k), (l) and (m) of The Customs and Excise Act, Act No. 91 of 1964; Section 141 of the Insolvency Act, Act No. 24 of 1963, as substituted by section 20 of Act 14 of 1985; Section 73 of the Land Bank Act, Act No. 13 of 1944; Section 10 and 11 of the Namibian Broadcasting Act, Act No. 9 of 1991; Section 33 (1),(5) and (6) of the Sea Fisheries Act, Act No.29 of 1992; Section 19(1) of the State Finance Act, Act No. 3 of 1991; Section 13 of the National Housing Enterprise Act, Act No.5 of 1993 and section 19(1) of the National Transport Corporation Act, Act No. 21 of 1987.

13 The Public Service Act, Act No. 13 of 1995.



The conundrum or shortcomings with this legislative framework as it was is the fact that no holistic, comprehensive approach was taken to in fact ensure the proper criminalization of corruption. In most cases (particularly the Public Service Act), the provisions only made the particular behaviour a matter of misconduct and therefore not necessarily criminally reprehensible. As a consequence of this approach, offenders merely got the proverbial slap on the wrist as in the case of the Public Service Act which makes an offender vulnerable to suspension and possible termination of employment as the ultimate punishment.<sup>14</sup> This approach ensures that no cases ever reach the State prosecution stage. Also, no provision is made for the return of the proceeds gained from the activities of corrupt official and other persons. In fact, this species of provisions can be interpreted and perceived to essentially undermine the very existence of common law bribery.

## The Common Law

It is a trite observation that in order to ascertain Namibia's common law position, it is helpful to look to the position as it was in South Africa before Namibia gained its independence. This approach is necessary in view of the Namibian Constitution which provides that "all laws which were in force immediately before the date of independence shall remain in force until repealed or amended by Act of Parliament or until they are declared unconstitutional by a competent Court".<sup>15</sup> By such Constitutional decree, Namibia inherited a plethora of South African legislation, as well as the Roman-Dutch common law tradition.

The South African authorities are unanimous on the issue of corruption as far as that country's common law and statutory provisions are concerned. At common law, no particular and comprehensive definition existed for the crime of corruption, as we understand the crime today. However, the equivalent in common law is the crime of bribery. The authorities generally make a distinction when considering bribery, as far as it relates to the person making the bribe (the briber) and the person to whom the bribe is being offered (the bribee).

It is necessary to fully appreciate the crime of bribery in light of its historical context. It is necessary for the giving of gratifications to state officials in order for them to do their duties or not to do such duties to be punished in an open and democratic society. This is so because it is expected of state officials to do their duties without them being induced to do so by some promise of a gift or other gratification. Bribery has been considered as criminal behaviour as early as the Roman Empire where the *lex Julia repetundarum* as enacted by Julius Caesar punished state officials who accepted gifts in order for them to either do or refrain from doing something in their official capacity. What is interesting is that in the Roman-Dutch tradition it was also bribery to offer gratification to any spouse, child or relative of the public official.<sup>16</sup>

14 Section 26 of the Public Service Act, Act no. 13 of 1995.

15 The Namibian Constitution, Article 140.

16 Milton J.R.L. (1982) *South African Criminal Law and Procedure*, South Africa: Juta & Co.





## The essential elements of the common law crime

In his judgment in *Rex v. Chorle Schreiner* JA synoptically set out the common law position on bribery as it stood in South Africa at that time and pinned the historical roots of the crime of bribery down to the Placaats of the States General of the United Netherlands, which were promulgated in 1651 and 1715.<sup>17</sup> As has been accepted in a number of judicial decisions, the 'working definition' for the crime of bribery has been accepted as being the following:

It is a crime at common law for any person to offer or give to an official of the State, or for any such official to receive from any person, any unauthorized consideration in relation of such official doing, or abstaining from, or having done or abstained from, any act in the exercise of his functions.<sup>18</sup>

Alternatively, "bribery (as a briber) consists in unlawfully and intentionally offering to or agreeing with a State official to give any consideration in return for action or inaction by him in his official capacity". On the other hand, bribery as it relates to the bribee is "committed by a State official who unlawfully and intentionally agrees to take any consideration in return for action or inaction by him in an official capacity".<sup>19</sup>

It is an essential element for the common law crime of bribery for the bribee to be a state official. If the person who is being offered gratification as an inducement is not a state official, the crime of bribery is not committed. The question which however arises is who in fact qualifies as a State official. This question does not seem to evoke an unequivocal answer amongst the authorities, since the term 'state authority' has enjoyed wide application and interpretation. However, various judicial decisions act as a guideline in deciding who in fact falls within the definition of State authorities and include *inter alia* police officers, an assistant stock inspector, a price control inspector, a court interpreter and an excise officer.

It seems from the authorities that in order for a person to be considered a state official, he or she must exercise some kind of power on behalf of the state. In the decision of *Rex v. Patel* it was actually held that the words used in the definition by Gardiner and Lansdown 'in the exercise of his official functions' should not be interpreted too narrowly and may be held to include 'in the carrying out of the legal duties resting upon him'.<sup>20</sup> This clearly demonstrates the disparaging position at common law where each judicial officer and every academic writer has his or her own viewpoint and therefore a situation persists where one is faced with more than one definition and twice as many interpretations of those definitions.

<sup>17</sup> *Rex v. Chorle* 1945 AD 487 at 492.

<sup>18</sup> *Rex v. Chorle* 1945 AD 487 and *Rex v. Patel* 1944 AD 511. This definition is one advanced by Gardiner and Lansdown, *South African Criminal Law*, Vol II at page 985.

<sup>19</sup> Milton J.R.L. (1982, p.219).

<sup>20</sup> *Rex v. Patel* 1944 AD 511.



It should however be understood that the South African Anti-Corruption Act<sup>21</sup> has in totality replaced the common law crime of bribery and as such the aforementioned issues are moot in that country.

## The Anti-Corruption Act: A Novel Situation

“In a State where corruption abounds, laws must be very numerous” (Tacitus).<sup>22</sup> It is this line of thinking which makes it a necessary exercise to consider to what extent the Anti-Corruption Act has either amplified or changed the common law position.

As a consequence of the very limited and narrow construction of both the common law and statutory implements, as discussed above, it was imperative that the Namibian Legislature introduce a new approach to the criminality of corruption and bribery in the country. At first glance, the impression created is that the Anti-Corruption Act<sup>23</sup> (hereinafter ‘the Act’) is an attempt at a holistic approach to the crime of corruption by providing all necessary statutory tools to deal with the crime in one single enactment. The Act expressly includes the common law crime of bribery as a corrupt practice.<sup>24</sup> However, the common law position has been modified by the Act in that any person can be guilty of the crime of bribery, provided that person ‘corruptly’ solicits or offers to any person gratification as an inducement to do or not do something. The gratification may be accepted on behalf of the person being offered or on behalf of any other person. However, the novelty about this statutory offence lies within the requirement of ‘corruptly’. The Act defines ‘corruptly’ in very wide terms by providing that

Corruptly means in contravention of or against the spirit of any law, provision, rule, procedure, process, system, policy, practice, directive, order or any other term or condition pertaining to –

- (a) any employment relationship;
- (b) any agreement; or
- (c) the performance of any function in whatever capacity.<sup>25</sup>

From the wording of the proviso, it seems that anybody may be ‘corrupted’.<sup>26</sup> The couching of corruption in such wide terms is indeed a meaningful departure from the common law crime of bribery. The position now is that the crime is not only confined to activities which must of necessity include a public official, as required by the common law. The provision can indeed be very helpful to a court as it would no longer be necessary for a presiding officer to agonize over the ambit and definition of the term ‘public official’ as had been the situation at

21 The Prevention and Combating of Corrupt Activities Act, Act No. 12 of 2004.

22 Publius Cornelius Tacitus, 55 – 117 AD, Roman Historian. See: [www.anticorruption.info/law\\_acts.htm](http://www.anticorruption.info/law_acts.htm) as on 4 March 2006.

23 The Anti-Corruption Act, Act No. 8 of 2003.

24 Sections 33 and 34.

25 Section 32.

26 It seems more logical to use this term instead of ‘bribed’ in light of the spirit and mischief the Act intends to address.





common law. However, it should be noted that the inclusion of the proviso 'the performance of any function in whatever capacity' seems to be stretching the bounds infinitely far. The question has to be asked whether this provision might be capable of resulting in absurdities. Without venturing into the various canons of interpretation of statutes, it is a conceivable consequence that just about any 'function in whatever capacity' can then fall within the ambit of the Act. Granted, this would give the judge or magistrate much leeway and discretion to decide on matters which come before it. This does however not exclude the possibility that the courts could become overburdened with trivial and vexatious complaints. This submission however sways in view of the fact that a wide statutory provision always wins favour over its narrow and consequently more restrictive alternative.

Apart from including common law bribery, the Act creates several interesting offences, not previously included in the common law, which deserve special mention at this particular point. These offences include corruption of witnesses; bribery of foreign public officials; bribery relating to auctions; bribery for giving assistance in relation to contracts; corruptly using office or position for gratification; corruption in relation to sporting events and dealing with, using, holding, receiving or concealing gratification in relation to any offence.<sup>27</sup> A particularly noteworthy offence created is that of a person attempting or conspiring to commit any offence created by the Act. Also included is the offence of abetting, inducing, inciting or commanding another person to commit the mentioned offences. What is however important in this section is that persons found to be guilty of these offences are punished as if they had, strictly speaking, committed the particular corruption offence.

It is indeed conceded that the Anti-Corruption Act is a significant and progressive departure from the position preceding it, at least as far as the criminal law is concerned. However, the purpose of this section is to consider how significant that departure is. In other words, is there more room for improvement? Jeremy Pope postulates that the criminal law of any country must essentially comply with certain requirements or yardsticks in order for it to have a measure of success against corruption. These include:

1. Laws against corruption should comply with international human rights standards.
2. Laws should not be seen as being unduly oppressive.
3. There should be clear guidelines on sentencing.
4. Combining the various criminal laws dealing with corruption and secret commissions together in a single law has much merit.
5. Regular reviews of the criminal law framework (including laws of evidence and of the adequacy of existing penalties) are essential.
6. Special provisions may be necessary in corruption cases.
7. Special provisions will be needed to ensure that the proceeds of corruption can be recaptured by the state.
8. Provisions will also be needed to ensure that the crime of corruption is seen to include both the payment as well as the receipt of bribes.<sup>28</sup>

<sup>27</sup> Sections 39, 40, 41, 42, 43, 44, and 45.

<sup>28</sup> Pope, J. (2001) *Namibia's Anti-Corruption Bill: An Anti-Corruption Commission cannot fight corruption on its own*. Page 6 – 8. See: [www.iccpr.org.na](http://www.iccpr.org.na) as on 5 March 2006.



If, at least for argument's sake, one has to consider Namibia's present anti-corruption criminal law stance in light of these requirements, the results are quite telling. Firstly, it should be asked whether the laws on corruption at present are not repressive. It is difficult not to notice the penalties which are provided for in the Anti-Corruption Act. A person found guilty of an offence under the Act is liable to a fine not exceeding N\$50,000 or to a term of imprisonment not exceeding 25 years, or to both.<sup>29</sup> It is a trend in the Namibian judicial system to award suspended sentences and although the provision is peremptory, it still leaves the judge or magistrate with much scope to impose the particular punishment. One should also not lose sight of the possibility of corruption at this level. For these reasons, persons attempting to report persons suspected of corruption may feel that the risk is too great and the reward too small.

The fifth of Pope's requirements, which relates to regular review, should also be considered. The attitude at the moment in the country is that the Anti-Corruption Act and its Commission is the ultimate in the fight against corruption. However, criminal possibility is advancing at a phenomenal rate and advancement in criminal techniques, including the use of the advancement in technology should be kept abreast with. For example, the criminal law should be able to redress corrupt corporate practices such as 'bidding rings' for public contracts, in which apparent competitors collude among themselves to decide who will get a particular contract and at what price.

Pope's sixth requirement in the spectrum should also be considered. In light of the fact that corruption is in most cases a crime which is conducted in secret, the requirement of special provisions has much merit. One such provision which should be considered, especially in the Namibian context, is that of unexplained wealth. The Anti-Corruption Act does not require of persons to explain assets which they possess which seem to be beyond their means. The introduction of such a proviso might however be deemed problematic in the Namibian situation in light of the various Constitutional provisions protecting privacy and liberty. However, it could be introduced at the employment level where investigations may be conducted into the asset status of employers and employees alike, especially those in the Public Service. It is quite interesting – and worrying – that the Anti-Corruption Act does not provide for the forfeiture from a convicted person of the proceeds of his corrupt activities.

Various merits present themselves from a perusal of the Namibian Anti-Corruption Act. These include the wide (although limited) offences created. Also, it is important to note that the Act provides the Magistrate Court with jurisdiction to try cases of corruption. This ensures that it is easier for people at all levels to approach the courts for prosecution. Also important is the extraterritorial jurisdiction provided for by the Act. This ensures that persons domiciled or permanently resident in Namibia can be tried for activities which fall within the ambit of the Act but which they commit outside the borders of the country.

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<sup>29</sup> Section 49.



## Shortcomings

It is an interesting fact to note that Namibia's Anti-Corruption Act is almost a carbon-copy of the South African Act on corruption. What is however glaringly dissimilar is the fact that the South African Act takes a more specialized, all-encompassing approach than the Namibian attempt. Specific in this regard are sections 7, 8 and 9 of the Act. These provisions provide respectively for offences in respect of corrupt activities relating to members of the legislative authority, offences in respect of corrupt activities relating to judicial officers and offences in respect of corrupt activities relating to members of the prosecuting authority.

These sections obviously leave no room for misinterpretation, or the risk of excluding the sometimes overlooked legislature and the judicial and prosecuting authorities. Now, the question which comes to the fore is what justification the Namibian legislature can rely on in defence of the omission to include such specific provisions as the South African counterpart. It is conceded that Namibia is no longer part of South Africa and has full territorial sovereignty but the fact still remains that the two countries share a special history and legal and political commonality and will. Why then are the judiciary, prosecution and legislature excluded in the Namibian Act?

Why were these offences left out of a new Bill copied from a South African Act?

- Namibia does not have a problem with these issues and will never have one;
- The Namibian legislature does not want to put pressure on certain categories of public officials.

Why should they be included?

We do not have to look further than South Africa to understand why these checks should have been in the Namibian Act. Recent South African cases underlined the vulnerability of;

### Elected officials

- The so-called "Travelgate scandal" left several South African politicians with a criminal record.<sup>30</sup>
- Tony Yengeni,<sup>31</sup> senior Parliamentarian, and Shabir Shaik,<sup>32</sup> an adviser of President Zuma, served prison sentences for their involvement in an arms deal.

30 Presence, C (2009) *Final Travelgate accused free to focus on parliament*, Eyewitness News, 28 September 2009, accessed on 29 September 2009, at <http://www.eyewitnessnews.co.za/articleprog.aspx?id=22741>.

31 Phillips, B (2003) *Jail term for ANC man*, BBC News, 19 March 2003, accessed on 29 September 2009, at <http://news.bbc.co.uk/2/hi/africa/2863531.stm>. See also Philip. (2007). *ANC's Tony Yengeni released early from sham imprisonment*. Why go to South Africa, January 17, 2007 accessed on 29 September 2009, at <http://www.southafricalogue.com/travel-tips/ancs-tony-yengeni-released-early-from-sham-imprison>. Yengeni served only four months of a four year prison sentence.

32 Mail & Guardian Online (2009) *DA revisits Shabir Shaik parole*, accessed on 29 September 2009 at <http://www.mg.co.za/article/2009-08-11-da-revisits-shaik-parole>.



- Even the British Parliament recently left a huge blot on good governance when it was discovered that British MPs claimed and received benefits for houses they did not occupy, or improvements they never made, etc.<sup>33</sup>

#### The judiciary

- South Africa was shocked when the Constitutional Court judges laid a charge against the Judge-President of the Western Cape for trying to influence acting Constitutional Court judges to give a favourable judgment in a case against the ANC president Jacob Zuma (now President of South Africa). Equally shocking was the decision of a newly constituted Judicial Service Commission to overturn a previous hearing and the decision not to act against the judge.<sup>34</sup>

#### Senior police officers

- The Commissioner of Police, Commissioner Selebi was recently expelled under suspicion of being involved in organised crime.<sup>35</sup> The National Director of Public Prosecutions was dismissed for getting a search warrant to search the house of the Commissioner.<sup>36</sup>

#### Namibia

- Namibia has been shocked by recent revelations of investigations against some senior public servants and government officials.<sup>37</sup>
- The so-called Avid-case where a Deputy Minister is accused of fraud is ongoing.

### Other Shortcomings of the Act

#### The lack of protection for whistle-blowers

- At the height of the corrupt government of Daniel Arap Moi in Kenya whistle-blowing was a statutory offence.

33 Telegraph.co.uk (2009) *MPs' Expenses*, Telegraph, Tuesday 29 September 2009, accessed on 29 September 2009, at <http://www.telegraph.co.uk/news/newstopics/mps-expenses/>.

34 Mail & Guardian (2009). *Kriegler turns to court over JSC Hlophe decision*, M&G Sep 17 2009, accessed on 29 September 2009, at <http://www.mg.co.za/article/2009-09-17-kriegler-turns-to-court-over-jsc-hlophe-decision>. Retired Constitutional Court Judge Johan Kriegler, Freedom under Law, announced that the organisation will approach the court to redress the latest decision of the Judicial Service Commission.

35 News 24.com. (2007). *Mbeki stopped Selebi arrest*, 27 September 2007, accessed on 29 September 2009 at <http://www.news24.com/Content/SouthAfrica/News/1059/a66dbd06c0314b7aa-b862c87d9373509/28-09-2007>.

36 Mail & Guardian online (2007) *Rumours swirl over Pikoli's suspension*, M&G, 30 September 2007, accessed on 29 September 2009 at <http://www.mg.co.za/article/2007-09-30-rumours-swirl-over-pikolis-suspension>. At the time of writing this article Pikoli was removed from office despite the fact that a commission of enquiry exonerated him from any wrongdoing. He is presently fighting for re-instatement in South African courts.

37 Duddy JM (2009) *Namibia warned against 'soft loans' in the Namibian*, 25 August, 2009, accessed on 29 September 2009 at <http://www.namibian.com.na/news/full-story/archive/2009/august/article/namibia-warned-against-soft-loans/>.





- Regular letters in both Namibian and South African newspapers give the impression that many Namibians and South Africans share the Moi government's discontent with the honest public servant who exposes corruption.
- The South African government adopted new legislation, to protect and support whistle-blowers.<sup>38</sup>
- The new Anti Corruption Commissions Act in Malaysia also protects informers and whistle-blowers by prohibiting disclosure of information that can lead to identification of the informer or whistle-blower.<sup>39</sup>
- Namibia provides no protection for whistle-blowers.

### The Inability to Prosecute Non-Profiting Third Parties

The new Act criminalises the actions of agents. However it does not criminalise the actions of a third party who operates upon his/her own initiative and does not receive any monetary or other form of compensation.

#### Scenario 1:

A is responsible for allocating diamond quotas.

B, acting without the knowledge or approval of A, goes to potential applicants and requests them to contribute to the expenses of a project of the Good Fellows Humanitarian Foundation. A is the president of the Good Fellows Humanitarian Foundation.

B is just doing fundraising for a humanitarian foundation and gets no financial award, is not linked to A, but nevertheless has an intimidating influence on the potential applicants.

If B was an agent of A, she can be prosecuted under the Act. If not, she goes free.

#### Scenario 2:

Same as 1, but this time B collects money for A's birthday party.

Unless the prosecution can prove a direct relationship between A and B, B can still not be prosecuted.

### The Public Servant

There is very little in the Act directed at the people most likely to be corrupted, and most likely to corrupt the system:

- Public servants can freely tender for government and parastatal contracts;

<sup>38</sup> *The Protected Disclosures Act*, Act 26 of 2000 (The Whistle-blowing Act).

<sup>39</sup> ALB Legal News (2009). *The Anti-Corruption Commission Act: Great Expectations*, ALB Legal News 6 March 2009, accessed on 30 September 2009, at <http://asia.legalbusinessonline.com/law-firms/malaysian-anti-corruption-commission-great-expectations/1080/3412>.



- In the Scanner bail application a member of the Public Service Commission stated that the PSC Act's requirement of permission, is fulfilled by a letter informing the President of a public servant running a business:<sup>40</sup>
  - › There seems to be no committee that deals with the application;
  - › There are ample examples of public servants involved in business that appear to represent a conflict of interest;
  - › There seems to be no rule as when the application should be made – in the Scanner-case the permission was asked after the commission transaction was finalized.<sup>41</sup>

Quote by advocate in the Scanner case: "The accused made a lot of money (N\$41 million) but that has never been a crime".

## The Problem with the Act

By leaving out the extensive public service ethics regime, the most vulnerable section of society falls outside scrutiny of the Act. Parliament and other elected officials need to be included in the legislation:

- There should be a legal obligation on members to disclose their assets on an annual basis. This is not in the Act;
- Parliament should have a vigorous ethics committee. The Act does not make provision for such a committee;
- The Anti-Corruption Commission should have access to the accounts of Parliamentarians – also not in the Act.

## Conclusion

It is evident that the key to a successful anti-corruption criminal framework is that policy-makers should remember that the process is not a static one but that relevant reform and review is a necessary part of the process to the possible elimination and definite decrease of corruption in any society. It is submitted that Namibia's stance on corruption, as far as the criminal law is concerned, shows much promise. This should be realized in view of the fact that the Namibian legal system has merit in its dynamic and progressive nature. As a matter of fact, the present situation should merely be viewed (especially by the Legislature) as a stepping stone in the right direction.

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40 Menges, W (2009) *Teko Trading trio gets bail, the Namibian* 12 August 2009, accessed on 30 September 2009, at [http://www.namibian.com.na/index.php?id=28&tx\\_ttnews\[tt\\_news\]=58399&no\\_cache=1](http://www.namibian.com.na/index.php?id=28&tx_ttnews[tt_news]=58399&no_cache=1).

41 *ibid.*





## 4.2 Political and Electoral Rights in the SADC Region

*Joram Rukambe*

### Introduction

The first half of this paper describes the current state of play with respect to the development of political and electoral rights within the SADC region, highlighting both the achievements to date and the challenges that remain to be met. The second half of the paper looks forward to 2020 and considers both a positive case for what might happen in the region with regard to political and electoral rights, and the risks to this positive case. First, however, I provide a brief introduction to the background and context for this paper.

In the past fifty years the SADC region has seen the end of colonialism, the end of Apartheid, and, for the most part, the end of a series of wars between and within states. Today, democracy appears to be well entrenched within the region. During the last two decades there have been positive developments (“miracles”) as well as negative developments (“setbacks”). Likewise there are now significant opportunities to make progress, but serious threats to what has been already achieved.

It is worth noting at the outset that the fourteen countries within the SADC region are not homogeneous politically and these countries have very different experiences of democratization to date. However, as regional co-operation increases and greater integration occurs within the SADC region, it is reasonable to expect these fourteen countries to share a common future; that is to say, unlike the past, we should expect the fortunes of the SADC countries in the future to rise or fall together.

### The Current State of Play

Back in 1980 the annual Freedom House survey of governance identified only four “free” countries in Sub-Saharan Africa.<sup>1</sup> Of the remaining forty-two countries, fifteen were rated as “partly free” and twenty-seven (that is, 59% of the total) were rated as “not free”. By 2009 these numbers had changed significantly: there were ten rated “free”, twenty-three rated “partly free” and only fifteen rated as “not free”. (Between 1980 and 2009, the sample size increased from 46 to 48).

Within the SADC region, the Freedom House ratings for 2009 showed six of the fourteen countries as “free”, with four “partly free” and four “not free”. In other words, today the SADC region has a higher proportion of “free” countries

<sup>1</sup> Freedom House, *Freedom in the World* 2006, New York, Rowman and Littlefield, p.11



(43% versus 21%) and a lower proportion of “not free” countries (29% versus 31%) than the Sub-Saharan region as a whole. This rating is most favourable, albeit not ideal, compared to other regions of the world, such as the former Communist region of Europe, the Arab World and Asia-Pacific.

The 2009 Freedom House rankings for the SADC region are as follows:

- “Free”: Botswana, Lesotho, Mauritius, Namibia, Seychelles, South Africa
- “Partly Free”: Madagascar, Malawi, Tanzania, Zambia
- “Not Free”: Angola, Democratic Republic of Congo, Swaziland, Zimbabwe

There were some improvements on the previous year noted in the commentary on the 2009 ratings, notably for Angola and Zambia. However, both Namibia and South Africa saw a slight decline in their ratings, and DRC and Zimbabwe saw a more significant decline in their ratings.

There are a number of factors that have helped the member states of SADC to achieve improvements in their governance of the political and electoral processes. Many of these are connected with the establishment of democratic constitutional order. For example, the entrenchment of fundamental freedoms in a Bill of Rights; the separation of powers within government; the recognition of the rule of law and the independence of the judiciary; regular elections based on universal and equal suffrage; a vibrant and free media and, finally the development of a vigorous civil society.

In particular, across much (but not all) of the SADC region there is adequate space for citizen engagement in politics and the ability to exercise politico-electoral rights: these include the right to vote and to stand for elections, and the freedoms of association, expression, and assembly. However, the exercise of such rights and freedoms is not without controversy in some parts of the SADC region: in some countries there are laws that curtail the full enjoyment of such rights, for example Zimbabwe and Swaziland. The Public Order and Security Amendment Act and the Access to Information and Protection of Privacy laws in Zimbabwe have undermined the right of citizens fully to enjoy their political and electoral rights and the same can be said about Swaziland where political parties are banned.

Media freedom is generally well respected in most SADC countries. The region boasts the lowest statistics on media harassment in Africa: there are no journalists in jail at the moment. But recent developments in Namibia, South Africa and Zambia are widely perceived as evidence of state interference in the media, in particular in the running of the national broadcasters.

The SADC region further boasts a vibrant civil society that operates with minimal regulation and control, with some significant exceptions, such as Zimbabwe where members of civil society face constant harassment. However, in some countries civil society groups have exhibited tendencies to align themselves with either government or opposition, rather than to serve as the voice of the voiceless. In other cases, some analysts are questioning the agenda and activities of certain civil society groups: is civil society comprised of genuinely local, home-grown groups, or is it in fact driven by outside organizations?

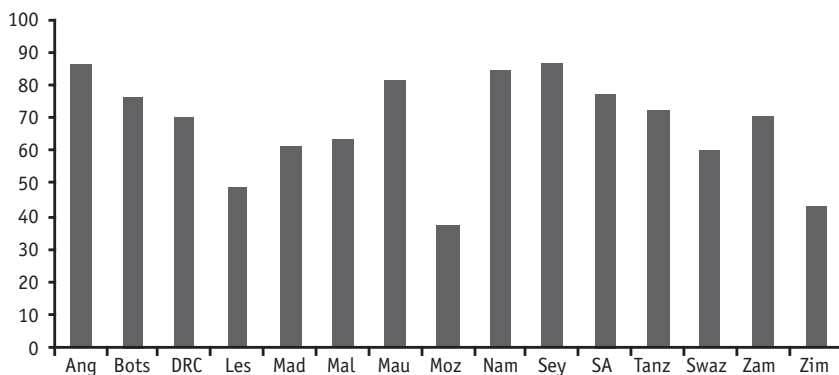
In some SADC members the judiciary has improved the democratic character and traditions of the country through courage and fearless independence. In South Africa and Zambia the judiciary recently delivered watershed decisions



that were critical of the conduct of members of the political executive. However, even in South Africa, where the courts are generally perceived to be independent, cases of executive interference into judicial matters have been noted lately.

With regard to electoral rights, most SADC countries have extended the franchise to all citizens of voting age (generally, 18 years and above). Due to the increasingly competitive and open nature of elections, more and more citizens are registering to vote and elections in the region are characterised by high voter turnout, as illustrated by the chart below.

**Recent Voter Turnout in the SADC region (by %)**



Source: International IDEA, 2009

In addition to high turnout, there is evidence of growing but cautious trust in electoral processes among citizens of SADC states. This trust and confidence in electoral processes is however unevenly shared among different demographic groups: older and rural voters are more inclined to participate in elections, in most cases voting for the incumbent party and candidate, compared to younger and urban voters who are lethargic and apathetic towards elections. An interesting phenomenon in some SADC elections is the increasing pattern of rural voters voting for the ruling parties while urban voters vote for opposition.<sup>2</sup>

The growing trust and confidence leading to increased voter turnout in the region can be attributed to the use of 'best practices' in electoral system and electoral processes design, for example the introduction of Proportional Representation in elections in Angola, Namibia and South Africa; the use of Mixed-Member Proportional voting in Lesotho (and hopefully soon in Zambia); and the use of quotas and reserved seats, and other affirmative action measures in Tanzania and Mauritius. The creation of independent electoral management bodies (EMBs) has also served the region well: eight of the EMBs in the region are independent of government control.<sup>3</sup>

A further impetus to strengthening democratic elections is the SADC Protocol on Gender and Development adopted by Heads of State in August 2008 to, among other things, increase the representation of women in all decision-mak-

2 Mingeni P. (2008) *Rural versus Urban Voters*, Times of Zambia, <http://www.lusakatimes.com/?p=5259>. Accessed on 03 November 2008.

3 EISA (2007). *Promoting Credible Elections and Democratic Governance in Africa*, <http://www.eisa.org.za/WEP/comemb1.htm>



ing structures to 50% by 2015.<sup>4</sup> This step has made the SADC region a world-leader in the promotion of gender equality and the empowerment of women in all spheres of life, and particularly in politics.

The use of technology in elections has become a hallmark of the improved quality of the electoral process in the SADC region. Despite some recent failings, for example in elections in Mozambique (due to compatibility challenges) in most cases the use of new technology in elections has yielded positive results. This is especially true in post-conflict countries, such as the Democratic Republic of Congo. But attention should also be paid to the cost of using new technology in electoral processes and problems related to the sustainability of technology for the medium term.

Apart from achievements, some challenges remain and more reform in electoral systems, laws and practices is urgently required. Some challenges include the question of citizens living abroad. Apart from countries such as Botswana, Namibia and South Africa which allow external voting, the remaining SADC countries do not extend the franchise to citizens who live outside of their home nations. This leads to many citizens being denied the ability to exercise their electoral rights. For example, around 25% of Zimbabweans live in South Africa at present. Under current law only citizens on government assignments (who might therefore be expected to support the incumbent government) are allowed to vote in Zimbabwean elections from abroad.

Another contentious issue concerns the need to strengthen multiparty politics and levelling the playing field for all electoral actors. The current space given to political parties and candidates to contest state power without major hindrances is welcome, but more needs to be done to open up the political-electoral space to all electoral contestants. One option to help broaden the participation of parties might be the introduction of state funding of political parties. Apart from a few countries such as Namibia, South Africa, Malawi and Mozambique, the majority of SADC countries do not provide for political party funding. This tends to create uneven relations between political parties, especially between the poorly-resourced and fractious opposition parties and the dominant ruling parties which enjoy unlimited access to state resources and support from the private sector. This situation tends to engender an uneven playing field, which undermines fair electoral competition in the region.

## Possible futures in 2020

As citizens internalize democratic values and knowledge, and as they continue to engage in electoral politics, they are bound start demanding more accountability and greater “democracy dividends”. Recent protest in South Africa, linked to public service delivery and the demand for leader accountability, are good examples of this trend.

In addition, as the “liberation discourse” starts to fade from the memory of voters, especially the born-free voters, it is likely that voters will start to demand

4 SADC Protocol on Gender and Development, [http://www.cladem.org/english/news/Protocol%20on%20Gender%20August%202008%20-%20English0001\(4\).pdf](http://www.cladem.org/english/news/Protocol%20on%20Gender%20August%202008%20-%20English0001(4).pdf)



greater returns for their electoral support: there will be fewer “free lunches” for “liberation” politicians. Recent developments here include defections from the ANC in South Africa; bickering within the CCM in Tanzania, and tensions within SWAPO (Namibia), BDP (Botswana) and ZANU-PF (Zimbabwe). These examples clearly demonstrate that the liberation discourse will not remain a permanent discourse and that power is not a birthright.

Another emerging pattern in politics in the SADC region is the increasing conflation of party political ideologies, especially the move towards the “ideological centre”. This will probably lead to more cooperation among political parties, especially opposition parties, in an effort to capture state power (e.g. South Africa, Namibia, and Mauritius – although in the latter case there is a longer history of coalition politics). However, similar trends in Kenya over the last few years indicate that coalition politics contains both generative and degenerative seeds, and that whatever is nurtured could grow to stabilize or to destabilize the political system.

There is increased pressure from both international and regional institutions to foster the commitment to good governance, which bodes well for the future of democratic elections in the region. Examples include the *SADC Principles for Democratic Elections*, the *AU Charter for Democracy, Governance, and Elections*, and *NEPAD* and the *Peer Review Mechanism*. However, for these worthwhile goals to be achieved there is a need for greater commitment to and compliance with these programmes, and a requirement for effective sanctions in cases of non-compliance.

Another emerging trend is the development and use of technology in the conduct of elections. The next few years will see unprecedented use of technology in elections: boundary delimitation, voter registration (including e-registration), balloting (including e-voting), logistics management, vote-count and announcement. When it is well-applied, technology can foster increased transparency and efficiency, thus leading to high trust and confidence in elections. But when it is not well-managed, technology can become the worst enemy of elections.

Other future developments might be influenced by factors that are exogenous to the electoral process. For example, the current global economic crisis might cripple the capacity of states to deliver on development, thereby causing citizens to disengage from politics, to become apathetic, or to vote for opposition parties. Alternatively, citizen engagement may take another turn through the use of violence protest to demand the state to perform. This could lead to violent confrontation and repressive retaliation from the state, causing irreparable breakdown in the relationship.

A recent study under the title “*Dinokeng Scenarios: three futures for South Africa*”,<sup>5</sup> depicts three possible scenarios for the future of democracy in South Africa. It goes without saying that given the expectation of increasing regional integration – partly aided by globalization – whatever happens in South Africa in terms of the future of democracy, is most likely to determine the future of democracy in the rest of the region in the other SADC countries. Hence it is appropriate to forge a link between the Dinokeng scenarios in South Africa and the future of democracy in SADC as a whole.

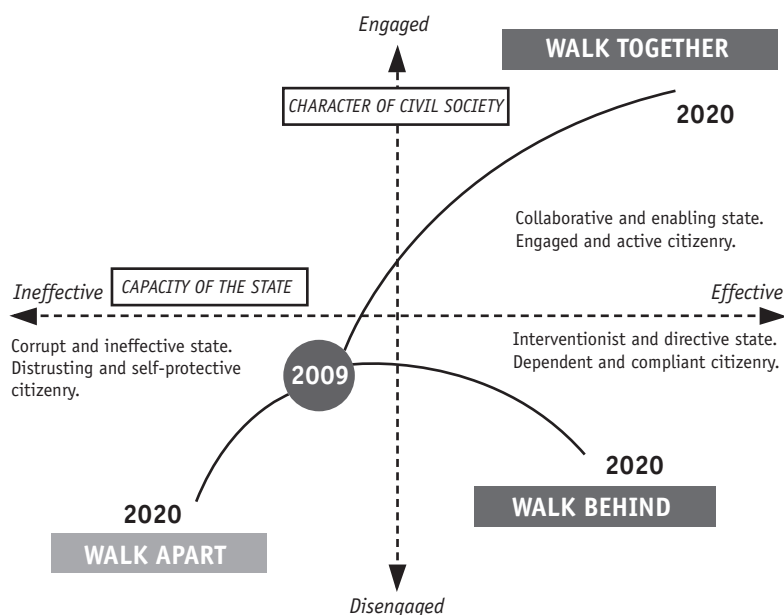
5 <http://www.dinokengscenarios.co.za/>

The Dinokeng first future scenario, i.e. *Walking Apart*, depicts a situation where government is ineffectual, repressive and unable to deliver on democracy and development and where these lead to anarchy and authoritarianism thus causing citizens to disengage with the state and to walk apart.

The second scenario in the study is described as *Walking Behind*, i.e. the state becomes more interventionist in the economy and other spheres in order to address soaring unemployment, spiralling crime and high illiteracy. This increase in state activity leads to complacency and withdrawal on the part of other actors including citizens and the private sector. As a result, a populist and dominant party system emerges which employs repressive means to achieve developmental goals. This scenario is considered counterproductive to democracy and good governance and causing citizens to apathetically walk behind a repressive dominant state.

The third scenario in the study called *Walk Together* occurs as a result of the state becoming more cooperative and collaborative with other actors – including opposition parties, the private sector, civil society and the international community – in the design and implementation of democracy and development agenda. This scenario can only be realized if democratic citizenship is encouraged and maintained and if the activities of the state are characterised by the rule of law, accountability, integrity and professionalism.

These three scenarios are illustrated in the following graph:





## Conclusion

What do SADC members need to do to ensure that the region achieves the *Walk Together* scenario, and avoids the *Walk Behind* and *Walk Apart* scenarios?

First, we need to strengthen the watchdog role of regional institutions and sharpen the implementation of key regional protocols and instruments. The institutions which can assist the region to achieve its democratic governance include the SADC Heads of State, who have the role of crafting standards and principles for democracy, elections, and governance; the SADC Parliamentary Forum, which is mandated to play an oversight and watchdog role for the executive structures of the region; the SADC Electoral Commissions' Forum, which should guard the independence and operational integrity of electoral management bodies in the region; and also the SADC judicial structure (tribunal), which should oversee effective delivery of justice, including electoral justice, in the region.

Secondly, there is a need to strengthen the national democratic institutions, such as the electoral management bodies, civil society, the judiciary, media, and parliaments, through increased independence from the state, more adequate funding, and better mechanisms for peer support, review and learning.







# Appendix

Press Coverage in the Namibian Newspapers



# Allgemeine Zeitung

25 August 2009

By Eberhard Hofmann

## More debts, climate change

FNB-Head Rukoro warns politicians against politics of entitlement in foreign policy

**Namibia and her government should stop the politics of entitlement in their relations with Western countries, “just because these nations colonised us”. FNB-Head Vekuii Rukoro expressed this opinion yesterday at a development conference held in Windhoek.**

Yesterday, the chairman of the First National Bank Holdings Namibia together with Dr. Peter Katjavivi, Director General of the National Planning Commission, formed the opening panel of the conference organized by the Namibia Institute for Democracy (NID) and the Institute for Public Policy Research (IPPR). The event will continue today. The conference brings together academics, politicians, civil society activists und development planners from Namibia, South Africa and Europe. The conference is intended to draft a scenario of the further development of the SADC-Region until the year 2020.

In his introduction, Rukoro expressed his dissatisfaction with the “stale and long outdated political arguments”, which paralyze Namibian society and economy. He proposes a three-fold paradigm shift. Firstly, he wants “to stop the politics of entitlement” that entail the expectation “that the Western countries owe us and must forever provide us with special favours”. Secondly, Rukoro expects Namibia to “shake off our naivety” in dealing with the benefactors of the past liberation struggle and turn away from thinking that “we are comrades and allies forever, and these ‘guys’ will never seek to pursue their own narrow interests at the cost of our own national interest”.

Instead, Rukoro demands that economic development in Southern Africa be “the sole and only responsibility of the region, their people and their governments”. Therefore, he seeks close cooperation between the business world and governments to define a comprehensive and integrated economic agenda. This is a necessity for engaging with economic power blocks such as the USA, EU, Russia, China and Japan. “In the absence of such a collective regional agenda countries such as China must not be blamed for doing the most natural thing, namely to aggressively advance their national interest by taking advantage ‘of the most favoured partner nation’ treatment we reserve for them exclusively throughout the region, as our ‘thank you’ for liberation solidarity.”

Thirdly, Rukoro would like to see that governments find their way back to a development policy, which follows an “unusual course” by including their people and the citizens in the planning process.





Preceding Rukoro, the Director of the National Planning Commission, Katjavivi, outlined the developmental priorities of the Namibian government against the backdrop of unemployment and global financial crises. Economic growth is expected to again reach the level it had before the current crisis set in. Government aims at the consolidation of public expenditure to ensure the sustainability of indispensable services. As a new challenge, the state has to confront the impact of natural disasters and the global climate change. Government will also pay special attention to the fluctuation of energy and food prizes.

*Translated by Barbara Winterfeldt*



# The Namibian

25 August 2009

By Jo-Maré Duddy

## Namibia warned against “soft-loans”

Namibia should “insist” on conditions that benefit its development agenda when dealing with partners such as China, Finance Permanent Secretary Calle Schwettlein said yesterday. If not, the country should “have the courage to say no” when it doesn’t.

Using the example of the multi-million dollar scanner transaction between the Government and the Chinese company Nucotech, currently the subject of a corruption, fraud and bribery case, Schwettlein said the incident could have been avoided if Namibia had demanded that the deal be put out to tender.

The PS made these remarks at a conference with the theme, “Southern Africa 2020 Vision: Public Policy Priorities for the Next Decade”, where various other speakers shared his sentiments.

FNB Namibia Group Chief Executive Officer Vekuii Rukoro said Namibia should “shake off our naivety in our dealings with our former benefactors during the liberation struggle”. This naivety, said Rukoro, is based “on the fact that we were comrades and allies forever and these guys will never seek to pursue their narrow national interest at the cost of our own national interest”.

Henning Melber, Executive Director of the Dag Hammarskjöld Foundation agreed. “Namibia must realise that its friends from the past aren’t necessarily its friends at present”, he warned.

In the Ministry of Finance’s application to the Tender Board to exempt the Nucotech deal from open bidding, of which *The Namibian* has a copy, the “special” relationship between Namibia and China takes centre stage. “In view of the excellent and special relationship that exists between Namibia and China to further deepen the friendly relations and promote the economic and technical co-operations, the Ministry of Finance (MoF) sees the need to procure the scanners as a matter of urgency whilst exploring the opportunity under the Sino-Africa Development Initiative” the letter, dated 12 December 2007, reads.

The Tender Board agreed to waive the normal tender procedures on the US\$60 million deal. “The Government of Namibia and the Chinese Government will co-finance the procurement of scanning equipment during 2008/2009” according to the approved application. The Ministry initially intended to put the procurement of the scanners out to tender.

Three months earlier, on 11 September 2007, the Ministry of Finance wrote a letter to the Tender Board, asking them to assist the Directorate Customs and Excise with the allocation of a formal tender number and advertisement for the “supply, installation and delivery” of one re-locatable X-ray examination system, one baggage inspection system and three mobile inspection systems for customs entry and exit points.





However, China insisted on tender exemption, in return for a “soft loan” of around N\$500 million. “It’s a take-it-or-leave-it approach”, Schlettwein described China’s aid agenda. “They structure aid as follows: they give you a basket of money, say governance is no problem, but insist on providing everything,” he said.

Namibia has meanwhile decided not to make use of the export credit line of US\$100 million offered by the Export-Import Bank of China, co-financiers of the Nutech deal, because of “unfavourable” terms and conditions.

Rukoro yesterday said that Southern Africa, led by a partnership of politicians and business people, must define a comprehensive and integrated economic and development agenda for the region.

“In the absence of such a collective regional agenda, countries such as China must not be blamed for doing the most natural thing, namely to aggressively advance their national interest in our region by taking advantage of the most-favoured nation treatment we reserve for them exclusively throughout the region, as a regional “thank-you” for liberation solidarity,” Rukoro said.



# Republikein

27 August 2009

By Estelle de Bruyn

## Rukoro warns about regional integration

Namibia and also other countries in the Southern African Development Community (SADC) should abandon their politics of appropriation which is based on the assumption that all Western countries are colonialists and that they owe developing countries something.

In the second place, naïveté in negotiations with former well-doers during the liberation struggle, which is based on the assumption that they will forever be comrades and allies and not put their own narrow national interests above Namibia's, should also be gotten rid of.

This warning comes from the chief executive officer of First National Bank, Adv. Vekuui Rukoro who, on Monday, addressed a workshop with the theme "Southern Africa Vision 2020" organised by the Namibia Institute for Democracy (NID) in Windhoek.

According to Adv. Rukoro the direct and only responsibility of the people of Southern Africa is economic development. For this purpose a comprehensive and integrated economic and developmental agenda is necessary.

Besides this, the political leadership should stop paying lip service to the combating of corruption while millions of dollars of taxpayers' money is wasted on propaganda exercises. Corruption should be eradicated, root and branch, and good governance should be applied, not as a favour to Western countries, but because these are the fundamental human rights of the free people of Africa.

During question time Adv. Rukoro said that the only reason why Namibia is not part of the peer review system of the SADC, is because Namibia is part of the so-called "old boys club" in the region. To be part of the review system would mean acknowledging that some countries are "naughty boys" and should be kicked out because they don't behave. "Namibia doesn't want that because of solidarity with these leaders and a lack of solidarity with the suffering masses in such countries," Adv. Rukoro said.

He also pointed out that in spite of the increasing regional groupings that are forming in the world, decline can also be observed. He said that for many years regional integration has been seen as important and necessary instruments for economic growth in order to enable small economies like that of Namibia to play a role in the pursuit of common strategic interests for the successful economic development of all the countries involved. Progress with integration, especially on the level of service delivery, was not satisfactory.

With respect to the SADC, Adv. Rukoro said that one regularly hears that the local markets are too small to ensure sustainable growth. With only two million people in Namibia, of which only 30% make use of commercial banks,



it is a very small market, but when the SADC with its 248 million people is considered, it becomes a more attractive and economically viable market.

Because the financial sector is so important in the Namibian economy, the potential advantages of an integrated SADC is greater for it than for other service sectors. The financial sector utilises savings, awards capital to the most productive recipients, monitors the use of money, conveys information and manages risks, among other things. By improving the effectiveness of savings investments, the growth of the overall economy should improve.

Adv. Rukoro says that the private sector has a big role to play, but it is not always involved in issues relating to regional integration. The private sector feels alienated from the decision making process, but it is often on the receiving end of policy decisions that are in conflict with regional integration initiatives. "From our side we want to see deeper economic integration, such as opportunities to allocate functions that are not part of the core business of an enterprise elsewhere in the wider economic block.

"When we as FNB locally introduced one of our short term insurers, Out-Surance, we had to do groundbreaking work and offer short-term insurance in a way never before seen in Namibia, and that is why we chose the call centre in Randburg in South Africa. All local calls were relayed at local call costs to this world class call centre which is open 24 hours per day and to which all enquiries can be directed and all claims can be submitted. Our clients have the advantage that their claims can be processed faster without any additional cost. The clients hardly notice that the call is relayed to Randburg.

"I shudder to think what the cost would be to do something like this in Namibia," Adv. Rukoro said.

He points out, however, that there are some cases where the bank has been forced to use local service providers. The processing of bank transactions used to be done outside the country, but the authorities have now decided that it should be done here. It costs a fortune, and at the end of the day it will only result in higher banking costs for the client.

"What are the reasons for this? The conclusion is that it is old-fashioned and a misplaced sense of national sovereignty. It is unnecessary and in conflict with the theory about regional integration and the free trade agreement that was concluded last year. While they are talking about a common monetary unit, the policies are short-sighted and counterproductive," he says.

According to him the regional integration agenda is incomplete and still needs a lot of work to show the necessary results. "We as the private sector cannot become global in such an environment, especially when the monetary union comes into being in 2018. As a result our financial system remains weak and vulnerable against competing forces from outside the SADC that want to penetrate local markets," he warned.

He suggests that especially at political level the old ways of doing things should be deviated from.

*Translated by Herman Beyer*



# Allgemeine Zeitung

28 August 2009

By Eberhard Hofmann

## Commentary

Discourse must go on

Against the backdrop of many seminars, workshops and conferences, mainly donor-funded, it seems reasonable that the observer resorts to cynicism, or even gives way to resignation. What are they supposed to achieve? Hundreds of workshops brought no results. "Nothing doing, no joy" groans the cynic.

However, the question must be posed correctly. For example, who organizes a conference, who is invited, and was the conference well prepared? On the one hand, there are meetings with a reasonable or even productive outcome. On the other hand, there are official functions, which are just a waste of time and a lack of discipline. For example, if the beginning of the conference is delayed because the political office bearer who promised to come forces everybody to wait for far more than the "academic quarter" (15 minutes). And the organizers in slavish obsequiousness do not dare declare the conference open, leaving the keynote speaker to speak once he eventually deigns to come.

This week, the Namibia Institute for Democracy (NID) organized a conference with the demanding topic "Southern Africa Vision 2020: Public Policy Priorities For the Next Decade". For the conference, NID secured cooperation with the University of Namibia, two London-based Universities, the Namibian Institute for Public Policy Research (IPPR), as well as with some government representatives, amongst them the Director of the National Planning Commission, Dr. Peter Katjavivi, and the Permanent Secretary of the Ministry of Finance, Calle Schlettwein.

Let us disregard the long-windedness to which academics as well as politicians tend, since they need empty phrases to get going. But it remains essential for the development of the complex Namibian society that the public discourse on burning issues is kept alive, always anew and with the indispensable sharpness in the encounter between politicians and the (academic) civil society. Yet, all partners involved must keep asking themselves whether they assess the event they organized as productive or just as a happening, which offers donor organisations the opportunity to credit themselves with "useful" spending of their substantial funds.

*Translated by Barbara Winterfeldt*







# Allgemeine Zeitung

31 August 2009

By Eberhard Hofmann

## Reduce dependence

Several Namibian academics, politicians and officials agree that Namibia, in cooperation with other members of SADC, must reduce financial as well as intellectual dependence on foreign countries.

It was Calle Schlettwein who called for this most explicitly. Speaking in his capacity as Permanent Secretary of the Ministry of Finance, he contributed to the panel on “Public Policy Priorities until 2020”, together with the Director of the National Planning Commission (NPC), Dr. Peter Katjavivi, the Chairman of the First National Bank, Vekuii Rukoro, and others. On the part of the academics, André du Pisani, Professor at the University of Namibia (UNAM), and Dr. Henning Melber, Director of the Swedish Dag Hammarskjöld Foundation threw some light on the topic. The Namibia Institute for Democracy (NID) organized this two day conference.

“If Southern Africa wants successful development then we first have to reduce dependence on both the financial and the intellectual level”, Schlettwein emphasized. Adding comments to his pre-formulated paper, he conceded that responsible governance and administration are indispensable requirements. The alleged corruption scandal, in which Teckla Lameck, Kongo Mokaxwa and the Chinese national Yang Fan are accused of channelling millions of public money into their own pockets, could have been avoided had the government insisted on proper tender procedures instead of placing a direct order for scanning devices.

According to Schlettwein, Namibia only got involved marginally in “neo-colonial” loans, compared to other countries and in relation to the size of the national budget, thus “avoiding financial dependence”. Accepting such funds often entails overcoming “intellectual dependence”. “This results in Africans humbly accepting so-called ‘solutions’ offered by the donor institutions without thoroughly examining whether such ‘solutions’ are actually beneficial, or rather distort the nation’s developmental priorities.” Nonetheless, Schlettwein is proud that Namibia was rated a “suitable” recipient by the Paris Declaration of the donor countries, as well as on other occasions.

Schlettwein critically questioned who is actually meant to benefit when development partners tie funding to specific projects. “How many projects are linked with jobs and profits in Western countries, or are designed in a way that local enterprises are in no position to compete with international corporations? How many projects reserve huge sums for Western consultants who do not know the country and whose employ often yields rather little success?” Schlettwein added that he did not intend to give a wrong impression. Namibia owes gratitude to



donors who assist in developing the country. “We can prove that we utilize the money intelligently. And we are prepared to account for the outcome.”

In drafting their scenarios for the next decade, du Pisani and Melber concentrated more on democratic governance, the system of values and the need for political action. Du Pisani listed the areas of population growth and urbanization, poverty according to varying definitions, education, health provision (i.e., fighting HIV/AIDS, TB, and Malaria), handling globalization, employment creation and unemployment (e.g., economic growth without job creation), bottlenecks in the provision of water, trade and investment, regional security and combating crime, as well as political leadership and governance.

Melber criticized the current elitist character of governance in SADC. He pleaded for a fundamentally different approach. He concurred with the critique of the lopsided dependence of the states, emphasizing that the equation appears distorted: export of high-quality raw materials result neither in poverty reduction, nor in an increasing domestic share of productive property, nor in domestic value-creating efforts. On the contrary, pointing to South Africa as a case in point, Melber stressed that “there is massive de-industrialization.”

*Translated by Barbara Winterfeldt*



## Republikein

1 September 2009

By Estelle de Bruyn

### Gap between rich and poor smaller

Over the past years Namibia has succeeded in reducing the gap between rich and poor, and it currently stands at 0.6 as compared to the previous 0.7 on the Gini quotient scale. According to the Permanent Secretary of Finance, Mr Calle Schlettwein, this is an unprecedented reduction.

He was one of the speakers at a conference about regional integration presented by the Namibia Institute for Democracy (NID) last week.

Mr Schlettwein points out that the World Economic Forum recently indicated in its report on competitiveness in Africa that Namibia was far ahead of other African countries with development. Namibia was singled out as one of four countries in Africa that serve as examples of what can be accomplished. "At the time of independence Namibia inherited one of the most unequal societies in the world, with the prosperity concentrated overwhelmingly in a small sector of the society," Mr Schlettwein said.

He adds that Namibia is the first country south of the Sahara to make antiretroviral drugs available to all people who suffer from HIV/Aids, thereby significantly reducing death rates. The levels of infection of persons between the ages of 15 and 24 years have also been reduced significantly, leading to one of the agencies of the United Nations, UNAids, naming Namibia as the best achiever in this field. The International Monetary Fund (IMF) annually reviews Namibia's financial systems and constantly concludes that they are healthy. Besides this, the country's fiscal and economic policies as well as the results are of such a nature that Namibia's sovereign debt received investment grade status from one of the world's top credit rating agencies.

Mr Schlettwein says that Namibia is on track to reach the Millennium Development Goals, but will not reach the target of donor assistance, because developed countries prefer to tender assistance to the least developed countries. Nevertheless, he points out that many staff members of the Ministry of Finance did not undergo the initial training on the budgeting process and therefore do not understand it. A process has now been initiated to redress this situation.

Mr Schlettwein says that confusion exists about what exactly is meant by "Southern Africa." "Is it the Southern African Customs Union (SACU), is it the Southern African Development Community (SADC), or is it the SADC Economic Partnership Agreement Group (EPA), or even SADC COMESA? "If Southern Africa wants to develop successfully, the first thing that should be done is to reduce our dependence on both the financial and intellectual levels. Much has been said about the neo-colonial tendencies of donors (especially multilateral donors) who force dependency upon African countries in order to control their development.



“It may be true. Namibia was careful to avoid financial dependency. There is little funding through donations in comparison to government spending and the country has a long term goal to become a donor itself. Even if a country like Namibia is not financially dependent on donor money, an equally harmful and even treacherous form of intellectual dependency may glimmer through, which has to be overcome. Too often this leads to the case that Africans uncritically accept “solutions” offered by donors without properly considering their value or how they may distort the nation’s developmental priorities,” Mr Schlettwein says.

In terms of the Paris Declaration donors undertook to use the systems in recipient countries where possible. Namibia’s public financial systems have been independently evaluated at various occasions and have been found to be eligible for budget support.

“Because programme budgeting has not been accepted as standard practice for developing countries, donors do nevertheless try to make the use of our systems subject to changes to fit in with standard models. If we did not refuse to budge, we would have been forced to accept a standard model that would have been a huge step backwards in our budgeting practices.

“Donors like to donate money for projects, because it provides employment opportunities and influence to staff members of development partners,” says Mr Schlettwein. Some have described the practice as a way that corrupt governments get donors to finance essential services while they scoop the cream of the state finances for themselves.

“In Namibia we have the opposite point of departure. We try to persuade donors not to provide project funding, and if they do so, to make sure that it doesn’t go for priority projects. Projects that are priorities should be financed by the government. In this way there is little dependency and a smaller chance that donors can interfere with effective government systems,” he added.

He also asks to whose advantage many of the projects are that are proposed by donors and how many of the projects are connected to employment opportunities and profit for Western countries. In this way the development of local expertise and experience is restricted. He also wanted to know how much money is put aside to pay Western consultants who do not know the country and whose contributions have little value.

However, Namibia is grateful for the contributions made by donors to the development of the country, says Mr Schlettwein. “We can prove that we use the money wisely and that we are prepared to be held accountable for the results.”

Mr Schlettwein also points out that a number of myths about development and regional integration exist. It is not necessary that every sub-regional integration should follow the model of the European Union, which moves from free trade to a customs union, and from there to economic integration and then to the introduction of a common monetary unit.

It is also not necessary that all countries in a region should move towards integration at the same tempo. Likewise, free trade does not necessarily provide developmental benefits and local enterprises do not necessarily derive benefit from competition if it is not allowed to develop.

According to him it is important that countries in Southern Africa should avoid dependence and get rid of the myths. They should also learn from oth-



er's mistakes, but not slavishly follow the successes achieved elsewhere. They should negotiate and budget so that the result can be good and they should make policy decisions based on facts and analysis.

*Translated by Herman Beyer*





# Republikein

2 September 2009

By Estelle de Bruyn

## Region's vision should benefit residents

The wave of prosperity because of mineral riches that for a while benefited especially Angola, Botswana, Namibia, South Africa and Zambia, was short-lived. Besides this, old structural patterns that did not support sustainable development in local possession were reconfirmed. Similarly, high economic growth rates did not bring about changes in poverty reduction, employment creation, local ownership or added value.

This is according to Dr Henning Melber, executive director of the Dag Hammarskjöld Foundation in Sweden, who participated in a two-day conference on regional integration presented by the Namibia Institute for Democracy (NID).

The economy in the Southern African region remains more than ever dependent upon a few basic raw materials for export and trade regimes aimed at the generation of income. This happens by means of international trade under beneficial schemes such as the American Act on Growth and Opportunities in Africa (AGOA) and other bilateral agreements. When the global economy collapsed in 2008, it was once again confirmed that the economy in Southern Africa is completely dependent on the world market. The result was a recession.

Because the local economy is so dependent on international markets, opportunities to develop the regional architecture as well as development based on mutual interests between neighbouring states have slipped through the fingers.

Dr Melber warns that should the current tendencies of how the economy is managed continue, the deterioration of socio-economic conditions is more certain than any growth. The so-called "curse" of resources should be attended to. According to Dr Melber it is also not desirable to replace one commodity with another. He mentions the example of Namibia where the slump in the diamond market was overcome to a certain extent with an increase in the production of uranium oxide.

Yet these economic growth models do not benefit the majority of the people as a means to reform the economic foundation in the medium and long term. "As usual, matters will only contribute to the deterioration of the living conditions of the majority of people in the region and will disregard the fundamental challenges associated with climate change. In order to address these challenges, which concern energy production and consumption, water shortages as well as droughts and floods, it is essential to find regional solutions rather than national solutions," says Dr Melber.

In order to ensure the survival of the poor majority of the population in Southern Africa, countries in the region will have to decide together on the way forward that will strengthen the regional component and cooperation. According to Dr Melber the current disorientation is an indication of a lack of a common vision with respect to regional strategy.



He is also of the opinion that the future of the Southern African Customs Union (SACU) as well as the Southern African Development Community (SADC) is in question and that resolute initiatives are required to solve the crisis.

Positioning with regard to external partners like the European Union as well as the emerging economies of Brazil, Russia, India and China (BRIC) and other influential countries requires a systematic approach. The same applies to the AGOA. "Is this a trade act which encourages true economic growth based on a model and which benefits the majority of the people, or is it the "trade as support" paradigm which further entrenches old dependencies?" he asks.

"There is an urgent need for a locally defined agenda that the region takes ownership of. Some of the internal dynamics remain difficult to analyse and to manage. Will South Africa decide to act as a benign hegemonic leader? Will Angola emerge as a competitive hegemonic force that wants to take over the dominant role? Will Zimbabwe recover and play a more constructive role in the region in the near future?"

The promotion of solidarity and the strengthening of common normative frameworks will be essential for the implementation of a strategy to manage internal and regional disparities.

Hand in hand with this goes the distribution of productive assets, the distribution of public goods, including water, sanitation and health, as well as energy, housing and education. Also included are the resolution of conflicts and the protection of human rights. The interests of individual countries will also have to be protected while respect for regional interests should be promoted.

*Translated by Herman Beyer*



















