

REMARKS BY TOM K ALWEENDO (MP)
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DEVELOPING NAMIBIA WITHIN CONTEXT OF NDPs
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Master of Ceremonies,
Ladies and Gentlemen

I would like to thank the Economic Association of Namibia for inviting me to speak and participate in discussions about our economic development. Discussions such as these are important and should be part and parcel of our development process. They allow us to reflect and review the progress we are making in our quest to develop and industrialise Namibia. They offer an opportunity to spur ourselves on to go after our economic development goals, provided we do so objectively, maturely and constructively.

To appreciate the progress we have made since attaining independence in 1990, one has to reflect on the circumstance that our pre-independence history created in Namibia. The circumstances were one of a segregated and unequal society, poorly educated and hence a large skills deficit in many of the activities of the economy. Given these conditions, we faced a daunting task in developing the country. As a result, our detractors were convinced that it was only a matter of time before disaster sets upon us as a country. Today, we can say with confidence that we have proven our critics wrong. Namibians have demonstrated that we are capable of exceptional things.

Our development strategies through our national development plans (NDPs) have at the onset focused on investing in the people, both education and health. This is evidenced by the budgetary allocations to these sectors. Secondly, our development strategy focused on inculcating a caring society, by providing and ensuring social safety nets to most vulnerable members of our society. Thirdly, our strategy focused on economic development founded on sound economic management, where we have focused on ensuring that we invest in economic infrastructures, while maintaining a stable macroeconomic environment.

By addressing these fundamental development issues, we were able to ensure peace and stability, which have helped anchor economic growth and poverty reduction. The

economic growth rate continued to improve since independence, recording an average of 3.5 percent in the first decade of independence, 4.6 percent in the second decade and 5.7 percent in the first four years of NDP4. The average economic growth rate between 1990 and 2015 is 4.4 percent. The sustained strong economic growth shows that we have created a strong foundation and *sine qua non* for future pursuance of development. This is reflected by the increasing decade average growth rates since independence.

Despite these achievements, there are still some that remain sceptical and continue to be cynical about our ability to manage our affairs and continue achieving more development successes. They conveniently choose to focus on the negatives, deriding our development efforts. Almost as if they would rather prefer that we do not succeed.

Of course, we are fully aware that development is a complicated, complex task and cyclical. We have to develop under a globally competitive environment, where we have to compete in the markets with well-established developed economies. We have to develop and catch-up to the developed economies. In addition to global market complexities, Namibia is also vulnerable to short- and long-term environmental shocks, which affects our major sources of growth. These factors perpetuate cyclicity in economic activities and development.

Equally, we are quite aware that the development process entails continuously attempting to improve on past performances. Therefore, our achievements so far are not to say we have reached the apex of our development. Indeed, we still have a lot to do.

Our development planning process has always endeavoured to ensure that we learn from our experiences. This is reflected in the evolution of our NDPs, which have evolved from a comprehensive all-encompassing planning to more focused development plans adopted through the NDP4.

One main challenge under the past NDPs is that not everyone pursued the NDPs with the requisite enthusiasm, vivacity and loyalty. The NDPs have generally been viewed as government strategies and not as national plans. It is critical that all Namibians own, support and pursue the NDPs with vigour and enthusiasm. Every Namibian must identify a role for themselves in the NDPs.

I am indeed happy to note that we are improving in this regard. Although there are still those that remain sceptical and view themselves outside the development box, many have embraced the NDP4 and played an active role in pursuance of our development objectives.

The economic growth and developments we have achieved has not resulted in sufficient job creation, and despite significant inroads, poverty and inequality levels remain extremely high. These high levels pose challenges in terms of the capacity of the economy to sustain the investments in social welfare.

Namibia faces important challenges in diversifying the economy and broadening economic opportunities. The economy remains heavily dependent on mining, while limited demand for unskilled labour leads to concentration of labour in unproductive subsistence agricultural activities. The relatively strong economic growth has not been sufficient to deal with poverty, inequality, and unemployment. Equally, major production sectors such as mining, tourism, livestock and meat production, and fisheries are exposed to external economic and ecological shocks.

In this context, NDP5 has to continue where NDP4 has ended in attempting to transform the economy through industrialisation. In order to transform the economy, we have to ensure innovation, not only technologically, but more so, in terms of institutions, revamping the education and training system to produce relevant skills for the future. Skills that improve our competitiveness and that will allow us to catch-up and compete with the developed economies.

NDP5 must therefore be viewed in that context that it reflects evolving circumstances and addresses observed deficiencies in our development process. The transitions between the NDPs provide an opportunity to evaluate progress, improve development planning and ensure that the planning process facilitates the intended development and structural changes necessary to achieve Vision 2030.

I also wish to touch on the issue of government role in the economy. In general, markets are typically imperfect, which makes government role in the economy relevant and necessary. In our case, the primary role of government is to coordinate economic decisions directed at transforming the economy. We have achieved a lot with NDP4 and its predecessor development plans, by ensuring peace and stability, basic

infrastructure, stable macroeconomic environment and the rule of law. However, we have also observed that without explicit actions to rectify past imbalances, the scourges of poverty and inequality continues to persist.

By explicitly making provision for economic planning in our Constitution, its founders appreciated the expected role of government in the economy. Efficient planning is at the heart of many successful developing countries that have managed to achieve their development objectives. Through development planning, national Governments have played important roles in the successful development experiences of the countries in East Asia. The role of government and development planning is critical to militate against uncompetitive tendencies by economic agents.

I am mentioning this, because there have been sentiments that want to relegate government's role in the economy, which in our circumstances will most certainly result in further inequality and expansion of poverty. It is therefore important that from the onset, we accept the important role that government has to play and that as a collective, we support government to execute its role.

The sustained strong growth that Namibia has enjoyed since independence has been driven by the extractive sectors, particularly mining, strong export prices, rapid private credit growth, and a well-managed fiscal strategy. Therefore, the current economic challenges should be a temporary setback, provided we do the right things, however unpalatable. And rest assured that as government we will do the right things to restore and ensure that our economic fundamentals are sound and will be able to help us withstand challenging times such as the current economic hardships.

I always say that we must talk about our achievements, which should serve to remind us that we are capable of achieving great things. That no challenge is too big to overcome and that we are capable of doing more, provided that we are prepared and committed to do what it takes to overcome the remaining challenges.

Prosperous nations are built by those that are committed to form a cohesive and united front and have a collective self-belief to surmount whatever challenge they may encounter. Developing this country is not a responsibility of government alone, but a collective responsibility of all Namibians. We will only achieve Vision 2030 and realise the goals of our NDPs, if we unite and pull together in one direction.

I thank you.