

OVERVIEW OF RURAL ECONOMIC DEVELOPMENT IN NAMIBIA

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challenges & opportunities
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01

Introduction



Objective of paper

The objective of the paper is to assess the status of the rural economic development in Namibia and the challenges faced.

01

Namibia is a geographically large country with a small population.

02

The rural population in Namibia is underdeveloped, high unemployment rates & consequently higher poverty rates compared to the urban areas.

03

The agriculture sector of Namibia continues to play a vital role in the development of the country's economy, particularly the rural economy.



01

Rural Policy Framework



Rural Policy Framework

A review of the Rural Policy Framework in Namibia

There have been concerted efforts by the Namibian government towards bridging the gap between rural and urban areas.

Vision 2030 (2004)

The objective of Vision 2030 is to ensure that Namibia is an industrialized country of equal opportunities, which is globally competitive, realizing its maximum growth potential on a sustainable basis with an improved quality of life for all Namibians by 2030.

National Development Plans

The NDPs aim for rural development and rural poverty alleviation by ensuring that development processes improve the livelihood of rural people through sustainable human development efforts.

Decentralization Policy (1998)

The Decentralisation Policy ultimately aims to devolve agreed responsibilities, functions, and resource capacity to regional and local levels of government, within the framework of the unitary state based on national ideas and values

National Rural Development Policy (2012) & Strategy

Aim: Social cohesions, stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development

Rural Policy Framework

A review of the Rural Policy Framework in Namibia

The following areas can be enhanced to make the rural development policies more effective:

- Improve coordination and create synergies on policies and strategies focusing on rural agriculture.
- Incorporate a region-specific analysis into the design of a new RDP and RDS
- Develop an internally consistent narrative that identifies the main constraints to rural areas and clearly understand what constitutes the private sector in rural areas and develop a strategy for its support.
- Incorporate a region-specific analysis into the design of a new RDP and RDS
- Targets of developmental goals should be as realistic as possible.
- Incorporate a detailed analysis of which policy interventions are more suited to decentralized processes and why.
- Incorporate an analysis of fiscal spending per region to visualize if this reflects the spatial inequalities of Namibia.



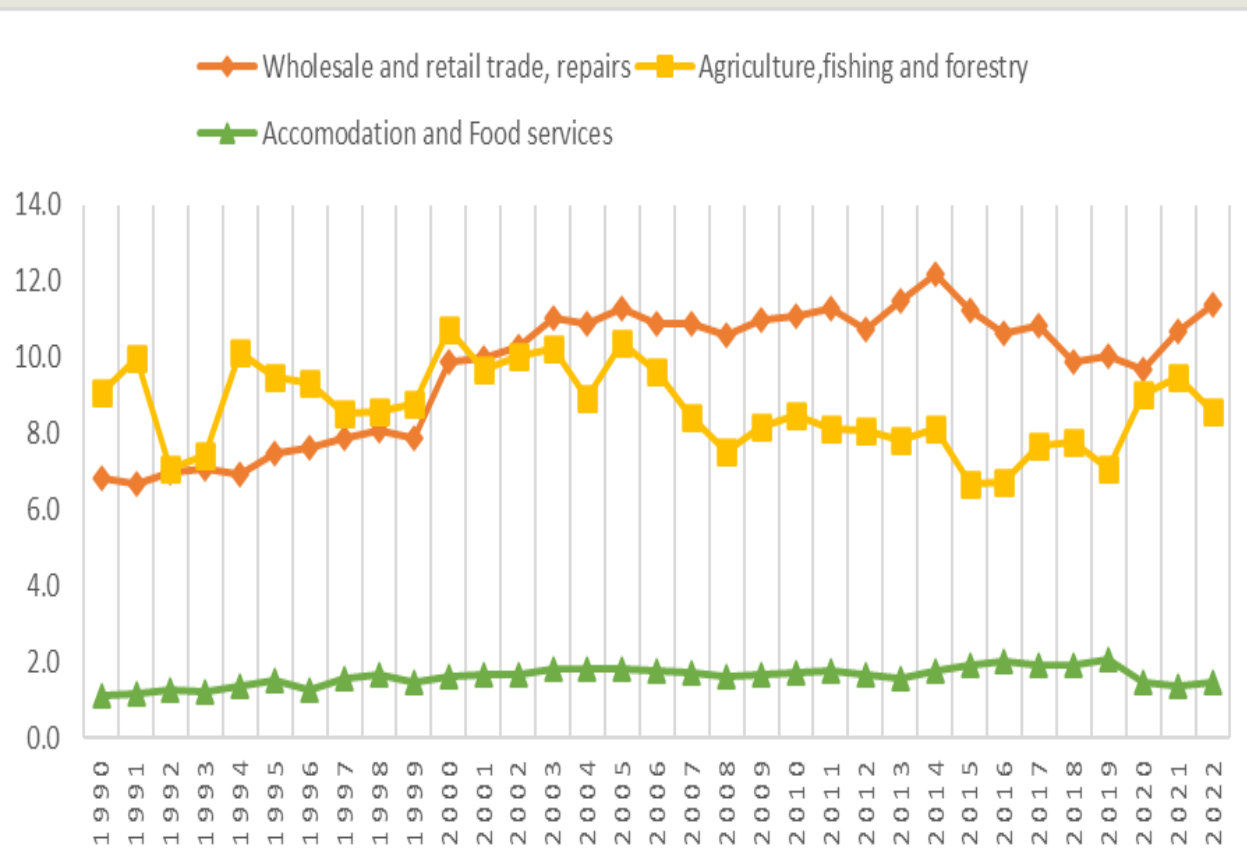
03

Economic activities in rural areas



Economic activities in rural areas

Contribution to GDP

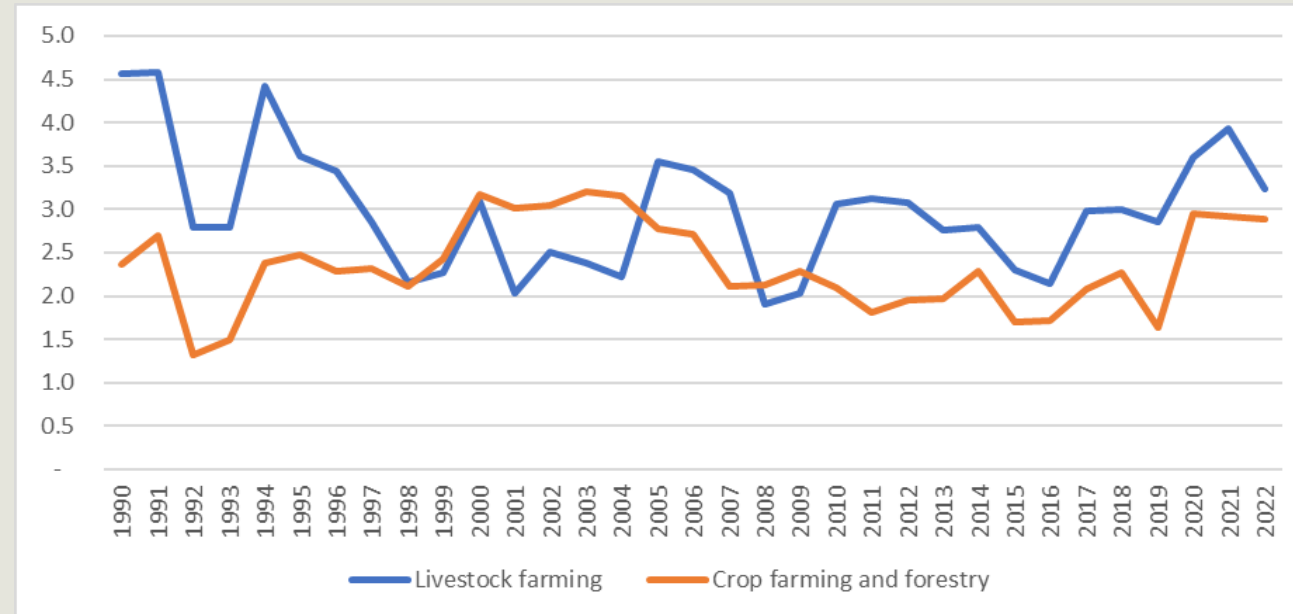


- Three top economic activities undertaken in the rural areas: wholesale & retail trade, agriculture, fishing & forestry and accommodation & food services.
- Wholesale & retail trade, repairs seem to have been the main activity so far
- Agriculture, fishing & forestry sector has remained an important sector both in terms of GDP contribution & livelihood
- 90% of accommodation and food services is beverage serving activities (such as bars),
- 78% of all rural businesses remain unregistered due to cumbersome registration procedures.

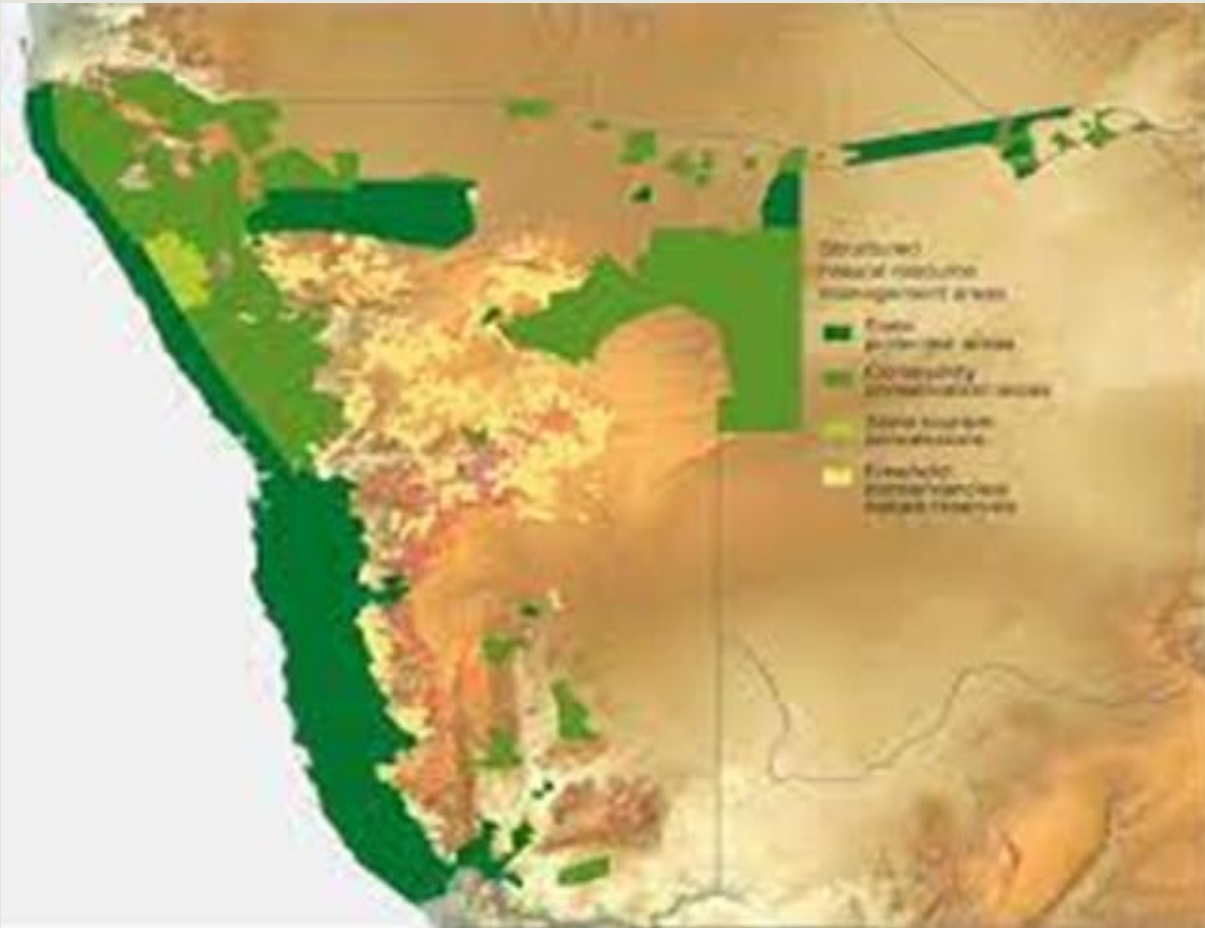
Agricultural sector

- Around 70% of the country's population depends directly or indirectly on agriculture for their income & livelihood, mostly in the subsistence sector.
- Agriculture, fishing and forestry contributed on average 8.7% to GDP.
- A total of 167,242 jobs was in agriculture during 2018, with a considerable number of those being in rural parts of Namibia. *87.6% of those jobs were informal.*
- Recurrent droughts have highlighted the vulnerability of Namibia's agri-food sector to the impacts of climate change.
- Access to certain inputs like feed for livestock & limited access to quality seed varieties – barrier to increasing agricultural productivity.

Contribution of the Agriculture sector to GDP



Tourism



- The tourism industry (accommodation and food service) employed 83,056 people (2018 Labour Force Survey), making it the second largest contributor to employment.
- Conservancies have become central in the evolution of new institutional arrangements for community involvement in tourism.
- A total of 86 communal conservancies and 42 communal forests registered by (MEFT).
- One of the main challenges in rural tourism development is that very few regional councils in Namibia are involved in and/or understands tourism development.

Small-scale mining

The small-scale mining sector, which is predominantly rural, can improve local economic and social development in the country.

Approximately 5,000 Namibians earn their income from the small-scale mining sector.

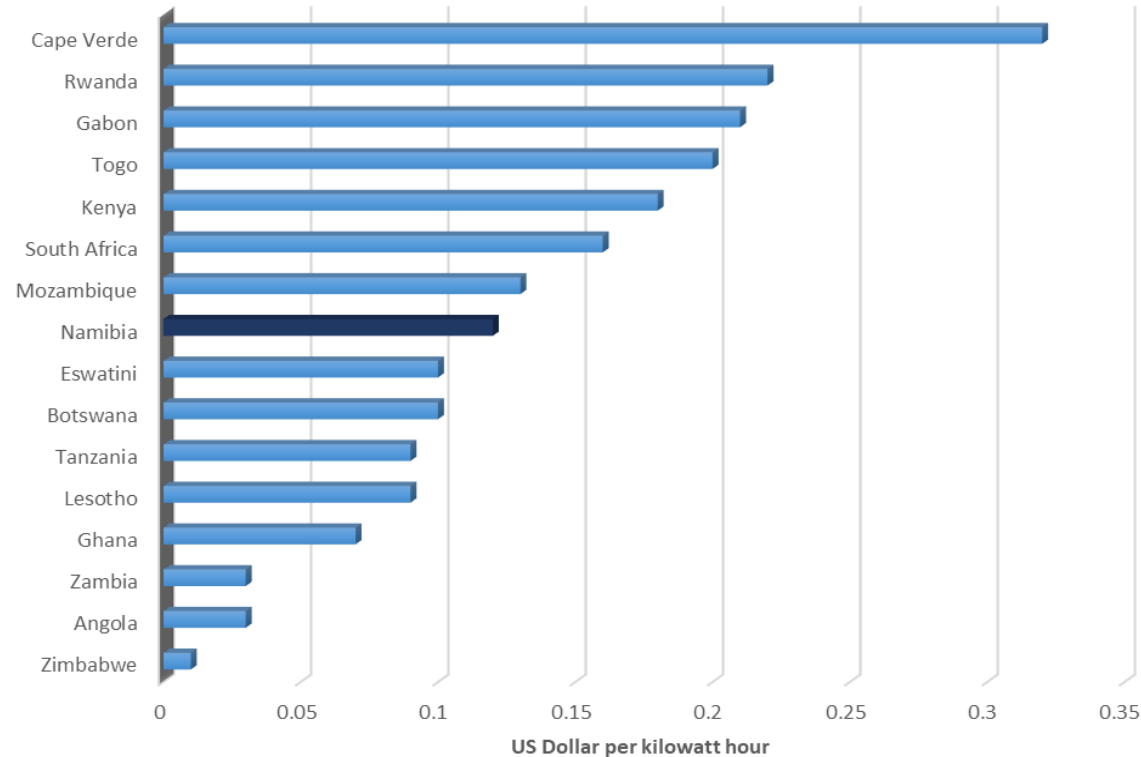




03

Infrastructure and accessibility to economic enablers





Energy

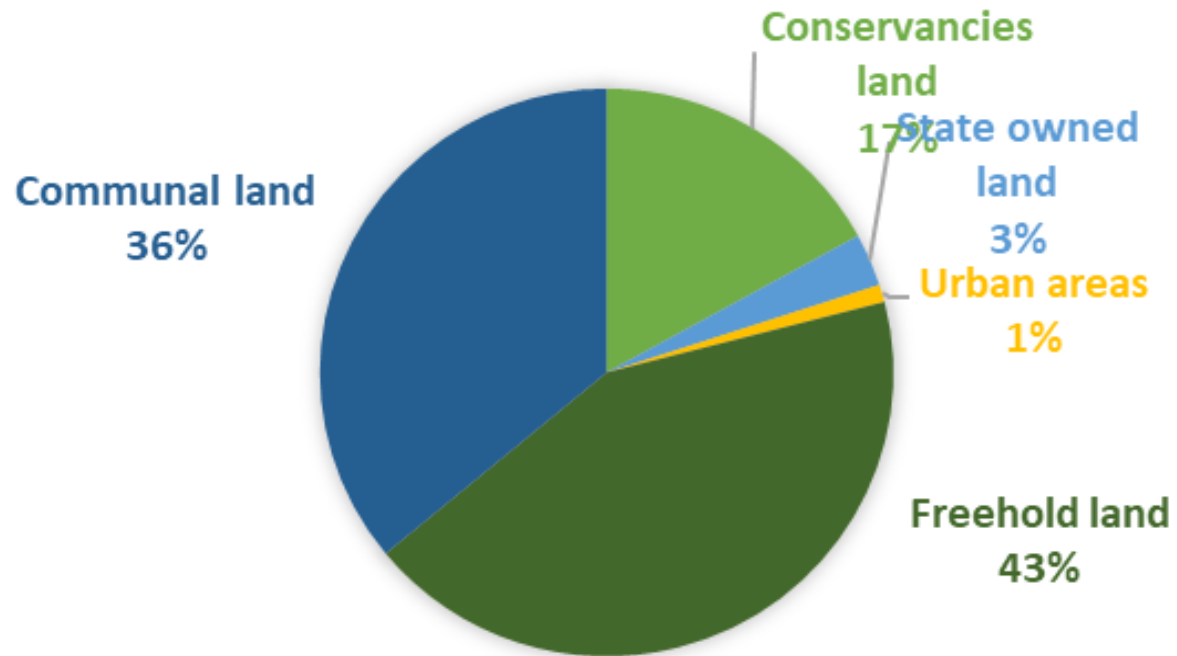
- Namibia currently has an estimated electricity access rate of about 48%, comprising of 73% urban and 21% rural.
- High prices a concern – NA more expensive than neighbouring countries, except South Africa – can be inhibiting to rural population.

	Broadband population coverage 3G+4G	People not covered		
Region		3G	4G	Broadband
!Karas	84%	14,476	17,194	14,230
Erongo	96%	9,924	12,630	9,581
Hardap	82%	17,628	22,157	17,371
Kavango East	95%	9,841	28,330	7,780
Kavango West	72%	28,992	38,005	25,282
Khomas	98%	9,924	12,346	9,547
Kunene	52%	53,461	64,320	51,929
Ohangwena	95%	25,015	20,378	14,358
Omaheke	66%	29,811	34,020	27,286
Omusati	97%	12,414	12,964	7,269
Oshana	99%	2,494	3,468	1,402
Oshikoto	86%	43,599	42,687	29,945
Otjozondjupa	83%	28,914	41,515	27,795
Zambezi	93%	8,240	23,508	7,606
Namibia total	90%	294,733	373,524	251,383

Telecommunication and internet services

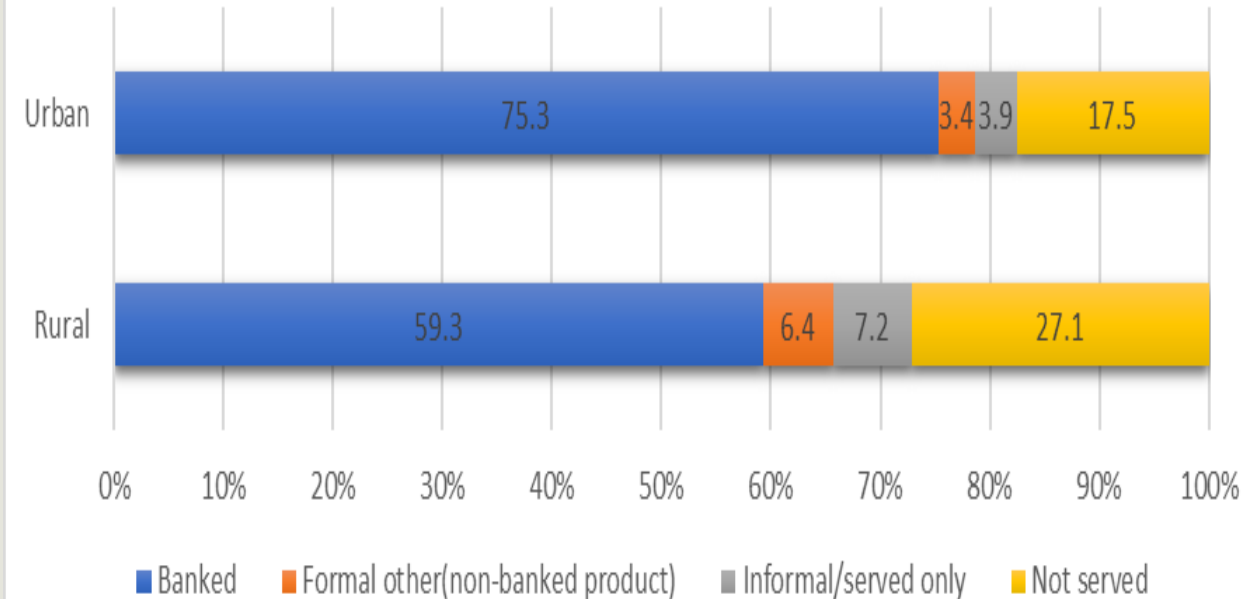
- Generally high coverage rate – but
- Kunene region exhibited the lowest coverage of both the 3G and 4G coverage at 52%, followed by the Omaheke region at 66% & the Kavango West region at 72%, indicating that these areas remain the least covered in terms of broadband services.
- Despite impressive coverage, cost of data remains high – can inhibit access.

Infrastructure and accessibility to economic enablers



Land tenure

- Namibia has two main land tenure systems: freehold in declared urban areas and so-called commercial farms, and customary tenure on communal land, all of which is rural.
- Land tenure system is a developmental challenge for rural development – land rights does not allow for use as collateral.



Financial services

- People living in rural areas need access to financial services for a range of productive (asset building, working capital) and protective (mitigating risk exposure, including health issues) purposes.
- 27% excluded

Infrastructure and accessibility to economic enablers

Road Region	Bitumen	As % of Total	Gravel	As % of Total 2	Salt	Earth	As % of Total 3	Total
!Karas	1323.4	17.3	5027.7	65.7	5	1301.6	17.0	7657.7
Otjozondjupa	1028.4	14.3	4443.3	61.7	0	1725.5	24.0	7197.3
Omaheke	734.8	12.9	3020.4	53.1	0	1930.3	34.0	5685.5
Omusati	733.3	33.0	572.9	25.8	0	918.5	41.3	2224.7
Hardap	658.6	10.0	4597.3	69.7	0	1341.2	20.3	6597.1
Erongo	628.7	17.8	1670.7	47.2	212.8	1027.2	29.0	3539.4
Zambezi	566	37.1	284.5	18.7	0	674	44.2	1524.4
Kunene	515.5	10.6	2575.2	52.9	112.3	1666.6	34.2	4869.5
Oshikoto	514.1	28.8	842.4	47.2	0	427.1	23.9	1783.6
Kavango West	428	33.6	225	17.7	0	620	48.7	1273
Khomas	391.6	14.1	1689.7	60.7	0	701.6	25.2	2782.8
Ohangwena	371.7	32.8	300	26.5	0	461	40.7	1132.7
Kavango East	344.4	22.1	508.7	32.7	0	703.2	45.2	1556.3
Oshana	161.4	22.6	276.2	38.7	0	276	38.7	713.7

- For the fifth (5th) consecutive year, Namibia retained its position at the top of the list of having the best roads on the African continent.
- Despite ranking top on a regional level in terms of quality of roads, on a national level, there are some regions within the country lacking in quality of roads.
- The rural earth roads are characterized by numerous deficiencies, which make navigation difficult – and easy access difficult.
- Some gravel roads have potholes and mounds of debris caused by termites (ant hills).



05

The Case of South Korea



South Korea's Saemaul Undong (SU) New Village Movement

- Between 1971–1973 south Korea's Saemaul Undong (SU) movement projects built and upgraded basic rural infrastructure.
- They included, for example, establishment or expansion of village path networks, upgrading of small stream beds to increase availability of water for irrigation, and construction of community facilities.

Stage I Infrastructure Rehabilitation and Income Generation

Stage II Advanced Projects and Geographic Coverage

Stage III Urban Saemaul Undong Movement

- Between 1977–1979, the transformed character of rural communities was systematically spread from rural village settings into industrialized urban areas through the process commonly referred to as “dissemination”.
 - *broadening of the populace who embraced the principles that led to the movement's success in both the medium and long term*

During 1974–1976, the focus of the movement shifted to that of expanding agricultural output and included activities such as construction of farm roads, alignment of farmland, and mechanization of agricultural production.



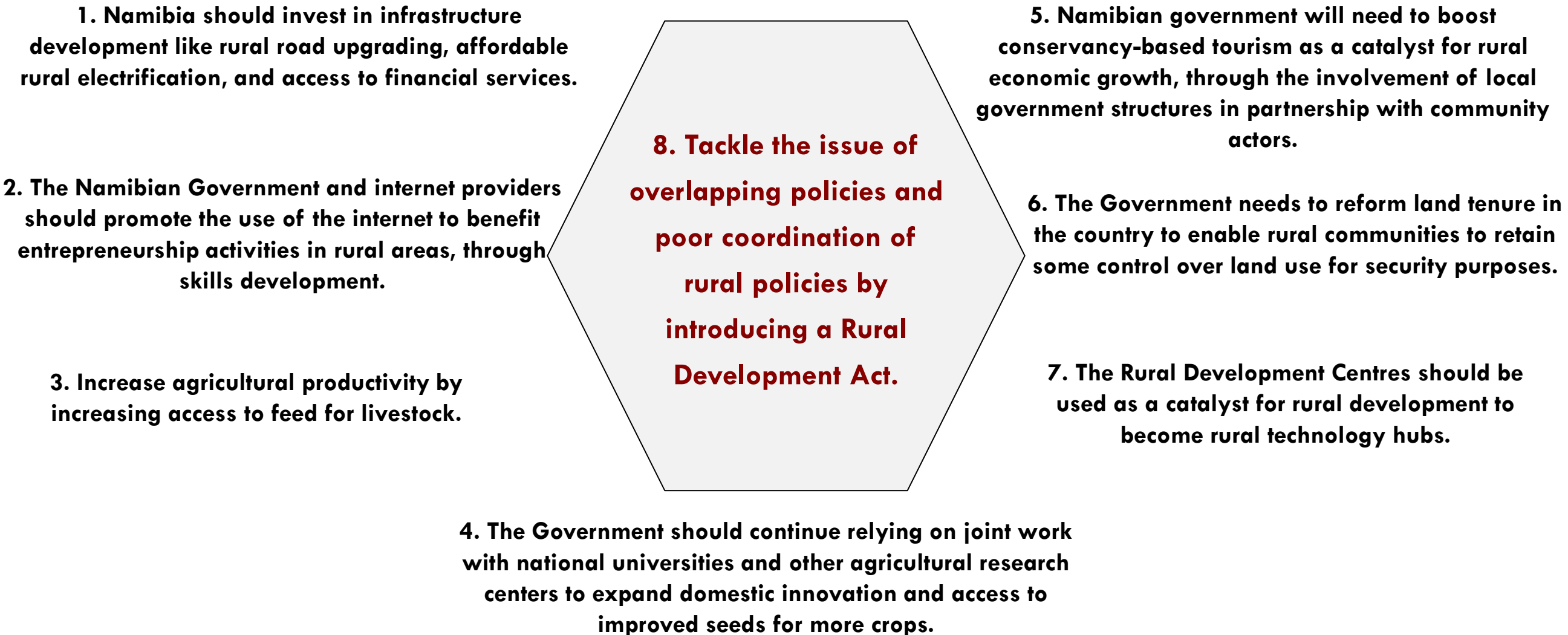
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Policy Recommendations





Policy Recommendations





**THANK
YOU**