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REPORT OF A STUDY BY THE ICA EXPLORATORY MISSION

The Current Status & Development Potential of the Co-operative Sector in Namibia



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NAMIBIA: COUNTRY PROFILE

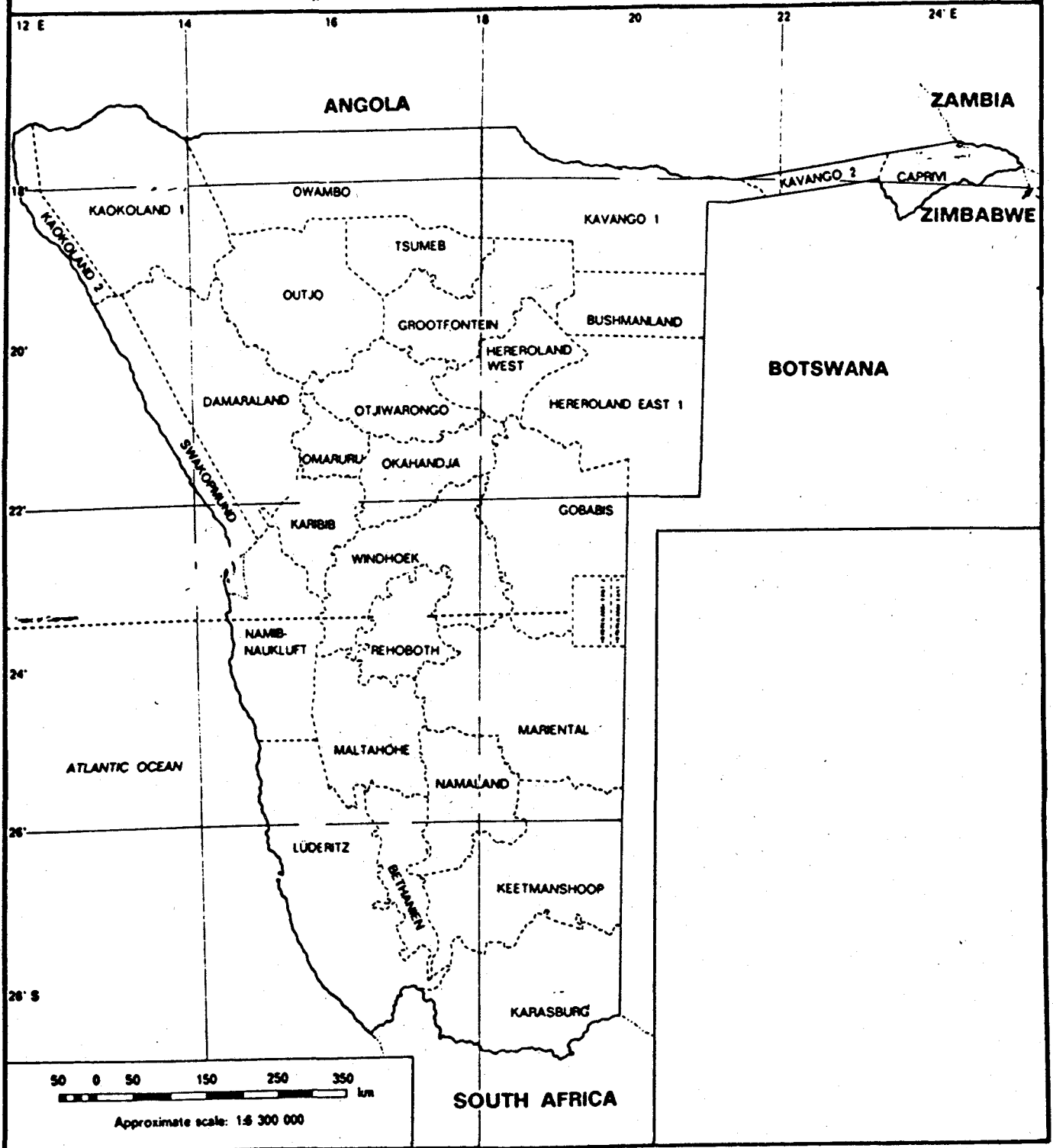
Land Area:	824 000 sq. km
Population:	1.66 million (1988)
Climate:	Semi-arid and sub-tropical
Languages:	English (Official); Afrikaans; German; Kwanyama; Ndonga; Herero; Nama.
Date of Independence:	21st March, 1990
Form of Government:	Republic
Population Growth Rate:	3% per annum
Literacy Rate:	40 %
Unemployment Rate:	30%
Currency:	South African Rand 1 US\$ = 2.50 Rands (Jan. 1991)
Inflation Rate:	13.6% (Mar 1990)
GDP per Capita 1989 at current Prices:	R 3070
GDP Growth 1989 (Real):	0.2%

GDP by Sector at Factor Cost (1989 Current Prices)	Million Rand	% of GDP
Agriculture and Fishing	489.5	11.3
Mining and Quarrying	1,258.7	29.1
Manufacturing	210.3	4.8
Electricity and Water	77.2	1.8
Construction(Contractors)	111.3	2.6
Wholesale,Retail,Catering and Accommodation	532.8	12.3
Transport and Communication	265.0	6.1
Finance, Insurance, Real Estate and Business Services	311.2	7.2
Community,Social and Personal Services	85.1	2.0
General Government	855.7	19.8
Other Producers	129.4	3.0
Total	4,326.2	100.0

Principal Exports (1989):

	Million Rand	% of Total
Agricultural Exports	293.7	11.0
Fish Exports	64.9	2.4
Mineral Exports	2,026.8	75.9
Manufactures	134.5	5.0
All Others	151.7	5.7
Total Exports:	2,671.6	100.0

DISTRICTS, MAP of NAMIBIA



ACRONYMS

CCN	Council of Churches in Namibia
COPAC	Committee for the Promotion and Advancement of Cooperatives
CUM	Credit Union Movement
HIVOS	Humanistic Institute for Cooperation with Developing Countries
HRD	Human Resource Development
ICA	International Cooperative Alliance
ILO	International Labour Office
IMLT	Institute for Management and Leadership Training
FNDC	First National Development Corporation
JWBDF	JU/WA Bushman Development Foundation
KAF	Konrad Adenauer Stiftung
MOA	Ministry of Agriculture, Fisheries, Water and Rural Development
NCCA	Namibian Community Cooperative Alliance
NDT	National Development Trust
NGO	Non-Governmental Organisation
NJCS	National Job Creation service
SCC	Swedish Cooperative Centre
SWAPO	South-West African Peoples Organisation
UNDP	United Nations Development Programme

I. INTRODUCTION

Background

Already prior to the independence of Namibia discussions between South-West African Peoples Organization (SWAPO), Swedish Cooperative Centre (SCC) and International Cooperative Alliance (ICA), concerning cooperative development in Namibia, were held. Later during 1990 an Assistance Programme to provide the framework for initiating successful co-operative development was agreed upon between the ICA and the Namibian Ministry of Agriculture, Fisheries, Water and Rural Development; the Programme is sponsored by the SCC. The Programme consists of the following three components:

- (i) Exploratory Mission: the purpose of the Mission would be to study the current co-operative situation and the co-operative development potential in Namibia;
- (ii) Policy Dialogue: the objective of which would be formulation of a co-operative development policy and strategy for the promotion and growth of co-operatives in Namibia;
- (iii) Consultation with Development Organizations: the purpose of the consultation would be to inform the Development Organizations of the current status of the co-operative sector, its development potential, the priorities, the Co-operative Development Policy and Strategy of the Government, and to seek collaboration, in a co-ordinated way, of the development organizations in promoting co-operative development. The Consultation would be held in Namibia under the joint auspices of the ICA and the Government of Namibia.

Exploratory Mission: Composition

The Exploratory Mission comprising the following three persons carried out its study from 14th January to 8th February 1991.

1. Mr. J.M. Rana, Senior Development Adviser, International Co-operative Alliance, Geneva: - Team Leader
2. Mr. B. Kadasia, Manager, Research, Planning and Consultancy Project, ICA Regional Office for East, Central and Southern Africa, Moshi: - Team Member
3. Mr. Lars Sylvan, Programme Officer, Swedish Co-operative Center, Stockholm: - Team Member.

The Mission was constituted by the ICA in consultation with the Government of Namibia.

Objectives

The purpose of the Exploratory Mission was to assist the Government of Namibia in formulating its Co-operative Development Programme based on the authentic Concept of Co-operatives, by reviewing the current status of co-operatives, by identifying the potential of co-operative development, and by recommending ways in which this potential can be realized.

The specific objectives were as follows:

- A. to make a review of the current status of the co-operative sector with special reference to rural areas;
- B. to review the present status of women's integration into the co-operative sector and make recommendations for increasing women's participation in co-operative development;
- C. to identify areas for future co-operative development and suggest their incorporation in the Development Plan of the country; and
- D. to identify priority needs of assistance to co-operatives for securing sound co-operative development.

The terms of reference of the Mission are given in Annex 1. Annex 2 gives the programme followed by the Mission.

Methodology

The following methods were adopted by the Mission for its work.

- i. Initial briefing sessions were held with Mr. Bruce Thordarson, Director of the ICA and Mr. B. Rothkegel, Registrar of Co-operative Societies, Government of Namibia.
- ii. Data collection and study of relevant material.
- iii. Field work was carried out for two and a half weeks, beginning from 14th January. The field work comprised discussions with the policy-making and executive personnel of the Ministry of Agriculture and other related ministries, and visits to selected co-operative organizations, informal groups, NGOs and some supporting institutions such as the Land Bank and the First National Development Corporation. The Mission visited the rural areas in Kavangoland, and Bushmanland in the North and Namaland in the South.

- iv. The Mission members had internal discussions among themselves for formulating conclusions and recommendations on 28th, 29th and 30th January in the morning.
- v. Preliminary recommendations were presented on 30th January in the afternoon by the Mission at a meeting attended by the Deputy Minister, the Permanent Secretary and other officials of the Ministry, representatives of the co-operatives and the NGOs, and the ILO Regional Adviser on Co-operatives. Valuable feedback was received by the Mission at this meeting.

Limitations

- i. Due to non-availability of appropriate personnel, the Ministry could not supply a national counterpart to work with the Mission.
- ii. As a result the Mission had to spend considerable time in collecting preliminary information and data and also did not have a knowledgeable Namibian to work along with it.
- iii. There is a paucity of data and research studies in Namibia due to the long colonial rule and the policy of apartheid followed by the colonial rulers.
- iv. Most co-operatives and informal groups are of very recent origin and hence have only limited experience of co-operative work. Most of these organizations were not able to furnish annual reports or statement of accounts.
- v. Two and a half weeks was rather a short time for field visits. Only a few selected rural areas, which were by no means representative, could be visited. Also the Mission could not meet with all the NGOs, more woman's institutions, more individual farmers, and have a second round of discussions with some key individuals.

Acknowledgements

The Mission would like to express its special thanks to the Minister, Deputy Minister and the Permanent Secretary of the Ministry of Agriculture for sparing their time for discussion and offering valuable guidelines. Thanks are also due to the Registrar of Co-operative Societies and his colleagues for the considerable help given by them in arranging visits and in generally facilitating the Mission's work. The Registrar made himself available for discussion whenever the Mission felt it necessary. Thanks are also due to numerous individuals and their organizations for sparing their time and sharing their material with the Mission.

II. NAMIBIA: AN INTRODUCTION

General Information

The country data presented in the opening pages of the Report give information at a glance about the country, a picture of its economy and some social indicators. In this chapter a brief description of Namibia's history and its economy with special reference to agriculture and rural areas, will be given to provide the needed background to the main concern of the Report: viz. the co-operative sector and its development. Attention will be drawn to relevant constitutional provisions. Government of Namibia's development perspectives for the transition period of reconstruction and rehabilitation will also be outlined.

Namibia gained independence on 21st March 1990. First occupied by Germany in 1884-85 and later by South Africa after the First World War, the country remained under foreign domination for over 100 years. The colony's economy was structured to subserve the interests of South Africa. Further, apartheid as practised in South Africa was applied in this country as well, with all the exploitative elements that go with it - dividing the population on racial lines, alienating most land to white farmers, pushing the black majority to separate homelands (nearly 50% of them in the relatively small geographical areas in the North) and creating conditions for securing cheap labour for the white farmers and the mines.

Constitution and Political System

Namibia has a Constitution that has many outstanding characteristics. It provides for a democratic form of government based on a multi-party system. It is based on the rule of law and guarantees fundamental human rights and freedoms.

The Constitution of the Republic of Namibia states in the preamble that the people of Namibia "will strive to achieve national reconciliation----and have resolved to constitute the Republic of Namibia as a sovereign, secular, democratic and unitary state securing to all our citizens justice, liberty, equality and fraternity".

The practice of racial discrimination and apartheid is declared illegal. Further Article 23 of the Constitution states that Parliament may pass laws "for the advancement of persons within Namibia who have been socially, economically or educationally disadvantaged by past discriminatory laws or practices". The Constitution points out that women "have traditionally suffered special discrimination and that they need to be encouraged and enabled to play a full, equal and effective role in the political, social, economic and cultural life of the nation".

Namibia has a democratic form of government based on a multi-party system.

Economy

The Constitution stipulates that Namibia will have a mixed economy with cooperatives as one form of ownership.

Namibia has a dualistic economy. Its modern sector is comparable to that of the first world. Its subsistence agricultural population to-gather with low-income earners in urban areas constitutes the third world sector.

The income distribution is extremely uneven, the average per capita income is U.S. \$1,228 about 55 per cent of the people live in conditions of extreme poverty, their per capita income being U.S.\$63 per annum. It may be noted that 70 per cent of the population is engaged in subsistence agriculture.

Namibia can be classified as a least developed country on the basis of the UN criteria, despite its modern sector and a high average per capita income¹.

Namibian economy is heavily concentrated in the production for export of primary commodities, viz. minerals, livestock and livestock products. It has a small manufacturing base. Most consumption and investment goods are imported, mostly from South Africa. Currently the economy is stagnating.

Unemployment is a major problem. The rural areas also suffer from unemployment and underemployment.

Namibia has a well-developed physical infrastructure linking it adequately with the outside world. Due to military reasons a fairly good road system was developed during the 80s, linking the south with the north. However, infra-structure in the rural areas, especially in the densely populated North, needs to be developed.

Agriculture

Agriculture is characterized by:

- a well-developed commercial sector, dominated by the white people,
- a subsistence agricultural sector in the communal areas inhabited by the black people.

¹Namibia Foundation, "Namibia Brief", No.12, Nov. 1990, P.13

While 70 per cent of the population lives in rural areas and is dependent on agriculture, agriculture's share of G.D.P. net of fishing is around 11 per cent - mostly contributed by the commercial agricultural sector. The commercial agricultural sector is engaged in livestock farming, and the main products are beef, mutton and karakul pelts. Commercial production of food crops is inadequate to meet national needs. Maize and other cereals are imported.

Subsistence agriculture is carried out on communal farms where, according to tribal custom, farmers are given the right to use the land but have no title to it.

Namibia can be divided into three distinct agricultural zones. These zones correspond to rainfall levels:

- i. The Northern mixed farming area consisting of Owambo, Kavango and Caprivi with crop and livestock production. Annual rainfall is 500 mm and above. However, the evaporation rate is high, resulting in moisture deficiency in all seasons.
- ii. Central, North and North-Eastern parts with large animal stock specializing in beef production (large-scale cattle ranches) characterize this zone. Annual rainfall is between 250 -500 mm.
- iii. The Southern part with small animal stock. Here sheep and goats, including karakul sheep are reared. Annual rainfall is below 250mm.

Namibian physical characteristics, namely the rainfall situation with high degree of evaporation and particular soil conditions, make for a fragile ecology. Hence livestock farming and crop production have to be carried out with a great deal of care so as not to upset the ecological balance. The physical environment is pretty harsh. Although blessed with a small population and large geographical area, the carrying capacity of land is low.

The agricultural potential of the North is not fully exploited. However, the people inhabiting these and other communal areas, as described in one of the position papers of FNDC, are "hardly a generation out of insular tribal life, semi-literate and eke out a subsistence existence".

Development Perspectives

The government of Namibia has issued a General Policy Statement for the Reconstruction and Development of Namibia. The policy is formulated for a transitional period for reconstruction and rehabilitation which will lay the foundation for long-term sustainable development - a more balanced and equitable growth in

the future. The development perspectives outlined below are based on this document.

I Political, Social and Economic Objectives

1. Democracy based on a multi-party system and human rights will be the cornerstone in nation building and social progress in Namibia. Fundamental human rights and freedoms will not be violated.
2. Economic development and growth will be the main focus.
3. The economic system will be based on the principles of a mixed and market oriented economy and social responsibility.
4. Co-operatives, along with various other forms of economic enterprises, will be encouraged.
5. One of the policies aimed at promoting the welfare of the people is "ensuring equal opportunity for women to enable them to participate fully in all aspects of development and society".
6. Wealth-creating sector is expected to be in appropriate balance with the wealth-distributing sector.

II Institutional Framework

1. The public administration will be restructured.
2. Decentralization will be introduced by establishing regional and local governments.
3. "In her infancy, Namibia invites the donor countries and international organizations to co-operate closely in order to establish a well functioning aid co-ordination mechanism within the national planning commission."

III Development Challenges

1. The dualistic nature of the Namibian economy and society has led to lopsided development in various sectors resulting, inter alia, in:
 - i. glaring poverty among the majority of the population,
 - ii. widespread unemployment,
 - iii. A high illiteracy rate,
 - iv. inadequate health care, and
 - v. poor housing conditions.

Despite the low population density of Namibia, viz. 2 persons per sq. km., the carrying capacity of land has not kept pace with population growth.

2. The structure of production of the Namibian economy is characterized by the relatively low contribution from the agricultural sector. This calls for the need for an equitable and more productive land tenure system and substantial increase in agricultural production.
3. There is a need for increased domestic savings and increased capital formation.
4. It is necessary to increase domestic productive capacity of the economy through the promotion of small and medium sized industries, thereby promoting employment opportunities.
5. The recent deceleration in the real growth rate of G.D.P from 2.8. in 1987 to 0.2 in 1989 is of particular concern.

IV Policies on Growth and Employment

Promoting economic growth and employment are major policies of the government.

V Priority Sectors and Programmes

The main focus of the priority programmes is the promotion of popular participation in the development process. To this end, the following sectors will receive special attention:

- "i. agricultural and rural development, on which the livelihood of the majority of the Namibian people depends;
- ii. education and training to give an opportunity to all Namibians to participate fully in the development process;
- iii. health care for the so far neglected majority of the population; and
- iv. affordable housing for the less advantaged."

VI Other Sectors and Inter-linkages

Activities in other sectors which would contribute to the achievement of the objectives of the policy statement "include, inter alia, infra-structural development, especially in the water supply and transport sector, agro-related industries and overall economic and financial management".

III. CURRENT STATUS OF COOPERATIVES

There are 13 cooperatives on the rolls of the Registrar of cooperatives. Four cooperatives are active and the remaining nine are defunct. Of the remaining four cooperatives, two are South African cooperatives with branches in Namibia. They are allowed to carry on their operations under chapter 10 of the present cooperative law. The other two coops are Agra and Alfa, which are serving predominantly the white population.

Registered Coops

Agra (cooperative) Ltd. was established in 1980, as a result of a merger of different cooperative societies, to serve the large-scale commercial farmers. The total number of individual members are about 5,200. Its main activities are to supply agricultural equipment, farming inputs and related services and marketing of members' produce. Marketing of meat, and supply of implements, inputs and related services accounted for 93 per cent of the total business. The coop also carries out agro-processing activities and it currently operates a maize mill, animal feeds mill and a sugar packing plant. The turnover in 1990 was R 355 million and it made a surplus of R 1.2 million.

Alfa Coop. established in 1964, is a consumer coop. It has around 12 600 members. The coop operates six outlets, four in Windhoek and one each in Tsumeb and Swakopmund. It had a turnover of R 54 million in 1990.

Both the above coops are very efficiently run and they are rendering very useful services to their members.

The two Coops registered in South Africa and operating in Namibia are Sentraboer Coop and Orange Coop. The Sentraboer Coop. is an insurance cooperative providing insurance facilities to farmers and cooperative organizations in respect of their assets. Its total turnover in 1990 was R 119 million, of which R 3.4 million was in Namibia. 1,470 commercial farmers in Namibia insure with Sentraboer. All the activities of this coop in Namibia are carried out by Agra, which is its member as well as an agent.

The Orange Coop. has a membership of 30 farmers covered by the Hardap Dam Irrigation Scheme. The services provided are similar to those of Agra. The coop also provides production credit to members and guarantees loans from the Land Bank. The members cultivate generally farms whose size varies between 39 and 50 hectares.

Unregistered Coops

During the last three or four years a number of small groups have sprung up to serve the ordinary black persons. Some of them have taken the form of NGOs and some have organized them as cooperatives. Some NGOs have taken the initiative to organize cooperatives. Almost all of them at present function as unregistered bodies, since the present cooperative legislation, inherited from South African regime, is found too complex by small groups, especially since they comprise poor people with low educational levels.

It is not known as to how many such coops exist. However their number is not large. According to the information gathered by the Mission from various sources, their number, both existing and in the formation process, is about 37. Of these ten are credit unions, and the remaining are other types of coops. In several coops the membership is predominantly women.

The unregistered coops visited by the Mission were as follows:

Mbangura Woodcraft Cooperative

Established at Rundu, Kavangoland, in 1984, it is an artisanal coop. It procures wood and other supplies needed by the members for carrying on production of furniture and artifacts and arranges the marketing of members' products. Production is carried on individually by the members, numbering about 200, in their homes.

Commission of 10% of the sale proceeds is charged to the member. In addition, the member pays a fee of R 10 per month. A grant of R 23,000 has been received from Oxfam.

The coop has been fairly successful in its operations. Members' loyalty is good and members have demonstrated considerable initiative in marketing the products by taking the truckloads to South Africa. However, marketing continues to be the major problem. The coop is in need of training in marketing management, product development, and management skills.

'Mbangura' means the woodpecker which can become a good Trade Mark for the coop.

Saamstaan Building Coop and a Credit Union

The coops, established in 1987, have a common membership of about 600 individuals. However, the majority of the members are women working as domestic helpers with a monthly income of about R 200.

The Saamstaan Building Coop has built 18 houses up to January 1991. The members contribute labour for producing bricks, which they do in small groups on weekends. Members save regularly in the credit Union.

The average cost of a house is R 7,000. A member can get a maximum loan of R 5,000 for house construction. The balance is met from savings. A member must have saved at least R 150 and have a plot in order to be eligible for a house loan.

The loans are provided by the coop out of grants received from Oxfam, U.K. and Canada. The grants have been converted into a revolving fund.

The Credit Union receives guidance in book-keeping and other matters from the Cape Credit Union League, to which it is affiliated.

Saamstan has inspired several groups to form credit unions.

Credit Union Movement (CUM)

This is a name given to a group of 10 credit unions which hopes to establish a Credit Unions' league of Namibia. At present all the credit unions are members of the South African Credit Union League.

The CUM is promoting credit unions among poor people in Namibia. It is also carrying out educational work for this purpose, and for promoting other group activities such as setting up creches, clinics, dance, music etc. Further, it assists credit Union members to start income-earning projects such as poultry-raising.

Of the 10 credit unions, six are operational. The rest are in an educational and training phase.

Namibian Community Cooperative Alliance (NCCA)

NCCA was established as a Trust in May 1987 to facilitate the process that aims to raise critical social consciousness of grassroots people as a prerequisite for "a bottom-up demand for democracy and true cooperative development". The main activities of NCCA are: to activate and animate groups; to provide skills training; and link groups to sources of assistance.

NCCA is operating in Namaland in Southern Namibia; currently 15 groups are affiliated to it. Seven groups are Farmers Leagues who operate savings and credit schemes. Eight Groups have non-farmer members, mainly women. Some operate credit schemes; others consumer shops or income-generating/awareness-creating projects.

Secondary level organizations for both the agricultural and nonagricultural groups were established in 1990 to operate revolving loan funds and undertake commonly needed activities.

HIVOS, OXFAM and KAF have provided assistance.

Namibia Katemo Agricultural Cooperative

The coop was established in 1990 at Rundu with the aim of improving the economic situation of the farmer members in the far North-east Namibia. It has 40 members, each owning between 18 and 50 hectares. The main activities are marketing of members' Mahango (millet), and small quantities of beans and vegetables. Members have received higher prices compared to those paid by private traders. Capital resources, limited as they are, are contributed by the members. The coop was unable to raise a loan from the First National Development Corporation (FNDC) as it is not a legal entity.

The functioning of the coop is at an initial and rather rudimentary stage. It appears to be in need of training in accounts, record-keeping and marketing techniques.

Nyae Nyae Farmers Coop

This coop is in operation since 1986. It consists of people living in 23 settlements in East Bushmanland. A committee consisting of two delegates from each settlement manages the coop.

Earlier the bushmen were nomadic people, making a living through hunting and gathering. Basically the coop. is training the bushmen members to make a transition to settled life by imparting skills in cattle raising. Members also engage in group projects such as road building, water installation etc.

The JU/WA Bushmen Development foundation assisted in establishing the coop and continues to guide it actively.

Non-governmental Organizations

During the last few years Namibia has witnessed a major growth in the number of both local and international NGOs operating in the country. At present there are about 30 local NGOs in operation, of which about half are either already active in cooperative promotion and development work or have the potential to do so. The rest have such broad ranging interests as literacy, health, human rights, charity etc. Their specific activities include mobilizing and activating economic groups; provision of vocational and leadership training; counselling; research and financial support.

Most NGOs are based in Windhoek although having the main part of their activities in the rural communities. Generally they get most of their financing from external donors.

The Council of Churches in Namibia has the longest experience in community development work and could be termed as the mother of many of the NGOs. However, the Namibia Development Trust (NDT) has recently established itself as the most widely recognized community development NGO since it has been promoted by the most prominent NGOs such as the Council of Churches, National Union of Namibian Workers, National Union of Namibia Students Organizations, and SWAPO.

The Mission was impressed by the enthusiasm and keen desire on the part of NGOs to change the situation of the poor in rural as well as urban areas. The NGOs see the coop as an appropriate self-help institution to bring about social and economic change for the black communities. The examples of Agra and Alfa also reinforce their conviction in the efficacy of the coop.

The Mission visited most NGOs which had something to do with coops. A brief sketch of some of these NGOs is given below. Detailed profiles are given in the annex.

Council of Churches in Namibia (CCN)

The Council was established in 1979. It has set up a Cooperative Development Desk to assist in organizing Groups, providing training in book-keeping etc., monitoring progress of groups, and channelling grants. CCN is currently working with 30 to 40 groups spread all over Namibia.

National Development Trust (NDT)

The NDT was set up in 1989 as a service organization to stimulate authentic development programmes. Its principal activities are similar to those of CCN. It has established a network of local development agencies and has become a focal point for deliberation of national issues such as unemployment, cooperatives, health, education etc. The organization enjoys a high standing with the Government Ministries concerned with development, UNDP and local and foreign NGOs.

NDT played an important role in the promotion of Saamstan.

National Job Creation Service (NJCS)

NJCS was established under the auspices of the NDT in 1990 to initiate and support job creation opportunities for Namibians. Its activities include promotion of cooperatives and small enterprises for this purpose.

The Legal Assistance Centre

One of the activities of the Centre is to provide free legal advice to those who cannot afford it. It has been very active in the defence of Human Rights.

The Centre assisted the Women's Brick-Making Coop. in acquiring a legal status under the Trust Law, since the present Coop. Law does not provide for registration of industrial coops. The Centre is prepared to provide assistance to voluntary groups and coops.

Private Sector Foundation

Important activities of the Foundation include provision of training and business services to small enterprises and the informal sector entrepreneurs, operation of a Mini Loan Scheme and a library service for the above groups.

The Foundation has provided business training to Women's Brick-Making Coop. and is prepared to give such assistance to other coop. groups.

Institute for Management and Leadership Training (IMLT)

The Institute provides practical training and consultation to farmers in communal areas, small businessmen and small entrepreneurs. Financial aid and bursaries are also provided to persons in these groups. Its leadership training would equip persons to better manage group and coop. activities. The Institute is prepared to offer training to coop. leaders and personnel.

The Institute's work in the rural areas is very promising.

JU/WA Bushman Development Foundation (JWBDF)

The mission of JWBDF is to support the self development of bushmen in Northeast Namibia. It has promoted Nye Nye Coop. as mentioned earlier.

Parastatals

Two parastatals viz. the Land and Agricultural Bank (LAB) and the First National Development Corporation (FNDC) assist farmers. The Land Bank assists cooperatives as well.

Land and Agricultural Bank

The Bank was established in 1979 to assist farmers, agricultural cooperatives and certain agricultural institutions. Farmers are provided finance for purchase of land, making improvements in

land and purchase of stock and equipment. Agricultural coops and other specified institutions are given instalment loans and cash credit facilities.

The Bank does not provide financing in communal areas, as ownership of land in these areas vests in the State and as land is not surveyed.

So far the Bank has given 2,500 loans amounting to R 245 million. There has been no default and no write-off. An excellent record indeed.

First National Development Corporation (FNDC)

Established in 1979, FNDC aims to create wealth in all sectors of the economy by mobilizing and deploying internal and external technological and financial resources. In the field of agriculture, FNDC provides credit for new and innovative schemes in which Land Bank is unable to participate, acts as the managing agent for government projects and carries out research and experimentation on behalf of the government.

Currently the FNDC operates several projects in four communal areas. The objects of these projects are to generate employment, produce certain basic foods and carry out research.

The FNDC also assists the informal sector through short-term financing, training, consultation and providing infrastructure such as market stalls and complexes for small industries. It also assists in marketing this sector's products and services. The informal sector comprises small manufacturers, traders, and suppliers of services.

Role of Government

Cooperative Policy

As stated earlier, the Constitution of Namibia states that cooperatives as one form of business enterprise will be encouraged. Recently the President of Namibia on a visit to Ovamboland called upon people to organize cooperatives. However, these pronouncements need to be translated into a Cooperative Development Policy, which is yet to be formulated.

Cooperative Law

At present the Cooperative Legislation in force is the Cooperative Societies Ordinance, No 15 of 1946, promulgated by the Administrator on 18th July 1946. The Ordinance provides for the registration of agricultural and trading cooperatives and their central cooperatives only. These cooperatives can undertake manufacturing and insurance activities. Any seven or more persons

can form an agricultural coop. However for formation of a trading coop a minimum of 25 persons are needed.

Tax exemptions, licence duty, and such other fiscal benefits to cooperatives are also specified by the Ordinance. The Ordinance empowers the Administrator to prescribe model regulations for the agricultural and trading coops. which want to register themselves under its provisions.

The Registrar of Cooperative Societies

As provided in the Ordinance, the government has designated one of the Directors in the Ministry of Agriculture as the Registrar of Cooperatives with an Office in Windhoek. Currently the Director of Planning, Monitoring, Evaluation and Cooperatives functions as the Registrar. He has practically no staff to assist him in his functions as the Registrar.

The powers and duties of the Registrar are as follows:

- i. to prescribe model regulations for cooperative societies;
- ii. to register cooperative societies unless vetoed by the Administrator, and to maintain the Register of cooperative Societies;
- iii. to receive from the coops the documents prescribed by the Ordinance such as list of members, annual balance-sheet and profit and loss account; and
- iv. to call for any pool or trading account of a coop.

The Ordinance provides for the appointment of Inspectors of Cooperative Societies with powers to inspect books and accounts and carry out an investigation of a cooperative society. Such an investigation would be at the request of a society, company or a member thereof. The inspectors are also authorized to audit the accounts of the society, if the annual general meeting elects to have its audit done by the Inspectors. The Ordinance does not state that the Inspectors shall be under the jurisdiction or authority of the Registrar.

An examination of the Ordinance reveals that neither the Administrator, the Registrar nor the Inspectors of Cooperative Societies have any unusual or excessive powers to regulate or control the affairs of the cooperatives.

Ministry of Local Government and Housing

This Ministry under the personal initiative of the Minister, who is a woman, promoted a Women's Brick-making Cooperative in Windhoek. Although other Ministries including the Ministry of Agriculture are interested in cooperative development, none of them have promoted or assisted any coop so far.

IV. RECOMMENDATIONS

The problems and needs identified by the Mission formed the basis of the recommendations presented below. The Mission has made its recommendations within the framework of the development perspectives and the objectives, policies and priorities embodied in the General Policy Statement of the Government of Namibia. The Mission had presented its tentative conclusions and recommendations at a representative Meeting attended by the Deputy Minister, Permanent Secretary and Registrar of Co-operative Societies from the Ministry of Agriculture, representatives of coops and NGOs. The Meeting was in general agreement with the views of the Mission and made some useful suggestions which have been taken into consideration while making the recommendations which follow.

1. Co-operative Development Policy

At present there is no Co-operative Development Policy. The Mission regards the formulation of a Co-operative Development Policy as a matter of the highest priority, since such a Policy will give guidelines for the preparation of a new co-operative legislation and set the goals, priorities, strategy and plan of co-operative development.

It is important for the future recognition of the Policy that it is developed jointly by the cooperative sector, including the various non-registered cooperatives and NGOs which operate within this sector, and the Government of Namibia. Such mutual collaboration will ensure a realistic policy based on the experience and needs of the cooperatives and its efficient implementation by cooperatives and the NGOs who will assume the main responsibility for cooperative development.

It was decided by the Permanent Secretary at the representative meeting referred above that a Working Group, chaired by the Registrar of Co-operative Societies, will be set up by the middle of March 1991 to prepare a Draft Position Paper on Co-operative Policy by the middle of August, 1991. It was further agreed that a Co-operative Policy Workshop will be held for two days in the latter part of August under the auspices of the Ministry of Agriculture and the ICA to prepare a final proposal on Co-operative Policy for consideration and adoption by the Minister of Agriculture and the Cabinet of the Government of Namibia. The Meeting recommended that the Co-operative Policy be adopted and promulgated by the middle of September 1991.

The Mission recommends that the proposed Co-operative Policy comprise the following main elements:

- i. Aims of the Policy
- ii. Target Groups
- iii. Women's involvement in Co-operative Development
- iv. Economic areas in which co-ops would be encouraged
- v. Social dimensions
- vi. Economic viability
- vii. Role of Government in co-operative promotion
 - a. Enactment of new Co-operative Law
 - b. Affirmative actions
 - c. Infra-structural and fiscal incentives
 - d. Coops' access to credit and markets
- viii. Role of NGOs in Co-operative Development
- ix. Building central co-operative organizations, and
- x. Human Resource Development.

The details regarding implementation which was agreed to by the Meeting are given below under the heading: "Co-operative Policy Dialogue".

CO-OPERATIVE POLICY DIALOGUE

Objective: To have the Co-operative Policy adopted by the Cabinet of Namibia

Process:

- Step 1 Preparation of a Discussion Paper on Co-operative Policy;
Duration: 15th March - 1st May 1991
- a. Constitution of a Working Group and a Reference Group by the Ministry of Agriculture, Fisheries, Water and Rural Development by 15th March, 1991
 - b. Selection of a Co-ordinator for the Working Group, preferably from a research body
 - c. Deliberations by the above groups for preparation of a Discussion Paper on Co-operative Policy

ICA input: advise on any specific questions the group may refer to the ICA

- d. Production of a Discussion Paper on Co-operative Policy by 1st May, 1991

Step 2 Transmission of the Discussion Paper to the ICA by 10th May, 1991

Step 3 Co-operative Policy Workshop in August 1991 in Windhoek

Step 4 Adoption of the Proposed Co-operative Policy by the Cabinet of Namibia by the 15th September 1991

CO-OPERATIVE POLICY WORKSHOP

Objective: To prepare a final Proposal on Co-operative Policy

Participants:

- a. Representatives of the Ministry of Agriculture, Fisheries, Water and Rural Development.
- b. Representatives of Cooperatives and NGOs, and
- c. Representatives of the ICA and SCC.

(10 - 15 participants in number)

Dates: Two days in August 1991

2. Co-operative Law

The Co-operative Societies Ordinance, No. 15 of 1946 which at present governs the registration and operations of co-operatives is inadequate from several points of view. (i) The ordinance does not have provisions for registration of societies other than agricultural and trading (consumers) co-operatives. Credit unions, industrial co-operatives, housing co-operatives and fishery co-operatives which would be needed in the future cannot obtain legal status under the present co-op law. (ii) In the former regime the administrator had the ultimate authority also concerning cooperative matters. The issue who should have this responsibility has not, as yet, been provided in the Coop Law. (iii) The Ordinance provides special status to co-operatives registered in South Africa. (iv) Pre-cooperatives need to be recognized.

The Mission therefore recommends that the Co-operative Societies Ordinance be replaced by a New Co-operative Law which is simple and which would facilitate registration of small co-operatives of

diverse types. The need for granting special status to co-ops registered in other countries such as South Africa may also be carefully examined. It is suggested that the drafting of a new Co-operative Law be taken up immediately after the adoption of a Co-operative Policy by the Government. For the interim period, some amendments to allow for registration of different types of co-operatives, especially small ones, be carried out.

The Mission also recommends that a Manual in simple language explaining the provisions of the present Co-operative Ordinance and the Model Regulations be brought out by the Ministry, if necessary, with the help of indigenous bodies like the Legal Assistance Centre. The Ministry should also prepare model byelaws for various types of co-operatives to facilitate the easy organization of co-operatives by relatively less educated people.

It is further recommended that external technical assistance be obtained for drafting the new Co-operative Law.

3. Role of Government

It is important that co-operatives function on an autonomous basis with the minimum regulations which may be needed to protect the interests of the members and the general public. Experience all over the world indicates that co-operatives grow best when individual and group initiatives based on common needs and democratic decision-making are allowed to flourish in an atmosphere of freedom with a certain measure of affirmative support - infrastructural and fiscal - for the disadvantaged groups. Keeping these considerations in view, the Mission recommends that the Government's role in co-operative development may be defined as follows:

- (i) to promulgate co-operative development policy;
- (ii) to enact a new Co-operative Law;
- (iii) to establish the Office of the Registrar of Co-operative Societies with the sole function of registration of co-operative societies and administering the Co-operative Societies Act; this implies a relatively small office with few but competent personnel.
- (iv) a. The Registrar may also facilitate interchange of experience among co-operatives through the establishment of a Co-operative Forum until a Central Co-operative Organization takes over this function.
- b. The Mission recommends further that the Office of the Registrar may be continued under the authority of the Ministry of Agriculture for an interim period. However, in view of the fact that there is considerable scope for

non-agricultural co-operatives as well, it would be appropriate to place the Registrar under the Prime Minister's Office.

- c. The purely legal functions may be carried out by the Registrar. The concerned ministries may give the needed technical support to co-operatives in their spheres of activities e.g. Ministry of Local Government and Housing to give technical guidance and support to housing co-operatives; Ministry of Agriculture to agricultural co-operatives etc.
- (v) to allow the private sector to assist in the establishment of an autonomous co-operative audit service for audit of co-operative societies as per the Co-operative Act;
 - (vi) to provide the needed infrastructural and fiscal support to, as well as make arrangements for, co-operatives to have access to credit and markets, and to create conditions which promote a market oriented agricultural sector;
 - (vii) to provide needed support for development of human resources of co-operatives; and
 - (viii) to facilitate the flow of international financial and technical support to co-operatives, including movement-to-movement collaboration.

4. Role of Non-Governmental Organizations (NGOs)

The Mission recommends that the NGOs be encouraged to play an important part in the promotion and development of co-operatives. As mentioned earlier, several NGOs are already playing an important role in this regard. Important tasks in this regard are:

- (i) promotion of cooperatives;
- (ii) education of potential members, including women, prior to the formation of co-operatives;
- (iii) education of members and committee members, with special emphasis on female members;
- (iv) staff training/development, including promotion of women as cooperative officers;
- (v) management consultancy, including feasibility studies; and
- (vi) research

Each of these are specialized tasks. NGOs with experience in community development and group organization such as the Council of Churches, NCCA, NDT, and the Credit Union Movement can concentrate on tasks (i), (ii) and (iii). Organizations like the Private Sector Foundation and the Institute for Management and Leadership Training could concentrate on tasks nos. (iv) and (v). Research may best be carried out by institutions such as Namibia Institute for Social and Economic Research, University of Namibia.

The two successful co-operatives viz. Agra and Alfa are also prepared to assist in co-operative development in communal areas and in urban centres. These cooperative organisations have a knowledge and experience of Namibia which will be of great value in the development of an expanded cooperative sector. (AGRA deals with agricultural inputs supply and marketing and ALFA with consumer matters.) However, they would like that the costs of development be borne by the Government and/or external donor agencies.

Since there would be several NGOs working in the field, it may be useful to establish a mechanism for co-ordination and information exchange. The Co-operative Forum proposed earlier could perform these tasks.

The above recommendation is based on the belief that co-operative organizations would grow better if they emerge on the basis of felt needs of the people and the efforts of institutions which, unlike the Government, do not have powers to command obedience directly or indirectly. Experience in most developing countries show that close government association in co-operative promotion and development has led to a situation where co-operatives have tended to be parastatal institutions or simply an extension of a government department dealing with coops. Hence the emphasis by the Mission on the NGOs.

5. Co-operative Development Potential

The Mission identified the following sectors of the Namibian economy to which co-operatives can make a significant contribution.

- (i) More than 70 per cent of the population lives in communal areas. Production and the living standards of people in these areas are very low. They live on what is called "subsistence agriculture". This condition needs to be changed by raising productivity of both cattle and crops so as to generate a marketable surplus.

- (ii) Commercial production of crops is at present limited. Namibia imports nearly 60% of food grains. Self sufficiency in food is important from the point of view of food security. Production of mahango (millet), maize, wheat and other cereals needs to be stepped up.
- (iii) There is a substantial acreage of unutilized land which is mostly in communal areas. Nearly one third of this land is suitable for mixed farming, and the rest for stock farming only.
- (iv) Namibia has the potential of developing irrigation facilities mainly in the Northern communal areas. Crop production in these areas can be diversified. Vegetables, fruits, sunflower, rice, cotton, groundnut, and sorghum are some of the crops that can be grown in the Owambo, Caprivi and Kavango areas. Several of these products are currently imported from South Africa.
- (v) a. There is considerable scope for development of agro processing in respect of commodities which are exported as raw materials and brought back as processed products. These products are red meat, Karakul pelts, hides, and wool.
b. Establishment of animal feed mills, and production of dairy products such as butter, cheese and powdered milk also offer opportunities for import substitution. Animal feed mills would help cut production costs and would make poultry, pig and dairy farming competitive vis à vis imports.

The above account shows the need and scope for developing agriculture as a provider of food, employment and income. Increased agricultural productivity and a dynamic agricultural sector can provide, a firm base for successful national development and coupled with population control can show a way of resolving the African dilemma. However, the small farmers must get access to credit, agricultural inputs such as seeds and fertilizers, agricultural implements and be able to process and market their produce at remunerative prices, thereby allowing subsistence farming to be transformed into a market oriented farming. Agricultural co-operatives and agro-processing units on a co-operative basis needs to be established to provide the smallholders with services and the bargaining power that can be mobilized only through collective action.

- (vi) Inland fish farming in rivers and dams/ponds can be developed as a source of income for people living on the river banks and for raising nutritional levels.

- (vii) There is scope for developing cottage and small scale industries, which will also generate employment. The Mbangure Woodcraft Co-operative in Rundu and Women's Brick-making Co-operative are indicative of the possibilities in this field.
- (viii) The development perspectives outlined by the General Policy Statement of the Government of Namibia (chapter 2) stress the needs for increased domestic savings and developing programmes of affordable housing for the less advantaged. Institutional mechanisms in the form of credit unions need to be established especially for fixed income-earning people in mines, factories, government services, commercial establishments, and the informal sector to promote the habits of thrift, mobilize savings and help members with low interest loans in times of need.
- (ix) Housing co-operatives can make an important contribution as shown by Saamstaan co-operatives in encouraging members to save and in helping them to build their own houses through self help methods.

6. Types of Co-operatives

Various types of co-operatives can be formed in communal and urban areas with a view to making a significant contribution to improving the economy of persons with moderate and low incomes. In so doing, co-operatives will develop people and people's participation in economic development of the country.

The Mission recommends that the following main types of co-operatives be organized:

A. Communal Areas

- Agricultural Marketing and Inputs Supply;
- Fisheries;
- Savings and Credit;
- Consumer;
- Handicraft, cottage and small-scale industries;

B. Urban Areas

- Savings and Credit
- Housing
- Industrial and artisanal
- Consumer
- Insurance

C. Commercial Areas

- Agricultural Marketing and Inputs Supply
- Savings and Credit
- Insurance
- Consumer
- Industrial (Food processing)

The organization of separate consumer co-operatives may not be feasible in rural areas. In such cases, the producer co-operatives may stock and supply basic consumer goods.

Insurance is an important need. Sentraoer at present provides insurance to farmers and co-operatives in respect of their assets. The feasibility in due course of establishing a Namibian Co-operative Insurance Society of their own to cover life and general insurance or providing these services to members even in communal areas through appropriate link-ups with Sentraoer and other insurance companies should be investigated.

Keeping in view the experience the world over, the Mission does not believe in the concept of "cooperative farming" which means collectively operated farms. Such experiments in all countries including developing countries have failed. In countries where cooperative collective farming was pursued as a national policy, it brought ruin not only to the participating farmers but also disaster to food production and agricultural economy as a whole. Hence the Mission strongly advises against cooperative collective farms, despite their ideological appeal.

7. Organization and Structure of the Co-operative Sector

Experience in numerous African and other developing countries have shown that a top-down approach for development of co-operatives - in fact for social and economic development in any sector - has not been successful. People's participation is therefore emphasized as a key to development in all development programmes.

The co-operative sector normally comprises primary or base level co-operatives which federate themselves into secondary and tertiary co-operatives to secure economies of scale and bargaining power as well as to hire appropriate managerial and technical personnel. Governments have often taken the initiative in organizing co-operatives at the grass-roots level as part of development programmes. Co-operatives are then looked upon more as a tool of development and an instrument of achieving government objectives rather than as a people's (members') institution to serve basically members' needs and interests. Also the speed of organizing co-operatives has often been fast without adequate educational preparation of members. Further, national

co-operative organizations are often set up at an early enough stage in the hope that they will spearhead co-operative development and take over development functions performed by the government. These aspirations have generally not materialized. National organizations have remained weak without adequate reciprocal relationships of effective services to members and in turn member support to them. Further co-operatives at all levels have remained dependent upon governments for a long period of time and have been construed as government outfits by members, thereby negating the very concept and spirit of Co-operation. Hence the Mission recommends that a Grass-roots First or Bottom-Up approach be adopted in co-operative development. Secondly, no super structures in the form of secondary and national co-operative organizations be established unless sufficient number of local co-operatives are formed and unless these co-operatives themselves decide to set up higher tiered co-operatives.

We envisage that the above recommendations would be implemented by the NGOs and the grass-root co-operatives.

The Mission recommends that efforts should be made to have one integrated cooperative sector which would link together cooperatives in all the three areas mentioned above, irrespective of whether the coops have predominantly white or black people as members. A divided cooperative sector will not be able to achieve the social and economic goals of cooperatives; nor will it become an effective countervailing force vis a vis the private enterprise. It should however be recognized that this would not be an easy task in view of historical reasons and the still prevalent sharp social and economic divisions. Nevertheless, it is important to set this as a long-term goal, keeping in view the national policy of reconciliation and the cooperative values of harmony, equity and communal amity. Progress towards this goal would call for far-sighted sagacious leadership on the part of already well-established cooperatives and the newly emerging cooperative groups.

8. Human Resource Development (HRD)

In the early years of development effort, development was regarded as synonymous with economic growth and there was an excessive concern with G.N.P. Experience has shown that social factors and investment in people are equally important. It is now generally recognized that peoples' participation is of crucial importance for achieving significant development in any sector and hence development of human resources is vital to the development process.

The philosophy of "Cooperation" is rooted in the people. Cooperatives mean basically development of the people through their own efforts. Besides unlike other development bodies, by constitution a cooperative is a democratic institution. Hence

since the pioneering days cooperative education has been one of the basic Principles of Cooperation.

The Mission was informed in its discussions everywhere that the "Concept of Cooperation" was new in Namibia and people in the country including development personnel in the development Ministries and community development bodies have inadequate appreciation of its potential and knowledge about its operational principles and methods.

Keeping the above in view, the Mission recommends that the highest priority be given to Human Resource Development in all cooperative development programmes in order to establish cooperatives in Namibia on a sound basis and to ensure that they are run as efficient economic and social entities. Special programmes be introduced in order to increase the involvement of women in cooperative matters.

The ICA Policy on Human Resource Development in Cooperatives of the Third World has influenced the Mission to the following recommendations:

Members

The raison d'etre for the co-operative movement are the members. Its strength lies in the quality of its membership and its ability to mobilize men and women. Democratic control is an essential pre-requisite for the development of economically efficient cooperative organisations. This can only be achieved through enlightened and capable members. Therefore, it is essential that:

- members have an awareness and understanding of their role in the society as well as of the co-operative principles, practices and values;
- women and young people are included in co-operative activities at all levels and sufficient resources are made available for appropriate programmes.

Committee Members

Enlightened and capable leadership is vital for the success of cooperative organisations. It is therefore essential that:

- committee members have an awareness and understanding of the co-operative principles, practices and values,
- they are trained for their leadership roles, and
- women leadership is encouraged through special efforts.

In small co-operative societies, management functions are carried out by the members of elected committees. Hence it is essential that committee members of such societies are also trained in carrying out management tasks relevant to their needs.

Personnel

Cooperative organizations should employ more women at all levels.

Employees have a vital role to play in the establishment and management of economically efficient co-operative organizations. It is therefore essential that:

- special training/development programmes for women employees be introduced in order to ensure women's promotion to higher positions;
- modern personnel policies be applied;
- employees have an awareness and understanding of the co-operative principles, practices and values; and
- they be professionally qualified and given needed training.

Potential Members

Co-operative knowledge should be disseminated among potential members and the public at large.

Policy-Makers

Policy-Makers in government ministries/departments and development agencies shall be made aware of co-operative principles, values, co-operative development policies, and the importance of involving women in cooperative activities.

Registrar Of Cooperative Societies

The present Registrar of Cooperative Societies has had no previous training or experience in cooperative work. In view of his important role, the Mission recommends that he be given an orientation in cooperative law administration, operation of the cooperative department, and cooperative development in one or two countries.

It is also essential that he be provided with adequate staff to assist him in coop registration work which is bound to grow rather fast in the coming years. As women constitute a significant proportion of coop membership and as there are special women cooperatives, a post looking after women involvement in cooperatives be created at national level.

The staff of the department would need training. As there is no experience available in regard to coop law administration in Namibia, it is recommended that the Government obtain the services of an expatriate expert to provide on-the-job training to the staff that would be recruited in the Registrar's Office.

At this stage the Mission does not see the need for a Cooperative Training Institute. Identified needs of training for the cooperative sector may be handled by the existing NGOs engaged in cooperative training. Similarly existing training institutions be utilized for training government extension officers concerned with cooperative development by including a cooperative package in their normal training activities. The reason for this recommendation is the need to utilise the scarce resources for cooperative promotion and development work rather than for putting up infrastructure.

9. Women in Cooperative Development

As in other African countries, agriculture in communal areas in Namibia is mostly carried on by women. Women are also active in traditional arts and crafts. Women also play an important role in the informal sector. They perform very important tasks as housewives, mothers, and managers of the household. The Mission therefore recommends that Women must be actively involved in the work relating to planning, organization and development of cooperatives of all types. We were informed that women suffer from many legal and social disabilities. We suggest that a careful study of the legal and other constraints that inhibit womens' participation in social and economic life as human beings and in cooperatives and community activities be made and early steps taken to remove these handicaps.

10. Capital, Marketing and Technology

Capital

Adequacy of capital is an important requirement for the stability and growth of cooperative organizations. The Mission recommends that efforts should be made right from the beginning to build up sufficient members' capital as an index of self-reliance, for safeguarding independence of action (autonomy), and as a basis for securing needed loan funds. Members' capital can be built up through share capital contributions by members, placement of savings by members in the coop in various forms, and plough back of surplus to reserves by the coop. Attractive methods and schemes for raising capital through the above three sources should be formulated by the coop management, keeping in view the members' convenience, the need to raise capital at as low cost as possible, and the market conditions. As regards the surplus, the relevant considerations are : how much economic benefit should be given to the members in the short run and how much in the long

run. (The long-term benefit in terms of prices and quality of services will accrue as a result of capital build-up.) Decisions required in this regard relate to the pricing policy as well, since the prices charged will determine the size of the surplus.

Members' capital is usually not enough in modern day conditions. Both the members and the coops need short- and long-term loans for carrying on their economic enterprises. Namibian constitution suggests affirmative action for the less advantaged persons. The Mission therefore recommends that appropriate credit schemes be formulated by the government, the Land Bank and the FNDC to lend a helping hand to the disadvantaged persons and their coops some of the groups in need of such assistance are subsistence farmers, returnees, new settlers, artisans, craftsmen and women. The strength of coops formed by poor persons in these groups also needs to be buttressed by external support in the form of seed money and working capital. Some support may also be given in the form of grants for building coop infrastructure. For example, agricultural coops may be helped with an appropriate mix of loans and grants for constructing storage facilities. However, the Mission would like to emphasize that the quantum and the terms of assistance should be such as would not weaken the spirit of self-reliance.

Marketing

An important objective of producers' coops is to obtain remunerative prices for their members. Efficient marketing is therefore the key to their success and for creating and sustaining members confidence in cooperatives. Hence the coops formed by farmers, fishermen, artisans and other producers should give top most priority to the marketing function.

Coops should try to find new and more distant markets, including export markets, in order to secure better prices for the produce of the members. Grading and standardization, establishing market brands, market promotion and advertising, processing, improving the product to suit the market, and better packing and labelling are some of the aspects that must be attended to for successful marketing of agricultural produce. It is important to create and increase the members' confidence in cooperatives when systems for managing the cooperatives are developed.

Producing early varieties in order to reach the markets ahead of competitors fetch better prices. Even new products must be introduced. For example, the FNDC suggests "that there is a high production potential for products which can be produced out of season for the European market such as dates, olives, citrus, sugar, tobacco, groundnut, flowers and prickly pears. In this

field there is considerable scope for job-creating commercial enterprises in communal areas."²

At present the communal areas in the North are not adequately linked with the internal as well as external markets. There is great need to build infrastructure in these areas in the form of roads, provision of transport and communication facilities, establishment of market centres, and construction of a network of storage and warehousing facilities. This is basically a function for the State.

The implementing bodies would be members, cooperatives, Government, FNDC, Marketing Boards, NGOs and the private sector.

Technology

Technology has an important role in raising productivity. However, technology is generally understood as increased use of capital and machines. Machines generally displace labour in any given situation. And we need capital to purchase and install machines. In Namibia, like any other developing country, capital is scarce and labour is abundant especially in communal areas and among the black people in the urban areas. Unemployment is at present a serious problem in Namibia. Hence the above concept of technology valid for industrialized countries is not relevant and useful to developing countries. Hence development practitioners now advocate appropriate technology for developing country situations; which means application of such production, social and economic organization methods that would use less capital and more labour. In view of the growing unemployment problem and the scarcity of capital, the Mission recommends the application of appropriate technology using, wherever possible, labour intensive and capital-saving methods, specially in agriculture, agro-processing, cottage and small-scale industries. Cooperatives in all sectors should also use appropriate technology.

11. Some Pre-requisites

Land Tenure

It has been pointed out earlier that it is necessary to transform subsistence farming in communal areas to market-oriented agriculture by raising the productivity on communal lands and thereby creating a surplus for sale in the market. Such a strategy calls for considerable improvements and investment in agriculture on the part of farmers. However, the

²"Agriculture in Northern Namibia - Fundamentals and Potential" A Position Paper assembled by the FNDC, Page 14, January 1990

present land tenure system allows the farmers the use of land; the farmers do not have a title to the land; they cannot offer land as security for loans; lands cultivated by farmers cannot be inherited as a matter of right by the farmer's wife or his children. Under such a situation farmers are unwilling and unable to make investments in land, with the result that agriculture in communal areas is stagnating or even deteriorating in terms of productivity. The Mission therefore recommends as follows:

i. Farmers in communal areas be given leasehold rights for up to 99 years in respect of lands they are already occupying. Such an arrangement does not disturb the existing situation of occupancy and hence should be acceptable to the chiefs as well as the farmers.

ii. A decision be taken in regard to the right to bequeath land, keeping in view the need to have economic size of the farms, and the need to avoid fragmentation.

A Land Conference is scheduled to be held in June 1991 to consider the Land Question including the land tenure in communal areas. As land tenure has an important bearing on the growth of the agricultural cooperatives, the Representative Meeting decided to hold the Coop. Policy Workshop after the results of the Land Conference are available.

Agricultural Prices

The prices farmers receive have an important bearing on agricultural productivity. Farmers make their decisions regarding investment in land improvements, the type of farming to be adopted, and the crops to be produced on the basis of the prices of various agricultural commodities and the return they would get on invested money and work. It is of utmost importance that a market oriented farming system allows the farmers a reasonable incomes.

For a variety of reasons prices of farm products are subject to wide fluctuations which have a destabilising effect on farmers and on agricultural production. Governments need to guarantee minimum support prices if they want to stabilize or encourage production. Such prices should be announced before the sowing season or the beginning of the production cycle in the case of long-duration crops and livestock/ dairy industry.

In the case of Namibia there is a great need to develop a marketed oriented agricultural system which guarantees the communal farmer an income which is attractive enough to promote cultivation of food crops. Such a price policy is also desirable in respect of products such as sunflower whose production needs to be encouraged.

Another relevant question in this connection is the need to restrict imports during the transition period when communal farmers are taking to market-oriented production and, agro-processing facilities and agri inputs production are in their incipient stages.

Farmers organizations such as the Namibian Farmers Union and the Namibian Communal Farmers Union need to establish Price-monitoring Units and machinery for negotiating with the government for agricultural price-setting.

Infrastructure Development

Reference has already been made to the need to develop infrastructure for facilitating agricultural marketing. Similarly infrastructure in the form of irrigation facilities, and agricultural extension and veterinary services need to be developed to facilitate and stimulate production by communal and emerging black commercial farmers. Similarly access to credit even by establishing a special institution for the hitherto disadvantaged persons should be facilitated if the full potential of communal farmers is to be realized.

12. Role of External Development Organizations

The Mission has outlined the support needed by the Cooperatives in Namibia for the development and also indicated the role of the NGOs and the Government of Namibia in this regard. Considering the budgetary constraints of the Government and the lack of technical expertise in Namibia, it would be necessary for the external development organizations to provide the needed support for the benefit of cooperative development. This question was discussed by the Mission at the representative meeting held on 30th January 1991, and it was agreed that a consultation with development organizations be held by the Government of Namibia in collaboration with ICA in October/November 1991 for the purpose of giving information on cooperative development needs in Namibia and seeking their collaboration.

The details of the consultation including the tentative programme agreed at the meeting are given below:

CONSULTATION WITH DEVELOPMENT ORGANIZATIONS

Objectives:

- a. To inform the development organisations of the current status of the cooperative sector in Namibia and its development potential; also Cooperative Development Policy, Strategy and Priorities ; and

- b. To seek collaboration ,in a coordinated way, of the Development Organizations in promoting cooperative development in Namibia

Dates: Three days in October/November 1991.

Participants:

- a. Representatives of the Ministry of Agriculture, Fisheries, Water and Rural Development
- b. Cooperatives
- c. Non-Governmental Organisations
- d. Representatives of international development organisations
- e. Representatives of the ICA

Organizers:

- a. Government of Namibia
- b. International Cooperative Alliance (ICA)

Responsibilities:

- a. Host facilities: Ministry of Agriculture, Fisheries, Water, and Rural Development, Government of Namibia
- b. Invitations and direction: ICA

Tentative Programme:

1st Day

Morning: Cooperative situation and prospects of cooperative development in Namibia presented by the Ministry of Agriculture (MOA).

Discussions

Afternoon: Cooperative Development Policy presented by MOA
Discussions

2nd Day

Morning: Strategy of Cooperative Development presented by MOA

Discussions

Role of NGOs, University and Research bodies
in Cooperative Development presented by an NGO
or a Research body

Discussions

Afternoon: Needs of assistance from abroad by the
Cooperative Sector in Namibia
presented by MOA and NGOs

Discussions

3rd Day

Morning: Presentations by Development Organizations

Discussions

Afternoon: Informal Meetings

Summing Up

Namibia is a newly independent country at last free from the yoke of colonialism and oppressive apartheid. She has adopted a Constitution which is modern and democratic and set for herself socio-economic goals which are worthy of support by the international community.

Namibia has a dual economy with, a modern sector based on mining and commercial agriculture, and a third world sector characterized by communal subsistence level farming. The majority of the population is dependent on agriculture and some fiftyfive percent of them live in extreme poverty.

The Mission found that there is great scope for self help groups and cooperatives to enable people to improve their conditions through their own efforts. Government policies appear geared towards this objective rather than taking things in its own hands. There is an upsurge in the number and activities of the Non-Governmental Organisations which augur well for the development of self help groups and cooperatives.

The Mission has made recommendations for the purpose of stimulating the promotion and growth of a voluntary and autonomous cooperative sector. It was heartening to observe that the Government was prepared to allow cooperatives to establish and grow on their own. It is the Mission's hope that its recommendations would lead towards the formulation of a Cooperative Development Policy which would embody these aspirations and the eventual establishment of an efficient Cooperative Sector.

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TERMS OF REFERENCEBackground

Namibia attained independence in March 1990. The government of this newly independent country is seriously concerned with uplifting the social and economic conditions of the broad mass of its people. The cooperative form of organization offers an excellent method for this purpose, especially for rural areas and people of small means. The government of Namibia is desirous of utilizing the cooperatives for these purposes.

The International Cooperative Alliance as the World Confederation of Cooperative Movements for over 95 years has considerable experience in promoting cooperatives in the developing countries. It has constituted this Mission in collaboration with the Government of Namibia and the Swedish Cooperative Center, an important ICA Development Partner.

Objectives

The purpose of the study is to assist the Government of Namibia in formulating its Cooperative Development Programme based on the authentic Concept of Cooperatives, by reviewing the current status of cooperatives, by identifying the potential of cooperative development, and by recommending ways in which this potential can be realized.

The specific objectives are as follows:

- A. to make a review of the current status of the cooperative movement with special reference to rural areas;
- B. to review the present status of women's integration into the cooperative movement and make recommendations for increasing women's participation in cooperative development;
- C. to identify areas for future cooperative development and suggest their incorporation in the Development Plan of the country; and
- D. to identify priority needs of assistance to cooperatives for securing sound cooperative development.

Terms of reference

In order to achieve the objectives, the Mission shall carry out the following tasks:

1. describe and assess the organizational and administrative structure of the cooperative sector with regard to democratic control, efficiency, and viability;
2. assess the adequacy of present cooperative legislation and make recommendations for necessary changes;
3. identify operational weaknesses of the cooperatives and causes thereof, internal as well as external;
4. recommend, on the basis of its findings, how women can be further integrated into the cooperative movement and their role in cooperatives can be increased;
5. assess the effectiveness of cooperative education and training arrangements for men and women, including leadership and skills training;
6. assess the savings promotion efforts and credit activities of cooperatives;
7. assess how cooperatives reach the rural population, also in the most remote areas;
8. recommend, on the basis of the above study, how existing cooperatives can be strengthened and the new economic fields in which cooperatives may be organized;
9. recommend appropriate policies for adoption by the Government to foster genuine cooperative development;
10. examine the role of the cooperative movement in the long-term Development Plan of Namibia and suggest, if necessary, how this role may be strengthened;
11. identify priority needs of support of cooperatives in the context of the Mission's recommendations; and
12. Identify areas in which in-depth studies would be required for promoting cooperative development.

Mission composition

The Study Mission will comprise the following persons.

1. Mr.J.M.Rana, Senior Development Adviser, International Cooperative Alliance, Geneva : - Team Leader
2. Mr.B. Kadasia, Manager, Research, Planning and Consultancy Project, ICA Regional Office for East, Central, and Southern Africa, Moshi : - Team Member
3. Mr. Lars Sylvan, Project Officer, Swedish Cooperative Center, Stockholm : - Team Member

The Government of Namibia will provide one or two counterparts to assist the Mission.

Period

14 January 1991 to 8 February 1991.

Methodology

1. Initial briefing sessions will be held with the Director of the ICA and the authorities in Namibia before commencing field work.
2. Field work will be carried out for two and a half weeks. The field work will include discussions with the policy-making and executive personnel of the Government responsible for cooperative development, and visits to selected cooperative organisations. Discussions will also be held with key institutions such as the central Bank and allied Government Departments whose work affects cooperative development.
3. One week will be devoted for internal discussion among the Mission members, formulation of the Conclusions and Recommendations and preparation of the Report.
4. Main Conclusions and Recommendations shall be presented and discussed with the Namibian authorities by the Mission prior to its departure from Namibia.

Local Assistance

The Government of Namibia will extend all facilities to the Mission to enable it to carry out its tasks. Specifically the following facilities will be provided :

1. one or two counterparts to accompany and assist the Mission;
2. drawing up in advance the schedule of meetings and visits as per the objectives and the terms of reference, finalising it in consultation with the Mission, and then arranging the programme;
3. providing required transport facilities for visits of the Mission, especially in the rural area; and
4. providing needed secretarial and typing services.

Costs of internal travel of the Mission and the counterparts, their board and lodging, and secretarial assistance will be the responsibility of the ICA/SCC.

MISSION PROGRAMME

Sunday, Jan. 13, 1991

Arrival in Windhoek
Meeting of Mission Members

Monday, Jan 14

Mr. B. Rothkegel, Registrar of Cooperative Societies
Ministry of Agriculture, Fisheries, Water and Rural
Development (MOA)

Mr. H. Dax, Deputy Permanent Secretary, and
Mr. A. Ndishishi, Director, Manpower Development
Ministry of Labour and Manpower Development

Mr. Franco Becchi, Senior Programme Adviser
United Nations Development Programme (UNDP)

His Excellency Mr. Sten Rylander, Ambassador of Sweden

Tuesday, Jan 15

Mr. Paul Fleermuis, Director
Namibian Community Cooperative Alliance

His Excellency Mr. Gerhardus J. Hanekom, Minister and His
Excellency Dr. Kaire Mbuende, DY. Minister
Ministry of Agriculture, Fisheries, Water and Rural
Development

Mr. Deon Gous, Dy. Permanent Secretary
Ministry of Trade and Industry

Mr. Bertil Högberg, Representative
Africa Groups of Sweden

Ms. Carsten Norgard, Representative
Denmark Solidarity and Development

Wednesday, Jan 16

Mrs. Anna N. Shiweda, Director, Training, MOA

Mr. A.W. Corbett and Ms. Dianne Hubbard
Legal Assistance Centre

Mr. B.R.Kukuri, President & Mr. Peter T. Bond, Secretary
Namibia National Chamber of Commerce and Industry

Thursday, Jan 17

Mr. U. Hiveluah, Permanent Seceratry
Ministry of Lands, Resettlement and Rehabilitation

Ms. Bente Pedersen, Gender Officer
Swedish Embassy

Mr. Charles Truebody, Director General
Planning Commission

Friday, Jan 18

Mr. Gideon Tsueb, Chairman & Mr. Sam Hengari, Manager
Saamstaan Building Cooperative and Credit Union

Mr. N.de Klerk, Director, Agriculture, MOA

Mrs. Miriam Truebody, Private Sector Foundation

Mr. J.B.W.Ford
Lorentz & Bone: Attorneys, Notaries and Conveyancers

Ms. Megan Biesele & Mr. Kxao Toma
Ju/Wa Bushman Development Foundation

Ms. Lindi Kazombaue, National Development Trust &
Mr. Sandi Sijake, National Job Creation Service

Monday, Jan 21

Travel to Rundu

Mr. John Mutorwa, Regional Commissioner
Mr. Peter Horn, Regional Head, Agriculture Department

Mr. S.M.Maruta, Chairman
Namibia Katemo Agricultural Cooperative, Rundu

Mr. Johannes Lumbala, Chairman &
Mr. F. Wakuduma, Co-ordinator
Mbangura Woodcraft Cooperative, Rundu

Tuesday, Jan 22

Mr. Tsamkxao, Chairman & some members
Nye Nye Farmers Cooperative, Tjum!kui,
Eastern Bushmanland

Wednesday, Jan 23

Mr. Oscar T. Norich, Managing Director
Mr. Kaembo Kasiringua
Pamue Special Coop., Tsumeb

Travel back to Windhoek

Thursday, Jan 24

Mr. K. Kahuure, Director, Rural Development, MOA

Mr. Nama Simon Goabab, Researcher
Namibian Economic Policy Research Unit (NEPRU)

Mr. Schleberger, Representative
Otto Beneke Stiftung

Mr. Pierre Maritz, Executive General Manager
Sentraoer Cooperative

Mr. N. Shoombe
Permanent secretary
Ministry of Local Government and Housing

Mr. John Ya Otto, General Secretary
National Union of Namibian Workers

Friday, Jan 25

Mr. Andries Wahl & Mr. Marice Vermeulen
Assistant General Managers
Agra cooperative

Prof. C.P.G. Tapscott, Director
National Institute for Social and Economic Research
University of Namibia

Adv. J.G. Louwrens, General Manager
Alfa Cooperative
Departure for Namaland

Visit to Orange Cooperative

Saturday, Jan 26

Sunday, Jan 27

Visit to coops affiliated to Namibian Community
Cooperative Alliance
Return to Windhoek

Monday, Jan 28

Vilho Nghipondoka
Permanent Secretary of Agriculture and Rural Development
Ministry of Agriculture, Fisheries, Water and Rural
Development

Afternoon

Discussion among Mission Members to formulate Preliminary
Recommendations

Tuesday, Jan 29 &
Wednesday, Jan 30 Morning

Discussion Continued & formulation of preliminary
recommendations

Afternoon

Presentation of Preliminary Recommendations to the
Representative Meeting and Discussion

Thursday, Jan 31

Mr. Albievan Rooyen, Manager, Agricultural development
Institute for Management and Leadership Training

Mr. Permain Erlank, General Manager
Land and Agricultural Bank

Mr. C. DU Toit, Senior Project Leader
First National Development Corporation

Friday, Feb 1 to
Friday Feb 8

Ms. Eunice M. Iipingee, Assistant Coordinator for
Foreign Affairs & Information
SWAPO Women's Council

His Excellency John D. Odede
High Commissioner of the Republic of Kenya

His Excellency Shiv Shanker Mukerjee
High Commissioner of the Republic of India

Martin Aiff, Manager
Namibia Craft Centre

Mr. Gift Kazombaue
Namibian Credit Union Movement

Mr. J. Schwettmann
ILO Regional Adviser on Cooperatives For Central,
Southern, and Central Africa, Zaire

Winding up Discussion with Mr. B. Rothkegel
Registrar of Cooperative Societies

and

Discussion among Mission Members & Preliminary Drafting
of the Report

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PROFILES OF ORGANISATIONS VISITED BY THE MISSION

AGRA (COOPERATIVE) LIMITED

- Established:** 1980
- Mission:** To serve the farmers of Namibia through a cooperative undertaking
- Activities:** Provision of all farming inputs, equipment and related services to members
- Marketing and handling everything members produce and for which a market exists or could be created
- Main products and their share of turnover for 1990 were: -
- | | |
|-----------------------|-------|
| - Meat | 58.5% |
| - Trading and General | 34.3% |
| - Karakul | 4.8% |
| - Agricultural crops | 2.4% |
- Structure:** The total number of individual farmers who are members of Agra is 5,200. They are almost entirely from the commercial farming sector. One of the requirements for membership is that a farmer should be able to do business with the cooperative worth at least R3,000 per year. The law allows the cooperative to do business with non-members provided this does not exceed business done with members.
- Agra operates a network of 26 centres throughout its area of operation.
- A number of agroprocessing and value-adding activities have been embarked upon. These include: a maize mill; an animal feeds mill; and sugar packing.
- Performance:** Turnover during 1990 was MnR355.1 and net surplus was MnR1.2.
- Funding:** Share Capital- MnR3.0; Reserves- MnR20.4

ALFA (COOPERATIVE) LIMITED

- Established:** 1964
- Mission:** To satisfy members' needs for consumer goods - at the right place, time and price
- Activities:** Retailing of all consumer goods except motor vehicles
- Structure:** The cooperative has 12,600 members of whom 500 are non-whites. Each member pays a minimum share capital of R50. Alfa is empowered to do business with non-members.
- The members elect a Board of Directors of ten people, one third of which retire annually but are eligible for reelection. Voting by proxy is permitted.
- The cooperative operates six outlets - the main store, a bottle store and two branches in Windhoek and one store each at Tsumeb and Swakopmund.
- Performance:** Turnover in 1990 was R54.3 million. The cooperative has generally been able to operate profitably in the past.
- Members pay lower prices than other customers right at the point of sale. In addition they receive dividends at year end.
- Competition from private business and chains is growing quite fast. The cooperative is fighting the competition mainly through lower prices and promotional activities.
- There are difficulties to find and retain competent manpower
- Funding:** Share Capital- N.A. ; Reserves- N.A.

ORANJE (COOPERATIVE) LIMITED

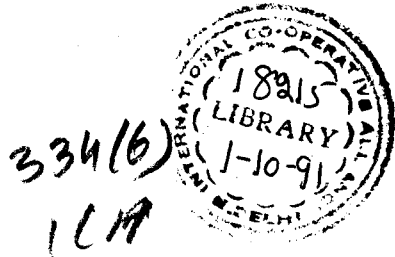
- Established:** 1928 (in South Africa); 1969 (Namibian branch)
- Mission:** To serve the farmers of the Hardap Dam irrigation scheme through a cooperative approach
- Activities:** Supply to members :
- Seeds and other inputs
 - Agricultural machinery and implements
 - Marketing of members' produce
- Technical advice/Extension
- Providing production credit to members including guaranteeing loans from the Land Bank
- Structure:** The Oranje Cooperative in Namibia is a branch of the Oranje Cooperative in South Africa. The Head Office in RSA provides financial assistance, administrative support, technical assistance and a bulk buying service.
- It has a membership of 30 farmers all operating at the Hardap Dam Irrigation Scheme, 250 Kms south of Windhoek. The Oranje Cooperative of South Africa is empowered to operate in Namibia under Chapter 10 of the present Cooperative Act.
- Each member cultivates between 30-50 Ha. of land. The main produce in the Scheme has been lucerne. In the last three years maize and wheat production has increased. Citrus, melon, sultana and cotton cultivation is being introduced.
- Funding:** Membership fees and share capital, trading margins, Land Bank loans etc.

SENTRABOER (COOPERATIVE) LIMITED

- Established:** 1916
- Mission:** To be recognized as a leader by achieving the following: as a growing, profitable and financially stable organisation, offering security with regard to unforeseen and incidental damages in an innovative way to the agricultural and related markets in South Africa and Namibia
- Activities:** Provision of short - term insurance products for farmers' assets and those of cooperative organisations
- Structure:** Sentraboer is registered in RSA and operates in Namibia as permitted under Chapter X of the present Act. Almost all its activities in Namibia are carried out by AGRA, the agricultural cooperative. AGRA is a member as well as an agent of Sentraboer.
- Sentraboer is registered as a Central Cooperative i.e. only registered primary cooperatives can be its members. There were 217 member cooperatives in 1990. Sentraboer is however, allowed to do business with non-members. It does not carry out life insurance business.
- Performance:** Total turnover in 1990 was MnR118.7 of which MnR3.4 was generated in Namibia. Net surplus for the year was MnR8.9. Bonuses to members amounted to MnR6.8
- 1,470 commercial farmers in Namibia insure with Sentraboer.
- Funding:** Share Capital- MnR24.7; Reserves- MnR17.4

NAMIBIAN COMMUNITY COOPERATIVE ALLIANCE (NCCA)

- Established:** May 1987
- Mission:** To run a programme of support activities for income generating groups
- Activities:** Skills training
Activating and animating groups
Linking groups to sources of assistance
- Structure:** Composed of 15 groups; all in Communal Namaland in the south of Namibia
- 7 groups are Farmers' Leagues and operate savings and credit schemes.
- 8 groups are for non-farmers residing in the target areas; some of these operate savings and credit schemes, others consumer shops, etc.
- The Farmers' Leagues are united into a secondary level group: Farmers Interlink Solidarity Action (FISA)
- The non-farmer groups are members of a secondary group: People's Association Solidarity Trust (PAST).
- Resources:** 7 employees - 4 in Windhoek and 3 in Keetmanshoop
- Income (1989) - R345,000
- Funding:** Donors (HIVOS, EEC, OXFAM, KAF) - 97% of total funds;
- Member shares and deposits



NAMIBIA KATEMO AGRICULTURAL COOPERATIVE

- Established:** 1990
- Mission:** To improve the economic situation of its farmer members in the far North-East of Namibia.
- Activities:** The main activity of the group is so far limited to the purchase and sale of members' Mahango (Millet). Small amounts of beans and vegetables are also traded. So far the members have received prices higher than those paid out by private traders.
- Structure:** The group is not registered. It has about 40 members each owning between 18-50 hectares.
- Resources:** The group has 2 employees and operates from a store in Rundu, rented from the Government.
- Funding:** The cooperative depends on capital contributed by members. This is meager. An attempt to get credit from the FNDC for farm inputs failed because the group is not registered under the law.

MBANGURA WOODCRAFT COOPERATIVE

- Established:** 1984
- Mission:** To raise the incomes and overall standard of living of its members
- Activities:** The group organizes procurement of wood and other supplies needed by the members.
- It also arranges marketing of the members' products
- The main products of the group are wooden furniture and artcrafts.
- Structure:** The group is based at Rundu in northern Namibia.
- There are about 200 members in the group. The group has not been able to get registered due to the inadequacy of the law and its complexity. Members still work from their houses and bring their products to the cooperative showroom. The cooperative takes 10% of the proceeds on sales made through the showroom.
- The cooperative also organizes mobile sales-driving to shopping centres and bazaars all over Namibia and in South Africa.
- Resources:** The group has been allowed to use a Government building as a showroom. However, it has been made clear that the group will soon have to pay rent for the building.
- Each member pays a fee of R10 per month in addition to an entrance fee. The group has received a grant of R23,000 from Oxfam.
- One sales person is employed.
- Problems:** The following problems were identified:
- lack of management and organizational skill
 - lack of market
 - low prices for products
 - lack of means of transport
 - insufficient and irregular wood supplies
 - difficulties in communications
 - no woodworking machines lack of a workshop
 - poor quality assurance

SAAMSTAN BUILDING COOPERATIVE

Established: 1987

Mission: To provide housing to its members and to build up a central pool of funds from which members can borrow

Activities: The group has two lines of activities:
a) Assisting members to acquire houses and
b) Operating a savings and credit scheme.

To date (Jan. 1991) 18 houses have been completed.

Structure: The group is not registered under any law.

There are essentially two groups under the same name and management. All members of the building group are also members of the savings and credit scheme.

The group has a membership of about 600 individuals, mostly women. To qualify for membership, a person must be: a) a domestic worker, b) have a monthly income of not more than R500, c) attend all meetings of the group and d) put in labour - members assemble at the cooperative every Saturday to make building bricks.

To qualify for a house loan, a member must have saved at least R150 and have a plot.

The cooperative is affiliated to the Cape Credit Union League in the Republic of South Africa which provides bookkeeping and overall guidance.

Resources: The group has 3 employees.

Every member pays an admission fee of R3 of which R1 is entrance fee and R2 is initial deposit. Besides, members save regularly. The average cost of a house is between R6, 000 and R7, 000. The maximum loan a member can get for a house is R5, 000. The funds loaned out as house loans come out of grants given to the group. These grants have been converted to a revolving fund.

Funding: The main donors to the group have been Oxfam U.K and Oxfam Canada.

Member savings and deposits

COUNCIL OF CHURCHES IN NAMIBIA (CCN)

Established: 1979

Activities: The Council has established a Cooperative Development Desk whose tasks are to:

- Assist in organizing groups
- Provide training e.g book-keeping
- Channelling of grants
- Organizing donor meetings
- Monitoring progress of groups

Structure: The Council is formed by six churches i.e. Roman Catholic, Lutheran, Methodist, Anglican, AMEC, and Congregational.

CCN currently works with 30 to 40 groups spread all over Namibia. To qualify for CCN support group must consist of not less than 7 people, be community based, and practise self-help. It must also have an Executive Committee and a book-keeper. A group need not be affiliated or connected to any church. Some of the group activities include: weaving, sewing, engineering workshops, and gardening.

Funding: Contributions from members of the Council

Donors: Oxfam U.K., Oxfam Canada, NGOs, etc

About R150,000 available during 1990.

INSTITUTE FOR MANAGEMENT AND LEADERSHIP TRAINING (IMLT)

Established: 1983

Mission: To help Namibians in agriculture, commerce and industry, to increase their knowledge and skills through practical training and consultation services, in order for them to become more qualified, self-reliant and effective business leaders and thereby contribute towards human development and a free, prosperous and stable Namibian society.

Activities: Practical training in agriculture, commerce and industry:

- Pasture Management
- Animal Production
- Agronomy and Horticulture
- Management in Agriculture
- Financial Management,
- Marketing,
- Personal and Personnel Development
- 6M Simulation Course,
- Managerial Development

Professional consultancy services for small business (formal and informal sector)

Management and leadership development

Financial assistance in the form of:

- material aid for small commercial and industrial business development
- bursaries for studies in agriculture, commerce and industry

Information Service

Structure: IMLT is an independent, non-governmental and non-profit Namibian development institution.

It is run by a Board of Directors.

Resources: The Institute receives development aid funds from the Hans Seidel Foundation of Germany.

JU/WA BUSHMAN DEVELOPMENT FOUNDATION (JBDF)

- Established:** 1981
- Mission:** To support the self-development of the Ju/wa (Ju'hoan) Bushman people found largely in northeastern Namibia.
- Activities:**
- supplying the infrastructure needed to develop the mixed local economy i.e. small stock keeping, dryland gardening, hunting and gathering. The local people provide labour. Infrastructure supplied include boreholes, hand or wind pumps, fencing wire for kraals, etc.
 - Purchasing and sales of handicrafts
- Educational and training projects:
- adult and child literacy/life skills
 - community based health education
 - Vocational training
- Sponsoring exchange visits between the Bushmen and other groups living on communal lands
- Structure:** The Foundation is registered in Namibia as a non-profit organisation.
- JBDF only supports those projects which are based on the principle of self-help. To this end the Foundation works through a local grassroots organisation, the Nyae Nyae Farmers' Cooperative.
- Nyae Nyae Farmers' Cooperative is formed by the dwellers of 23 settlements in East Bushland. It is run by a committee consisting of 2 delegates from each settlement. Members do not make any financial contribution to the cooperative.
- Resources:** JBDF has a staff of 5 who reside at a camp in the Nyae Nyae area, a part time secretary/liaison person in Windhoek and an accountant also in Windhoek.
- Funding:** Sponsors of JBDF include the EEC via Christian Aid and the British Council of Churches; Oxfam U.K; Oxfam Canada; Misereor; Brot fuer die Welt; ICCO; Diakonia; CAFOD; and private contributors.

LEGAL ASSISTANCE CENTRE

- Established:** N.A.
- Mission:** To uphold the rights embodied in the constitution of Namibia and expose those who violate them
- Activities:** Free legal advice to those who cannot afford
Research into laws with a view to a) creating a deeper understanding of the laws and b) making proposals for change
- Legal education through school classes and community groups
- Structure:** Their five legal advisory centres well spread out in Namibia.
- The centres are administered by the Legal Assistance Trust and the Human Rights Trust.
- Resources:** 4 professional registered lawyers; 29 para-legal personnel; external consultants
- Funding:** Funds are raised from local activities and from donors abroad: EEC, Swedish Churches, Ford Foundation, Dutch Churches, Australian Government etc.

NAMIBIA DEVELOPMENT TRUST (NDT)

Established: 1989

Mission: To be a service as well as channel body to:
 -stimulate and prepare the groundwork for authentic development programmes
 -develop a development culture in Namibia
 -network local development agencies
 -become a service body for grassroots groups
 -network communities in different regions
 -establish itself as a Namibian NGO

Activities: Workshops to facilitate communities to prioritise their needs and to generate ideas on how they can solve some of their problems

National workshops at which rural communities are involved in deliberating such important questions as unemployment, cooperatives, health, education etc.

Coordinating NGOs' interest in setting up the NJCS and providing initial guidance to it

Coordinating the take off of the local NGO Network

Structure: NDT was set up by the EEC, Churches, SWAPO, National Union of Namibian Workers (NUNW), National Union of Namibian Students Organisations (NUNSO) etc.

NDT is not registered under the law.

Many rural communities have contacts with the NDT. The organisation is well established and seems to enjoy a high standing with the relevant government departments, the communities, local NGOs as well as foreign NGOs.

Resources: The total number of staff employed is 14.

NATIONAL JOB CREATION SERVICE (NJCS)

- Established:** 1990
- Mission:** To initiate and support job creation opportunities for Namibians
- Activities:** Promotion of cooperative and other forms of organisation
- Facilitation of a process whereby ideas for possible projects are generated
- Training and building up of small enterprises concentrating mainly on new cooperatives and small businesses. The training covers such areas as cooperative skills and principles; business management skills and specialist training.
- Monitoring and evaluating progress on projects
- Maintaining a register of small producers and suppliers and on this basis assisting them to find markets
- Establishing formal contacts and helping to build up a coordinated training in network of organisations with similar objectives.
- Structure:** NJCS was set up under the auspices of the Namibia Development Trust and is run by a Steering Committee of representatives from Namibia's community associations, trade unions and churches.
- The aim is for the NJCS to become an umbrella technical organisation for identified cooperatives. To date 40 such groups are being assisted.
- Resources:** NJCS has three employees.
- Funding:** All its funds consist of grants received through the Namibia Development Trust.

PRIVATE SECTOR FOUNDATION (PSF)

- Established:** 1980
- Mission:** To improve the quality of life of all Namibians by causing them to experience and enjoy the benefits of participation in free enterprise activities
- Activities:** Training for Small businesses and the Informal Sector Entrepreneurs. In-house courses and individual consultations are carried out.
- A Mini Loan Scheme for small manufacturers, traders, or providers of business services to purchase stock, raw material or equipment
- The GET UP! Scheme under which PSF provides
- small credit and buying aid facilities
 - practical business training in group situations
 - the opportunity to establish and develop business and social networks and support systems.
- A library service
- Structure:** PSF is an association incorporated not for gain. Members of the association include Businessmen, Banks, Mining and Oil Companies; etc. Members contribute financial, manpower and other resources to the Foundation.
- Resources:** About 20 employees
- Income (1989) - R914,829
- Funding:** Membership Fees, Members' Contributions, Donations(33% of total), Project Incomes, etc

FIRST NATIONAL DEVELOPMENT CORPORATION (FNDC)

Established: 1979

Mission: To create wealth for the good of the people of Namibia in all sectors of the economy by mobilizing and deploying internal and external technological and financial resources

Activities: For the potential investor, FNDC:

- provides authoritative data and information
- identifies appropriate projects by matching donor, receiver and need
- undertakes project feasibility investigations through planning, study and analysis

FNDC also acts as a general information centre, gathering data; analyzing and correlating it; and making it available to the public, private and informal sectors of the economy.

In the field of agriculture, the Corporation provides agricultural credit for new and innovative schemes in which the Land Bank can not participate; acts as a managing agent for some of the Government projects; and carries out research and experimentation on behalf of the government.

Structure: The Corporation operates independently of the State with a board of directors exercising full control over its affairs. It is, however, a parastatal.

Resources: The Corporation employs a multi-disciplinary team of highly qualified professionals, well versed in the various facets of the Namibian economy.

FNDC owns a diversified range of small, medium, and large scale investments in agriculture, industry and commerce.

The assets of the Corporation stood at MnR156 in 1989.

THE LAND AND AGRICULTURAL BANK (LAND BANK)

Established: 1979 (prior to which it operated as a branch of the Land Bank of RSA)

Mission: To advance money to Farmers, Agricultural Cooperatives, Control Boards and certain Statutory Agricultural Institutions.

Activities: The Bank provides long-term financing to farmers in the form of Mortgage Loans and Charge Loans. It also grants loans to Agricultural Cooperatives and other specified institutions in the form of Instalment loans and Cash Credit Accounts.

Only active farmers who provide sufficient security can qualify for loans from the Bank. In effect this means that only registered land owners can qualify.

In any case the Bank does not provide financing in Communal Areas as the ownership of land in this areas vests with the State nor is the land surveyed. The Rehoboth Baster Gebiet area is also disqualified.

Loans may be granted to a qualified farmer for any of a wide range of purposes including:

- purchase of land
- repayment of debts
- fixed improvements including deforestation and landscaping
- purchase of stock and equipment, including sprinkler irrigation equipment and milking machines
- payment of costs in respect of the subdivision of land
- creation or promotion of agricultural and rural activities
- any other purpose applicable to or in connection with farming or agriculture

Agricultural cooperatives and institutions need security to get loans. This will usually be in the form of: a first mortgage bond over their fixed property and collateral bond over loose assets. For Cash Credit Accounts, security consists of cessions of unpaid share capital and debts, automatic liability by members, as well as lien over stock.

Structure: The Bank is wholly owned by the Government and is run by a 7 member board appointed by the Cabinet

Performance: To date the bank has performed admirably, within its mandate. No loans have been written off since its inception. Since 1979 a total of 2,500 loans amounting to MnR244.7 have been granted.

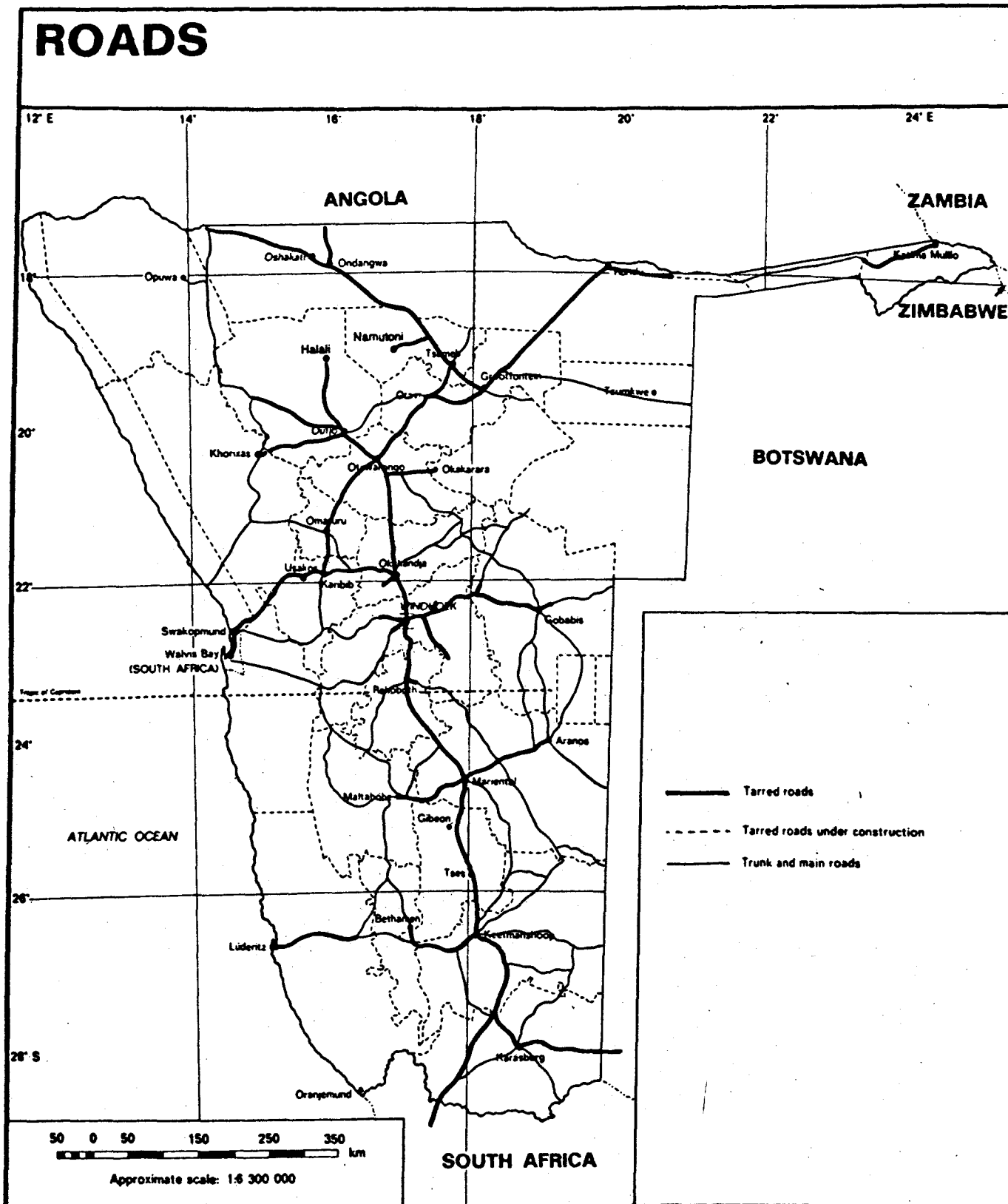
Net Surplus for the year (1990) was MnR7.2.

Resources: As at 31st March 1990 Share capital stood at MnR54.3 and Reserves at MnR69.0.

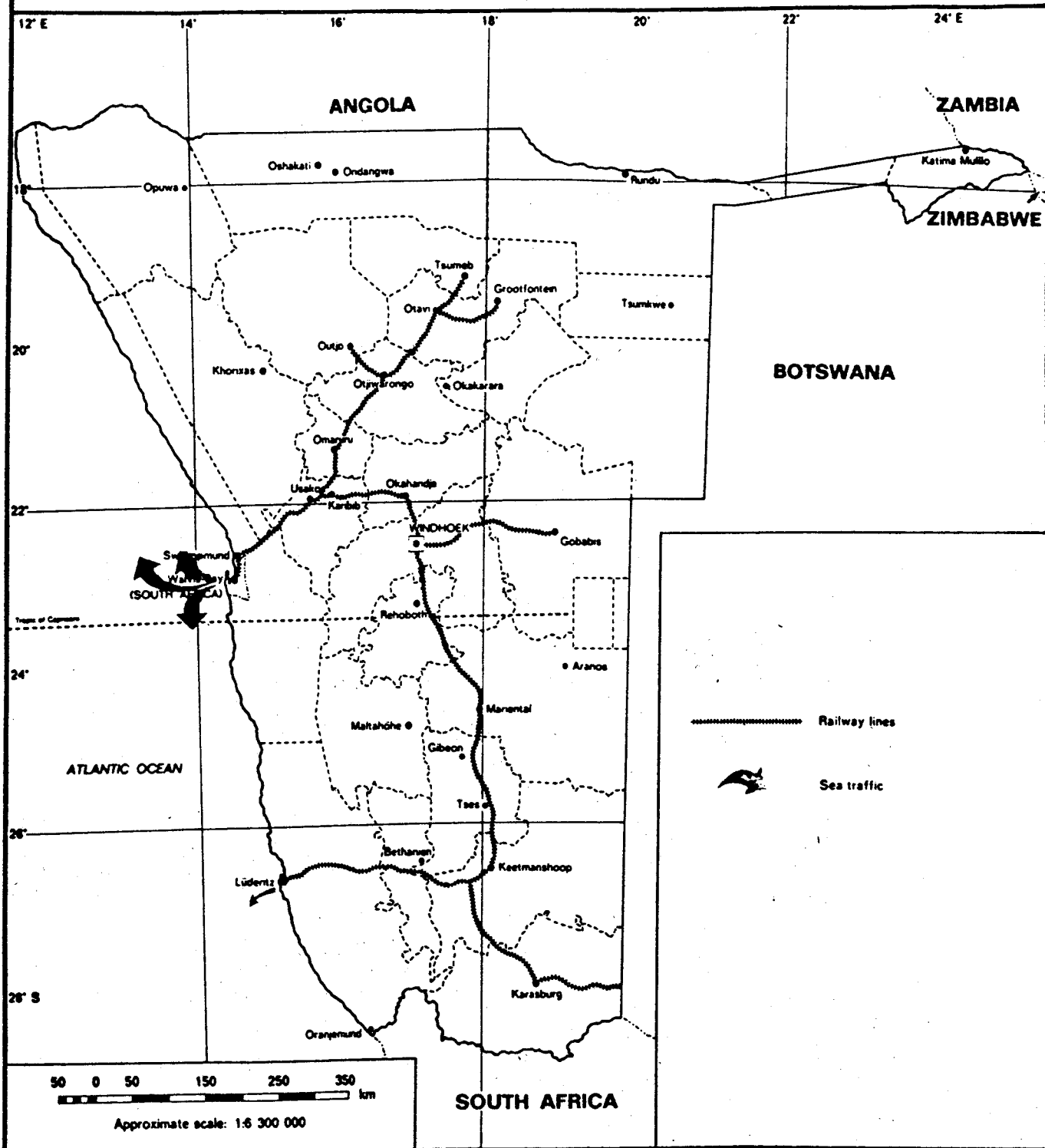
The Bank has a staff of 55.

Funding: The philosophy and practice so far has been to plough back profits into reserves. This has meant a lower cost of capital enabling the Bank to lend to its users at below market rates. Use of commercial debt is increasing though.

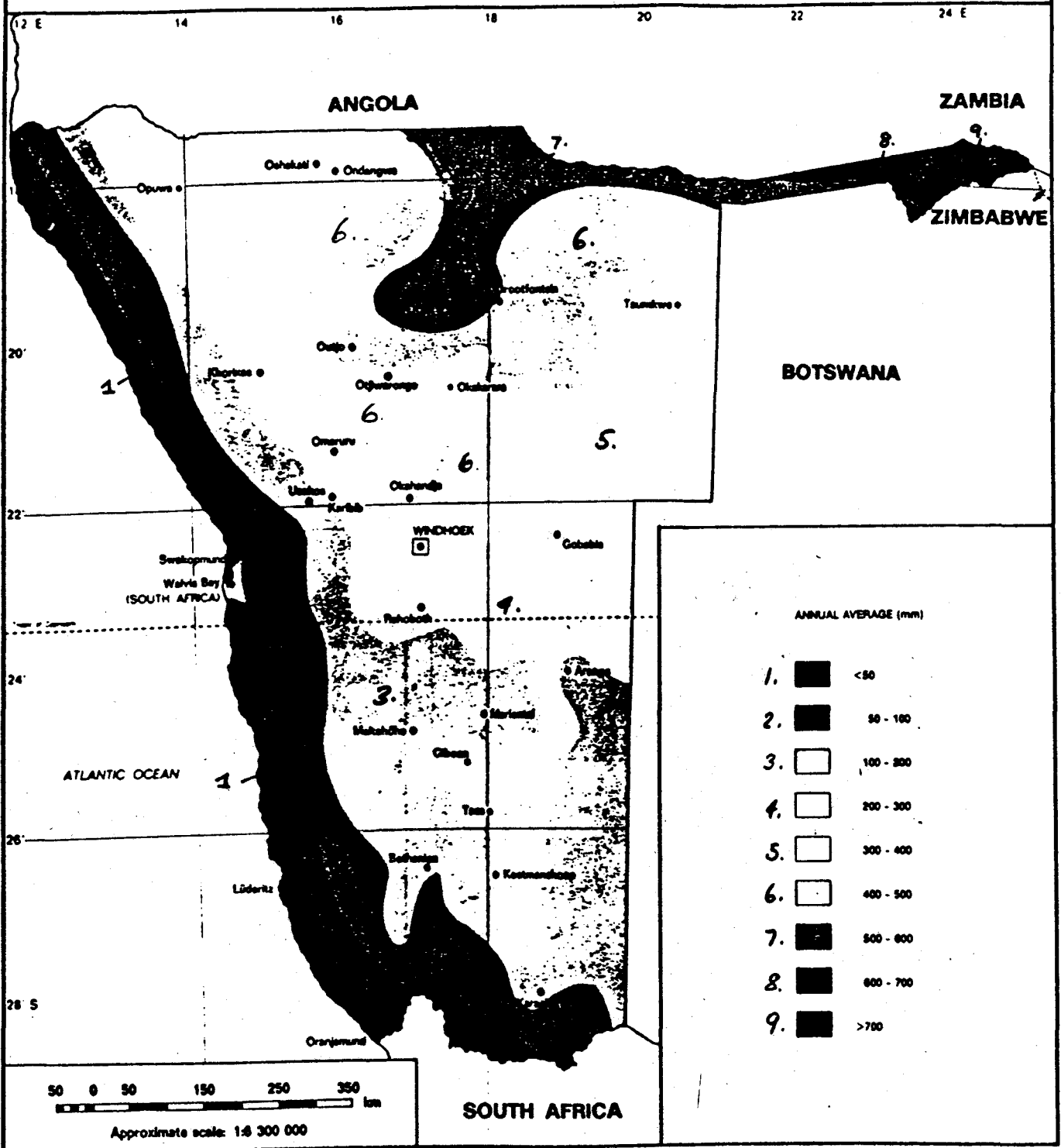
Maps of Namibia showing Roads; Railways and Harbours, Rainfall, Land Tenure and Total Population Distribution



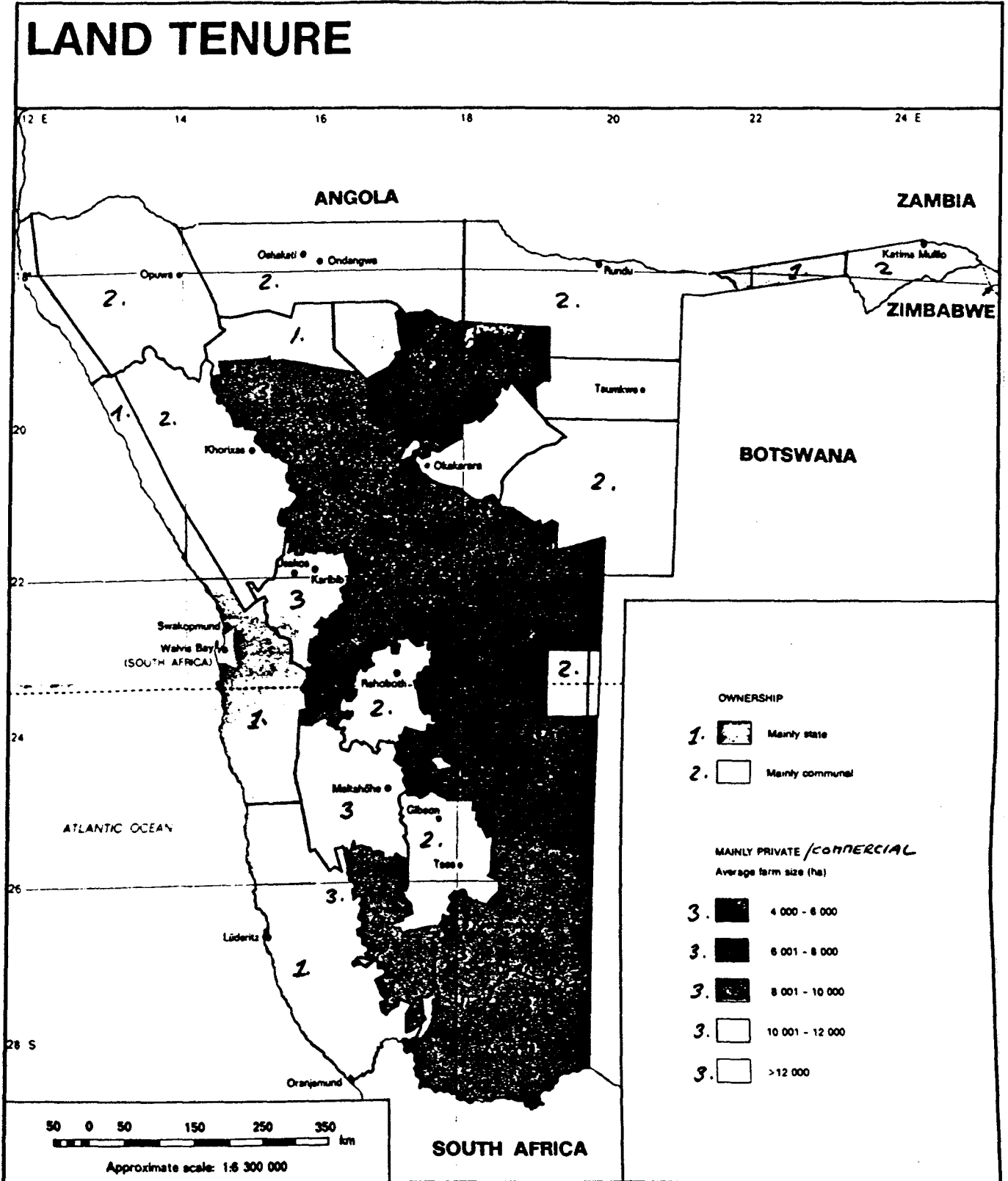
RAILWAYS AND HARBOURS



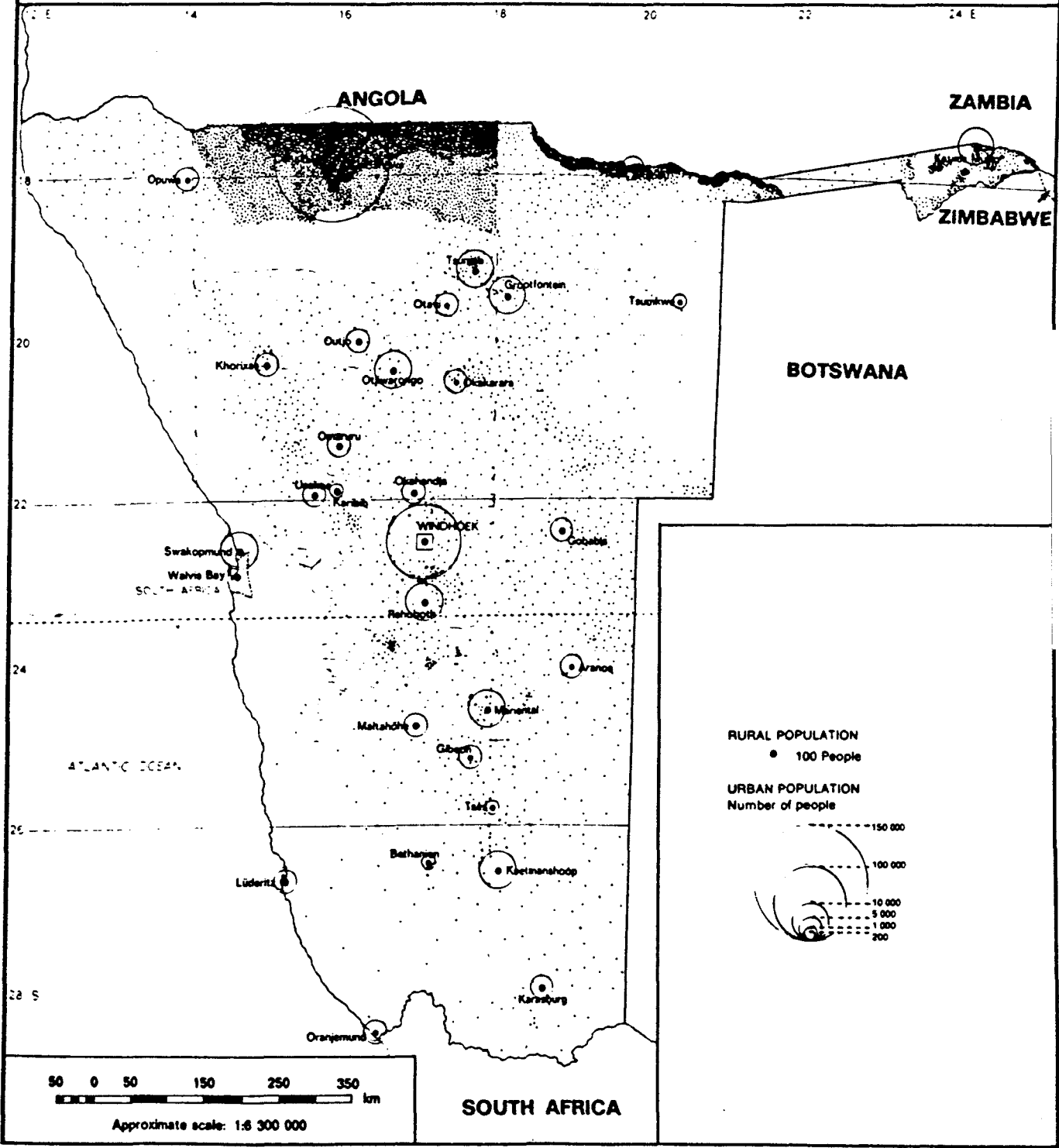
RAINFALL



LAND TENURE



TOTAL POPULATION DISTRIBUTION



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