NAMIBIAN GOVERNANCE

A Public Administration and Management Perspective

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(General editor)

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Preface

Namibia gained its independence in 1990. As one of the youngest democracies globally and on the African continent, the country faced many challenges and opportunities. Global perceptions about the role of government have changed and new approaches have been embraced to enhance service delivery and to promote the general welfare of society. In this book, which is the first of its kind since independence, the focus is on how public administration and management have been conducted during the 28 years since independence, and what challenges and opportunities this young democracy has faced. The book briefly focuses on the following issues:

- A brief history of the practice of public administration and management before and after independence
- A brief history of the teaching and training of public administration and management before and after independence within public institutions of higher learning in Namibia
- An overview of the Namibian government's structure currently in place
- Public leadership within the Namibian public sector
- The application of accountability and transparency within the Namibian public sector
- Human resource management within the Namibian public sector
- Strategic planning and project management within the Namibian public sector
- Public–private partnership as an option to improve service delivery in Namibia
- Public sector reform in Namibia
- A framework for containing and dissolving corruption on institutional and/ or national level.

This book intends to contribute towards an understanding of some of the most contentious issues within the Namibian public sector and does not intend to provide solutions and answers to problems and experiences. Moreover, the intention is not to claim that all public administration and management issues have been dealt with. However, the book intends to start a process through which more publications will be produced and debate will be stimulated on issues that will enhance the improvement of service delivery within Namibian society.

This book has been written with the goal of providing Namibian students, officials and, more specifically, members of the public with the necessary knowledge, information and sensitivity to be able to address issues regarding the effective and efficient improvement of the general welfare in the Namibian society. It is intended to serve as an academic resource for all Namibian students, academics and practitioners involved in studying, lecturing or applying public administration and management functions and activities within the Namibian public sector. It is hoped the book will also be of use to all readers who are interested in the deployments within the Namibian Public Sector and Namibian society. A further intention is to stimulate debate on public administration and management as an activity within the Namibian society.

Prof Charles Keyter
June 2018

About the authors

Professor Charles Antonie Keyter, the editor of this book, is employed as Associate Professor of Public Administration and Management at the main campus of the University of Namibia, Windhoek. He has more than 34 years experience in higher education in Namibia in various capacities. He is a Hubert Humphrey Fellow and has published extensively in international peer-reviewed journals. His research interest lies in public–private partnerships, public sector reform, corporate governance and open and distance learning.

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Dr Vincent Ntema Sazita is a senior lecturer at the International University of Management in the Faculty of Strategic Management, Department of Human Capital. He also serves on many committees concerned with postgraduate studies. He lectures at both public and private tertiary institutions and continues to supervise master's and doctoral students. Dr Sazita has written many books, ranging from dictionaries, orthographies, novels, fairy tales, dramas and religious books. He also authored and co-authored peer-reviewed journals and newspaper articles. He teaches in political and administrative studies.

Dr Yrika Maritz is the director of the Centre: Management and Leadership Development at the Namibia Institute of Public Administration and Management (NIPAM). She completed her PhD in public administration at the University of Stellenbosch in August 2018. She is passionate about learning and development and the role that public service training institutions play in advancing the landscape in governance and public sector reform. Her research interest lies in the interplay between politics, administration, policy making and public leadership.

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List of acronyms and abbreviations

ACC	Anti-Corruption Commission
ACTION	Access to Information in Namibia Coalition
ANC	African National Congress
APRM	African Peer Review Mechanism
ASPA	American Society for Personnel Administration.
AU	African Union
BEE	Black Economic Empowerment
BOO	Build–own–operate
BOOT	Build–own–operate–transfer
BOT	Build–operate–transfer
BSC	Balanced Scorecard
BTO	Build–transfer–operate
CA	Certified accountant
CBO	Community–based organisation
CEO	Chief executive officer
CIEDEL	International Study Centre for Local Development
CIPD	Chartered Institute of Personnel and Development
COST	College for Out of School Training
CPI	Central Personnel Institution
CPI	Corruption Perceptions Index
CRO	Chief regional officer
DBFO	Design–build–finance–operate
DBO	Design–build–operate
DBOOT	Design–build–own–operate–transfer
DKGSWA	*Deutsche Kolonialgesellschaft für Südwestafrika*
DPSM	Department of Public Service Management
DTA	Democratic Turnhalle Alliance
EITI	Extractive Industries Transparency Initiative
EPRA	Economic Policy Research Association
EQ	Emotional intelligence
ETSIP	Education and Training Sector Improvement Programme
ESTLE	Economic, social, technological, legal and environmental
FBO	Faith-based organisation
FDI	Foreign direct investment
FIA	Financial Intelligence Act
FIC	Financial Intelligence Centre
GDP	Gross domestic product
GIPF	Government Institutions Pension Fund
GRN	Government of the Republic of Namibia
HCM	Human capital management

HPP	Harambee Prosperity Plan
HR	Human resources
HRM	Human resource management
ICAC	Independent Commission Against Corruption
ILO	International Labour Organisations
IPOO	Inputs–processes–outputs–outcomes
IQ	Intelligence quotient
KA	Knowledge area
M&C	Monitoring and controlling
LED	Local economic development
LFA	Logical Framework Approach
LFM	logical framework matrix
MBA	Master of Business Administration
MDG	Millennium development goals
MERIL	Measure, Evaluate, Report, Improve and Learn
MERIL-DE	Measure, Evaluate, Report, Improve and Learn through Drive and Engagement
MIT	Ministerial Implementation Team
MLIREC	Ministry of Labour, Industrial Relations and Employment Creation
MNC	Multinational corporation
MoV	Means of verification
MP	Member of Parliament
MPC	Multi–Party Conference
MTEF	Medium-Term Expenditure Framework
MTP	Medium-Term Plan
MWB	Municipality of Walvis Bay
NamCode	Namibian Code of Corporate Governance
NAMFISA	Namibia Financial Institutions Supervisory Authority
NAMPORT	Namibia Ports Authority
NANGOF	Namibian Non-Governmental Organisations Forum
NBC	Namibian Broadcasting Corporation
NCCI	Namibia Chamber of Commerce and Industry
NCHE	National Council for Higher Education
NDC	Namibia Development Corporation
NDHS	Namibia Demographic and Health Survey
NDP	National Development Plan
NEA	Namibian Employers' Association
NEAB	Namibian Estate Agent Board
NEEEF	New Equitable Economic Empowerment Framework
NEF	Namibian Employers' Federation
NEPAD	New Partnership for Africa's Development

NGO	Non-governmental organisation
NHRP	National Human Resources Plan
NI	(Ministry of) National Intelligence
NIPA	Namibia Institute of Professional Accountants
NIPAM	Namibia Institute of Public Administration and Management
NODSOM	Namibian Occupational Demand and Supply Outlook Model
NPC	National Planning Commission
NPM	New public management
NPO	Non-profit organisation
NQA	Namibia Qualifications Authority
NSX	Namibian Stock Exchange
NUST	Namibia University of Science and Technology
NWR	Namibia Wildlife Resorts
OD	Organisational development
OECD	Organisation for Economic Cooperation and Development
OMA	Office/ministry/agency
OPM	Organisational project management
OPM	Office of the Prime Minister
OPM3	Organisational Project Management Maturity Model
OPO	Ovamboland People's Organisation
OVI	Objectively verifiable indicator
PAAMAA	Purpose, action plans, autonomy, mastery, appreciation and achievement
PE	Public enterprise
PESTLE	Political, economic, social, technological, legal and environmental
PI	Performance indicator
PM	Project management
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
PMO	Portfolio/project management office
PMP	Project management professional
PMS	Performance management system
PoN	Polytechnic of Namibia
PPM	Project portfolio management
PPP	Public–private partnership
PPT	People, processes and technology
PS	Permanent Secretary
PSC	Public Service Commission
PSHRM	Public sector human resource management
PSO	Public sector organisation
PVM	Public value management

RIG	Reinventing government
RIT	Regional Implementation Team
ROI	return on investment
RSA	Republic of South Africa
SADC	Southern African Development Community
SDG	Sustainable Development Goal
SHRM	Society for Human Resource Management
SMART	Specific, measurable, agreed to, realistic and time-bound
SME	Small-to-medium enterprises
SMO	Strategy management office
SOE	State-owned enterprise
SOEGC	State-Owned Enterprise Governance Council
SSC	Social Security Commission
STCQ	Scope, time, cost and quality
SURCON	Namibian Council for Professional Land Surveyors, Technical Surveyors and Survey Technicians
SWAC	South West Africa Company
SWAPO	South West Africa People's Organisation
SWOT	Strengths, weaknesses, opportunities, threats
TCO	Transnational criminal organisation
TGNU	Transitional Government of National Unity
TI	Transparency International
TIPEEG	Target Intervention Programme for Employment and Economic Growth
UN	United Nations
UNAM	University of Namibia
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNISA	University of South Africa
USAID	United States Agency for International Development
WB	World Bank
WBS	Work breakdown structure
WTO	World Trade Organisation

List of Acts

Glossary

batho pele: a Sotho phrase meaning 'people first'

Deutsche Kolonialgesellschaft für Südwestafrika: the German Colonial Society for South West Africa

Etappen kommando: stage command

ëthos: Greek root for ethics

Inleiding tot die Publieke Administrasie: Introduction to Public Administration

in-teger: Latin for 'integrity'

Schutztruppe: protection troops

trias politica: executive, legislative and judiciary (arms of government)

ubuntu: the literal translation is brotherhood

Umuntu ngumuntu ngabantu: I am because we are

wat berus op die beginsel dat die geheel meer as die som van die dele is: the inherent holistic characteristic of the whole being larger than the sum total of the independent parts

1

A brief historical perspective of public administration and management in South West Africa/Namibia

VN Sazita, CA Keyter and SB Lwendo

Learning Outcomes

After reading this chapter, you should be able to:

- briefly explain the historical German colonial rule in Namibia
- briefly discuss South African rule in South West Africa/Namibia
- briefly discuss the Namibian structure after independence.

1.1 Introduction

The purpose of this chapter is to give a brief overview of the administration of the territory before and after independence. During colonial rule the territory was called German South West Africa. The name refers to a geographical area, the southwestern part of Africa. When South Africa took over control of the territory in 1915, it was renamed South West Africa. Decades later, in recognition that the territory was on the road to full independence, it became South West Africa/Namibia. This was a transitional arrangement while the country was in the process of attaining full independence. In 1990 the country was named Namibia, a name which was given by Mburumba Kerina, a key role player in the Namibian struggle for independence.

1.2 German rule in South West Africa

1.2.1 Early explorations

The first European to set foot on Namibian soil was Portuguese national Diogo Cão. He arrived on the Skeleton Coast in 1486 and raised a limestone cross as he embarked on an exploratory mission (Bullock, 1936). Bartolomeu Dias, another Portuguese explorer, followed Cão: while he was en route to the Cape of Good Hope, he landed in what is known today as Walvis Bay and Lüderitz (which he named Angra Pequena).

1.2.2 Interest from European missionaries

Missionaries were among the first Europeans to show an interest in the area. The London Missionary Society began working in the territory in 1805 and established a mission station in Blydeverwacht. They also founded the town of Bethanie in 1811. However, the activities of this group had little success or impact in the territory. In 1840, the society transferred all of its activities to the German Rhenish Missionary Society. Franz Heinrich Kleinschmidt, who arrived in October 1842, and Carl Hugo Hahn, who arrived in December 1842, established churches throughout the territory (Bullock, 1936).

1.2.3 Early German and British interest

From the 19th century, European powers sought to carve up the African continent among themselves in the so-called 'Scramble for Africa'. The European countries most interested in Namibia were Germany and Britain.

In 1793, the Dutch authorities in the Cape took control of Walvis Bay. In their view, it was the only good deep-water harbour along the Skeleton Coast. When the British occupied the Cape Colony in 1797, they too incorporated Walvis Bay into the territory, and this claim then permitted the Cape Colony to annex Walvis Bay in 1878. While the annexation aimed to dampen German ambitions in the area, it also guaranteed control of the best deep-water harbour en route to the Cape Colony, as well as other British colonies on Africa's east coast (Bullock, 1936).

On 16 November 1882, a German merchant from Bremen, Adolf Lüderitz, sought protection from Chancellor Bismarck for a station that he had planned to build in South West Africa. When this was granted, his employee, Heinrich Vogelsang, bought a piece of land from a local chief and built a town at Angra Pequena (later renamed Lüderitz). On 24 April 1884, Adolf Lüderitz placed the area under the protection of imperial Germany in order to fend off British encroachment. In early 1884, the gunboat SMS *Nautilus* anchored in the area so that the situation could be monitored. A favourable report from the government, and acquiescence from the British, resulted in a visit from the SMS *Leipzig* and SMS *Elisabeth*, thus prompting the German flag to be raised in South West Africa on 7 August 1884. The German claims on the land were confirmed during the Conference of Berlin. The newly appointed Commissioner for West Africa, Gustav Nachtigal, arrived on the SMS *Möwe* in October 1884.

1.2.4 The *Deutsche Kolonialgesellschaft für Südwestafrika*

In April 1885, the *Deutsche Kolonialgesellschaft für Südwestafrika* (DKGSWA) – the German Colonial Society for South West Africa – was established with the support of German bankers, notably Gerson von Bleichröder and Adolph von Hansemann; industrialists such as Count Guido Henckel von Donnersmarck; and politicians, among whom was Frankfurt Mayor Johann von Miquel. The DKGSWA was granted monopoly rights to exploit mineral deposits.

After Lüderitz drowned while on an expedition along the Orange River in 1886, the DKGSWA bought all his land and mining rights – thus aligning with Bismarck's policy, which stated that private instead of public money should be used to develop the colonies. In May 1886, Heinrich Ernst Göring was appointed Commissioner and he established his administration at Otjimbingwe. Earlier, on 17 April 1886, a dual legal system had been established: one set of laws governed Europeans while another governed the indigenous peoples.

1.2.5 'Protection contracts'

The first German protectorate troops in South West Africa arrived on 24 June 1888 when Curt von François landed in Walvis Bay with 21 soldiers. These troops, known as *Schutztruppe*, or colonial protectorate troops, were set up as a police force and were not to conduct any combat activities. They were to protect the military base at Otjimbingwe. The *Schutztruppe* consisted of two officers, five non-commissioned officers and 20 black soldiers (Thornberry, 2004). By the end of the year (1888), Commissioner Göring had to flee to Walvis Bay after negotiations with a group of indigenous people failed.

Explanation

Curt Karl Bruno von François was a German geographer, cartographer, *Schutztruppe* officer and commissioner of the imperial colonial army of the German Empire, particularly in German South West Africa. He was responsible, on behalf of the Kaiser, for laying the first foundation stone of the capital city of Windhoek on 18 October 1890, and for the development of the harbour of Swakopmund on 4 August 1892.

The hostility of the Hereros presented a particular challenge, as did that of the Namaqua under the leadership of Hendrik Witbooi. The Germans attempted to negotiate recognition of the 'protection contracts' with Witbooi, but he refused.

In order for the Germans to control the territory properly, they negotiated so-called 'protection contracts' with the leaders of the Herero, Namaqua and the Rehoboth Baster. The German protectorate troops observed the conflicts among the indigenous peoples, especially those between the Namaqua and the Herero, with strict neutrality. However, Commissioner Curt von François helped in the reconciliation of these two groups in the peace treaty of Otjimbingwe. This sudden end to feuding between the Namaqua and the Herero paved the way for German insurgence against them when war subsequently broke out between the indigenous peoples and the German settlers (Namib Info, 1994).

1.2.6 The incorporation of the Caprivi Strip

In 1890, Von François established Windhoek as the German administrative capital and Germany continued to increase its protectorate troops (Kössler & Melber, 2004). The Helgoland-Zanzibar Treaty was signed on 1 July, which

resulted in the addition of the Caprivi Strip to the German protectorate. This promised new trade routes into the interior (Thornberry, 2004). Leo von Caprivi, Bismarck's successor, sought to create a land bridge between the colonies of German South West Africa and German East Africa. South West Africa was declared a German Crown Colony and more troops were sent in. Between August and September 1892, the South West Africa Company (SWAC) was established by the German, British and Cape Colony governments. It was aided by financiers in order to raise the capital required to increase mineral exploitation, specifically the Damaraland Concession's copper deposit interests (Thornberry, 2004). The formation of SWAC is expanded on in the next section.

1.2.7 The formation of the South West Africa Company

With the interests in ore deposits, a group of interested parties in Germany along with government support sought a way in which to further explore the far-flung ore deposits. On 3 August 1892, they entrusted the Damaraland Concession to the attorney Dr J Scharlach and Hamburg businessman C Wichmann, pending the formation of the proposed mining company, the SWAC. On 18 August 1892 SWAC was formed in London and on 14 October 1892 an amending protocol was added to the Damaraland Concession, granting the SWAC exclusive mineral rights over an area of 22 000 square kilometres, which included:

- the Otavi copper mines
- absolute ownership over ground chosen by the company and covering 13 000 square kilometres
- an area 10 kilometres wide on each side of the of the railway line to serve the territory, on the proviso that the company acted promptly and without delay.

The initial capital of 300 000 British pounds was later increased to two million British pounds. The company reacted quickly and dispatched two exploration teams, one under Mathew Rogers to investigate the ore body and another under D Angus to survey a route to the coast.

Increasing numbers of German traders and farmers settled in the territory during this period, making it more difficult for indigenous people to access grazing land and water for their livestock.

1.2.8 The 'protection treaty'

In April 1893, Curt von François launched an attack on Witbooi's troops, resulting in great losses on both sides. Witbooi and his people were forced to flee, and although the Namaqua staged a fierce resistance against the German occupation – known as 'The Hottentot Uprising' in contemporary media – the resistance was ultimately unsuccessful. The Germans forced Witbooi to sign a 'protection treaty' in 1894. The treaty permitted the Namaqua to keep their arms and Witbooi was released after he had given his word that he would not continue with the uprising (Kössler & Melber, 2004; Michael, 2009).

In 1894, Major Theodor Leutwein was appointed governor of German South West Africa. He attempted to apply the principle of 'colonialism without bloodshed', with limited success.

Three years later, in 1897, an outbreak of bovine plague resulted in the deaths of many cattle belonging to indigenous peoples (Kössler & Melber, 2004; Michael, 2009). Relations between the German settlers and the indigenous peoples worsened in the years which followed. In addition, the British settlement at Walvis Bay continued to develop and many small farmers and missionaries moved into the region. Tension increased as the numbers of treaties, agreements and vendettas accumulated.

1.2.9 The Herero Genocide

However, worse conflict was still on its way. The Khaua-Mbandjeru Rebellion arose from the the Germans' attempt to control the Khaua by seizing property belonging to the Herero. The Germans artificially imposed European legal principles of property ownership. This led to the worst rebellion between the German settlers and the indigenous peoples – referred to as the Herero Wars (or Herero Genocide) of 1904 (Kössler & Melber, 2004; Michael, 2009). The *Schutztruppe*, consisting of only 766 troops and native auxiliary forces, were no match for the Herero forces at first. The Herero went on the offensive, surrounding Okahandja and Windhoek and destroying the railway bridge to Osona. Remote farms were attacked and approximately 150 German settlers killed. An additional 14 000 German troops under Lieutenant General Lothar von Trotha then managed to crush the rebellion in the Battle of Waterberg (Kössler & Melber, 2004; Michael, 2009).

Prior to the battle, Von Trotha had issued an ultimatum to the Herero people, denying them their right to be German subjects and ordering them to leave the country, or to face death. The Herero escaped by retreating into the waterless Omaheke region, a western arm of the Kalahari Desert, where many of them died of thirst. The German forces guarded every water source and were given orders to shoot any adult male Herero on sight. Only a few Herero managed to escape into neighbouring British territories (Kössler & Melber, 2004; Michael, 2009). A significant number of Namaquas, Hereros and Germans perished (Erichsen, 2005). The mortality rates have been put at between 24 000 and 100 000 Hereros, and 10 000 Namaquas (Schaller & Dirk Moses, 2008). Towards the end of 1904, the Namaqua, under Witbooi and Jakobus Morenga, entered the struggles against Germany. Morenga was often referred to as 'the black Napoleon'.

1.2.10 Concentration camps

The uprising was finally quashed during 1907–1908. The surviving indigenous peoples were released from detention and subjected to a policy of dispossession, deportation, forced labour, racial segregation and discrimination in a system

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that in many ways resembled apartheid (Kössler & Melber, 2004). The Germans also maintained a number of concentration camps in the colony during their war against the Herero and Namaqua peoples. Besides these camps, the indigenous peoples were interned in other places, including premises at private businesses and government projects, ships offshore, *Etappen kommando* (stage commands in charge of supplies of prisoners to companies), and the premises of private persons – individuals who were not public figures or in the military services. The concentration camps were characterised by poor sanitation and high population density, often resulting in the rapid spread of infectious and fatal diseases. Prisoners were also used as slave labour in mines and railways (Kössler & Melber, 2004; Michael, 2009).

1.3   South African rule (1915–1990)

In 1884, Germany had annexed South West Africa, with the exception of Walvis Bay and a few islands (IDAF, 1989). Walvis Bay, which had been incorporated into the Cape Colony by the British Government on 12 March 1878, remained South African territory when the Union of South Africa came into being in 1910. As an Allied power, South African troops occupied South West Africa in 1915 following the German surrender at Khorab (Maree, 1989:9).

South Africa was granted 'guardianship' over the territory after the signing of the Treaty of Versailles in 1919 and the subsequent establishment of the League of Nations. In 1920, the League of Nations granted South Africa a C-class mandate over South West Africa. South Africa could thus administer South West Africa as an integral part of its territory. However, attitudes began to change with the formation of the United Nations (UN) in 1946. The international community challenged South Africa regarding their mandate over South West Africa, claiming that it was no longer valid (Maree, 1989). The UN declared Namibia a 'trust territory', with rights to self-determination, but South Africa refused to acknowledge this. Resistance to South Africa's domination began in the 1950s, with many Namibians going into exile.

As part of the South African policy of apartheid, segregation and discrimination were intensified in Namibia through efforts by the National Party government (Maree, 1989). To oppose apartheid and to agitate for independence, Namibians formed a number of political, cultural and student organisations, including the Ovamboland People's Organisation (OPO). In 1960, the OPO became a fully fledged national movement, called the South West Africa People's Organisation (SWAPO) (IDAF, 1989).

In 1966, the UN revoked South Africa's mandate and set up a council with authority for the territory. Despite this, South Africa resisted all pressure from the UN General Assembly and continued ruling the territory. The Namibian armed struggle began with guerrilla attacks on South African forces in northern Namibia. It intensified and continued for the next 20 years (IDAF, 1989).

Control of the territory was in the hands of the South African government. The South African Parliament passed specific laws for Namibia, as well as extending much South African legislation to the territory. Further laws and regulations were introduced by proclamation by the South African state president, acting through the senior administrator for the territory. While final control rested in Pretoria, local Namibian officials collaborating with the South African occupation were given varying degrees of power (IDAF, 1989).

1.3.1 The Multi-Party Conference

After 1977 most South African government departments in Namibia were gradually transferred to the authority of the South African administrator-general in Windhoek, with the exceptions of finance, foreign affairs and the police and army. In 1978 the South African government held carefully controlled elections to a 'national assembly' in Windhoek. These were boycotted by SWAPO, which viewed them as an attempt to undercut the UN demand for internationally supervised elections leading to independence (IDAF, 1989). The Democratic Turnhalle Alliance (DTA) was declared the winner of the election by the South African government. No international recognition was given to the electoral process, because SWAPO did not participate in the election.

In 1980 the Government Service Act was passed, which established a civil service and various administrative departments, including a South West Africa Territory Force and the police force, the South West Africa Police. However, these were merely administrative structures and effective control over all police and military forces in the territory remained with the South African Defence Force and South African Police (BFI, 1989). To replace the DTA administration the South African regime entered into discussions with a number of small parties in Namibia, including bantustan groups and political parties. Some of these groups came together in the Multi-Party Conference (MPC) and in June 1985 the MPC was installed as a new administration in Windhoek, called the Transitional Government of National Unity (TGNU). Members of the so-called National Assembly and Cabinet were appointed on a proportional basis from the political groups participating in the MPC. The new administration was given greater powers than its predecessor, but the conduct of the war, foreign affairs and overall control of the economy remained with the South African government. A Constitutional Council, chaired by a South African judge, was established to draw up a constitution for a nominally independent state (IDAF, 1989).

1.3.2 Bantustans and second-tier administrations

What was the background to the establishment of bantustans in South West Africa and what role did they play in government? Some answers can be found in the government-commissioned Odendaal report of 1964, which set the framework for this 'second tier' of ethnic administrations.

The Police Zone boundary that was in existence prohibited whites from entering the north, and the indigenous groups of the north were also prohibited from entering the Police Zone, except when they were hired as a 'labour unit' that would be contracted for a prescribed period. As a result, many successive demarcation changes of the boundary between the 1920s and 1960s usually reflected the increasing white control of better farming areas. The name 'Police Zone' was used less after the South African Odendaal Commission defined the geographic, economic and political aspects of apartheid in South West Africa. Thus, the Odendaal Commission's directive was instituted in 1964. This was to pave the way for the establishment of 10 reserves (homelands) in the 1970s for South West Africa's African peoples and groups of mixed origin to move independently in the country. The Police Zone also maintained that the eastern, southern or western boundaries of the six reserves for the indigenous African groups to the north of the Police Zone would be demarcated, but with only slight alterations. The Odendaal recommendations resulted in the Development of Self-Government for Native Nations according to the South West Africa Act of 1968 and its later amendments. These laws provided for the establishment of bantustans.

The powers of the bantustan legislatures were increased in 1972 and provision was made for them to become 'self-governing' the following year. Members of these legislatures were drawn mainly from officially recognised 'headmen' and chiefs. Many of them had been imposed by the South African regime, which had systematically removed and replaced traditional leaders who refused to collaborate. South African civil servants were seconded to the bantustans and effectively ran the administrations (IDAF, 1989).

By the end of 1976, bantustan councils had been established in Ovambo, Kavango, East Caprivi and Rehoboth. A Coloured Council was appointed to deal with people classified as belonging to this racial group. In the remaining bantustans, administration was conducted through headmen and advisory structures. A Legislative Assembly exercised effective control over most of the rest of the country, although it was subordinate to the South African Parliament (IDAF, 1989).

In 1980 the second-tier representative authorities were made up of bantustan administrative structures. The powers of these representative authorities were set out in Proclamation AG 8 of 1980, which gave them authority over land tenure, farming, schools, health services, welfare, pension funds, some of the courts, and some taxation. The effect was to entrench segregation, inequality and white control, and to further fragment the country. Most of the legislative powers of the second-tier authorities were limited and they relied on the central administration for funding, which in turn was largely dependent on subsidies from the South African government (IDAF, 1989).

Figure 1.1 gives a breakdown of the government structures in place during the period of South African rule.
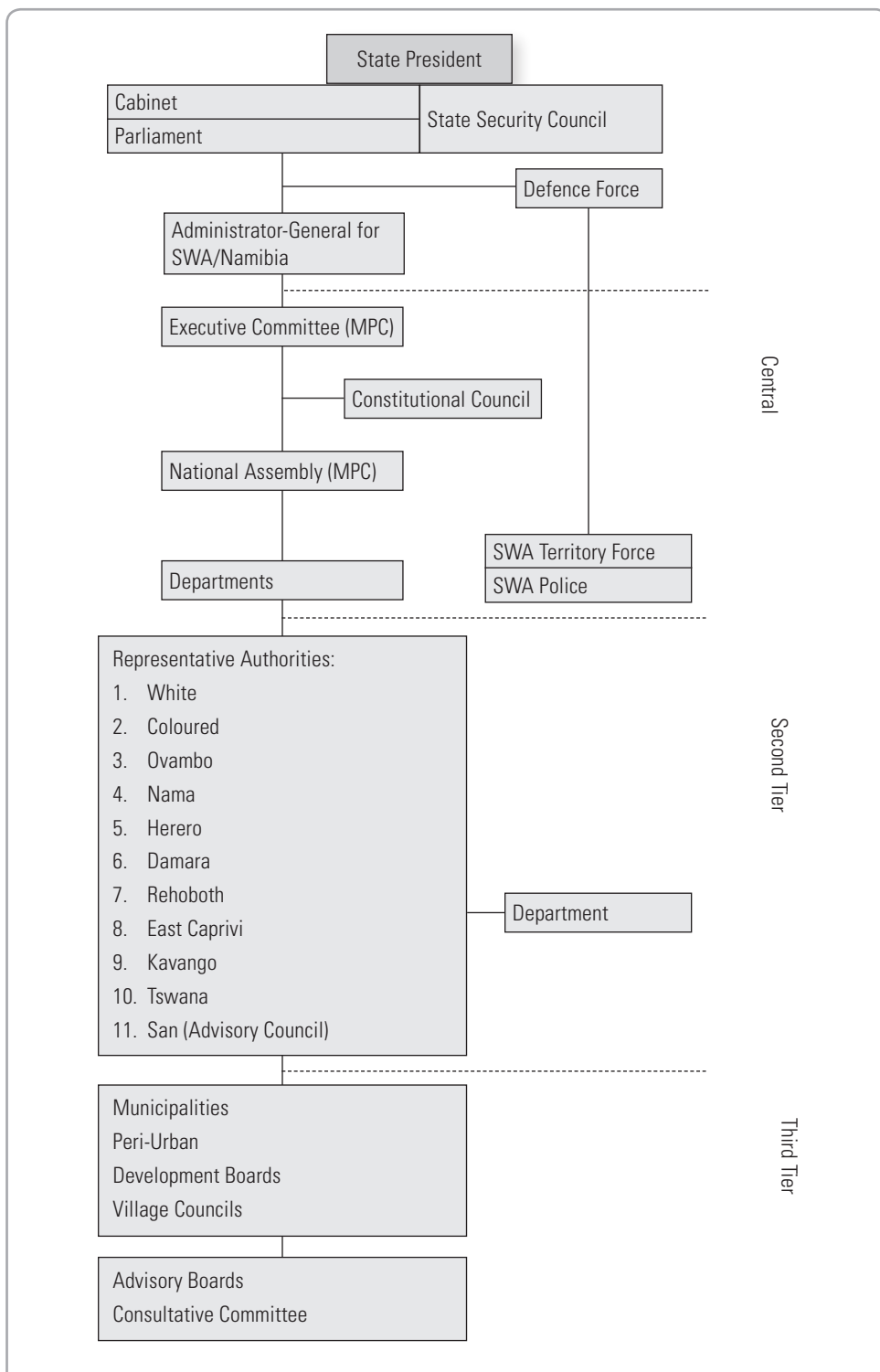
FIGURE 1.1   ADMINISTRATION OF SOUTH WEST AFRICA/NAMIBIA 1988

Source: IDAF, 1989:24

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1.3.3 Local authority administration

Before the independence of Namibia in 1990 and the establishment of municipalities, town and village councils, larger urban areas south of the so-called Red Cordon Fence, which separated northern Namibia from the rest of the country, were run by local governments in the form of municipalities. Their boundaries dated back to the German colonial period before 1918. All the larger urban areas were divided first according to racial lines (i e so-called blacks, coloureds and whites), then according to income status within the racial divides, and finally according to formal or informal status. Only whites had voting rights, but they had to meet specific qualifications for rights to residential and property ownership. Blacks and coloureds, who were defined as such during the apartheid era, did not have the same rights for residential and property ownership until the mid-1980s. Smaller urban settlements south of the Red Cordon Fence and all small formal and formalised urban settlements in the bantustans (rural 'homelands') were managed by a village advisory board appointed by the central government. Urban settlements with village status were run by village secretaries, with funding coming directly from central government (in the case of non-bantustan urban settlements) and funding from the homeland government (in the case of formal and formalised urban settlements situated in bantustan areas). Before independence the population growth in all smaller urban settlements south of the Red Cordon Fence was very slow compared to north of the Fence (Fjeldstad et al, 2005).

Before independence, service delivery at the sub-national level was biased in favour of affluent white residential areas. From 1985 onwards, policy measures aimed at segregating the population according to income and racial lines were abolished by the TGNU. In principle, this opened up all residential areas, but in practice a high degree of de facto segregation persisted in all urban areas, especially outside of Windhoek. From 1988 onwards, informal settlements started to mushroom in larger urban areas south of the Red Cordon Fence, because of:

- the abolishment of restrictive and cohesive policy measures
- the acceptance of the rights of squatters to shelter
- the acknowledgement that rural–urban migration was unavoidable, as it was linked to people's aspirations for improving their lives.

The population in the informal settlements north of the Red Cordon Fence started to expand from 1975 onwards when the protracted war between SWAPO and the South African Defence Force intensified. None of these informal settlements were ever formalised, and they did not receive any services until independence (Fjeldstad et al, 2005).

1.4 Namibia after independence (1990–current)

International pressure for Namibia's independence became stronger and diplomatic negotiations intensified. Pressure was put on the South African

government to accept UN Resolution 435, which called for the holding of free and fair elections in Namibia, under UN supervision and control, as well as the cessation of war, by all parties (Maree, 1989). After an 11-month UN-monitored transition period, Namibia gained independence on 21 March 1990, following 106 years of colonial rule. The Constitution of the Republic of Namibia was adopted in 1990.

The Constitution of the Republic of Namibia has been amended three times: firstly by the Namibian Constitution First Amendment Act 34 of 1998; secondly by the Namibian Constitution Second Amendment Act 7 of 2010; and thirdly by Namibian Constitution Third Amendment Act 8 of 2014. Currently Article 1 of the Constitution states (Office of the Ombudsman, 2016:1):

> (1) The Republic of Namibia is hereby established as a sovereign, secular, democratic and unitary State founded upon the principles of democracy, the rule of law and justice for all.
> (2) All power shall vest in the people of Namibia who shall exercise their sovereignty through the democratic institutions of the State.
> (3) The main organs of the State shall be the Executive, the Legislature and the Judiciary.
> (4) The national territory of Namibia shall consist of the whole of the territory recognised by the international community through the organs of the United Nations as Namibia, including the enclave, harbour and port of Walvis Bay, as well as the off-shore islands of Namibia, and its southern boundary shall extend to the middle of the Orange River.
> (5) Windhoek shall be the seat of central Government.
> (6) This Constitution shall be the Supreme Law of Namibia.

The National Council consists of 42 members, who comprise three members from each regional council. Namibia is currently divided into 14 regions. The term of office for the members of the National Council is five years. In terms of Article 74 of the Constitution (Office of the Ombudsman, 2016:40–41):

> **The National Council shall have the power to:**
> (1) (a) consider in terms of Article 75 hereof all bills passed by the National Assembly;
>   (b) investigate and report to the National Assembly on any subordinate legislation, reports and documents which under law must be tabled in the National Assembly and which are referred to it by the National Assembly for advice;
>   (c) recommend legislation on matters of regional concern for submission to and consideration by the National Assembly;
>
>   ➲

(d) perform any other functions assigned to it by the National Assembly or by an Act of Parliament.

(2) The National Council shall have the power to establish committees and to adopt its own rules and procedures for the exercise of its powers and the performance of its functions. A committee of the National Council shall be entitled to conduct all such hearings and collect such evidence as it considers necessary for the exercise of the National Council's powers of review and investigations, and for such purposes shall have the powers referred to in Article 59(3) hereof.

(3) The National Council shall in its rules of procedure make provision for such disclosure as may be considered to be appropriate in regard to the financial or business affairs of its members.

(4) The duties of the members of the National Council shall include the following:

(a) all members of the National Council shall maintain the dignity and image of the National Council both during the sittings of the National Council as well as in their acts and activities outside the National Council;

(b) all members of the National Council shall regard themselves as servants of the people of Namibia and desist from any conduct by which they seek improperly to enrich themselves or alienate themselves from the people.

(5) Rules providing for the privileges and immunities of members of the National Council shall be made by Act of Parliament and all members shall be entitled to the protection of such privileges and immunities.

The president of Namibia is both the head of state and government. The president is elected by a direct national election for a term of five years. In terms of Article 35 (Office of the Ombudsman, 2016:26),

(1) ... the Cabinet shall consist of the President, the Vice-President, the Prime Minister, Deputy-Prime Minister and such other Ministers from the members of the National Assembly, including members nominated under Article 46(1)(b) hereof, for the purposes of administering and executing the functions of the Government.

(2) The President may, if he or she considers it to be necessary or expedient, also appoint a Deputy-Prime Minister to perform such functions as may be assigned to him or her by the President, the Vice-President or the Prime Minister.

President Sam Nujoma, referred to as the founding father, was elected by direct popular vote as the first president of Namibia.

1.4.1 Regional and local government in Namibia

The Constitution of the Republic of Namibia provides that Namibia shall be divided into regional and local units for the purposes of regional and local government. Namibia is divided into 14 regions, and the Regional Councils Act 22 of 1992 established a regional council in each region. The regional councils are responsible for governing the affairs of the regional government. The regions are divided into constituencies for electoral purposes. Each constituency elects three members to the regional council using a first-past-the-post electoral system. The term of office of the regional council members is five years.

The local authorities, or municipal councils, town councils and village councils, were established by the Local Authorities Act 23 of 1992. These local authority councils are responsible for governing the affairs of the local authorities. The minister responsible for regional and local government is currently situated at the Ministry of Urban and Rural Development.

The local authorities are established in urban areas, and the regions cover the rural areas. The regional councils are responsible for specified service delivery in rural areas, while the local authorities are responsible for service delivery in urban areas. Currently the only service-provision responsibility of the regional councils, which is specified in the Regional Councils Act, is the provision of basic services in areas where settlements are proclaimed but no local authorities are established. The regional councils have many consultative and advisory powers and functions. The Regional Councils Act provides that the regional councils may, for example, make recommendations to the minister responsible for regional and local government relating to the minister's powers on local authorities affairs provided in the Local Authorities Act and assist any local authority council in the exercise of its powers, duties and functions.

The newly established local authorities had to start tackling the problems they had inherited from the old racially segregated system, and issues arising from the rapid urban growth in Namibia. After independence in 1990, key services such as health, education and agricultural extension were centralised under line ministries. The Cabinet endorsed a decentralisation policy on 11 December 1996 and the decentralisation policy was adopted as a national policy by the National Assembly on 30 September 1997.

The implementation of the decentralisation policy in Namibia aims to decentralise functions from the line ministries to the regional councils and local authorities, first by delegation, and ultimately by devolution. The distinction between delegation and devolution can be seen in the following explanation:

- In general terms delegation refers to the transfer of responsibility for decision making and the administration of public functions from central government to semi-autonomous organisations, which are accountable to the central government.

- Devolution is a more comprehensive type of decentralisation, and generally refers to the transfer of authority, for decision making, finance and management, from central government to local authorities with corporate status and a considerable degree of autonomy from the central government. There are some features that are commonly present in devolution. For example, local authorities have the authority to raise their own revenues and to acquire resources to perform public functions. They have clearly recognised geographical boundaries over which they exercise authority.

Conclusion

This chapter has provided a brief overview of the administration of Namibia since its colonisation. Namibia was colonised by Germany in 1884–1915 in order to prevent or obstruct British encroachment. German authorities installed certain measures to administer the country, some with devastating effects. After World War I, the administration of German South West Africa was taken over by the Republic of South Africa. Control of the territory was in the hands of the South African government. This meant that the South African Parliament passed specific laws for Namibia and extended apartheid legislation to the territory. When Namibia attained its independence from South Africa on 21 March 1990, a unitary state was established and bantustans were scrapped. The country opted to have three systems of governance – central, regional and local – with three arms or organs of state, namely the legislature, executive and judiciary.

Test your knowledge:

- Discuss the impact of German rule during the colonisation of South West Africa.
- Explain the measures the South African government put in place to administer the territory during their rule in South West Africa/Namibia.
- After independence in 1990, Namibia opted for a unitary state. Discuss the arrangements put in place to ensure unitary administration in Namibia.

2

Public administration and management: Education and training in Namibia

CA Keyter

Learning Outcomes

After reading this chapter, you should be able to:

- explain the context of teaching public administration and management before and after independence
- contextualise the history of the higher education environment
- explain the academic growth of the public administration and management discipline
- discuss informal training related to public administration and management.

2.1 Introduction

Teaching and learning related to the academic discipline and professional field of public administration in Namibia began with the establishment of the Academy for Tertiary Education in 1980. The institution's main aim was to provide tertiary and out-of-school education to the people of Namibia. It was recognised as a tertiary institution under the Statute of the University of South Africa (UNISA) and the Joint Statute of Universities in South Africa. After 1990, the Academy became the University of Namibia (UNAM) and the Polytechnic of Namibia (PoN). The PoN is now known as the Namibia University of Science and Technology (NUST). The teaching and learning of public administration and management have grown tremendously in terms of numbers and outcomes over the last few years. Courses have been tailor-made for the Namibian market and were developed to meet the unique local needs and expectations of a modernising, knowledge-based economy. A flexible approach regarding the teaching and learning of full-time, part-time and distance-education opportunities makes it possible for students in remote communities to enrol in courses. In 2010, the government established the Namibia Institute of Public Administration and Management (NIPAM) to provide training and development on issues related to efficient public sector management, economic management and good corporate governance. The institute involves a wide range of individuals and institutions in the pursuit of excellence in public administration and management.

2.2 Educational challenges since independence

When Namibia became independent, the main task of the Namibian government was to address the multifaceted and complex tasks of national reconstruction and development. As the success of these undertakings depended heavily on the government's education system, education became a central priority (Ministry of Higher Education, Vocational Training, Science and Technology, 1998).

2.2.1 Inequalities from the past

One of the educational challenges relates to the fact that Namibia is a large country with an unevenly spread population. Moreover, its education history has shown an uneven distribution of tertiary qualifications among the country's different communities. In addition, the institutional infrastructure at tertiary level, which could allow for a part-time alternative, simply does not exist throughout the country, especially in the northern parts where the majority of the previously disadvantaged communities live and work. The challenge for the new government has been to reconstruct the arrangement and ethos of the education system (Ministry of Higher Education, Vocational Training, Science and Technology, 1998).

In 1990, Namibia inherited an education system characterised by gross inequalities in resource allocation, specifically in schools for different racial groups. Furthermore, the country's unique geographical circumstances – it has a vast surface area of 823 000 square kilometres and an unevenly distributed population of 2 085 927 (Namibia Statistics Agency, 2013) – have posed additional barriers to overcoming the legacy of unequal access to education. The country also cannot afford to release large numbers of its professional, managerial and para-professional staff for extended periods of in-service full-time training or upgrading (Ministry of Higher Education, Vocational Training, Science and Technology, 1998). Such a strategy would prove too costly and too disruptive to daily activities.

2.2.2 Shortages of human resources

Numerous published studies by government agencies have highlighted the shortage of educated, skilled and experienced human resources in the Namibian labour force. According to official statistics, the population is dominated by young people, with over 45.7 per cent below the age of 19 (Namibia Statistics Agency, 2013: 4). In recognition of the central role of education and training in the process of national development, the government has allocated vast amounts of money for primary, secondary and higher education.

The Higher Education Act 26 of 2003 provides an umbrella for the existing University of Namibia Act 18 of 1992 and the Polytechnic of Namibia Act 33 of 1994 and has defined the role of the Ministry of Education in higher education. This Act also established the National Council for Higher Education (NCHE) for

the purposes of advising the Ministry of Education on the strategic requirements for the higher education system. The NCHE makes recommendations on priorities regarding competing claims for resources, development, coordination, productivity and efficiency, and regarding the accountability of higher education institutions. The NCHE also monitors and evaluates the staff development and management policies of higher education institutions, and the administration of subsidies to these institutions.

2.3 The history and evolution of higher education in Namibia

Prior to independence, there were three different paths to education beyond secondary school in Namibia:

1. Some young people left the country to join the liberation struggle and studied at institutions in neighbouring countries such as Zambia, where institutions had been created to address the needs of Namibia (for example, the United Nations Institute for Namibia in Lusaka).
2. In Namibia, the Windhoek College of Education was created to train teachers for the white community. However, it functioned at well below capacity (University of Namibia, 1995).
3. Black teacher-training colleges established within the country had more limited resources and were unable to meet the needs of the population.

Some of this changed with the advent of the Academy for Tertiary Education, established in 1980.

2.3.1 The Academy for Tertiary Education

Lack of autonomoy

The Academy for Tertiary Education Act 13 of 1980 resulted in the establishment of the Academy for Tertiary Education. This institution initially employed just three staff members, with a single office located in the heart of Windhoek. The Act did not allow the Academy to function as an autonomous university with the authority to confer its own degrees and professorships. Instead, a formal agreement was reached with UNISA, one of the leading distance education universities in the southern African region. According to the agreement, the Academy was recognised not only as an acknowledged tertiary institution under the Statute of UNISA, but also by the Joint Institute of Universities (Academy Jubilee, 1990:18). The Academy was designed to be a unique higher education institution with regard to its qualifications and its organisational structure. However, it had to compete with well-established South African institutions and was subjected to the same academic boycotts that were aimed at the South African government and its policy of apartheid.

The Academy began to offer teacher training diplomas in 1981, but because the diplomas were awarded by UNISA, the syllabi, curricula, study materials, assignments and examinations were all governed and determined by UNISA, with a few exceptions (Academy Jubilee, 1990:13). The later inclusion of degree courses required UNISA's consent.

Different 'sections' that became faculties

The organisational structure of the Academy was integrated with clusters of related subjects that were taught under certain 'sections', such as the Education Section, the Languages Section, the Business Section, and so on. These sections formed the primary managerial and academic units and the staffing structures. When the Academy gained autonomous status in 1986, most of the sections were converted into faculties. For example, the Faculty of Arts was formed by combining four sections. Other sections were converted into curriculum groups, but the technical sections remained as they were (Academy Jubilee, 1990).

Shift to career-oriented focus

On 20 September 1985 the new Academy Act 9 of 1985 was signed by the administrator-general after it had been adopted by the National Council of the Transitional Government of National Unity (TGNU). This event marked an important shift in the objectives of the institution: the transition from a teacher training facility with a special and intensive interest in general education to a multipurpose institution with varied lines of specialisation, many of which were career-oriented (Academy Jubilee, 1990: 20). The Academy also obtained its own examination and certification powers. This new development led to the introduction of a vast number of new courses and programmes.

Three separate components

Practically, the Academy Act entitled the newly established autonomous institution to offer tertiary education as well as out-of-school training, resulting in the establishment of three different components. In October 1987, the three components were provided with their official names (Academy Jubilee, 1990: 21):

1. The University of Namibia
2. The Technikon of Namibia
3. The College for Out of School Training (COST).

In 1988, the first official heads of the three components were appointed. Each of the three components established their own faculties, curriculum groups and sections for various programmes and courses.

The university

An agreement was reached between the university component and UNISA regarding the use of academic material and examination moderation. In this regard, the Faculty of Economics and Management introduced a number of

degree programmes such as the three-year bachelor degrees in commerce, economics, and administration, which focused mainly on training students in the public administration discipline (Academy Jubilee, 1990).

The technikon

The Technikon of Namibia's curriculum groups were granted the right to offer certificates and diplomas. The focus was on practical and career-oriented training and education. The Curriculum Group Management and Administration offered two national diploma courses: the three-year National Diploma in Personnel Management and the three-year National Diploma in Public Administration. Significantly, for the first time, the content for the Diploma in Public Administration was offered by Namibians for Namibians on local soil (Academy Jubilee, 1990).

The National Diploma in Public Administration was developed in collaboration with the Technikon of Pretoria and the Central Personnel Institution (CPI) of the TGNU, and, more specifically, with the Department of Training within the CPI, which was responsible for all informal training within the TGNU's administration. The purpose of the diploma was to train public officials.

The college

The third component of the Academy was the COST. The main focus of the COST was to provide vocational training to students so that they could meet the needs of industry. The COST catered specifically for students who did not qualify for entrance to a technikon or university. The Academy was structured in a way that allowed anyone entrance so that they could work their way towards a degree at the university (Academy Jubilee, 1990).

Criticisms

The main criticism levelled against the Academy was that it operated under false pretences, pushing agendas for the South African regime and the TGNU (University of Namibia, 1995). Further criticisms included (University of Namibia, 1995):

- the weak representation of Namibians from disadvantaged communities among the academic and administrative staff
- a relatively small number of lecturers with PhD degrees
- low levels of research and publication productivity among the majority of academic staff
- grossly inadequate library holdings in terms of the number of books, journals, periodicals and subject coverage.

Dissolving of the Academy

The Academy was the first institution of higher learning established within the country to address the needs and demands of producing a skilled labour force. Furthermore, the Academy laid the foundation for the establishment of UNAM and the PoN following the appointment by President Sam Nujoma in

1991 of a Presidential Commission on Higher Education in Namibia. Local and international scholars, under the chairmanship of Professor John Turner, sat on the Commission, which aimed to address areas of concern in the country's higher education sector (University of Namibia, 1995). Called the Turner Commission, it submitted a report in September 1991 and recommended that the Academy be dissolved and replaced with a new national university and polytechnic. The Commission also recommended that higher education be more coherent and responsive to national development goals, needs and employment requirements, especially given the imbalances and malpractices of the pre-independence regimes.

2.3.2 The University of Namibia

The first president of the Republic of Namibia, Sam Nujoma, appointed the vice-chancellor-designate, Professor Peter Katjavivi, to initiate the planning and development of the new university. Professor Katjavivi established a transitional planning team to assist him in this task. A joint technical committee of Cabinet, comprising personnel from the office of the vice-chancellor-designate and the Ministry of Education and Culture, was established to evaluate the various recommendations of the Turner Commission (University of Namibia, 1995:4). The recommendations of the technical committee were adopted by Cabinet in November 1991. On August 4, 1992, the University of Namibia Act was promulgated by the National Assembly and it came into effect on August 31. President Nujoma was appointed the founding chancellor, and Katjavivi became the founding vice-chancellor. The Act affirmed the autonomy of UNAM and its commitment to the spirit of free academic inquiry. It also stressed UNAM's intention of being responsive to the social, economic, cultural, scientific and academic needs of the country. Furthermore, the university's administration decided to reform and restructure tertiary training and education in accordance with the proposals of the Turner Commission. UNAM's governing structures included (University of Namibia, 1995):

- the Council: the supreme policy-making body
- the Senate: this body was responsible for the academic component of the institution
- the vice-chancellor: the chief academic and administrative officer
- a Student Representative Council.

The University of Namibia today

Today UNAM is the leading public higher education institution in the country. With a student population of 25 267 in 2016, academic programmes emanate from eight faculties and two schools. To meet the educational needs of a diverse nation, UNAM has 12 campuses and nine regional centres countrywide, the latter of which are managed by the Centre for Open, Distance and E-Learning (University of Namibia, 2016). These dynamic, committed faculties and the competent administrative support staff have earned UNAM a ranking as one

of the top African universities. To date, UNAM has seen over 17 000 students graduate. These graduates serve the country in various sectors of the economy, with most occupying prominent positions in government and the private sector (University of Namibia, 2016). The Faculty of Economic and Management Science currently houses five departments, including the Department of Political and Administrative Studies. This department offers the following undergraduate and postgraduate programmes related to the study of public administration (University of Namibia, 2017):

- Diploma in local government studies
- Bachelor of public management (Honours)
- Master of arts in political studies (MA Political Studies)
- Master of public administration (MAdmin)
- PhD in public administration or political studies.

2.3.3 The Polytechnic of Namibia

The PoN has its origins in the establishment of the Academy, where classes in vocational, teacher and secretarial training started in January 1980. Five years later, the technikon component of the Academy offered a total of 17 diploma and certificate programmes in agriculture and nature conservation, personnel management, public administration, cost accounting, secretarial training and communicative and legal training. Furthermore, the COST offered a total of 13 certificate programmes in technical, commercial and pre-tertiary teacher education (Academy Jubilee, 1990).

Although the Turner Commission recommended the establishment of two institutions of higher learning, only UNAM came into existence in 1992. The administration and management of both the technikon and the COST were placed under the auspices of the new university until the promulgation of the Polytechnic of Namibia Act. The technikon and the COST then merged to become the PoN. The PoN's first rector, Tjama Tjivikua, was appointed on 4 August 1995 and the first meeting of the Council was held on 10 August (PoN Prospectus, 1995). This event accelerated and completed the split of the PoN from UNAM in December 1995. The PoN thus became an independent and autonomous institution in January 1996. Its governing structures include the Council, its supreme policy-making body; the Senate, which is responsible for the academic component of the institution; the rector, its chief academic and administrative officer; and a Student Representative Council.

The Polytechnic of Namibia's mission

The mission of the PoN was to contribute to development by providing technological, career-oriented education with internationally recognised standards (PoN Prospectus, 2000). The instruction programmes were aimed at meeting the needs of industry. With the emphasis on the transfer of technology, the PoN provided for the country's requirements of professional human resources, as well as those of the region and beyond. The PoN Act also provided

for the gradual phasing out of vocational training courses and the granting of degrees by the PoN. The student enrolment profile of the PoN demonstrated a diversity of teaching programmes. Furthermore, the PoN was committed to working hand-in-hand with business, industry and the government to provide courses that met the demands of a changing workforce. This resulted in a large and varied range of programmes. These included full-time, part-time and distance-education programmes. The academic programmes at the PoN resided in eight schools to meet the educational needs of a diverse nation, while the PoN had nine regional centres which were managed by the Centre for Open and Lifelong Learning – the distance-education unit of the PoN.

Courses in public administration and management

The PoN continued to offer the three-year National Diploma in Public Administration until 1998, when it was revised and replaced with the three-year National Diploma in Public Management. The changes occurred to align with new developments within the public sector and to contribute to capacity development. In 2002, a four-year bachelor of technology degree (BTech) in public management replaced the National Diploma in Public Management. However, the degree was based on developments in South Africa, with the introduction of BTech degrees at the former technikons. The BTech Public Management degree was a Namibian version developed to deal with the challenges faced by an independent Namibia.

The PoN adopted a policy that all curricula be revised after three years and that an inclusive curriculum approach be used in designing and evaluating qualifications offered. The BTech Public Management degree was replaced with a three-year bachelor's degree in public management (implemented in 2015), and a one-year postgraduate honours degree in public management (PoN Prospectus, 2015).

The bachelor of public management

The Bachelor of Public Management emphasises leadership in the varied, complex and challenging settings of public action, such as multilevel policy, governance and management processes, hybrid social enterprises or partnerships. The degree is geared towards providing grounding in the advanced concepts and frameworks of public management and developing capabilities in the advanced tools and skills of public management.

The bachelor of public management (honours)

This degree enhances knowledge of the changing dynamics of public policy and management to expand the conceptual and practical skills for taking national, regional and international perspectives on public management into consideration (PoN Prospectus, 2016). The programme also facilitates critical thinking about multinational organisational and institutional developments on the central, regional and local levels of the public sector in Namibia. This new development is in line with the National Development Plan 4 (NDP4).

Provision has also been made for the department to offer a master's and a PhD programme in public management in the near future.

2.3.4 Renaming as the Namibia University of Science and Technology

In 2013, government granted the PoN the right to be renamed the NUST. This was in line with international practices, because the name 'Polytechnic' placed limitations on meeting the realities of a constantly changing global economy. According to studies conducted in developing countries, there has been a significant investment in science and technology education, particularly at tertiary level. Sustainable development requires expert knowledge in various fields, a broad skills base and the capacity to generate and apply new knowledge, innovations and inventions. The NUST fits well into the sphere of modern universities and it remains competitive in the global arena, thereby conforming to global standards. The establishment of the NUST led to some organisational changes. Schools were renamed 'faculties' and mergers between some departments took place. The Department of Public Management merged with the Department of Legal Training to become the Department of Social Sciences within the new Faculty of Humanities. This development led to new challenges and opportunities within the public management discipline. Since the inception of the NUST, student enrolment figures have increased dramatically, mainly as a result of new qualifications that have been introduced to meet the needs of industry and society, and because of the high demand for higher-level training among learners who have completed high school.

2.4 An assessment of the public administration and management curriculum since its inception

Prior to these developments, when the Academy approved the offering of the three-year National Diploma in Public Administration in 1985, the discipline became prominent in Namibia. Afrikaans was the primary medium of instruction (Academy Jubilee, 1990) and the curriculum from Technikon Pretoria was adopted, with few changes. The book *Inleiding tot die Publieke Administrasie* (Introduction to Public Administration), published in 1980, by a co-founder of public administration in South Africa – JJN Cloete – was prescribed, together with articles published by the South African Institute for Public Administration and the *South African Journal of Public Administration.*

The same approach was used when the university component under the Academy came into being. A three-year bachelor of administration in public administration (BAdmin) was introduced. The UNISA curriculum was adopted and UNISA operated as the examination moderator, even though the examinations were assessed locally. The material used was based on study guides compiled by the Department of Public Administration at UNISA (Academy Jubilee, 1990). Newly appointed Namibian and foreign lecturers taught the course content. Both the

technikon and university components of the Academy used a curriculum based mainly on South African examples and lacking in local examples. Moreover, an inadequate supply of literature suitable for Namibian students proved challenging.

2.4.1 Limitations of the discipline at the Academy

Training students in the discipline of public administration and management was limited to undergraduate studies. Furthermore, the curriculum did not prepare students for the challenging tasks they would face in an independent Namibia's public service. Moreover, this curriculum approach focused on the technical aspects of curriculum development and did not encourage the inclusive approach to curriculum design. The academic staff at both the Academy's technikon and university consisted mainly of white males and lacked representation from Namibians in disadvantaged communities. Therefore, it became essential to look at more relevant, appropriate and effective capacity building for service delivery in Namibia (Academy Jubilee, 1990).

2.4.2 A new curriculum

There was thus an urgent need to rethink the needs and expectations of an independent Namibia and to design a more inclusive curriculum. This approach implied that the curriculum should meet the needs of society and the employer. The following factors were taken into consideration when designing the new curriculum (University of Namibia, 1995):

- Political, economic, legal and technological changes in cultures and societies
- The priorities and concerns of societies at particular times
- The social and cultural preoccupations of students.

The Ministry of Education requires that higher education institutions adhere to certain international criteria and standards. In this regard, the Namibia Qualifications Authority (NQA) and the NCHE were established to ensure that quality education is promoted by institutions of higher learning. The policies developed by both UNAM and the NUST aim to enhance the development of inclusive curricula by academics for their respective institutions. This approach implies developing a curriculum based on the needs, social realities, interests, concerns and aspirations of the community, employer, international partners, and the institution at large.

Furthermore, students have the option of enrolling for their qualification in public administration and management either at the NUST or UNAM, whether or not they are enrolled as full-time, part-time or distance-education students. Both UNAM and the NUST have established regional centres throughout the country to assist students with their studies. Not only do the centres provide students with administrative and library assistance, they also provide academic assistance through tutorial classes. The centres are also equipped with

computer equipment and internet facilities and students may submit completed assignments via email to the main centre in Windhoek. The content of the distance-education study materials is the same as those of full- and part-time students. Students can also make use of the electronic platform to access course materials, course outlines and PowerPoint presentations uploaded by lecturers.

A major challenge in designing public administration and management academic programmes in Namibia was ensuring that they were relevant for a changing environment (PoN, 2012). The challenges facing public administration programmes today include the need to increase the capacity of public administrative officials with the necessary skills, knowledge and abilities to address a range of problems that come with the latest developments on the continent, globally and regionally. These challenges are related to (Keyter, 2016):

- democratic changes that have taken place
- the importance and relevance of civil society actors in enhancing the services roles of civil society
- the economic liberalisation of policies
- demographic changes
- a demand for more effective, efficient, economical and ethical service delivery by government to promote the general welfare of its citizens.

Over the last few years, role players in the private sector have played a greater part in enhancing service delivery (Keyter, 2016) and the importance of public–private partnerships (PPPs) within the Namibian context continues to gain momentum. Institutions of higher learning thus need to revise their curriculums accordingly. To this end, a major change has already taken place in the public administrative and management curricula offered by both UNAM and the NUST over the last few years.

2.5 The Namibia Institute of Public Administration and Management

NIPAM was established by the Namibia Institute of Public Administration and Management Act 10 of 2010. The institute functions as a state-owned enterprise (SOE) as per the provisions of the State-Owned Enterprise Governance Act 2 of 2006. It was officially launched in February 2011 with a mandate to provide administrative and management training, and to serve as a think tank for the Namibian public sector. The responsibilities given to NIPAM included creating a public sector culture that values good governance, cooperation and coordination; building partnerships; and conducting operational research and capacity evaluation that provides for learning (NIPAM, 2015).

The institute has developed a capacity-building framework which provides a platform for systems-wide learning to facilitate the development of common

values, ethos, culture and practice. This is underpinned by several flagship programmes, such as (NIPAM, 2015/16):

- the Middle Management Programme – developed in cooperation with the Southern Business School in South Africa
- the Senior Management Development Programme – in cooperation with the University of Stellenbosch, South Africa
- the Executive Management Programme – in cooperation with the University of the Witwatersrand, South Africa.

2.5.1 Programmes developed by the institute

The concept of a life-long learning experience is promoted by NIPAM. All programmes and courses will eventually be linked to the performance management system in the public sector to ensure that training and capacity building respond to actual performance challenges in the public service. The training strategy and capacity-building initiatives are well researched, grounded in local reality, and underpinned by best practice. Research findings are fed into training programmes and the development of new products and services. To ensure that the programmes meet international standards, and are both professional and accountable, NIPAM has signed agreements with other reputable training institutions in Namibia and abroad, such as the NUST, UNAM, the University of Stellenbosch, the Southern Business School, the International Study Centre for Local Development (CIEDEL), and the Harvard Kennedy School of Government (NIPAM, 2016). Training interventions for NIPAM target public servants, including those in the central government offices, ministries and agencies (OMAs), regional and local government institutions and SOEs. The institute strives to do this within the broader context of achieving the goals of both the NDPs and Vision 2030 for Namibia.

An agreement has also been entered into by NIPAM with the Harvard Kennedy School of Government to allow senior government officials to attend the Executive Management Programme (EMP) at Harvard (NIPAM, 2016). With reference to the training of regional and local government institutions, NIPAM partnered with CIEDEL to provide technical assistance in the design and delivery of training programmes and courses. The institute also collaborated with the Namibian Training Authority and the Local Economic Development Agency to develop courses. These include courses on corporate governance for SOEs in Namibia and many short courses to enhance practical skills in both the public and private sectors in Namibia (NIPAM, 2016). All NIPAM's training courses will eventually be linked to performance management systems (PMSs) to ensure that training and capacity building respond to actual performance challenges in the public service.

Conclusion

The training of students and practitioners in public administration and management in Namibia has gone through various stages of development and growth. The movement away from a colonised environment has brought many demands and challenges. However, new inclusive approaches have created a process which allows for all stakeholders to get involved and develop a curriculum at various levels to address the demands of the public sector.

Test your knowledge:

- Explain the development of higher education institutions in Namibia before independence (1980–1990) and after independence (post-1990).
- Assess the teaching of public administration and management as an academic discipline by UNAM and the PoN before the PoN was converted to the NUST.
- Discuss the teaching of public administration and management as an informal programme to enhance capacity in the public sector in Namibia.

3

Government functioning: Central, regional and local government systems

E Thomas, SB Lwendo and VN Sazita

Learning Outcomes

After reading this chapter, you should be able to:

- define the concepts of state, government and constitution
- explain the guiding principles of the Constitution of the Republic of Namibia
- discuss the role of the legislative authority
- discuss the role of the executive authority
- describe the role of the judicial authority
- describe the functions, powers and duties of regional and local government.

3.1 Introduction

Governments exist everywhere, but the manner in which governments are organised differ in terms of supra-national (eg UN), national (National), regional (SADC) and local level (Windhoek). This chapter examines the central, regional and local government systems in Namibia, their relevance and their impact. The central system provides insightful information about the structure of government in Namibia, which is a horizontal functional arrangement. This allows for the division of government into three arms: the legislature, the executive and the judiciary. The government structures depend on the nature of the political systems and on the Constitution of the Republic of Namibia.

3.2 Definitions of concepts

3.2.1 The state

The state is a legal and constitutional entity. It is an internationally recognised and demarcated area or territory with a self-governing, permanent population. This population benefits from independent political sovereignty and international recognition (Heywood, 2013). The state also refers to permanent institutions which exercise sovereign power within a defined territory. These institutions are permanent in the sense that they do not change when a new government is elected, nor when new political leaders replace existing ones (Heywood, 2013).

3.2.2 The government

The state must be considered as more than the government. According to Heywood (2013:266), government refers to formal and institutional processes that operate at national level to maintain public order and institutional affairs and to facilitate collective decisions. Government would have the capacity to enforce these decisions.

The state is more permanent than the government, because the state's existence does not depend on the electorate.

3.2.3 The Constitution

A constitution is a set of laws regarded as the supreme law of a country. These laws are often codified in a written document. A constitution both enumerates and limits the power and functions of a political entity. A constitution limits the power of the government in two ways. First, it imposes structural and procedural limits on power (Heywood, 2013). Only certain institutions may exercise specific types of power, and they may do so only if particular procedures are followed. For example, only an electoral parliamentarian may pass laws for the country, and this can only be done by obtaining a majority vote. Secondly, substantive limits are imposed principally through the Bill of Rights. The government may not use its powers to violate any individual rights.

According to Blondel (1995), the fundamental characteristics of a constitution include the following:

- It defines the **operations** of a state as a political institution.
- It spells out **power relations** between those who govern and those who are governed. Specific powers are allocated to different institutions that make up the state, for example the powers of the legislature, the judiciary and the executive.
- It should outline the **rights of those who are governed**.
- It is a set of **prescriptions** indicating how government should conduct its business, and the institutions it should establish for such purposes.
- It is a document that acts as a **guide for leadership**. In certain countries, such as the UK, several statutes delineate the operation of the government in specific areas. The constitution itself is consistent with well-understood conventions, customs and traditions that the British people feel obliged to adhere to.
- It describes **existing institutions** and provides the powers, functions and relations among them.

3.3 The Constitution of the Republic of Namibia

When Namibia gained independence in 1990, the systems of presidentialism and parliamentarism were combined by the constituent assembly because this

was deemed the most effective way to govern the new state (Hishoono et al, 2011). Namibia was also part of the Commonwealth, and since many other countries (including Botswana, Zimbabwe, Zambia and Mozambique) were semi-presidential states, it was decided that this model should be adopted. This arrangement makes the presidential office the highest and most powerful office in the land. However, the arrangement posed a challenge, as a semi-presidential state is governed by the president and Cabinet ministers, which includes a prime minister. The prime minister is the leader of government business in Parliament as well as the chief administrator of the government.

Namibia provides for 'a system in which the president is directly elected, the government is appointed by and answerable to the president, and the presidency enjoys weighty prerogatives' (Fish, 2006:6, cited in Hishongwa, 2016:6). The separation of powers in Namibia aimed to ensure the proper separation of power (Hishongwa, 2016). As such, the Constitution played a central role in the founding of an independent Namibia. Indeed, at independence, the Constitution had to fulfil three important functions: it had to constrain the inherent tensions in the Namibian body politic, it had to guide the young state along a path of constitutionalism, and it had to ensure that the rule of law was upheld (Hishoono et al, 2011). The Namibian experiment of transition through constitutionalism had serious implications for South Africa. Ultimately, constitutional politics in South Africa would have to be the antidote to the corruption, abuse of power, denial of human rights, authoritarianism and economic disaster that many feared would follow after independence in Namibia (Hishoono et al, 2011).

The Constitution is the supreme law and all other legislation is subjected to it. If any law, or the common law, contradicts any article of the Constitution, the High or Supreme Court will declare that act, or common law, as unconstitutional and the law will be given an opportunity to remove the unconstitutional elements (Hishoono et al, 2011). In order to understand government institutions better, it is important to review the Constitution, as it plays a part in prescribing how these institutions should be organised and how they should function. All references to the Constitution in this chapter are from the Constitution of the Republic of Namibia, compiled by the Office of the Ombudsman, February 2016.

3.3.1 Chapter 1 of the Constitution

Article 1 of Chapter 1 states (Office of the Ombudsman, 2016:1):

(1) The Republic of Namibia is hereby established as a sovereign secular, democratic and unitary state founded upon the principle of democracy, the rule of law and justice for all.

(2) All power shall be vested in the people of Namibia who shall exercise their sovereignty through the democratic institutions of the State. ➲

(3) The main organs of the State shall be the Executive; the Legislative and the Judiciary.

(4) The national territory of Namibia shall consist of the whole of the territory recognised by the international community through the organs of the United Nations as Namibia, including the enclave, harbour and port of Walvis Bay, as well as the off-shore islands of Namibia, and its southern boundary shall extend to the middle of the Orange River.

(5) Windhoek shall be the seat of central Government.

(6) This Constitution shall be the Supreme Law of Namibia.

3.3.2 Chapter 3: Fundamental rights and freedoms

Chapter 3 of the Constitution provides for a variety of fundamental rights and freedoms. Named the Bill of Rights, this section protects a person's dignity and liberty. This means that no person, nor any state organ such as the police or army, can torture a Namibian resident under any circumstances. Fundamental freedoms ensure that all Namibians can live as liberated individuals in a liberal democratic society.

This Chapter of the Constitution has an elaborate section on individual rights and the obligation of the state to the individual. Articles 5 to 20 outline the obligation of the state towards the individual, which include the protection of fundamental rights and freedom, protection of life, protection of liberty, human dignity, equality, and freedom from arbitrary arrest and detention. Some of these Articles are discussed below.

Article 6 deals with the protection of life (Office of the Ombudsman, 2016:6):

> The right to life shall be respected and protected. No law may prescribe death as a competent sentence. No Court or Tribunal shall have the power to impose a sentence of death upon any person. No executions shall take place in Namibia.

According to Hishoono et al (2011), the Constitution is certain about the protection of life. No person has the authority to kill another human being. The right to life is at the centre of debates on capital punishment, abortion, self-defence and war in Namibia. This is demonstrated in the case study that follows.

🔍 CASE STUDY 3.1: ABORTION

Abortion remains illegal in Namibia despite reported instances of infanticide, baby dumping and 'backstreet abortions', where pregnant women, out of desperation, have to resort to covert and unsafe abortions. Women may resort to these extreme measures because they cannot afford to take care of a child. Some of these women are impoverished and may already have other children. ➲

In 1996, the Minister of Health and Social Services, Dr Libertina Amathila, proposed a draft bill – the Abortion and Sterilisation Bill – the purpose of which was to legalise abortion in Namibia. Under the provisions of the Bill, women in Namibia would be eligible to have an abortion during the first 12 weeks of their pregnancy. Amathila believed that the Bill could curb the growing rates of baby dumping and backstreet abortions. Contraceptives were not, and are still not, readily available to women in rural and/or impoverished communities.

Conservative and religious groups in Namibia were completely opposed to the idea, claiming that foetuses also deserve a right to life. They cited the second article in the Constitution, which states, 'The right to life shall be respected and protected', as well as other sources, including the Bible. These 'pro-life' groups also argued that legal abortions would replace, and eliminate, the need for contraceptives, which would lead to higher abortion rates, and thus a greater loss of human life. The debate was so intense, and the campaigners so insistent, that the Bill was finally abandoned in 1999.

Unfortunately, the issues of infanticide, baby dumping and unsafe abortions are still prevalent in Namibia, and each year, many women and newborns die.

Source: Hishoono et al, 2011

Article 7 discusses the protection of liberty, Article 8 addresses respect for human rights and dignity, while Article 9 deals with slavery and forced labour. Article 10 discusses equality and freedom from discrimination. It states (Office of the Ombudsman, 2016:7):

All persons shall be equal before the law. No person may be discriminated against on the grounds of sex, race, colour, ethnic origin, religion, creed or economic status.

The Namibian Bill of Rights covers rights such as the protection of life, children's rights and others. Article 23 of the Constitution singles out apartheid and racial discrimination, which may be criminally punishable. Article 23 also deals with affirmative action in order to advance people disadvantaged by past discrimination.

Article 20 provides for the right to education (Office of the Ombudsman, 2016:11):

(1) All persons shall have the right to education.
(2) Primary education shall be compulsory and the State shall provide reasonable facilities to render effective this right for every resident within Namibia, by establishing and maintaining State schools at which primary education will be provided free of charge.

Article 21 outlines the fundamental freedoms of the Namibian people (Office of the Ombudsman, 2016:12):

(1)   All persons shall have the right to:
  (a) freedom of speech and expression, which shall include freedom of the press and other media;
  (b) freedom of thought, conscience and belief, which shall include academic freedom in institutions of higher learning;
  (c) freedom to practise any religion and to manifest such practice;
  (d) assemble peaceably without arms;
  (e) freedom of association, which shall include freedom to form and join associations or unions, including trade unions and political parties;
  (f) withhold their labour without being exposed to criminal penalties;
  (g) move freely throughout Namibia;
  (h) reside and settle in any part of Namibia;
  (i) leave and return to Namibia;
  (j) practise any profession, or carry on any occupation, trade or business.

(2)   The fundamental freedoms referred to in Sub-Article (1) hereof shall be exercised subject to the law of Namibia, in so far as such law imposes reasonable restrictions on the exercise of the rights and freedoms conferred by the said Sub-Article, which is necessary in a democratic society and are required in the interests of the sovereignty and integrity of Namibia, national security, public order, decency or morality, or in relation to contempt of court, defamation or incitement to an offence.

The Namibian Supreme Court interprets freedom of speech and expression broadly. This is a fundamental freedom enshrined in the Constitution. Two court cases illustrate the way in which the Supreme Court interprets the Constitution (the second of these has to do with freedom of expression):

1. *Confidente* (2016:3) reported that the Ministry of Home Affairs avoided granting citizenship to a child born in Namibia to Dutch parents who were in the country on a work permit. The Dutch parents took the Ministry of Home Affairs to court. The ruling, which was in favour of the parents, held that 'the Supreme Court has the Constitutional responsibility, under Article 79, to interpret the Constitution. And, as the highest court of appeal in Namibia, its decisions on the Constitution's meaning take precedence over those of lower courts and government officials'. (This case is referred to in more detail in Case study 3.3.)

2. In the well-known *Kauesa* case, the court ruled that even a junior police officer may criticise the leadership of the police force if such criticism would enhance public debate on issues such as transformation and affirmative action. The case study that follows gives the details of the case.

CASE STUDY 3.2: FREEDOM OF EXPRESSION

Kauesa v Minister of Home Affairs and Others (1995)

Mr Kauesa was a warrant officer in the Namibian Police. He appeared on a Namibian Broadcasting Corporation (NBC) television panel discussion on the topic of affirmative action in the context of the restructuring of the Namibian Police and the public service.

The Namibian Police started disciplinary proceedings against Mr Kauesa because of his remarks during the panel discussion. He was charged with contravening a Namibian Police regulation which prohibited members of the Namibian Police from commenting unfavourably in public on the administration of the Namibian Police or any other government department.

Mr Kauesa applied to the High Court to stop the disciplinary inquiry. He said that the regulation was contrary to the right to freedom of speech and expression (Article 21 [1] [a] of the Constitution). He was unsuccessful in the High Court, but then appealed to the Supreme Court.

The Supreme Court decided in favour of Mr Kauesa. The court noted that the right to freedom of speech in Namibia 'is essential to the evolutionary process set up at the time of independence in order to rid the country of apartheid and its attendant consequences. In order to live in and maintain a democratic State the citizens must be free to speak, criticise and praise where praise is due. Muted silence is not an ingredient of democracy, because the exchange of ideas is essential to the development of democracy.'

While the right to freedom of speech could be limited, any limitation had to comply with both Articles 21 (2) and 22 of the Constitution. Any limitation of a right must be interpreted strictly, so that individuals do not unnecessarily lose the enjoyment of their rights.

In this case, the regulation was arbitrary and unfair. Any unfavourable comment, even if true, was contrary to the regulation. The regulation was also wider than necessary to achieve a legitimate purpose, which was to maintain discipline in the Namibian Police. An unfavourable comment on any government department would be contrary to the regulation.

The court therefore declared the regulation invalid. In other words, the regulation no longer had any legal effect and Mr Kauesa could thus not be guilty of contravening the regulation.

The Constitution allows for the Namibian people to be one of the best-informed nations in Africa, with a free press. With a population of two and a half million, there are five daily newspapers, several weekly newspapers (some of which are regional papers), at least six independent radio stations, an independent television channel, and access to at least 10 international news networks (Sims & Koep, 2012:121). Even if government does not agree with the views expressed in the media, newspapers and agencies cannot be shut down by a presidential decree, or by laws limiting freedom of expression (Sims & Koep, 2012:121).

Namibia is one of a handful of nations that includes academic freedom in its Constitution. Equality regarding the entire population is another significant aspect of the Constitution. It prohibits discrimination on any grounds – on the basis of sex, race, ethnic origin, colour, religion, creed or socio-economic status. While the state guarantees these freedoms, it expects individuals to obey the law and support the state.

3.3.3 Separation of powers in Namibia

Chapters 5, 6, 7 and 8 of the Constitution outline the doctrine of the separation of powers. It is, however, argued that, in the case of Namibia, a total separation of powers is an ideal that has not yet been realised. In a recent reflection on the separation of powers, Hishoono et al (2011) argue that one of the main objectives is to avoid power being concentrated in one organ of state. A precondition for the effective functioning of a state that separates its powers is the inclusion of a process of checks and balances where one organ is held accountable by another, so that the abuse of power is avoided. Constitutional states, generally, have achieved partial separation of powers rather than a complete separation of powers.

3.3.4 Chapter 11 of the Constitution

Chapter 11 of the Constitution deals with state policy, which is geared towards enhancing the provision of socio-economic rights. These principles suggest that the state will promote the welfare of the people, equality for women, labour and living standards, healthcare, the protection of the environment, and encourage debate among citizens to influence government decisions. These principles are not legally enforceable, however; they serve only as a guide to government's legislative programme.

3.4 Namibia's government structure

3.4.1 The legislative authority and its functions

Article 44: Legislature power

Kaapama (2014:8) states that the legislature's powers to pass laws are vested in a bicameral parliamentary system, which is divided into two houses, namely:

- the National Assembly, made up of 104 members from the party lists of those political parties that have won seats during an election
- the National Council, composed of 42 regional councillors elected through direct universal suffrage in the regions and their constituencies.

This means that the National Assembly is constituted through proportional representation. Each region is expected to have three members in the National Council, each of whom is elected by the regional council.

Chapter 7, Article 44, of the Constitution states that the legislative power of Namibia shall be vested in the National Assembly with the power to pass laws

with the assent of the president. In terms of composition, there is provision for a speaker, and an officer who is the secretary of the National Assembly. Constitutional amendments during 2014 resulted in an increase of members in the National Assembly, from 78 to 104 members, and in the National Council, from 26 to 42 members. These members are elected every five years (Bauer, Scott & Taylor, 2005). Members of the National Council serve five-year terms, with three members from each regional council being elected to the National Council. The executive power in Namibia is vested in the president and the Cabinet (Office of the Ombudsman, 2016:18).

Article 63: The functions and powers of the National Assembly

The functions and powers of the National Assembly include:

- making and repealing laws
- approving budgets
- providing revenue and taxation
- defending the Constitution and advancing the objectives of an independent Namibia
- assenting to the ratification of international agreements
- receiving reports on the national executives' conduct of duty
- debating bills and advising the president.

Article 74 (Chapter 8): The functions and powers of the National Council

This Article indicates that there shall be a National Council with the powers and functions set out in the Constitution. These include:

- reviewing all bills passed by the National Assembly
- recommending legislation on matters of regional concern
- establishing committees and adopting its own rules and procedures.

The duties of the National Council will include:

- maintaining the dignity and name of the National Council both during and outside of the proceedings of the National Council Chambers
- regarding themselves as servants of the people in Namibia
- avoiding the pursuit of self-interest.

3.4.2 The executive authority and its functions

The executive authority is an important institution in any country. It is a universal concept and is sometimes used synonymously with government. It is the body tasked with running the government. According to Kaapama (2014:4), 'the Namibian Constitution makes provision (in Article 27) for a strong executive presidency.'
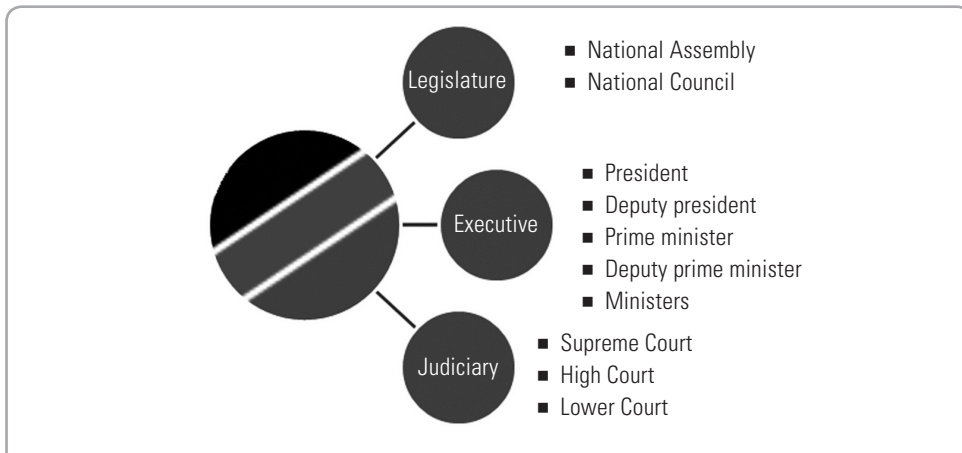
FIGURE 3.1 THE THREE ARMS OF THE NAMIBIAN GOVERNMENT

Chapter 5, Article 27, of the Namibian Constitution provides for the head of state and Cabinet. Cabinet consists of the president, deputy president, the prime minister, deputy prime minister and ministers appointed by the president. Political life is centralised and has the power to shape the socio-economic landscape. National executive bodies are usually small and members are expected to work as a team to achieve a common goal. The functions of the different components of the national executive are outlined below.

The president – Chapter 5, Article 27: Head of state and government

According to the Constitution (Office of the Ombudsman, 2016:18), the role of the head of state is outlined as follows:

(1) The President shall be the Head of State and of the Government and the Commander-in-Chief of the Defence Force.

(2) The executive power of the Republic of Namibia shall vest in the President and The Cabinet.

(3) Except as may be otherwise provided in this Constitution or by law, the President shall in the exercise of his or her functions be obliged to act in consultation with The Cabinet.

All powers are vested in the president who is the head of the executive, and, indirectly, the head of the legislature too. The Namibian Parliament is structured so that political parties follow the party system. In the case of the ruling party (which has a two-thirds majority in both houses), the house elects a speaker and deputy speaker. The speaker cannot go against their party, as the party decides what business is discussed through the executive members present in Parliament. The president of the ruling party is also the head of state. The president shares power with Cabinet, so as to prevent a 'pure' presidential system where executive authority is solely in the hands of the president.

The president is elected directly by the electorate and the ruling party needs to receive more than 50 per cent of the votes in order to govern the country. Any citizen of 35 years and older is eligible to be elected as president. The president's term of office is five years. However, a two-thirds majority in both the National Assembly and the National Council can adopt a resolution to remove a president permanently if they are found guilty of violating the Constitution, or any other form of misconduct (Office of the Ombudsman, 2016: Article 29). The president of the Republic of Namibia cannot be in office for more than two terms. Thus, 10 years is the maximum period that a president can remain in office, unless constitutional changes are made (in accordance with the amendment procedure).

Article 32 of the Constitution of Namibia outlines the functions and powers of the president as follows (Office of the Ombudsman, 2016:22–23):

(1) As the Head of State, the President shall uphold, protect and defend the Constitution as the Supreme Law, and shall perform with dignity and leadership all acts necessary, expedient, reasonable and incidental to the discharge of the executive functions of the Government, subject to the overriding terms of this Constitution and the laws of Namibia, which he or she is constitutionally obliged to protect, to administer and to execute.

(2) In accordance with the responsibility of the executive branch of Government to the legislative branch, the President and the Cabinet shall each year during the consideration of the official budget attend Parliament. During such session the President shall address Parliament on the state of the nation and on the future policies of the Government, shall report on the policies of the previous year and shall be available to respond to questions.

(3) Without derogating from the generality of the functions and powers contemplated by Sub-Article (1) hereof, the President shall preside over meetings of the Cabinet and shall have the power, subject to this Constitution to:

  (a) dissolve the National Assembly by Proclamation in the circumstances provided for in Article 57(1) hereof;

  (b) determine the times for the holding of special sessions of the National Assembly, and to prorogue such sessions;

  (c) accredit, receive and recognise ambassadors, and to appoint ambassadors, plenipotentiaries, diplomatic representatives and other diplomatic officers, consuls and consular officers;

  (d) pardon or reprieve offenders, either unconditionally or subject to such conditions as the President may deem fit;

  (e) negotiate and sign international agreements, and to delegate such power;

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(f) declare martial law or, if it is necessary for the defence of the nation, declare that a state of national defence exists: provided that this power shall be exercised subject to the terms of Article 26(7) hereof;

(g) establish and dissolve such Government departments and ministries as the President may at any time consider to be necessary or expedient for the good government of Namibia;

(h) confer such honours as the President considers appropriate on citizens, residents and friends of Namibia in consultation with interested and relevant persons and institutions;

(i) Appoint the following persons:

    (aa)   the Deputy President;

    (bb)   the Prime Minister;

    (cc)   the Deputy-Prime Minister;

    (dd)   Ministers and Deputy-Ministers;

    (ee)   the Attorney-General;

    (ff)   the Director-General of Planning;

    (gg)   the Head of the Intelligence Service;

    (hh)   any other person or persons who are required by any other provision of this Constitution or any other law to be appointed by the President.

The president also has power to appoint the chief justice, the judge president of the High Court, and other judges of the Supreme and High Court, the ombudsman, the prosecutor-general, the auditor-general, the governor and deputy-governor of the Central Bank of Namibia on the recommendation of the public service and the chief of the defence force, the inspector-general of the police force, and the commissioner of prisons on the recommendations of the Security Commission. The president also has the power to establish offices and appoint any person to take charge of these offices (Hishoono et al, 2011: 104–106).

The executive – Article 35: Composition

Article 35 states (Office of the Ombudsman, 2016:26):

(1) ... the Cabinet shall consist of the President, the Vice-President, the Prime Minister, Deputy-Prime Minister and such other Ministers from the members of the National Assembly, including members nominated under Article 46(1)(b) hereof, for the purposes of administering and executing the functions of the Government.

➲

> (2) The President may, if he or she considers it to be necessary or expedient, also appoint a Deputy-Prime Minister to perform such functions as may be assigned to him or her by the President, the Vice-President or the Prime Minister.
>
> (3) The President or, in his or her absence, the Vice-President, the Prime Minister, Deputy-Prime Minister or other Minister designated for this purpose by the President, shall preside at meetings of the Cabinet.

The functions of the prime minister – Article 36

The functions of the prime minister involve:

- being a leader of government business in Parliament
- coordinating the work of Cabinet
- advising and assisting the president in the execution of the functions of the government.

This makes the prime minister the president's right-hand person. The president relies on the prime minister for managing government affairs. As such, the prime minister is expected to have a technical ability to manage others.

The functions of the Cabinet

In Namibia, members of Cabinet are expected to perform certain fundamental functions, namely (Hishoono et al, 2011:107):

- directing, coordinating and supervising the activities of ministries, other government departments and parastatals falling under their areas of jurisdiction
- formulating the budget, explaining and defending it in the National Assembly and answering questions posed by members
- attending meetings of the National Assembly and answering questions posed by members
- assisting the president in concluding international agreements
- advising the president on defence and security matters
- guarding the Constitution, assisting and protecting disadvantaged citizens of Namibia.

In the performance of their duties and functions, ministers are individually responsible for the administration of the work of Cabinet.

The organisation of the executive in Namibia

The Namibian system deviates from the pure forms of the parliamentary and presidential systems. It tends to include characteristics from both. At independence, on 21 March 1990, a decision was taken to combine the presidential and parliamentary systems and to make the president the highest and most powerful office in the land. Namibia is a semi-presidential state,

governed by the president and Cabinet ministers. The Cabinet includes the prime minister, who is the leader of government business in Parliament and the chief administrator of the government, and the vice-president. Indeed, it could be argued that the impulses of a presidential system are in place in Namibia. This is because Namibia provides for 'a system in which the president is directly elected, the government is appointed by and answerable to the president, and the presidency enjoys weighty prerogatives' (Fish, 2006:6).

Namibia has a bicameral Parliament and, in addition, the constitutional provision indicates that the executive sees that the laws passed by the National Assembly and the National Council are carried out. The executive powers are thus vested with the president or deputy president and the Cabinet.

The combination of presidential and parliamentary systems is also problematic, as it poses a threat to a stronger and more accountable legislative branch. This has been tested and proved when the Constitution was amended three times: first in 1998 by President Nujoma, then in 2010 by President Pohamba, and in 2014 by Prime Minister Geingob, when the amendment was signed into law by outgoing president Pohamba (Shanghala, 2014). The executive branch dominated in Parliament and pushed through these amendments. If they had opposed them, they would have risked being dismissed from public office by the president (Hishongwa, 2016).

3.4.3 The judicial authority and its functions

Chapter 9, Article 78 of the Constitution indicates that the power of the judiciary shall be vested in the courts, which shall consist of:

- the Supreme Court
- the High Court
- the Lower Courts.

These courts in Namibia are expected to be independent and are subject only to the Constitution and the law. Article 78(2), Section 3 of the same Article indicates (Office of the Ombudsman, 2016:44):

> No member of the Cabinet or the Legislature or any other person shall interfere with Judges or judicial officers in the exercise of their judicial functions, and all organs of the State shall accord such assistance as the Courts may require to protect their independence, dignity and effectiveness, subject to the terms of this Constitution or any other law.

The Supreme Court – Article 79

In terms of composition, the Supreme Court is expected to be led by a chief justice, appointed by the president through the recommendation of the Judicial Service Commission. The Supreme Court is there to receive, hear and adjudicate

on appeals emanating from the High Court. In its deliberation, there shall be at least three judges in sitting. These shall constitute a quorum when it hears appeals or deals with matter referred to it by the attorney-general.

The High Court – Article 80

Below the Supreme Court is the High Court, which is headed by the judge president and additional judges. Article 80 (2) indicates (Office of the Ombudsman, 2016:46):

> The High Court shall have original jurisdiction to hear and adjudicate upon all civil disputes and criminal prosecutions, including cases which involve the interpretation, implementation and upholding of this Constitution and the fundamental rights and freedoms guaranteed there under. The High Court shall also have jurisdiction to hear and adjudicate upon appeals from Lower Courts.

The lower courts – Article 83

Article 83 sets out the following (Office of the Ombudsman, 2016:47):

> (1) Lower courts shall be established by Act of Parliament and shall have the jurisdiction and adopt the procedures prescribed by such Act and regulations made thereunder.
>
> (2) Lower courts shall be presided over by Magistrates or other judicial officers appointed in accordance with procedures prescribed by Act of Parliament.

Even though SWAPO still rules the country, the Constitution plays a significant role in separating the three traditional arms (or branches) of government. Indeed, the separation of power is intrinsic. For example, in April 2016 the High Court demanded that SWAPO reinstate the expelled youth leaders Elijah Ngurare, Job Amupanda, Dimbulukeni Nauyoma and George Kambala. The party was also instructed to pay 60 per cent of the applicants' legal fees.

Independence of the courts

The courts are independent, and subject only to the Constitution and the law. No member of Cabinet, the legislature, or any other person can interfere with judges or judicial officers in the exercise of their judicial functions. According to Hancox and Hubbard (2016:11):

> *The primary functions of all courts have to do with the implementation and upholding of the country's legal system, and the hearing and adjudicating of civil disputes and criminal prosecutions. The Judiciary plays an important role when it comes to the interpretation role of the Judiciary and it also constitutes a key source of reference for*

understanding the Constitution, including how the constitutional process impacts on the political process. Indeed, the impartiality of the courts has been demonstrated time and again. For example, on 23 June 2016, in the De Wilde case, the Supreme Court of Namibia made a ruling on the meaning of the term 'ordinarily resident' in Article 4 (1). That Article provides that a child born in Namibia to non-Namibian citizens will be a Namibian citizen by birth if the child's father or mother is ordinarily resident in Namibia at the time of birth with a few narrow exceptions, such as children born to diplomats of other countries who are stationed in Namibia.

This case, which was also referred to earlier in this chapter, is given more attention in the case study below:

🔍 CASE STUDY 3.3: NAMIBIAN CITIZENSHIP

De Wilde v Minister of Home Affairs, Supreme Court of Namibia, Case No: SA 48/2014

The Supreme Court ordered that the appellant be declared a Namibian citizen based on birth in Namibia of parents who were ordinarily resident there.

Art 4(1)(d) of the Constitution provides that persons born in Namibia after the date of independence acquire citizenship if their fathers or mothers are 'ordinarily resident' in Namibia at the time of the birth. There are some exceptions to this rule – applying to children of parents who are diplomatic representatives, or seconded by another government, or who are illegal immigrants – that do not apply if the child would otherwise be stateless.

The court decided that:

'In determining whether or not a person is ordinarily resident as contemplated by Art 4(1)(d), each case must be considered on its facts …. Key considerations will include whether the person concerned normally lives in Namibia, and is therefore not merely visiting Namibia, and whether the person has no immediate intention of permanent departure. Moreover, proof of ordinary residence will require more than a person's mere say-so. The intention to make Namibia one's habitual home must be established by facts which are capable of objective proof. Evidence will thus need to be led to show that the person is indeed normally resident in Namibia. Such evidence will include the person's place of residence, the period of residence in Namibia, as well as his or her livelihood, and other relevant factors.'

This is the kind of crisis faced by the legislature when the executive tries to overpower other state organs by amending the Constitution in their favour. This is both undemocratic and an abuse of power. The Constitution thus ensures that the judiciary maintains its independence and prohibits legal processes from being bypassed or influenced by the other two organs of state. However, the very Constitution which protects the judiciary leaves the other two organs

open to abuse and exploitation by the other – hence the executive supremacy the government faces (Hishongwa, 2016; Horn & Bösl, 2008).

Another binding Supreme Court decision is the ruling that corporal punishment by organs of the state is both cruel and inhumane. It is therefore prohibited. Some critics also argue that Namibia is 'soft on crime', but the Constitution allows for powerful law enforcement agencies to deal with crime in an efficient manner.

However, no one can be imprisoned without a trial. If someone is suspected of having committed a crime, they have the right to a fair trial, to be defended by a lawyer of their choice, to not give evidence against themselves, to not be prosecuted more than once for the same offence, and to be presumed innocent until proven guilty. Lawyers provide the checks and balances of the legal system (Links, in Hishoono et al, 2011) by ensuring that judges and magistrates uphold the Constitution and protect Namibians against arbitrary actions by law enforcement agencies. Article 82 deals with the appointment of judges, while Article 83 outlines the compositions of the lower courts.

3.5 The Office of the Ombudsman

Chapter 10, Article 89 of the Constitution provides for the ombudsman. The ombudsman is appointed by the president and acts independently from the three traditional arms of government. Chapter 10, Article 89 (3) states (Office of the Ombudsman, 2016:50):

> No member of the Cabinet or the Legislature or any other person shall interfere with the Ombudsman in the exercise of his or her functions and all organs of the State shall accord such assistance as may be needed for the protection of the independence, dignity and effectiveness of the Ombudsman.

The question is, who is the ombudsman? The word originates from a Scandinavian term meaning 'citizen defender'. Thus, an ombudsman is appointed by government to protect the public against bureaucratic excesses. This official is expected to receive and investigate complaints that have to do with:

- administration at any level of government
- abuse of power, or unfair or improper conduct by a person performing a public function
- improper or dishonest acts, or corruption with respect to public money
- improper, or unlawful, enrichment by a government employee at any level of government.

The Constitution outlines the functions of the ombudsman, who should:

- investigate complaints related to the violation of human rights
- investigate the abuse of power, unfair dismissals, insensitive and discourteous treatment of an inhabitant of Namibia

- investigate complaints concerning the functions of the Public Service Commission (PSC), administrative organs of the state, the defence force, the police force and the prison services
- investigate cases to protect the beauty and character of Namibia.

Once investigations have been carried out, the ombudsman must take appropriate action to remedy or redress the situation through:

- negotiating and compromising
- referring the matter to the prosecutor general
- reporting the complaint to the superior of the offending person
- bringing proceedings to a competent court
- making recommendations to the president, particularly if it involves laws that existed before independence.

Article 92 outlines the powers of investigation (Office of the Ombudsman, 2016:52):

(a) to issue subpoenas requiring the attendance of any person before the Ombudsman and the production of any document or record relevant to any investigation by the Ombudsman;

(b) to cause any person contemptuous of any such subpoena to be prosecuted before a competent Court;

(c) to question any person;

(d) to require any person to cooperate with the Ombudsman and to disclose truthfully and frankly any information within his or her knowledge relevant to any investigation of the Ombudsman.

3.6 Regional and local government

In this section, regulations pertaining to the structure and functioning of regional and local governments are reproduced from Chapter 12 of the Constitution.

Article 102, which has to do with the structures of regional and local government, states (Office of the Ombudsman, 2016:57–58):

(1) For purposes of regional and local government, Namibia shall be divided into regional and local units, which shall consist of such regions and Local Authorities as may be determined and defined by Act of Parliament.

(2) The delineation of the boundaries of the regions and Local Authorities referred to in Sub-Article (1) hereof shall be geographical only, without any reference to the race, colour or ethnic origin of the inhabitants of such areas. ⮌

(3) Every organ of regional and local government shall have a Council as the principal governing body, freely elected in accordance with this Constitution and the Act of Parliament referred to in Sub-Article (1) hereof, with an executive and administration which shall carry out all lawful resolutions and policies of such Council, subject to this Constitution and any other relevant laws.

(4) For the purposes of this Chapter, a Local Authority shall include all municipalities, communities, village councils and other organs of local government defined and constituted by Act of Parliament.

(5) There shall be a Council of Traditional Leaders to be established in terms of an Act of Parliament in order to advise the President on the control and utilization of communal land and on all such other matters as may be referred to it by the President for advice.

3.6.1 Regional councils

Establishment of regional councils – Article 103

Article 103 states (Office of the Ombudsman, 2016:58):

(1) The boundaries of regions shall be determined by a Delimitation Commission in accordance with the principles set out in Article 102.

(2) The boundaries of regions may be changed from time to time, and new regions may be created from time to time, but only in accordance with the recommendation of the Delimitation Commission.

(3) A Regional Council shall be established for every region the boundaries of which have been determined in accordance with Paragraphs (1) and (2).

Boundaries Delimitation and Demarcation Commission – Article 104

Article 104 states (Office of the Ombudsman, 2016:58–59):

(1) There shall be a Boundaries Delimitation and Demarcation Commission which shall –

 (a) delimit and demarcate the boundaries of Namibia subject to Article 1(4);

 (b) recommend the determination of the boundaries and names of regions, constituencies and local authorities in accordance with this Constitution and the provisions of an Act of Parliament, and shall report thereon to the President.

(2) The Boundaries Delimitation and Demarcation Commission shall consist of a full-time Chairperson and other part-time Commissioners as may be appointed by the President with the approval of the National Assembly. ➲

> (3) An Act of Parliament may further regulate any matter not expressly provided for by this Constitution, including the method of arriving at a decision.

Composition of regional councils – Article 105

Article 105 states (Office of the Ombudsman, 2016:59):

> Every Regional Council shall consist of a number of persons determined in accordance with the procedure provided for in Article 103(1) for the particular region for which that Regional Council has been established, and who are qualified to be elected to the National Council.

Regional council elections – Article 106

Article 106 states (Office of the Ombudsman, 2016:59):

> (1) Each region shall be divided into constituencies the boundaries of which shall be fixed by the Boundaries Delimitation and Demarcation Commission in accordance with the provisions of an Act of Parliament and this Constitution: provided that there shall be no fewer than six (6) and no more than twelve (12) constituencies in each region.
>
> (2) Each constituency shall elect one member to the Regional Council for the region in which it is situated.
>
> (3) The elections shall be by secret ballot to be conducted in accordance with the provisions of an Act of Parliament, and the candidate receiving the most votes in any constituency shall be the elected member of the Regional Council for that constituency.
>
> (4) All Regional Council elections for the various regions of Namibia shall be held on the same day.
>
> (5) The date for Regional Council elections shall be determined by the President by Proclamation in the Gazette.

Powers of regional councils – Article 108

Article 108 states (Office of the Ombudsman, 2016:60):

> Regional Councils shall have the following powers:
> (a) to elect members to the National Council;
>
> (b) to exercise within the region for which they have been constituted such executive powers and to perform such duties in connection therewith as may be assigned to them by Act of Parliament and as may be delegated to them by the President;
>
> (c) to raise revenue, or share in the revenue raised by the central Government within the regions for which they have been established, as may be determined by Act of Parliament; ➲

(d) to exercise powers, perform any other functions and make such by-laws or regulations as may be determined by Act of Parliament.

Management committees – Article 109

Article 109 states (Office of the Ombudsman, 2016:60):

(1) Each Regional Council shall elect from amongst its members a Management Committee, which shall be vested with executive powers in accordance with the provisions of an Act of Parliament.

(2) The Management Committee shall have a Chairperson to be elected by the members of the Regional Council at the time that they elect the Management Committee, and such Chairperson shall preside at meetings of his or her Regional Council.

(3) The Chairperson and the members of the Management Committee shall hold office for two (2) years and six (6) months and shall be eligible for re-election.

Administration and functioning of regional councils – Article 110

Article 110 states (Office of the Ombudsman, 2016:60–61):

The holding and conducting of meetings of Regional Councils, the filling of casual vacancies on Regional Councils and the manner of appointing staff members the method of determining their conditions of service any other matter relating to their employment and the availing of staff members in the public service by the Public Service Commission to the Regional Councils, as well as all other matters dealing with or incidental to the administration and functioning of Regional Councils, shall be determined by Act of Parliament.

3.6.2 Local government

Local authorities – Article 111

Local government refers to the authority's dependent agencies that are established according to legislation and statute, under the direction of a locally elected council, to provide services for their localities and to represent their interests. Local government is also defined as a political subdivision of a nation or (in a federal system) a state which has been constituted by law and has sub-national control of local affairs. Local government refers to the system of managing the affairs of a locally established authority.

Article 111 states (Office of the Ombudsman, 2016:62):

Local Authorities shall be established in accordance with the provisions of Article 102 hereof.

(2) The boundaries of Local Authorities, the election of Councils to administer the affairs of Local Authorities, the method of electing persons to Local Authority Councils, the methods of raising revenue for Local Authorities, the remuneration of Local Authority Councillors and all other matters dealing with or incidental to the administration and functioning of Local Authorities, shall be determined by Act of Parliament.

(3) Persons shall be qualified to vote in elections for Local Authority Councils if such persons have been resident within the jurisdiction of a Local Authority for not less than one (1) year immediately prior to such election and if such persons are qualified to vote in elections for the National Assembly.

(4) Different provisions may be made by the Act of Parliament referred to in Sub-Article (2) hereof in regard to different types of Local Authorities.

(5) All by-laws or regulations made by Local Authorities pursuant to powers vested in them by Act of Parliament shall be tabled in the National Assembly and shall cease to be of force if a resolution to that effect is passed by the National Assembly.

The following case study deals with the challenges experienced by local authorities in Namibia.

🔍 CASE STUDY 3.4: LOCAL GOVERNMENT CHALLENGES

The government of the Republic of Namibia (GRN) awarded a tender to Delta Group for an amount of N$ 2 million for the construction of mass houses in Swakopmund, but the government failed to pay the company for the work done. As a result, the company was still owing their workers and this created distrust between the government and the Delta Group. A newspaper article on the issue follows.

Mass housing contractor still in the dark
Delta Group, one of the mass housing contractors at Swakopmund, are still in the dark about money allegedly owed to them by government, and subsequently the approximately N$ 2 million they owe their workers and subcontractors. About two weeks ago, workers threatened to burn down some of the houses and confiscate company vehicles if they did not get the money owed to them. The builders' holiday starts soon, and workers could be without a cent over Christmas and New Year. Two of Delta's luxury vehicles are now being kept as surety at the Mondesa police station. Attempts to sell them have not been successful.

Source: *The Namibian,* Tuesday, 6 December 2016

3.6.3 Powers of local authorities in Namibia

The Local Authorities Act 23 of 1992 means that local authorities can:

- construct water works
- supply water to persons other than residents
- install streets and lights in public places
- supply electricity and gas
- provide public transport services
- provide housing
- construct sewerage and drainage channels
- build cemeteries
- provide democratic and accountable government for communities
- ensure the sustainable provision of services
- provide social and economic development
- promote safe and healthy environments
- encourage the involvement of communities and community groups in matters of local government.

Local authorities can undertake certain tasks to provide tangible services from which the people in their jurisdiction benefit, either directly or indirectly. For example, under Section 46, local authorities may make grants of money to scientific research or charitable organisations and contribute to the establishment and maintenance of telephone services, game parks and wildlife.

Local authorities can enter into contracts necessary for the discharge of their functions. They have the power to make by-laws in respect of all such matters as necessary or desirable for the maintenance of health, safety and the well-being of inhabitants of their areas.

The functions, or duties, of local authorities have to do with specific things or social projects which improve the welfare of the inhabitants in their areas. Local authorities have the function of maintaining schools and educational institutions and may establish and maintain sewerage and drainage works within or without their areas of jurisdiction. They may lay out building plots or otherwise subdivide any land acquired or appropriated for housing schemes. In addition, they may erect and maintain dwellings, let out any dwellings created or provided by them and charge rent for these dwellings.

The functions of local councils include, among other things, the provision of public services such as water and electricity supply, the maintenance of sewerage and drainage systems, refuse disposal, and the construction and maintenance of roads.

Conclusion

This chapter looked at the establishment of the three tiers of government in Namibia – central, regional and local government – and examined the scope of their functions, powers and duties. The discussion on the central government focused on the three arms of government and the ombudsman's office. The Constitution of Namibia was also discussed in detail in order to understand these bodies within their context.

Namibia has succeeded in discarding inherited discriminatory regional and local government systems that excluded the majority of citizens. The country has succeeded in establishing an inclusive and non-discriminatory regional and local government system based on universal suffrage. Namibia has recognised that there is a need to strengthen the current regional and local government system in order to make it more efficient and effective.

Test your knowledge:

- Describe the functions and powers of the legislative and judicial authorities in Namibia.
- Identify and explain the principles that guide the formation of constitutions. Indicate whether Namibia's Constitution adheres to these guidelines. Motivate your answer.
- Describe the composition and powers of regional authorities in Namibia.
- Explain the powers and functions of local authorities in Namibia.

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Public leadership in Namibia: Concepts, context, challenges, competencies and conclusions

E Schwella and Y Maritz

Learning Outcomes

After reading this chapter, you should be able to:

- compare and contrast leadership concepts within the context of the public sector and governance
- identify leadership opportunities and challenges in the public sector
- describe how Namibian public leaders play a role in shaping the policy process
- elaborate on the competencies required to shape public policies and their implementation
- discuss the importance of leadership within the Namibian public sector.

4.1 Introduction

The growing interest in leadership has given rise to several definitions. As a concept, 'leadership' is also not new in Africa and is described by various African thinkers to be something that is commonly understood, yet also influenced by context in different cultures and social circumstances (Walumbwa et al, 2005:239; Mbigi, 2004:19). At the same time, leadership is an essential element of good public governance and is described as 'the way in which the underlying values of a nation such as the separation of powers, checks and balances, transparency and accountability are institutionalised to guide the actions of officials working in the public sector' (OECD, 2001:2).

This chapter defines leadership and then contextualises it within the sphere of public governance and the public sector. The concepts of leadership are linked to the process of public policy making and programme implementation. Leadership and policy challenges within the Namibian development agenda are explained and the behavioural, situational, social learning and transformational approaches to understanding and practising public leadership are highlighted to provide a range of theoretical perspectives. Public leadership in Namibia and the policy implementation challenges from the perspective of monitoring and evaluating government programmes are discussed. Finally, the leadership competencies required for an equitable, effective and efficient Namibian public service are outlined.

4.2 Definitions of concepts

The issues relating to public leadership in the 21st century introduce complex challenges in both theory and practice. The constructs and realities surrounding leadership are generally broad and varied and depend on the context within which leadership is considered. Additionally, the outcomes of leadership efforts may be difficult to assess in real-world situations where societal issues such as poverty, inequality and joblessness come into play.

Two quotations illustrate these variabilities and provide some indication of how this affects leadership efforts for different public leaders. Hifikepunye Pohamba, the former president of Namibia, provides a valuable perspective: 'It is our duty as leaders to provide exemplary leadership so that our nation can keep the flame of freedom, respect for human rights and equality before the law burning high and bright. It is our duty to provide the kind of leadership that will inspire our nation, not only to live by our constitutional values, but also to internalise the letter and spirit of the Namibian Constitution' (Pohamba, 2012).

A contrasting view is that of the late Idi Amin Dada, former military president of Uganda: 'I do not want to be controlled by any superpower. I myself consider myself the most powerful figure in the world, and that is why I do not let any superpower control me' (quoted in Melady & Melady, 1997:34).

These perspectives provide useful insights into the principles of public leadership. They indicate that an understanding of leadership depends on the context within which leaders might operate, on their perspectives on public leadership and on the roles they fulfil as public leaders in the public sector environment.

Leadership may be defined as '[a]n everyday way of acting and thinking that has little to do with a title or formal position in an organisation' (Daft, 2015:7). This view is supplemented by another, which states that leadership is 'a process through which an individual influences other individuals to achieve a common goal' (Northouse, 2016:3). Leadership is thus both a process and a choice. It is inclusive, involves influence, is directed at achieving a goal and includes both followers and collaboration.

The definition of public leadership used in this chapter is a normative one and will capture the essence of good public leadership as an ideal:

> *Democratic and effective public leadership is action taken through a dynamic and transparent process involving the leader with relevant others in the inclusive setting and effective realisation of legitimate, legal and useful goals and objectives. The process requires continuous democratic and organisational learning to progressively enhance effective and proper policy making and service delivery aimed at improving the quality of lives of the people and citizens.* (Schwella, 2012:7)

Public leadership thus includes an individual's demonstration of ability, credibility, goal setting, buffering, safe-guarding and coalition-building activities to advance policy making (Loverd, 1997:5). Linking this to the enhancement of good governance, public leaders are therefore required to manage complex contexts; act ethically, efficiently and effectively; and aim towards improving service delivery (Botha et al, 2015:12).

Before focusing on the context, challenges and competencies of public leadership, it is necessary to outline various approaches to leadership.

There have been many attempts to systematise findings in the domain of leadership. These are generally classified as different leadership approaches. Typically, each leadership approach provides an analysis and explanation of leadership and includes principles regarding the approach that should be followed by leaders in order for them to be successful.

What follows are five different leadership approaches:

1. **The 'trait or characteristics of leadership' approach:** This approach asserts that leaders are born with certain characteristics that make them leaders. These traits were initially linked to physical traits such as attractiveness and/or personality traits such as intelligence. However, the current view is that this relates to emotional intelligence (EQ), for which leaders should ideally strive. Daniel Goleman reported on EQ in the January 2004 issue of the *Harvard Business Review*. He found that when he analysed and calculated the ratio of technical skills, intelligence quotient (IQ) and EQ as ingredients of excellent performance, EQ proved to be twice as important as the others for jobs at all levels. There is, therefore, a link to organisational success and the level of EQ of the organisational leadership. According to Goleman (2004), the leadership principle is that EQ can, and should be, learned through commitment by prospective leaders. If this is done, there will be solid rewards for the individual and the organisation.

2. **The behavioural approach:** According to this approach, leaders should think and act in ways that ensure the team who does the work functions well and focuses on getting the job done. Nurturing the team is referred to as 'relationship-related behaviour', while getting the work done is referred to as 'task-related behaviour'. The principle here is that leaders should not neglect relationship-related nor task-related behaviours if they want to be successful leaders.

3. **The situational or contingency approach:** This approach uses a behavioural approach to leadership as a point of departure, but argues that it is not necessary to focus on relations and tasks under all circumstances, or at all times. The leadership principle is that, depending on situational variables such as the nature of the task, leader–member relationships and the extent of the leader's power, the leader may focus on either tasks or relationships rather than on both all of the time.

4. **The transformational or new charismatic approach:** This approach requires leaders to concern themselves continuously with a process in which organisational destiny, products and work are dealt with by means of:
   - creating and sharing a powerful vision for the organisation
   - inspiring the total organisation by means of persuasive communication, among other things, to strive towards the vision
   - planning concretely to realise the vision, and implementing these plans effectively and efficiently
   - team-building to create and maintain strong teams in order to reach the organisational vision
   - motivating everyone towards the energetic pursuit of the organisational vision
   - recycling information and knowledge after evaluating organisational efforts to ensure that continuous performance improvement takes place through processes of change, adaptation and re-envisioning.

5. **The social–learning approach:** This approach is linked to the 'recycling' step in the transformational approach. It requires that organisations continuously learn and experiment in order to improve capacity and performance. Leaders should therefore not be directive and authoritarian – they should rather be facilitators creating space for experimentation and learning. The assumption is that some of the problems which organisations face are so complex that there are no easy or ready answers to them. Leaders should thus facilitate system, group, team and individual learning in order to create new competencies in the organisation. Harvard leadership expert Ronald Heifetz (1994) describes this as leadership without authority in situations where there are no easy answers. The leadership principle here requires that leaders create the space for, and encourage, learning to take place in the organisation by being facilitative rather than directive.

In sum, these leadership approaches provide leaders with some understanding of leadership in analytical models. All these approaches have some have guidelines for leadership behaviour in terms of the logic and analysis of the particular approach. Leaders who follow these guidelines should be more competent than those leaders who do not adhere to them.

4.3 The context of public leadership in Namibia

The role of context appears to be a recurring theme identified in respect of public leadership. Professor of Public Leadership at the Kennedy School of Government, Harvard University, Ronald Heifetz initiated a set of conversations on public leadership as early as 2000. The outcomes of these have been cited in many academic works. According to an internet interview with Professor Heifetz on National Public Radio (2013), leadership is highly contextual. The

challenge is to determine how to abstract a set of leadership concepts that apply across contexts without sacrificing an understanding of how the conditions and qualities involved in leadership vary across those contexts.

4.3.1 Two considerations in the Namibian context

Two relevant aspects to be considered in respect of leadership in the Namibian context are:

1. whether there are particular contexts that provide a better fit for the leadership approaches of particular leaders
2. whether the culture of power influences the effectiveness of public leadership.

Considering the first aspect, within the perspective of context and leadership fit, there are indications that different types of leaders are successful in different political cultures. This is seen elsewhere, for example in the USA and Canada. Similarly, the stage of development, such as a 'predominantly developing' versus a 'developed' context, plays a role in shaping leadership success. In Namibia, Dr Sam Nujoma, the founding president, and Dr Hifikepunye Pohamba, former president, provide two examples of leaders who performed very differently during their leadership careers under very different contexts. Changes in context have an effect on the actions of leaders, which in turn contribute to the creation of new contexts while shaping existing ones. Given, for example, a change from an undemocratic context to a democratic one (such as that experienced in Namibia in 1990), one would expect changes in leadership approaches. For instance, these leadership approaches – ranging from an autocratic style to a more collaborative and democratic leadership style – would be defined by the context and at the same time demonstrate adaptation to transformation, yet they would also be influenced by both the old context and the newly created one.

4.3.2 Leadership in the public sector versus private sector leadership

It is also useful to explore whether there is a difference between leadership in the public and the private sector (Allison, 1992:282; Center for Creative Leadership, 2014:9). Frederickson is clear in this regard:

> *The ordinary view of leadership has a generic, disembodied quality to it – as if to suggest that great leaders are able to lead effectively in any setting. Although most of us know this to be nonsense, it is nevertheless the formulaic description of leadership. Badarocco calls such a view of leadership what it is – nonsense – and argues correctly that there can be no great leadership ... without a deep substantive knowledge of the technological and bureaucratic characteristics of the specific setting in which leadership is expected. Context matters and the* **governmental context** *matters greatly as any public administrator knows.* (Frederickson, 2003:6; emphasis added)

In contrast, Kellermann argues: 'Walk into a bookstore of any size at all and you will see that the materials on leadership in government are located in one place, while the materials on leadership in business are located somewhere else' (1999:1). She argues that while this may have made sense in the past, times change. In her view, 'the differences between public sector types and their private sector counterparts are far outweighed by the similarities ... which make the separation between them nothing if not passé' (Kellermann, 1999:1).

It is not possible to reconcile the more generic approach of Kellerman (1999) with the views of Frederickson (2003). Neither is it easy to see how the views of Kellerman fit in with the views of her Harvard colleagues, Heifetz and Laurie (1997), who maintain that leadership, particularly in the public sector, is greatly defined by context.

This difficulty is further emphasised when the differing characteristics of public and private contexts are considered. Pollitt (2003) refers to the work of Ranson, Stewart, and Rainey respectively in order to discuss the essential differences and distinctive qualities of the public context. These include the following, among others:

- Public leadership takes place within the socio-political system, creating the need to understand and work with political processes and role players. The status and motivation of political role players are not the same as those of the board members of a company.
- Public leaders have to work with public pressure and protest. In the public domain, these matters are necessary for functional democratic purposes and are not necessarily signs that something has gone wrong. (They may be interpreted in this way in the private sector context, though.)
- Public leadership requires democratic public accountability, where openness is not only tolerated and accepted, but actively encouraged.
- Public leaders lead and manage performance in contexts where goals and objectives are complex, different and sometimes even conflicting. Performance measurement and management cannot be based on simple notions of profit, customer satisfaction, or even efficiency.
- In the context of public leadership, decisions are made in a non-market environment where revenue comes from budgetary allocations rather than from the sale of goods and services.
- Public leaders also lead in the presence of elaborate formal legal constraints and complex political influences.
- The results of public actions are broad in impact and carry significant symbolic significance, placing particular responsibilities on public leaders.
- Leadership and management in the public domain are subject to intense public scrutiny and have to meet high expectations in respect of ethical standards. These standards of fairness, honesty, openness and accountability are generally expected to be higher than those of other contexts.

These factors suggest that public leaders function in very different contexts from their counterparts in the private domain. Public leadership is different from private leadership in that public leadership may become ensnared in numerous difficulties, ranging from the moral and ethical through to the executive and operational.

The consequences of poor public leadership in the context of African governance have significant repercussions:

> *Good leaders globally, not only in sub-Saharan Africa, guide governments of nation-states to perform effectively for their citizens. They deliver high security for the state and the person; a functioning rule of law; education; health; and a framework conducive to economic growth. They ensure effective arteries of commerce and enshrine personal and human freedoms. They empower civil society and protect the environmental commons. Crucially, good leaders also provide their citizens with a sense of belonging to a national enterprise of which everyone can be proud. They knit rather than unravel their nations and seek to be remembered for how they have bettered the real lives of the ruled rather than the fortunes of the few. Less benevolent, even malevolent, leaders deliver far less by way of performance. Under their stewardship, roads fall into disrepair, currencies depreciate and real prices inflate, health services weaken, life expectancies slump, people go hungry, schooling standards fall, civil society becomes more beleaguered, the quest for personal and national prosperity slows, crime rates accelerate, and overall security becomes more tenuous. Corruption grows. Funds flow out of the country into hidden bank accounts. Discrimination against minorities (and occasionally majorities) becomes prevalent. Civil wars begin.* (Rotberg, 2003:28–29)

4.4 Namibian public leadership challenges

In considering the challenges arising from the complex context of public leadership, it is useful to conduct a political, economic, social, technological, legal and environmental (PESTLE) analysis of trends in the Namibian context. Ten key trends emerge as problematic areas and would be valuable to assess specifically for the Namibian public sector:

1. **The globalisation challenge:** Namibia does not exist in isolation and is affected by an increasing variety of developments in both regional and international spaces.
2. **The complexity challenge:** Problems in the public domain facing the government – such as land, servicing, water and unemployment – have grown in number. These challenges are becoming even more complex, and there often appear to be no clear-cut solutions for many of them.
3. **The inequality challenge:** This growing gap between the rich and poor is prevalent in both developed, industrialised countries and in less economically

developed, transitional countries. The gap is measured in terms of the Gini coefficient, which portrays the level of inequality in a particular country or region and is defined as a ratio with values between zero and one. A Gini coefficient of zero indicates that there is no income inequality, which is ideal, as everyone is earning the same income. Conversely, a Gini coefficient of one reflects a high level of income inequality. Namibia's Gini coefficient of 0.60 shows the severity of this problem (Namibia Statistics Agency, 2012).

4. **The gender equality challenge:** According to the African Union (AU) gender scorecard, the number of women participating in Namibia's labour force is relatively high, standing at 67.1 per cent, as opposed to 79.4 per cent for men. Women make up 41.4 per cent of members of the lower House of Parliament. While inequality is rife in terms of access to and ownership of land, this gap is narrowing. There is, however, still a dire need to continue addressing issues of gender equality, particularly in the educational arena (UNECA, 2016:9).

5. **The diversity challenge:** With an estimated population of 2.3 million people, Namibia represents a diverse population in terms of gender, language group affiliations and ethnic lines. This growing incorporation of the norms of cultural diversity into all sectors of Namibian society, and the consequent escalation of demands for the direct representation of cultural and ethnic interests and heritage in public governance and administration, introduces differing perspectives and challenges.

6. **The good–governance challenge:** Considerable strides are being made towards political democratisation, with a specific focus on ethical behaviour in government, civil service transparency and accountability. In terms of sourcing indicators for comparison, the Mo Ibrahim Foundation's 2015 Ibrahim Index of African Governance assesses the quality of governance in African countries. Namibia has continually ranked within the top 10 performers, ranking sixth since 2000 and fifth in 2014. Namibia scored 70.4 per cent in overall governance in 2014 (Mo Ibrahim Foundation, 2017). It may become increasingly difficult to maintain or improve this ranking amidst many socio-economic challenges.

7. **The capacity challenge:** Tötemeyer (1996:26) maintains that in African societies, the importance of developing capacity at both local and central government levels cannot be overstated. However, there are questions as to whether central and sub-national governments in Namibia have the requisite financial, human and technical capacity to implement various socio-economic development programmes geared towards development. This leads to growing perceptions of a gradual weakening of state capacity and, in some cases, the actual disintegration of the state.

8. **The erosion of confidence challenge:** As indicated by the capacity challenge, the combination of an erosion of trust in government institutions, coupled with the growth of multinational integration, leads to the increased disintegration of the nation state's capacity.

9. **The administrative reform challenge:** The continued search by government for solutions to optimise policy implementation and service delivery systems, in an attempt to advance the social and economic development of the country, is key. New public management (NPM) approaches, with their emphasis on public–private partnerships (PPPs) for delivering public programmes, are required to reform the existing practices.

10. **The local empowerment and capacity challenge:** Linked to the capacity and reform challenges, the rapidly growing interest in the decentralisation of governance institutions and the broadening of local governance capacity raises another challenge in Namibia. The slow pace of decentralisation impedes the process of transferring the functions, powers and responsibilities from central government to regional and local government in a coordinated manner. This would be necessary to expedite the process of efficient, effective and equitable service delivery.

In a White Paper, the Center for Creative Leadership (2014) elaborates on these challenges by providing additional perspectives on the issues public leaders face in their positions, which also require particular responses in terms of competencies. The White Paper highlights 16 public sector leadership challenges, namely (Center for Creative Leadership, 2014:9):

1. balancing multiple work priorities
2. boundary spanning or managing information flows for innovation
3. building/leading a team
4. creating, changing or maintaining a culture
5. influencing
6. interpersonal conflict with peers or superiors
7. leading a team in a context of change
8. leading/managing organisational change
9. making a role transition
10. managing and motivating subordinates
11. organisational growth
12. organisational operations and performance
13. personal leadership development
14. strategic issues
15. talent management
16. work/life balance.

The challenges emanate from the systemic or broader context and the challenges created by the particular offices of leadership that all leaders hold. While leading is challenging in any environment, leading in the public sector involves some distinctive issues that require targeted interventions.

4.5 Public leadership competencies to enable Namibian Vision 2030

The context and the challenges faced by public leaders were dealt with in previous sections. This section focuses on the competencies public leaders should develop to deal with these contextual challenges.

Improving competent leadership behaviour based upon reflection and analysis is also the focus of several scholars, such as Heifetz (1994), Heifetz and Laurie (1997), and Aardema (2004). Heifetz (1994:2) prefaces his work with the following insight: '[I]n a crisis we tend to look for the wrong kind of leadership. We call for someone with answers, decisions, strength and a map of the future, someone who knows where we ought to be going – in short, someone who can make hard problems simple.'

4.5.1 Competencies for adaptive challenges

Public governance problems, such as dealing with inequality or eradicating poverty and unemployment, are not simple. Heifetz (1994:2) makes the following point: 'Instead of looking for saviours, we should be calling for leadership that will challenge us to face problems for which there are no simple, painless solutions – problems that require us to learn new ways.' In addition to complex problems, which can be referred to as adaptive problems, leaders are also faced with technical problems. Whereas adaptive problems are difficult to describe and define, and therefore not easily dealt with, technical problems are generally well defined, and can be managed because of previous experiences and precedents.

For example, adaptive challenges are challenges which cannot be addressed in a straightforward manner, as they involve the complexity of human beings and their behaviours. They concern the culture of an organisation and the collective attributes of each employee's priorities, beliefs, habits and loyalties. To change a weak organisational culture to a high-performing organisational culture requires going beyond any prior knowledge of the context or experiences of the phenomenon in an attempt to adapt and re-establish new forms of behaviours conducive to the organisation.

Technical challenges, on the other hand, can be described as clearly defined problems and solutions that work when applied and followed carefully. For example, in the public service, a manager may establish that the monitoring of employee absenteeism is a problem. A clocking-in time machine is installed at the main entrance and the problem of monitoring is addressed.

Leaders who have to deal with adaptive problems rather than technical ones need to manage them by using different actions and competencies. Dealing with adaptive problems requires leaders to make use of reflection and analysis, combined with facilitation, in order to enhance learning, rather than making use of commanding approaches. According to Heifetz and Laurie (1997), adaptive

problems are systemic problems for which no ready answers exist. In other words, both individuals and organisations are forced to develop their leadership competencies in order to adapt to uncertainty and change.

4.5.2 Why it is not easy to lead in adaptive contexts

Heifetz and Laurie (1997) further maintain that it is not easy to exercise leadership competency in dealing with adaptive problems, due to two main reasons:

1. To make change happen, leaders have to break with longstanding behaviour patterns of providing leadership in the form of solutions. Leaders find this difficult, as they would often have earned their leadership positions because of their competence in taking responsibility and providing solutions. When faced with adaptive problems, responsibility for dealing with these has to shift to the people. Solutions to adaptive challenges do not rest with leaders, but are situated within the collective intelligence of the people at all levels, who will need to use one another as resources across boundaries while learning to find their own ways towards the solutions (Heifetz & Laurie, 1997:125).

2. Adaptive change as part of dealing with adaptive problems is distressing for the people going through it. They need to take on new roles, relationships, behaviours and approaches to work. The expectation that leaders should provide the answers must be unlearned. Rather than fulfilling the expectation that they will provide answers, leaders have to ask tough questions. Rather than protecting people from outside threats, leaders should expose people to the pressures of reality in order to stimulate them to adapt. Instead of orientating people within the usual roles, leaders must disorientate them so that new functional relationships may develop. Instead of quelling conflict, leaders have to draw issues out. Instead of maintaining norms, leaders have to challenge the old ways and help others to distinguish between fixed values and mere historical processes, which have to be relinquished (Heifetz & Laurie, 1997:125–127).

4.5.3 Principles for leading in adaptive contexts

Heifetz and Laurie (1997) offer six principles for leaders faced with adaptive problems. These principles provide useful guidance to leaders:

1. **Get on the balcony:** Leaders have to reflect and see the broader systemic patterns and dynamics rather than act in a reactive manner. For example, when a public policy is developed, it is important to see the problem which the policy will address from different perspectives. Tackling the war on poverty and developing adequate policies require being mindful of manifold challenges, such as the political, economic, social, technological and environmental changes which impact on both policy making and implementation.

2. **Identify the adaptive challenge:** Leaders have to facilitate a process to describe, define and analyse the real threats the organisation is facing rather than merely perceiving the obvious symptoms.

3. **Regulate distress:** Leaders have to lead and facilitate. This involves finding a delicate balance in allowing people to feel the pressures necessitating change without overwhelming them.

4. **Maintain disciplined attention:** Leaders need to keep the focus on the issues that need attention. They also need to limit work-avoidance behaviour such as scapegoating, denial, personal attacks and merely focusing on current technical issues rather than on the adaptive problem.

5. **Give the work back to the people:** Leaders have to ensure that everyone – not only leaders and managers – assumes responsibility in engaging and grappling with adaptive problems in order to devise new competencies.

6. **Protect voices of leadership from below:** People willing to experiment and learn need to be heard. This includes people with original ideas, creative deviants and whistleblowers who are otherwise routinely ignored or intimidated into silence. Cover should also be provided to people who point out flaws and contradictions in the organisation.

When leading under conditions in which adaptive problems exist, the classical error of treating adaptive problems as technical problems, which can and should then be solved by tough-minded leaders, is often committed. To be successful in using this approach, leaders should be facilitative rather than directive in their nature. Leaders have to cultivate these competencies in a conscious manner if they intend dealing with adaptive problems through a process of learning in cooperation with the total organisational team.

4.5.4 Adaptive challenges and the National Development Plans

These adaptive challenges need to link to Namibia's development agenda, which is articulated through the National Development Plans (NDPs). With the current plan being the NDP5, these plans essentially set the scene for economic growth and prosperity for all. In the same vein, the Namibian public service has embarked on the implementation of a performance management system (PMS) to ensure that all the programme activities are aligned to Vision 2030. To succeed in these change and reform initiatives, the Namibian public sector should endeavour to make a greater contribution to national development by delivering quality and value-for-money services. It is thus crucial that top and senior public leaders adopt a transformational and adaptive style for the effective implementation of the NDP5. Change and delivery begins with all staff members, including the managers in the public service, and reaches all leadership levels up to, and including, the ministers and the president. Leadership capability is critical throughout.

The implementation of the development and reform agenda also depends on appropriate and strong institutions, which are inextricably linked to strong

leadership. This is supported by Acemoglu and Robinson (2012), who argue that the prosperity of nations depends particularly on the inclusiveness of the economic and political institutions functioning within the nation states.

Leadership is also related to this notion of 'inclusive' institutions. Institutions are referred to as 'inclusive' when many people have a say in political decision making, as opposed to cases where a small group of people control political institutions and are unwilling to change. Acemoglu and Robinson (2012) also argue that inclusive institutions promote economic prosperity because they provide an incentive structure that allows talents and creative ideas to be rewarded. In essence, nations fail if their institutions are extractive, ineffective and unethical. The leadership of a nation has a profound influence on whether the institutions of a nation are inclusive or extractive.

Leadership and the National Development Plan 5

Returning to the review of the NDP4 document, one of the recommendations is a 'continued focus on building and strengthening of specialised skills, particularly in project management and leadership' (Republic of Namibia, 2016:15). To this end, leadership development should be advanced as one of the key implementation strategies of the NDP5. One of the aspirations in the NDP5 document regarding good governance is the emphasis on leadership development and institutional capacity building. This is a prerequisite for good governance and for effective and ethical public leadership for citizen-centred service delivery in a developmental state. It serves as a catalyst and binding thread for the three spheres: economic, social and environmental. The interactions between these sectors results in either good or bad governance, since the actions of each in pursuing its own objectives affect the results for the other two.

A number of studies support the importance of effective leadership in the planning, delivery and management of government programmes and projects. For example, the Mo Ibrahim Foundation has indicated that effective leadership is a key senior-management capability required for effective public governance (Mo Ibrahim Foundation, 2017). Effective leadership is therefore a critical component of good public governance.

This should also be the case in Namibia. The transformation of the public service is heavily dependent on the capability of senior leaders in the public service to identify the required changes and lead public institutions and public employees in an effective change management process.

Consequently, managerial and leadership capacity is central to public sector performance in Namibia, particularly in achieving savings and in meeting the key development objectives of the NDP5. Leadership capabilities are also a key enabler of change; therefore, the reform and development agenda of government should include a programme to cultivate and strengthen managerial and leadership capabilities.

It is therefore vital that the most appropriate leadership approaches and styles to spearhead public sector transformation are identified and advanced. Leaders in the Namibian context are required to be responsible for the design, oversight and implementation of the development and reform agenda of government. Thus, it is important to consider how quality leadership can give rise to national transformation.

4.5.5   Transformational leadership is key to success

The type of leadership required should reflect the qualities of transformational leadership to facilitate the process of national development. Transformational leadership is an important requirement as a key mobiliser and, if properly harnessed, this type of leadership will lead Namibia towards the achievement of Vision 2030. Transformational leadership evolves from two assumptions. First, the leader should possess the traits to succeed. Secondly, the desire of the leader should be in line with the interest of the followers. Leadership and followership are intertwined. The art of leadership for national transformation is positively influenced by a culture of responsible followership, and vice versa. In other words, the qualities that initiate good followership create transformational leadership.

Furthermore, the contribution of leadership to the emergence of developing countries in the process of becoming global players cannot be overstated. Using the examples of China and Brazil, a long-term upward trend has been apparent despite fall-backs and unstable improvement trajectories. The size of the Brazilian economy has, by some indications, overtaken the economy of the UK. China is now the second largest economy in the world. These countries were once characterised by low income and low growth. Their economies were dominated by agriculture and mining. The emergence of these countries as major players in the global market can, to a large extent, be traced to transformative leadership – thus illustrating the potential impact of the power of visionary leadership for national development.

Characteristics of transformational leaders

Transformational leaders inspire and encourage followers by acting as role models. They energise and motivate through inspiration, continually provide intellectual stimulation and give individualised consideration to the needs and goals of their teams and citizens. Transformational leaders must be willing to take sensible risks, which can lead to success, but can also sometimes result in temporary failure. These leaders are also, when applicable and necessary, willing to defy the crowd and the lures of populism and popularity for personal benefit. The courage to contend with periods of uncertainty is also a requirement of the transformational leader. During times of turbulence, public leaders cannot be certain that things are going right, nor that the ultimate outcome will be right. However, informed, flexible persistence is called for. Successful public leadership needs to be innovative and it needs to inspire innovation in others.

Public leadership that can transform a nation must ultimately be anchored in a vision. A transformational leader must communicate that vision. In the case of Namibia, that vision is Vision 2030. Leadership succeeds only to the extent to which the vision resonates with followers. Therefore, effective public leadership requires the right mix of practical intelligence, EQ and creativity to come up with ideas and dispositions that galvanise followers to keep their faith in the vision.

4.5.6 Transactional and transformation leadership styles

A study on leadership and EQ in the Namibian context reveals that the preferred leadership style across sectors is predominantly entrenched within a transactional leadership style (Hoffmann, 2010). Transactional leadership is really a type of management style with a focus on short-term tasks rather than on the longer-term vision. In the study, no significant relationship was shown between EQ and transactional leadership styles. On the other hand, the transformational leadership style was found to be positively related to EQ, while a *laissez-faire* leadership style was negatively related to EQ (Hoffmann, 2010). The study concluded by indicating that 'a lower emotional intelligence score within the Namibian sample compared to leaders [...] illustrates that efforts to improve emotional intelligence within middle management leadership will most likely improve transformational leadership abilities' (Hoffmann, 2010:35). The study then introduced and suggested numerous opportunities for developing EQ, focusing on educational institutions, organisations, the private sector and government.

These findings indicate that there is some way to go before the transformative leadership style required for the realisation of the Namibian Vision can be implemented. Both transactional and transformational leadership styles might be useful. Transactional leaders (or managers) ensure that routine work is done reliably. They normally deal with problems that are relatively straightforward and have occurred previously. Transformational leaders look after initiatives that add new value and deal with complex problems which require leaders to facilitate innovative responses rather than rolling out known processes.

At top management level, however, transformational leadership is often the most effective approach to use. It is on this level that top public service leaders need to deal with the highly complex socio-economic issues cutting across different public and private sector organisations.

Addressing these complex issues through the lens of one office/ministry/agency (OMA) can explain why the implementation of the NDP4 has been seen as marginal by some observers. In many ways, the absence of a cross-sectoral and consultative approach, with high reliance on the line function of a particular OMA to drive the process and report on the challenges, was counter-productive. Transformational leaders, on the other hand, ask the right questions which require collaboration among implementing agencies. They have integrity; they

inspire people with a shared vision of the future; they set clear goals and motivate people towards them; they manage delivery; and they communicate well with their teams.

It is therefore imperative for Namibian people across all sectors to work towards implementing this leadership approach in Namibian society and in particular in the public governance system. Namibia needs emerging leaders to be nurtured in the right orientation.

4.5.7   Inspiring leaders in Namibia

It may be said that Namibia has the leaders with the capacity to lead the country towards Vision 2030. There are Namibians today who are leading successful and complex international enterprises in the public and private sectors and excelling in several positions. For example, the country's current president, Dr Hage G Geingob, has led by example in publicly declaring his assets and also by introducing ministerial declarations of intent together with performance agreements for ministers. In the same vein, Bisey Uirab, the chief executive of the Namibia Ports Authority (NAMPORT), has been instrumental in steering this public enterprise (PE) since 2009 to meet the NDP4's transport logistics objectives. In the academic sector, Professor Tjama Tjivikua has transformed the former Polytechnic of Namibia (PoN), established in 1995, to a fully fledged university of science and technology (NUST). Inge Zaamwani-Kamwi, the former chief executive officer (CEO) of Namdeb Diamond Corporation, is credited with having transformed the organisation before being appointed as a presidential advisor in 2015. The list of examples of Namibian leaders would not be complete without Sven Thieme, who has been at the helm of the Olhaver and List private group of companies since 2002 and managed to turn around Model Pick 'n Pay, Windhoek Schlachterei and the Windhoek Country Club.

Given this brief list of Namibian leaders and their contributions, the key competencies that Namibian public leaders and managers need to focus on include:

- the need to adapt rapidly to change and complexity
- the need to refine the art of fostering effective collaboration and to build democratic institutions in the process
- a drive to foster ethical awareness and sensitivity
- a distinct drive towards innovation and being entrepreneurial, as well as the capacity for reasonable risk-taking
- the capacity to advance and nurture harmonious multi-ethnic, multicultural and gender-equitable situations
- the competency to focus on, and thrive in, an increasingly diffuse and complex environment
- the capacity to communicate complex messages persuasively – both verbally and in writing.

CASE STUDY 4.1: CHALLENGES FOLLOWING THE NDP4

While reading the following report, reflect on the public leadership and institutional challenges that emerge and then answer the questions which follow.

With the review of the NDP4 by the Namibian government in 2016, the picture seemed bleak. The former director-general of the National Planning Commission (NPC), in his address, stated that very few of the NDP4's targets had been met in the past five years, and implored all Namibian stakeholders to avoid being complacent in light of the underperformance. In considering his plea, it is useful to reflect on the challenges which have affected the progress in three key areas of growth: income, equality and employment.

Overall, economic growth under the NDP4 was much lower than anticipated. This had an impact on the achievement of targets. The baseline scenario targeted the average annual GDP growth of 5 per cent over the five-year NDP period. Taking into account the actual performance, the annual GDP was 5.7 per cent on average over the period. While there has been substantial economic growth, many still remain jobless. As such, there has been not a significant dent in poverty reduction nor in inequality. Employment is dominated by agriculture and wholesale, with private households providing 51 per cent of total employment. Unemployment rates are at 28.1 percent.

The NDP4 articulates a number of challenges by singling out the severe deficit of skills at critical management levels in the state apparatus. In addition, there are challenges in attracting or retaining critical talent to manage the day-to-day operations of the state, coupled with a general lack of professionalism, performance management, transparency and accountability at all levels in the system. There are concerns that the public sector does not have a clear sense of where the next generation of bureaucrats will come from and what specialist skills will be needed for the efficient running of the bureaucratic system. Therefore, concerted efforts are required to significantly strengthen the managerial and leadership capabilities of our senior civil servants.

Questions:

1. Drawing from the knowledge gained in this chapter, discuss the kind of public leadership and management skills that are required to achieve the medium-term development targets.

2. Reflect on the sentiments expressed by the director-general and provide reasons for what you believe to be happening. Provide at least six to eight reasons.

3. What lessons can be learnt from what is happening in relation to improving the management and leadership challenges in Namibia?

4. How can public leadership be improved? To answer this, make specific and practical suggestions on how public leadership should change to deal effectively with the challenges the country is facing.

Conclusion

Public leadership needs to be understood within the framework of not only its context, but also the challenges faced by public leaders and the competencies required to deal with them. For Namibia to achieve its national development aspirations in terms of Vision 2030, a transformational public leadership style that is respectful, ethical, democratic, diverse and inclusive is essential.

Test your knowledge:

- Is there a difference between public leadership and leadership in the private sector?
- Write a 250-word essay entitled 'Transformational Public Leadership in Namibia'. Use the following questions, which relate to leaders in Namibia, to guide your thinking:
    - Does Namibia have transformational leaders who motivate their followers to do more than they initially intend to?
    - Do Namibians identify with their leaders and their vision for the country?
    - Do the values and goals these leaders communicate make their followers want to transcend their own self-interest?
    - Do the leaders provide us with challenges and meaning for engaging in shared goals and undertakings?
    - Do they demonstrate confidence, hope and optimism?
    - Do they encourage us to think about new approaches to solving problems?
    - Do Namibians receive individual recognition and praise, and is there a focus on our personal growth and development?

Governance, accountability and transparency in the Namibian public sector

J Coetzee

Learning Outcomes

After reading this chapter, you should be able to:

- examine why and how the accountability of Cabinet members is compromised
- understand the fiduciary duties – duties of good faith, care, skill and due diligence based on a foundation of intellectual honesty – of directors and board members
- contrast corruption and integrity
- contextualise corruption as a systemic problem
- put into operation the concept of good governance in your own work environment.

5.1 Introduction

This chapter focuses on the values and principles that should guide public sector institutions in Namibia. The public sector strives to ensure service delivery and to be accountable to the public. This is in contrast to the private sector, which focuses mainly on profit and less on community and environmental responsibilities. In the public sector, good governance provides the framework for decision making. Governments are signatories to international conventions and Namibia is no exception. The country has to comply with global governance principles such as sustainability and transparency.

In exercising their mandate of service delivery, public servants and public office bearers can sometimes be tempted to operate in their own interests. If they do not operate in the interests of the common good, they obstruct society's development. One form of obstruction is corrupt practices. In order to illustrate the importance of applying values and principles, the chapter examines examples of corruption in Namibia and in South Africa and articulates some of the challenges faced in these contexts. It also looks at issues of accountability, transparency and access to information in Namibia.

5.2 Ethics, morals and public sector ethics

5.2.1 Ethics

What do we understand by the term 'ethics'? It has been described by Dixon (2015:272) as 'the most important face of the future' and as being at the core of what it means to be human. Ethics provides a purpose, ideals, direction and vision, and enhances spirituality. The word 'ethics' comes from its Greek root *ëthos*, which incorporates the notion of 'character' (Shepherd, 2006:283). For Comte-Sponville (2005:5), ethics is the accumulation of things a person 'imposes on himself or denies himself', not in the first place to serve one's own interests, but in consideration of the rights of others. Velasquez (2002:11–12) defines ethics as 'the discipline that examines one's moral standards, or the moral standards of a society'.

Ethics investigates how these standards apply to a person's life and whether these standards make sense. As a timeless reference, de George (1999:19–20) defines ethics as 'a systematic attempt to make sense of our individual and social moral experience, in such a way as to determine the rules that ought to govern human conduct, the values worth pursuing, and the character traits deserving development in life.' This definition goes beyond the evaluation and application of moral standards by including 'the character traits deserving development in life'.

Business ethics is 'the interaction of ethics and business' (de George: 1999). While business ethics alone will not change corrupt business practices, it does produce arguments that can convince those engaged in corruption to change their behaviour (Coetzee 2012; de George, 1999:26).

5.2.2 Morals

For de George, the concept of morals 'cover[s] those practices and activities that are considered importantly right and wrong; the rules that govern those activities; and the values that are embedded, fostered, or pursued by those activities and practices' (1999:19). Morality is a precondition for ethics, because moral people can discern 'right' from 'wrong', and act accordingly within the norms accepted by society. Without morality, no stable society would exist.

5.2.3 Public sector ethics

The Namibian Public Service Charter

Commitment to public interest is part of the institutional role of public managers, and part of the ethos of the public sector. The Namibian Public Service Charter has 10 general principles (Tjihenuna, 2015/2016:22):

1. **Standards:** This includes norms of behaviour for measuring performance.
2. **Information:** This has to with data that is critical for planning. An example is that Namibia does not keep information about Value Added Tax (VAT).

3. **Courtesy:** This involves politeness and a willingness to assist customers.

4. **Consultation and participation:** Consultation involves an openness to listen, and being receptive towards different opinions. However, this does not mean that such opinions will necessarily be accepted. Participation provides the opportunity to influence.

5. **Accountability:** This means a responsible person is liable for his or her actions.

6. **Transparency:** This is the 'sunlight', meaning to open up, to make actions known so that those actions can be questioned.

7. **Non-discrimination:** This involves fundamental human rights, meaning people are not disadvantaged in terms of various criteria such as gender, race and association.

8. **Quality of service:** A certain standard of service can be expected and will be delivered based on criteria derived from internal and global industry standards.

9. **Value for money:** This refers to a specific service, the cost of which is based on comparable and specific industry standards.

10. **Accessibility:** This refers to an openness to assist and to be of service to customers.

Challenges involving the Namibian Public Service Charter

Inadequate stakeholder analyses and mapping were executed when the Charter was created, and, as a result, stakeholder participation was minimal. Stakeholders are thus unlikely to take ownership of the Charter, or to demand public accountability for its implementation. Without practical steps to improve public service delivery, the Charter is of no real value and is unlikely to improve service delivery and accountability.

The majority of Namibian citizens are not adequately informed about holding government fully accountable for the proper implementation of the Public Service Charter or for the quality of public services in general. Reasons for this include the English language 'handicap', a lack of public reasoning capability and the absence of an active citizenship in general (Tjihenuna, 2015/2016:23). Public reasoning in this case means the willingness of people to discuss and question public policy formulation and implementation by means of open dialogue and frequent debate of national issues and policies. The absence of this can be attributed to the lack of teacher training: in Namibia, a substantial proportion of teachers in rural areas do not possess postgraduate and/ or teaching qualifications. Some do not possess Grade 12 or even Grade 10 qualifications. Compare this to Germany, where a master's degree is required to teach at secondary level. In Finland only the top 10 per cent of school leavers qualify for training to become teachers at school level. According to Coetzee (2012:173), young, educated Namibian voters demonstrate an increasing apathy towards participation in elections (especially local government elections) and experiencing national socio-economic inequality. Such apathy reduces citizens'

willingness to demand answers about the poor provision of public services. Coetzee (2015/2016:31) argues that low voter participation (as low as 14 per cent) in local government elections is an indication that the youth are not interested in politics. Instead, the youth want employment opportunities and access to land and housing. They are frustrated with the formal systems in society that seem to discriminate against them (Coetzee, 2015/16).

Three different approaches to ethical theories

According to Baruch Brody, a prominent scholar in the field of applied ethics, three distinctions can be made in terms of ethical theories and/or approaches, namely rule-based morality, act-consequentialism and virtue ethics (1998):

1. In **rule-based morality**, the rule is ethical in itself – no discretion is allowed. If the rule is not applied and/or adhered to, it is unethical. This approach is critical for the implementation of legislation of countries, by-laws of local governments, and regulations and rules of institutions.

2. **Act-consequentialism** derives from the belief that any act is morally 'right' if it maximises 'good' for most people. According to this belief, in the process of acting in the interests of most people, an unethical act (that is against the law of the country) can be justified. For example, if a passenger ship is sinking and there are not enough life boats to save all the passengers and crew, a sacrifice should be made in order to prevent overcrowding the life boats. Act-consequentialism is applied in everyday situations where people try to meet the needs of most people at the 'expense' or 'cost' of the minority. Institutions cannot meet the needs of all people.

3. In **virtue ethics**, the focus is on the character of a person. To decide if a person has a vicious or a virtuous character, all their deeds over the course of their lifetime need to be accounted for. A virtuous person, such as Nelson Mandela (South Africa), Mahatma Ghandi (India) and Martin Luther King (USA), will have many more virtuous deeds compared to a person with a 'vicious' character, such as Vladimir Lenin and Joseph Stalin (former dictators of Russia) and Idi Amin (a former Ugandan dictator).

All three ethical theories or approaches are critical for the functioning of all societies. Not only these are needed for everyday life in the Namibian public sector; other, less dominant theories also have relevance. In the application of ethical theories, individual views of public servants are not always present in one specific theory, but may consist of a combination of theories.

Lues (2007:233) makes a distinction between the theories of behaviouralism, situation ethics, cultural relativism and ethical egoism:

- **Behaviouralism** reduces ethics to a situation where people are trained to behave in a certain way and where such behaviour is controlled only by cause and effect (Wilkens, 1995). According to Lues (2007:233) this theory emphasises the importance of a public service having an inclusive ethical policy that is implemented by top public managers and supported by public servants.

- **Situation ethics** underlines the fact that a relevant norm arises from a situation and that no universal valid rule is possible. There is, however, one absolute: love (Wilkens, 1995). This theory requires public managers not to focus on the legality of their actions (rule-based morality), but rather to base their behaviour on 'passionate sentiment'. Public managers cannot 'hide' behind legislation and regulations: they should have discretion in specific situations and not just exhibit collective compliance irrespective of the rule.
- **Cultural relativism** stresses that every person's culture is the norm by which their actions are to be measured (Wilkens, 1995). According to this theory, then, public servants should make a concerted effort to enlighten themselves about the cultural diversity of citizens in order to apply regulations more ethically.
- **Ethical egoism** highlights the fact that the moral obligation of each person is only relevant to those acts that are in the long-term interest of a person (Wilkens, 1995).

5.3 Public accountability

Public accountability is the pivot around which good governance rotates. Elected and appointed public office bearers must provide satisfactory explanations of how they exercise the authority with which they are entrusted. Article 25 of the Constitution guarantees the right of the public to ask for such explanations. The obligation of office bearers to 'comply and explain' is also required in King IV, the compliance code of corporate governance as compiled by retired Judge Mervyn King.

In order to make accountability work at the level of 'who' (who should report), 'for what' (purpose of reporting) and 'to whom' (customers), accountability should include an element of oversight by a third party over a public office bearer's actions. For example, the Anti-Corruption Commission (ACC) of Namibia should report monthly to the public about progress made in corruption cases under investigation – based on best practice, as is the case in Singapore. If such oversight is not present, public accountability remains dysfunctional and virtually non-existent.

Accountability in its most basic application entails answering for one's activities. Fox and Meyer (1996:1–2) indicate that accountability can be viewed from different perspectives:

- Accountability is viewed in light of the responsibility of government and its agents toward the public to achieve stated objectives and to account for them publicly.
- Accountability is seen as 'the commitment required from a public official to accept public responsibility for his actions or inaction'.
- Accountability also has to do with the obligation of an employee to keep their supervisor informed of the execution of their responsibility.

For Fox and Meyer (1996), it is clear that accountability should comply with allocated responsibilities. Accountability cannot be delegated: it is full and final and it includes answering for all actions – whether positive or negative. Even if a public service is outsourced, under a public–private partnership (PPP) agreement, for example, and such a service fails to deliver, the government remains accountable for the service failure. The following case study explains the nature of public accountability.

🔍 CASE STUDY 5.1: THE SOCIAL SECURITY COMMISSION OF NAMIBIA

In order to explain public accountability practically, an example arising from the Social Security Commission (SSC) will be used. During the early 2000s, a former chief executive officer (CEO) of the SSC, Dessa Onesmus, signed blank forms and cheques for investment policies (Amupadhi, 2003:1).

CEO Bro-Mathew Shinguadja was questioned by the chairperson of the commission of inquiry. In response to the question as to why the former CEO, Onesmus, signed blank forms and blank cheques, he stated that 'sometimes you get into the practice', because information is not available. When Onesmus was asked if she was aware of the blank cheques, she responded in the affirmative. However, she later denied any knowledge of the blank cheques. According to her, the system should have picked up any irregularities: 'Accountability has got nothing to do with responsibility … you cannot tell me [that] just because I signed I should take responsibility for that' (Amupadhi, 2003:2).

Onesmus's actions show what public accountability is not. In contrast to what she said, accountability is always understood in relation to responsibility. Accountability cannot be delegated, but responsibility can be. Once responsibility has been delegated, a person is responsible for the positive and negative aspects of the execution or poor implementation of these responsibilities. To be responsible means to execute tasks because they are duties entrusted to a person resulting from their position of power in an institution. If a task is allocated to a person (delegated), they are answerable about its implementation to the person who entrusted such responsibility (supervisor). Accountability also implies that an employee should report to their supervisor without being asked to do so. It means too that once responsibility has been delegated, the accountable officer (Onesmus as CEO in this case) is accountable, but no longer responsible for the specific task(s) being delegated.

5.3.1 Examples of unaccountable public actions

The impact of unaccountable public actions is further illustrated in the case of the Namibian Financial Students Assistance Fund. Some N$ 2.7 billion in student loans has remained unpaid since 2010 (Shioniveni, 2016). The government has not followed up with public servants who are accountable. This means that the government has forsaken its duty of accountability.

Another way in which public accountability can be negatively affected is when tender exemptions restrict access to information. An exemption occurs when a tender does not have to go through the process of inviting bids and tender approval by the various boards, ministries or agencies. Instead, it is acceptable to proceed on the basis of only three quotations by an office/ministry/agency (OMA) and in very urgent cases only one quotation is acceptable before procuring goods and/or services. An increase in (tender) exemptions decreases competition, decreases public accountability and increases the likelihood of corruption. The Harambee Prosperity Plan (HPP) states, 'Tender exemptions due to the creation of artificial emergencies will not be condoned'. In future, 'the Ministry of Finance will set up a special unit that will investigate concerns regarding the adjudication and award of tenders and give feedback to the public' (Republic of Namibia, 2016). The Ministry of Finance will implement a computerised tender system, known as e-procurement. Coetzee (2012: 105) argues that e-governance 'could be used for the publication of legislation, tenders, contracts, and procedures for applying for licenses, approval of building plans and permits'. E-governance could be utilised to enhance access to information at a lower cost than is possible for traditional paper-based publications. These are positive developments that could change the landscape of public tenders and reduce tender corruption. However, all these developments depend on implementation. E-tendering should be introduced as soon as possible. This will ensure that all public tenders, including their specifications, are placed online; tender bids are submitted online; payments for bids are made electronically; the tender awarding process is accessible online; and payments made to suppliers in the tender completion process are published online. This can save time and reduce corruption in the pre- and especially post-tender trend of corruption.

5.3.2 The role of Parliament and Cabinet in accountability

Parliament needs to call into question any improper conduct or neglect of duty by a public official. However, Parliament should not act alone against improper conduct or neglect of duty – it should hold the executive accountable, while the judiciary should hold the executive accountable on matters of the law and rights. In Namibia, Cabinet members are also Members of Parliament (MPs). The president appoints the Cabinet. This means that Cabinet members are accountable to the president. However, as MPs, Cabinet members are also accountable to Parliament for the execution of policies and programmes. Parliament has the responsibility to hold the executive accountable for the spending of public resources to meet the needs of citizens. As MPs, Cabinet members are also accountable to the voters who elect them. The dual accountability of Cabinet members to the president and to voters can compromise their accountability (Diescho, 2015:66, 67). Cabinet members are likely to be more concerned about their accountability to the president in order to maintain their positions in the Cabinet.

How this dual accountability has played out

Constitutional amendments passed in 2014 entailed increasing the National Assembly from 78 to 104 members and the National Council from 26 to 42 members – resulting in changes to the boundaries of regions, name changes of some regions, and an increase in the number of regions from 13 to 14. Some critics argue that the public should have been consulted in a timeous manner and on a broader and more inclusive basis. The changes were initiated and approved by Parliament as a matter of great urgency before the elections of the MPs and the president. The alleged limited level of participation, which was permitted prior to the changes, is not exceptional to the process of policy consultation prior to law-making in Namibia. The manner in which constitutional amendments were initiated and approved in a relatively short period can be interpreted to mean that Namibia is not characterised by a culture of consultation and dialogue about issues of national importance. It can be deduced that network governance in the public sector is at a preliminary stage, because central government plays a dominant role in policy formulation, rather than one of steering and facilitation (as required by network governance).

With the dual and compromised accountability of Cabinet members, a two-thirds majority in Parliament by the ruling party, a powerful executive president (the powers allocated to this position are comparable to those of the USA's), and strong party discipline that stifles alternative party political views, it is not surprising that the process of policy formulation and law-making remains the prerogative of the executive, with minor input from opposition parties. It is thus possible to deduce that the executive is in a prime position to dominate the legislative.

The executive uses its powers for what Diescho (2015:67) calls 'encroaching on and limiting the powers of the Judiciary'. Under the current arrangement, the positions of the chief justice and the judge president of the courts are combined. This means that the independence of the High Court and the Supreme Court is compromised. However, these institutions are supposed to be independent organs. Diescho (2015:67) indicates that while misuse of the executive power to limit the power of the judiciary and the legislative is a global phenomenon, it should not be permitted.

5.3.3 The Harambee Prosperity Plan sets goals for accountability

The HPP, which is aligned with Vision 2030 and the Fourth National Development Plan (NDP4), makes provision for checklists to measure how many set goals have been achieved. The HPP has become the 'most transparent framework' to date, and one which 'established reference points for accountability' (Melber, 2016). The HPP sets the bar higher in terms of accountability and performance, as well as for measuring the results of administrative performance and accountability against declared goals. If the HPP is to be implemented with greater dedication and commitment than the NDP4, a new area of public accountability could

ensure improved performance and public service delivery. However, due to the government's substandard track record in implementing policies – for example the successful resettlement of the poor and disadvantaged on land, providing urban housing and addressing crime and corruption – public trust in government implementation is foreseen to deteriorate, which will continue to have a negative impact on implementation.

5.3.4 The National Anti-Corruption Strategy and Action Plan

On 26 September 2016, the government made public its National Anti-Corruption Strategy and Action Plan. The plan consists of 21 committee members drawn from all permanent secretaries; representatives of the Office of the President, the Office of the Prime Minister (OPM) and the Office of the Auditor-General; the police; the media ombudsman; the Editors' Forum; the Namibia Chamber of Commerce and Industry (NCCI); the Namibian Employers Association (NEA); the Bank of Namibia's Financial Information Centre; the Youth Council; the Council of Churches of Namibia; the Namibian Non-Governmental Organisations Forum (NANGOF); and the ACC. The plan lists several objectives, namely:

- to increase political accountability
- to eliminate corruption in government
- to increase education about corruption
- to fight corruption in the private sector
- to involve civil organisations and the media
- to prevent attempted corruption.

Each OMA will appoint an integrity committee that will be responsible for implementing the anti-corruption plan and these committees will report annually to assist their colleagues in maintaining their personal integrity. The plan proposes amendments to the Anti-Corruption Act 8 of 2003, the Criminal Process Act 51 of 1977, and the Prevention of Organised Crime Act 29 of 2004 to bring these in line with the new National Corruption Plan. At school level, anti-corruption will form part of the curriculum. The plan will also enable greater transparency in quota allocations in the fishery and mining sectors and will provide a mechanism to resolve disputes in these two sectors (Craig, 2016).

5.4 Access to information

> *The world isn't run by weapons anymore, or energy, or money. It's run by ones and zeros – little bits of data. It's all electrons. There's a war out there, a world war. It's not about who has the most bullets. It's about who controls the information – what we see and hear, how we work, what we think. It's all about information.* (Goodman, 2016:184)

These words describe the importance of access to information. In order to make accountability fully effective, access to information and transparency are both required. Jean Pierre IIboudo of the United Nations Education, Scientific and

Cultural Organisation (UNESCO) Windhoek office also expressed the critical importance of access to information for the well-being of Namibian society: 'The fuel that drives the engine is information, and therefore access to information is critical' (cited in *The Namibian*, 2016b).

In the ongoing global battle to improve accountability and increase transparency, there are always two powers at work: governments and business who will do everything possible to withhold information not in their best interests; and citizens who will do everything possible to uncover the truth about the information that institutions do not want to release (Coetzee, 2016a).

5.4.1 External movements working for access to information

The value of public reporting and disclosure is probably best illustrated by Julian Assange, the controversial founder of WikiLeaks, who made 391 832 documents about the Iraq War available to the media. These documents exposed the unaccountable deaths of thousands of civilians. The USA and UK defence forces then had to answer to the public. The Iraq War is the most public war in history. Thousands of law suits are expected to follow. This extreme case of public reporting underlines the value of transparency in exposing unaccountable abuse of power and increasing public consciousness. Public reporting enables an institution to build public trust by developing anti-corruption strategies (UN Global Compact, 2010:4).

On 28 September 2016, Namibia celebrated the International Day for Universal Access to Information as a result of UNESCO's resolution C/70, which was adopted on 17 November 2015 (De Bruyn, 2016). According to UNESCO, universal access to information is a powerful engine for positive change, generating greater opportunities to overcome inequality. It needs to reach those who have been marginalised in order to create and share knowledge, to discover more about other cultures, and to strengthen the foundations of democratic institutions.

The African Charter on the Values and Principles of the Public Service and Administration (2011: 6), Article 6 (which has been adopted by Namibia), states that the 'Public Service and Administration shall inform users of all decisions made concerning them, the reasons behind those decisions, as well as the mechanisms available for appeal'. This article places important obligations on the public service.

5.4.2 Rights of Namibians in obtaining access to information

In terms of the common law of Namibia, if the public requests information about public service decisions and the reasoning behind them, this needs to be made available to users within a period of two weeks.

Namibians also have the right to request, but not the right to receive, information about the operations of OMAs, including public enterprises (PEs).

The absence of the right to access public information undermines taxpayers' obligations to fund the operations of public institutions created to serve the nation. Shortly after independence, the OPM indicated that the government was doing preparatory work for drafting a Freedom of Information Bill. In 2016 (after 26 years of independence), an Access to Information Bill was drafted and made available for public consultation.

The Access to Information in Namibia Coalition (ACTION) is a citizen association consisting of like-minded organisations and activists that was created in 2012 to advocate for increasing access of public documents to people in Namibia and freedom of expression (*New Era*, 2016), in order to reduce corruption and increase good governance. The association commented on the Draft Access to Information Bill during 2017. Said legislation is critical for guaranteeing public access to public documents, as well as increased public debate and dialogue. At the moment, all access to public documents is at the discretion of public office holders.

According to the Deputy Minister of Information and Communication Technology, Stanley Simataa, the Access to Information Bill was expected to be tabled in Parliament for approval in September 2017 (De Bruyn, 2017). However, the Bill has not been tabled and it is expected that it will not be tabled soon. In stark contrast to the public need to have access to information, there is the Protection of Information Act 84 of 1982, which dates back to the apartheid era. This legislation is being used to restrict access to information on the basis of national security. Globally, it is a trend to hide unaccountable expenses in the expenditure of national intelligence and defence. With the mediocre performance of Namibia in reducing corruption, it is highly likely that this trend is also taking place in Namibia. For example, the Ministry of National Intelligence (NI) has since its creation in 1990 never published a financial statement – which it is legally obliged to do – and has not been penalised. Since 1990 several corruption cases have appeared in the media in which the NI and the Ministry of Defence have featured with reference to insurance, catering and, more recently during 2018, the buying of farms and houses to reward retired NI members. In the latter case, the Protection of Information Act was used to prevent the publication of such information by a local newspaper, *The Patriot*. Although the NI has been unsuccessful, it has filed a case in the High Court to get the decision reversed.

If people have the right to freedom, they also have the right to access information – and if there are constraints on that freedom, then governments and businesses have to justify this, as suggested by Chomsky (2013:33). Sometimes this constraint is justified; for example, the formula and ingredients for making Coca-Cola cannot be public knowledge; neither can some public security information, nor the names and whereabouts of agents protecting heads of state, be made available. However, if the issue is how much has been earmarked for a school at Oshakati, for example, that information should be accessible to parents, so that they can hold government officials accountable (Coetzee, 2016c).

The public should have the right to demand information about the activities of public sector institutions. Answers about the execution of public activities cannot be provided at the discretion of public servants and employees of PEs to provide information to the public without any obligation upon them to do so. For politicians to remain in power, they have to be re-elected by voters and/or re-appointed (for example, members of Cabinet and regional governors). Consequently, politicians will release information that portrays the government positively, while withholding information that could damage its public image or be interpreted as negative. Because of the government's tendency to withhold information, or to delay or distort information that is not in their interest to be made public, the rights of access to information about public institutions and freedom of expression are paramount for the public to interrogate government activities. As one of the fundamental human rights in the Constitution, freedom of expression, as articulated in Article 21, can be effective only if it includes the right of access to information.

5.4.3 Access to information in Namibia

Public institutions and the provision of information

In Namibia, the public do not have the right to demand access to information on the operations of public institutions without providing reasons. Even if reasons are provided, it is solely at the discretion of public institutions to provide information or not. The Freedom of Information Act in the USA and directives of the European Union guarantee citizens' right of access to public information without having to provide reasons. In the USA, unless national security is an issue, legislative hearings are open to the public, as are executive branch meetings and hearings. For multimember agencies (independent agencies, which do not exist in Namibia, as PEs are at least 51 per cent state-owned and financially dependent on government), the Sunshine Act gives citizens access to all meetings that have decision-making quorums (Rose-Ackerman, 1999:164–166). The Administrative Procedures Act of the USA 'requires that rule making involve public notice, public participation, and government obligation to publicize and explain its activities' (Rose-Ackerman, 1999:148). The adoption of legislation with similar implications is needed in Namibia to enable citizens to make informed decisions and to improve public operations.

Public institutions operating as monopolies with little accountability

Some public institutions in Namibia operate as monopolies. While their performance systems should track information for monitoring, evaluation and rectification, this is often not done. The performance of PEs and all other public institutions should be published in newspapers and other media, so that the public can contribute toward transforming these institutions into flagships of success (Coetzee, 2016a). As the public have an obligation to improve public institutions, they need the right of access to information so that they can participate in and influence decision making and policy formulation.

Several PEs have not published financial statements during the past five or six years. Examples are Air Namibia and Namibia Wildlife Resorts (NWR), which has an annual budget of N$ 2 billion. In 2013, the Namibian Broadcasting Corporation (NBC) misplaced a file with credit notes worth N$ 7.8 million, and also mislaid files for television advertisements worth N$ 2.9 million and radio advertisements worth N$ 1.2 million (Craig, 2016:2). This non-transparency regarding billions of Namibian dollars which are unaccounted for does not reflect well on the government's Public Service Charter promise of transparency and access to information. Air Namibia and NWR are bailed out annually by the government, which demonstrates that a lack of access to information contributes towards the deterioration of public financial accountability. One positive development, however, is that Cabinet has approved a business and financial-planning template, involving annual reporting and budgeting 'that is set to end a long-standing adverse situation in which most parastatals [PEs, sic] have failed to produce financial reports for many years – since their inception' (Mare, 2016).

The suspension of several CEOs – for example, Paulus Shilamba of Nampower, Sara Naanda of TransNamib and Imms Mulunga of the National Petroleum Corporation – illustrates that such action seems to take months and sometimes years to finalise, meaning that public accountability is delayed, and probably denied. A former chief of the Namibian Defence Force, Lieutenant-General Petrus Shalli, was suspended on 'serious allegations of irregularities' (Vries, 2011). Criminal proceedings started more than two years later, while Shalli remained on full pay. Shalli later retired with full benefits (Ihuhia, 2012). The practice of suspension with full remuneration, while the bureaucratic administrative and judicial systems take their time, seems to be common practice in African countries (Coetzee, 2012:145).

Journalists at the forefront of the struggle for access to information

According to Reporters Without Borders, which published the World Press Index, '[p]ublic order and security legislation is often used to restrict freedom of information. Journalists are often the targets of attacks by political parties' (*The Namibian*, 2016a). The need for access to information has been driven primarily by journalists since independence. Namibia is ranked 17th out of 180 countries in terms of press freedom, according to the World Press Freedom Index (*The Namibian*, 2016a). Namibia is consistently ranked as one of the top five countries in terms of press freedom in Africa. Although Namibia enjoys relative media freedom, government OMAs are reluctant and slow in providing information to the media and such information sometimes tends to be inaccurate or one-sided. In many instances no information is captured. For example, Inland Revenue does not keep information on VAT payments, which are needed for economic planning. Namibian journalists feel safer on the internet, where they are not subject to the self-regulation common in state-owned media.

Non-availability of important reports

The NDP4 has made provision for the release of progress reports by the institutions accountable for achieving NDP4 targets. None of those reports have been released to the public. Another example of denying the public access to information without providing reasons is the 2015 Delimitation Report, which reported on the delimitation of new constituencies by the Delimitation Commission. This report is yet to be released. The non-availability of reports such as these means that the public is not able to plan properly and that businesses cannot make informed investment decisions. In addition, the actions and inaction of government and its agents cannot be questioned, and their actions cannot be improved upon.

Furthermore, the results of Namibian elections should be released more quickly. This is a regular bone of contention for opposition parties, because doing so could reduce the chances of ballot boxes and ballot papers being mislaid. During the 2015 elections, Namibia introduced electronic voting at polling stations, which will hopefully reduce corruption.

Non-compliance by parliamentarians in declaring assets

The asset registers of both houses of Parliament are accessible in the Parliamentary Library. No one is permitted to make copies of the registers, however. Such limited accessibility restricts transparency, and partially defeats the purpose of the declaration and disclosure. Furthermore, 13 parliamentarians ignored the Assets Register between 2005 and 2010 and never submitted disclosure forms, 'condemning the assets disclosures exercise to farcical status' (Tjirera & Links, 2011:5). The speaker of the National Assembly refused to make the list of declared interests accessible for public scrutiny. Not all MPs met the 2015 deadline for asset disclosure. Failing to meet the deadline is not exemplary of ethical compliance or ethical performance. The 2015 and 2016 asset registers were published. However, one has to go to Parliament to request to examine them. No duplication is allowed and the information is not available on the parliamentary website. As reported in the media from time to time, several MPs have not met the obligation of full disclosure, through omitting the declaration of houses, farms and shares in companies. For example, the speaker of the National Assembly, Peter Katjavivi, and the current vice-president, Nangolo Mbumba, have failed to declare several assets, as reported in *The Namibian* during 2018.

It seems MPs' disclosure of assets and business interests is done mostly for the purpose of compliance. There is no mechanism to monitor the correctness of individual MPs' disclosures, or to take remedial action if required. The media should have information to link the annual disclosure of MPs' shareholding and business interests with the Register of Company Registrations (this is still a cumbersome manual system in the process of being digitised), so that it is possible to monitor MPs with shares in companies to detect possible conflicts of interest. MPs find it challenging to comply with the annual disclosure

of their assets and interests. They should progress from ethical compliance to performance. Ethical performance would increase Namibia's rating on governance and accountability indices (e g the Transparency International [TI] Index and the Mo Ibrahim Index), which are used by investors for portfolio and foreign direct investment (Coetzee, 2016c).

5.4.4 Positive initiatives towards accessing public information

E-governance

E-governance needs to be implemented as a priority for the effective and timely distribution of public information. This will require that broadband be available countrywide. The Minister of Information, Tjekero Tweya, indicated that 80 per cent of the country would have broadband by 2020 (*The Namibian*, 2016a). OMAs need to update their websites more frequently and to install interactive technology that can capture data. This will enable public access to one-stop-portals which provide integrated services. For example, an investor who applies for a business license should be able to access one portal that provides step-by-step guidance, rather than the current system, which requires investors to access numerous websites of various public institutions. E-governance is dealt with further in section 5.7.4.

Monitoring the funding of political parties

The initiative to monitor the influence of donors of political parties is likely to materialise due to the support of the Electoral Commission of Namibia and registered political parties. The initiative will enable the public to monitor the funding of political parties. Donors should disclose and publish the amounts of money donated in excess of a threshold (Coetzee, 2016b). The accounts of political parties should be audited and publicly accessible, as Parliament funds them with taxpayer's money, and because public servants and political office bearers are appointed and elected to serve the public, not their own interests. Both houses of Parliament adopted the Code of Conduct for MPs in 2015, a positive initiative by the former secretary of the National Assembly, Jakes Jacobs. According to the Code of Conduct, MPs must declare and disclose their assets, business interests, and shareholding in companies annually. MPs must also disclose related information regarding spouses and dependents.

Examples set by leaders in declaring assets

It should be the public's right to access information about all political and public office bearers and public servants, so that conflicts of interest may not only be declared, but also prevented, monitored and managed in a publicly accountable way. Such increased public accountability will allow for increased participation by citizens, and will increase the transparency and performance of MPs. President Hage Geingob and First Lady Monica Geingob disclosed their assets and business interests in 2015, and the Minister of Finance, Callie Schlettwein, declared his in 2016. Parliamentarians should follow these

examples. Geingob has, on several occasions, indicated the need for creating a more transparent Namibia, which could be the beginning of more transparent decision making in the country.

5.4.5   Access to information in Namibia is critical

Access to information is critical for creating an understanding of the world and of systems obstructing development in Namibia. Understanding systems can create opportunities for learning through participation and implementation (Chomsky, 2012:44). Changing dysfunctional systems used for the delivery of public services is crucial. If access to information and transparency is not increased in Namibia, dysfunctional public service delivery systems will be retained, and may become entrenched. Dysfunctional systems could indirectly increase the gap in income distribution and contribute to the backlog of people deprived of proper housing and people excluded from decision making.

In 2016, the Ministry of Information, Communications and Technology developed 'a Plan for aligning the functions of the Public Relations and Liaison Officers to their core functions of information dissemination' (Republic of Namibia, 2016:20) to ensure that Namibians have access to relevant government information. The HPP (Republic of Namibia, 2016:20) stated that 'permissible access to information by the public must also be included in the Plan'. However, 'permissible access to information' is not defined and/or described, just as the terms 'national security' and 'in the national interest' are also not defined and/or described in the Defence Act 1 of 2002. Such unqualified terms are rooted in personal discretion and can be abused by powerful and influential political and public office bearers.

Access to public sector information is also critical for whistleblowing. The Anti-Corruption Act protects whistleblowers in theory, but not in practice. This is partly because of the small size of the Namibian society, the small numbers and sizes of institutions, and the small numbers of people dealing with specific areas of work. Namibia does not have legislation such as that in the USA which (in theory) protects and/or rewards whistleblowers financially for the risks of intimidation, harassment and/or losing their jobs. More recently, the Whistleblower Protection Act 10 of 2017 was passed by Parliament. The Act makes provision for rewarding whistleblowers based on the sole discretion of the Whistleblower Commissioner without stating any criteria, which is a critical omission and which makes the Commissioner the sole authority to decide on a reward – if any – for a whistleblower.

The case study on the next page explains the limited access to information in Namibia and its implications.

On 3 October 2016, *The Namibian* reported that four councillors decided that documents pertaining to land applications, with detailed supporting documents (including comments by city managers, bank guarantees and company ownerships), would not be made available publicly. While the Local Authorities Act 23 of 1992 gives the public access to minutes of council meetings and other documents, the councillors made the decision without consulting the entirety of the City of Windhoek's council. The secrecy around certain documents is a departure from the tradition, where the council provided access to council documents, to be scrutinised by any interested person. The secrecy is also contrary to government's effort to improve access to information, as stated in the HPP and the Access to Information Bill. There are alleged cartels of councillors and municipality executives who are bedfellows with property developers and proxies who continuously benefit from land deals outside of public scrutiny.

It is thus possible to deduce that secrecy prevents access to information. If the public do not have access to information, decisions cannot be questioned. The non-disclosure of public documents can trigger a number of questions. It is possible that negative perceptions can be formed, including allegations of corruption. The challenge with such perceptions is that if they are not refuted with facts, the damaging effects can be extremely harmful for stakeholder trust in the institution and its reputation, including leadership and customer relationships.

In Namibian law, if a legal person approaches the court for the release of public information, such a person needs to prove *locus standi*. This means, for example, that a person requesting information from a public institution about HIV/AIDS needs to prove that he or she is indeed HIV-positive to be entitled to request such information. The principle of *locus standi* contravenes the right to access to information and needs to be removed.

To conclude the discussion about access to public information: Namibians should demand the right to access information about the business dealings and assets of all political office bearers (not just MPs), public servants and employees of PEs, as well as information about the operations and performance of public institutions. From government's side there seem to be contradictory statements about access to information. While the Minister of Information and Communication Technology, Stanley Simata, has indicated on several occasions that Namibia needs a media regulator, the president announced in September 2016 that Namibia would not have a media regulator.

5.5 Transparency

5.5.1 Transparency internationally and in Namibia

Related to the issue of access to information are questions of transparency and accountability: 'In fact, lack of transparency tends to fuel lack of accountability.

Countries that score low on transparency also score low on accountability' (Republic of Namibia, 2016:18). Transparency in this context means using language that is clear and 'unmistakable, easily understood, free from affection or disguise (Upshall, 1992: 836). King (2006:123) indicates that transparency is 'substance over form coupled with the truthful and prompt communication of important decisions'. Transparency thus entails the timely release of information about decisions which are impartial and can be understood with ease.

Transparency in international contexts

To illustrate the importance of transparency, Huguette Labelle, chair of TI and member of the UN Global Compact Board (UN Global Compact, 2010:4), said: 'Transparency is a first line of defence against corruption. Transparency sets a tone of openness, accessibility, accountability, building confidence amongst stakeholders that they are treated in an equitable and responsible manner.' Peter Eigen (2002:5), a former Chairman of TI, applied the principle of transparency to the World Trade Organisation (WTO) when he stated: 'Taking into account other organisation's efforts, WTO rules should focus on prevention, as much as possible, rather than on criminalisation .... A more transparent legal and regulatory environment is fundamental to preventing corruption in transnational and domestic transactions'. It is clear that transparency and the prevention of corruption are important for all transactions. To create such an environment, information flows should be created and facilitated to enable public reporting, which is the formalisation of transparency.

How to increase transparency in Namibia

Non-transparent activities encourage unaccountability and the protection of corruption. If there is transparency, public and civil accountability is enabled. To establish transparency, secret funds should be eliminated, and budgeting, accounting systems and processes should be monitored. In Namibia, while a citizen's budget exists, there is limited participation that involves the community in a transparent way during the pre-budget process. A supportive environment should be created for active community institutions, non-governmental organisations (NGOs) and civil society institutions. For example, 'village councils and urban groups could be provided with lists of projects to be undertaken with adequate information about such projects to report underperformance' (Coetzee, 2012: 00). Another way to increase transparency is to educate members of society about ethics and morality, as people will then hold individual and group values and obligations that emphasise openness (Coetzee, 2012:99).

The importance of transparency in governance is illustrated by King's (2006:1) definition of governance: 'the manner of directing and controlling the actions and affairs of an entity [that] involves fairness, accountability, responsibility and transparency on a foundation of intellectual honesty.' It is thus clear that transparency is critical for good governance.

Limited transparency in Namibia influenced by its political system

In Namibia the lack of, or limited, transparency is influenced by strong party discipline and the single transferable voting or hare system for electing MPs of the National Assembly. Voters vote for a party, not for individual representatives. The party decides who will be on the party list. Individual MPs are not allowed to raise issues in Parliament about which they disagree. When President Geingob met with his deputy ministers, he said, 'If you want to raise an opinion in parliament, you go into caucus. If you are a minister, you discuss it in cabinet' (Kaure, 2016).

This style of party governance is influenced by strong party discipline and the bound list system, in which the party not only decides who will be on the party's list, but also the priority of those on the list who stand a chance of representing the party in the National Assembly. Voters have no influence in deciding who will be on the party list; they vote for the party and not for political representatives. Namibia is one constituency where all elected political representatives represent all voters and no single candidate in particular. Such a system of political representation is not conducive to individual political representatives being accountable towards the public. It is also not conducive to transparency, or to independent opinions among representatives and free debate. As Kaure (2016) indicates, what develops is a culture that endorses an approach of 'see nothing, hear nothing and say nothing'.

Since the country became independent, the powers of the Namibian president (presidentialism) seem to have increased. For example, the Constitution has been changed to make provision for the appointment of regional governors, instead of electing them (as was the case previously). Governors are accountable to the president, who appoints them. President Geingob accused the governors of not doing enough to defend the government from public criticism (Kaure, 2016). This shows that an increase in presidential power to appoint people can reduce openness and transparency, because such appointees are expected to defend the government – instead of being objective and questioning government on actions to improve service delivery. In 2015, President Geingob gave the instruction to increase the number of deputy ministers from 21 to 32 (Republic of Namibia, 2015:1–5). The MPs in the National Assembly increased from 78 to 104, of whom the president appoints eight directly and 10 special advisors to advise him. Prior to the constitutional amendments, 31 per cent of all members in the National Assembly were presidential appointees (Coetzee, 2012:169); after the constitutional amendments, this figure rose to 57 per cent. The fact that 57 of the 104 National Assembly members are appointed by the president means that most members of this House are, first and foremost, accountable to the president and not to the voters and/or the public. This situation can be described as failed voter and public accountability, to a large extent due to structural unaccountability in the system of political and parliamentary representation. Openness and transparency are limited according to the president's discretion. Generally, control of power by those in authoritarian government positions reduces public access to information, transparency and open dialogue.

John Pulitzer makes the following key point:

> *There is no crime, there is no dodge, there is no trick, there is no swindle, there is not a vice that does not live by secrecy. Get these things in the open, describe them, attack them, ridicule them in the press, and sooner or later public opinion will sweep them away. Publicity may not be the only thing that is needed, but it is the one thing without which all other agencies will fail.* (cited in Ireland, 1920:115)

5.5.2   The impact of secrecy and scandals

A South African example

Secrecy and scandals impact negatively on society, and this can be demonstrated by a South African example. Since the advent of democracy in that country, numerous major corruption scandals have made headlines in South African and international media. One example is the so-called Travelgate scandal during 2005, in which the South African Police Service (SAPS) seized R1 billion of contraband. Some 38 MPs pleaded guilty, 1 891 arrests were made and 1 305 investigations were finalised, making this one of the biggest, if not the biggest, corruption scandals in South African history (Sipho, 2009: 123–175). The scandal resulted in direct costs of R26 million to the taxpayer. Most MPs were from the ruling party, the African National Congress (ANC). However, under President Jacob Zuma's leadership, the ANC decided to halt the parliamentary investigation. According to De Lange (as cited by Sipho, 2009: 13–214), this scandal caused unhappiness in the ANC's leadership because many MPs benefited from their connection with the contraband syndicates. The scandals of corruption and organised crime are not limited to contraband, however. International mafias such as the Italian, Indian, Israeli, Russian and Triad (Chinese) mafias are attracted to the protective climate or culture of systemic corruption. South Africa provides a 'safe haven' for these mafias to operate with political and police protection (Sipho, 2009:123–175).

Corruption cases in Namibia

Before the creation of the ACC in 2003, major corruption cases were investigated by presidential commissions of inquiry. However, no report on corruption (there have been more than 10) has ever been released for public scrutiny and there have consequently been no prosecutions. All Namibian presidents have, on several occasions, declared their commitment to 'rooting out corruption'. Yet, their words and actions do not seem to correspond.

To illustrate the magnitude of corruption in the Namibian public service, the case study that follows focuses on a corruption scandal involving the Government Institutions Pension Fund (GIPF) of Namibia.

> ### 🔍 CASE STUDY 5.3: THE GOVERNMENT INSTITUTIONS PENSION FUND
>
> The GIPF of Namibia lost N$ 660 million, all of which was invested between the late 1990s and early 2000s (Tjirera & Links, 2011:10). In many cases, no pre-allocation assessments were executed to determine the risks of these projects. Inspectors could not find business plans and, in many cases, there are no minutes of investment decisions. The assets of black empowerment projects were diverted by beneficiaries and trustees for the purposes of buying expensive cars and houses. Proper controls were lacking and there was only a meagre level of recovery of these assets. The ruling party appointed board members who were allegedly too incompetent to fulfil their fiduciary responsibilities. Recipients were connected with trustees and money was released based on personal ties. A former chairperson of the board was an executive member of the ruling party, and a chairperson of the local chapter of TI. The government dragged its feet and initially denied foul play, but after media pressure, public outcry and appeals from the National Union of Namibian Workers during 2011, a commission of enquiry was appointed to investigate allegations.

The 'spy clause'

Poor government performance is indirectly connected to secrecy around budget appropriation and spending. The budgetary process is not open to public scrutiny, since budget allocations, monitoring and evaluation are done in secrecy. Namibia still does not have 'any right or access to information laws and as such a claim of entitlement to information of any nature cannot be made' (Tjirera & Links, 2011:5). The ruling party succeeded in passing the Communications Act 8 of 2009 through the National Assembly. Numerous public hearings had been held about the controversial aspects of the Communications Bill, which includes a 'spy clause' that provides for 'interception centres' allowing government to tap telephones and other communication devices such as cell phones. Members of the National Council did not debate the 'spy clause', and it has been passed without amendments (Kandjii, 2010:85). This Act provides the government with the power to limit or constrain any medium of communication for the purpose of 'national security'.

5.6 Universal values and principles for an inclusive public sector

Values and principles can provide some form of consistency and security in a rapidly changing world. They also give direction for access to services and information and are able to 'anchor' systemic outcomes in Namibia. The values and principles that are the focus of this chapter include transparency, accountability, sustainability and universality. The term 'universality' implies that something is shared by all people in the world. The first two were discussed in earlier sections and they are also outlined in the following conventions and/ or protocols: the UN Convention against Corruption, the OECD Convention,

the Convention on Combating Bribery, the AU Convention on Preventing and Combating Corruption, and the Southern African Development Community (SADC) Protocol against Corruption.

5.6.1 Sustainability

Sustainability is essentially 'the ability of something to sustain itself' – the ability to survive over the long term (Visser & Sunter, 2002:57). The Sustainable Development Goals (SDGs) of the United Nations Development Programme (UNDP, 2000) articulated eight goals agreed upon by 189 countries. Examples of these goals include ending poverty by 2030, promoting health and well-being and providing quality education for all.

Namibia's commitment to institutionalising environmental sustainability is articulated by the Ministry of Environment and Tourism in the Third National Action Programme of Namibia to Implement the United Nations Convention to Combat Desertification, 2014–2024. Whatever businesses, public institutions and community-based organisations (CBOs) do in terms of planning, budgeting and operations should be done with a long-term focus. This focus would ensure that future generations are not negatively affected by the impact of current operations and the depletion of scarce and non-renewable resources.

Businesses tend to focus on short-term profit rather than longer-term community and environmental sustainability. A Namibian dollar today has a higher value than a Namibian dollar will have in six years' time. The discount rate is being used by businesses, such as banks and insurance companies, to account for inflation because the value of the same amount of money depreciates over time. It is essential to maintain the share prices of companies listed on stock exchanges. Businesses also tend to focus mainly on short-term profit in order to increase their share prices. Short-term profit is partly a consequence of a changing world, where technology is a critical enabler of new products, with ever-shortening life cycles for products. Products essentially need to last only until they are replaced by other products in two to three years. In the fashion industry, the frequency of product change is the fastest, because it is seasonal. Another factor is competition: the greater the competition, the shorter the lifespan of products.

Similarly, some politicians are concerned with obtaining votes so that they can remain in power. In order to keep voters interested, politicians tend to make short-term promises to get elected. They determine what is most important in public sector activities and the budget allocations of public service delivery. In politics, as in business, there is a short-term focus on the immediate spending of money that will be earned in the future, for example credit card debt. It is also worth noting that government debt increased by 415 per cent from January 2010 to June 2016, constituting 43.3 per cent of total debt (Kaira, 2016:3). This tends to provide a short-term government and consumer focus that is in stark contrast to a more sustainable focus, which is generally associated with careful planning, patience, prudence and more rational decision making.

5.6.2 Universality

Some values are universal, meaning they are applied in most countries of the world and in most societies, cultures and ethnic groups. Values include integrity, honesty, respect, courage, benevolence and fidelity, to mention a few. These values cannot be bought and can only be earned, mainly by 'who you are' (character), which becomes clear in terms of 'what you do'. Such values are related to leadership. In essence, leadership is 'who you are'. The character of a person is the sum total of all their virtues (for example courage and benevolence) and vices (for example greed and dishonesty). The more a leader's life represents such universal values, the better the leader and the bigger their positive influence and ability to inspire people. Universality also includes standards and norms. The international standards of performance, behaviour and benchmarking are values and principles that have the potential to anchor the public sector and Namibian society. They are inspirational in terms of reforming and transforming the public sector.

In contrast, the values contained in the Namibian Public Service Charter are too numerous for easy identification. A further problem is that they are not linked to institutional performance outcomes (institutionalising). The Charter's values can, however, be reduced to accommodate the values of sustainability and universality. The articulation of ethical codes and the designing of criteria for measuring these values and principles at national and sub-national (sectoral and institutional) levels to gauge institutional and individual performance are needed not only for creating dialogue, but also for arriving at collective agreements. Ministerial performance agreements are available on the ministries' websites, a commendable improvement in terms of transparency. However, the previous year's performance targets and the achievement level are not available.

5.7 Governance

Various types of governance can be identified: global (the UN), continental (the AU), environmental (sustainability), national (state), sub-national (regional and local), corporate, moral and good governance. In this section, the focus is on good, moral and corporate governance. From an institutional perspective, governance is 'the manner of directing and controlling the actions and affairs of an entity' that 'involves fairness, accountability, responsibility and transparency on a foundation of intellectual honesty' (King, 2006:1, 15).

5.7.1 Good governance

Governance will be good 'when government attains its ultimate goal of creating conditions for a good and satisfactory quality of life for all citizens' (Gildenhuys & Knipe, 2000:91). Principles of good governance include various aspects, namely:

- **political:** the responsibility and accountability of political representatives
- **economic:** deregulation and less licensing
- **social:** integration and inclusiveness; civic responsibility and respect for the law.

Public management principles include the choice of public services, the economy, efficiency and effectiveness, flexibility and management of change, sustainability and consistency, accountability, responsibility and transparency, as well as adhering to the *bathopele* principles (Gildenhuys and Knipe, 2000: 111–121, 123–133).

Bathopele is a Sotho phrase meaning 'people first', which applies to the traditional ethnic groups of Namibia. This includes creating a framework for the delivery of public services that treat citizens as customers and enable these citizens to hold public officials accountable for the delivery and the quality of public services. This framework consists of various service delivery principles, namely consultation, maintaining service standards, access, courtesy, providing information, correcting mistakes and redressing failures (Gildenhuys & Knipe, 2000:130–133).

The concept of *ubuntu* also needs to be included in the concept of good governance: this term is a literal translation of 'brotherhood' and collective morality that is best expressed by the Xhosa proverb *'Umuntu ngumuntu ngabantu'*, which means 'I am because we are'. *Ubuntu* also applies to Namibia: 'I can only achieve my optimal potential through serving all individuals in society or an institution, and I can only judge my contribution to society in perspective if I can see myself through the eyes of other members of society' (Gildenhuys & Knipe, 2000:17). An *ubuntu* style of governance means a 'humane' style of governance, based on collective solidarity and communality.

5.7.2 Moral governance

Good governance cannot be described without including moral governance. This is because, in order to govern well, moral and transformational leadership is required to inspire people to make sacrifices for the common good of society. For a leader to apply moral governance, they need to make decisions based on the values, principles and standards and norms of a specific society. The situation in which a leader applies only some values and omits other values is called moral selectivity or moral schizophrenia. 'Moral governance' directs and controls the actions of an institution in a manner that is based on practices and principles which enable a distinction between right and wrong. Values that underpin those activities and practices, such as fairness, accountability, responsibility and transparency, should be based on intellectual honesty.

5.7.3 Corporate governance

What is corporate governance?

Corporate governance is the governance of incorporated entities such as public and private companies. An incorporated entity is a company or organisation formed into a legal corporation. This includes private companies, public companies or agencies that are created by means of a founding statement,

registered as businesses. Such a company may have its own statute, like all state-owned enterprises (SOEs) in Namibia, which are created by means of their own statutes. Good governance is about the ability to govern an enterprise with integrity, while quality governance applies to all incorporated entities (King, 2006). Principles of quality governance or corporate governance can include (Khoza & Adam, 2005:32):

- sound economic, social and environmental practices
- the triple bottom line (sustainable) performance
- effective financial accounting and management
- integrated risk management processes
- systems and processes for effective decision making
- organisational integrity
- effective monitoring and controls
- independent auditing and verification
- accounting and responsibility
- adequate sustainability and transparency.

Good governance thus includes corporate governance and public sector governance (Coetzee, 2012:9).

The evolution of corporate governance

Given this description of corporate governance, it is important to understand how corporate governance 'evolved'. This will allow one to contextualise the current Namibian corporate governance structure and to understand why its principles, such as the fiduciary powers of directors and board members, should apply. Fiduciary powers include:

- **care:** similar to caring for an incapacitated family member
- **skill:** such as risk assessment
- **due diligence:** to ensure that all facts are considered before making an objective decision
- **good faith:** unqualified trust based on a foundation of intellectual honesty (applying one's mind to the best of one's ability).

Fiduciary powers, which are also duties, include the accountability of directors to shareholders – private companies – and stakeholders (public companies and PEs). One of the most understated fiduciary duties is the fact that, although a board makes decisions collectively, individual directors are individually and in effect personally liable for decisions. This means that if a court of law finds that directors have made decisions that led to the financial downfall of an incorporated entity, such directors can be sued in their personal capacity and their assets confiscated to pay for debts incurred.

The Review of the Cadbury Report of 1992, as prepared by Jinpan International Limited (2014), indicates that this report was compiled in the UK to prevent corporate collapses of companies such as Enron, Polly Peck and the Maxwell

companies. The report focused on four pillars of governance: accountability, fairness, transparency and independence. South Africa's King Report of 1994, like the Cadbury Report, included requirements on sustainability and ethical standards in its code of corporate governance.

The Cadbury Report was followed by three more major reports, namely Greenbury (in 1995), Hampel (in 1998) and Turnbull (in 1999). Compliance with the code of best practice was not enforced, and it remained voluntary. However, many companies complied because they did not want to fall victim to negative impacts resulting from non-compliance.

The King IV report was released in 2016 and is applicable to the 2016–2017 financial year. King IV is a revision of King III, to bring it up to date with international governance codes and best practice, and to align it to shifts in the approach towards what can be called more 'inclusive' capitalism. It also accounts for specific developments in corporate governance in relation to:

- effective governance bodies
- increased compliance requirements
- new governance structures such as social and ethics committees
- emerging risks and opportunities from new technologies
- new reporting and disclosure requirements, for example integrated reporting.

King IV includes a code with additional sector supplements for small-to-medium enterprises (SMEs), non-profit organisations (NPOs), PEs, municipalities and retirement funds.

King IV is voluntary in South Africa and Namibia, unless prescribed by law or stock-exchange listing requirements (which is not the case in Namibia). King IV differs from King III in respect of its focus on outcomes-based governance. The report is more succinct than its predecessor and contains 16 principles, which are applicable to all organisations, as well as a 17th principle applicable to institutional investors (King, 2016: 5, 6).

Because of the Companies Act 28 of 2004 and changes in governance internationally – including the release of King III in South Africa and the introduction of the new South African Companies Act, which differs significantly from the previous Companies Act, as well as King III's reference to sections of the South African Companies Act – the Namibian Stock Exchange (NSX) and Namibian businesses in general could not adopt the King III code. Therefore, a Namibian Code of Corporate Governance (NamCode) became necessary.

The Namibian Code of Corporate Governance

The NamCode was developed by the NSX with support from First National Bank Holdings Namibia for all companies, including entities incorporated by statute or in terms of the Companies Act, or registered in terms thereof and any other legislation applicable in Namibia. The NamCode is, like the King Reports,

voluntary, and is a diluted version of King III (Parkhouse, 2017). However, the NamCode is an attempt to improve corporate governance in Namibia and is a positive development.

According to Tim Parkhouse (2017), who is secretary general of the Namibian Employers' Federation (NEF), '[m]embers are not officially informed about the NamCode'. There is no formal code of ethics for the NEF. However, externally, some members have their own codes. 'Some years ago an attempt was made to develop a code for the NEF. However, internationally there is no code for the International Employers Association, because it could be too generic' (Parkhouse, 2017). The association has a total of 300 corporate (direct) members, around 5 500 employers (indirect members) and a total of 10 registered associations. The NEF has an unwritten code that states that members must comply with all legislation and, if found in default, the Secretariat takes action to rectify the situation. The Board reserves the right to cancel membership if default is proven and continues. Some retail companies do have their own codes, however. These codes are important for monitoring behaviour, and for mitigating and managing corruption. Self-regulation is often better than legislation (Parkhouse, 2017).

Regulatory systems for other institutions in Namibia

The Namibia Institute of Professional Accountants (NIPA) has its own code of ethics and takes disciplinary action against members if they transgress the code. Council members sign a declaration to disclose conflicts of interests. In an interview, Eben de Klerk, owner of ISG Risk Services (2017) claimed that,

> *[c]orporate government enjoys more lip service than actual implementation. Entities do not have sufficient policies to deal with incidents of conflicted interest until it's too late, conflict has arisen and the board is stuck with having to swipe a blow at 'their own'. Even if the board takes decisive action, a board member gets an 'honourable discharge' with no negative record, and takes corruption and poor governance to the next company.*

When questioned about how the land surveying profession complies with corporate governance, Joe Lewis, land surveyor (2017), explained that the surveying profession is regulated by the Namibian Council for Professional Land Surveyors, Technical Surveyors and Survey Technicians (SURCON) in terms of professional acts and regulations. He expressed doubt as to whether this can be called 'corporate governance', and he has never heard of the term 'NamCode'. It is clear that the NamCode is unknown to people in the land surveying profession.

With regard to estate agents, in an interview with Wilma and Nic Serfontein, owners of One of One Properties (2017), about estate agents' compliance with corporate governance, they indicated that the Namibian Estate Agent Board (NEAB) requires all estate agents to register with the Board in terms of the Estate Agents Act 112 of 1976. The NEAB has been established to protect the industry. In terms of the Financial Intelligence Compliance Programme, which

is in compliance with the Financial Intelligence Act (FIA) 13 of 2012, an estate agent is required to determine the identity of the customer and the origin of the money, amongst other things. Every estate agency must have a compliance officer. A report of compliance must be submitted to the Bank of Namibia every six months. It is concluded that the property industry has its own corporate governance requirements, as indicated in legislation and the registration of estate agents at the NEAB, as well as the FIA compliance programme.

Corporate governance surveys

Three corporate governance surveys have been conducted in Namibia, the previous two in 2013 and 2016 (Deloitte & Touche Namibia, 2016:6). The overall finding was that respondents were moderately familiar with corporate governance reforms. Some 50 per cent of respondents were from the private sector and 50 per cent from the public sector. The survey indicated that a number of areas, including the following, needed a major change:

- Just over half – 56 per cent – of respondents indicated that they have not published Black Economic Empowerment (BEE) procurement practices. Some 50 per cent of those who published BEE procurement practices were PEs. With the anticipated implementation of the New Equitable Economic Empowerment Framework (NEEEF), businesses will be expected to embrace transformation proactively (Deloitte & Touche Namibia, 2016:6).
- Just 38 per cent of respondents confirmed that boards do not regularly review their mix of skills and experience. Close on two thirds (61 per cent) acknowledged that they lacked skills on boards pertaining to one or more areas, and 58 per cent of these indicated that they needed legal skills. Only 17 per cent indicated that they needed accounting skills. Because 61 per cent of the respondents indicated that they lack skills, it can be deduced that respondents most likely do not understand their fiduciary powers. Respondents need training in fiduciary duties such as care, skill, diligence and good faith based on a foundation of intellectual honesty (King, 2006: 29–30, 52–53).
- Interpreting the results of the survey within the context of the overall mediocre to poor financial performance of PEs, questions raised by the author of this chapter include: How can the financial performance of PEs, with board members not realising their limited financial skills, be explained? What other variables are impacting more on financial performance than accounting skills? Could the latter variables include abuse of power? Could these variables include political influence on PEs and, if so, to what extent does political influence affect the financial performance of PEs more than accounting and financial management skills?
- Only 28 per cent of the respondents indicated that their boards have signed performance agreements against which to evaluate board members, whereas 58 per cent do not have performance appraisals. This is an area of serious concern.

- Less than a quarter – 24 per cent of entities – indicated that their boards perform an annual independent assessment on the independence of non-executive directors. This is worrying, as it indicates an undervaluation of the need for and contribution of independent directors and/or a shortage in the number of independent non-executive directors serving on boards.
- Only 31 per cent of entities have formally signed governance agreements with their main shareholders. It was indicated that 'this is a worrying trend, as accountability of the board to the shareholders is therefore not clearly outlined' (Deloitte & Touche Namibia, 2016:12).
- Some 54 per cent of respondents indicated that the CEO is employed by means of a contract. This is a major improvement on 9 per cent in the 2013 survey. The NamCode prescribes a fixed contract for CEOs as best practice.
- Only 42 per cent indicated that there is a succession plan in place for their CEOs. Just 36 per cent of respondents have a succession plan in place and 31 per cent of boards of directors do not have overlapping terms. The lack of a succession plan may result 'in no prior expertise being retained' (Deloitte & Touche Namibia, 2016:17).

Despite major improvements in some areas of corporate governance when comparing the Deloitte & Touche Namibia Corporate Governance Surveys of 2013 and 2016, all areas need major board improvement by public and private entities, especially PEs, which seem to not be up to standard in complying with the NamCode. Deloitte's Namibia Corporate Governance Surveys should, in future, include questions to board members about donations, gifts and entertainment offered to them, and also questions about the declaration of interests, the recording of interests at board meetings and the monitoring of declarations by boards. Since the NamCode is based on King III, the code needs amendment in order to make provision for changes in King IV: from the 'apply or explain' approach to 'apply and explain'.

5.7.4 E-governance and network governance

A relatively new form of governance in Namibia is electronic governance (also known as e-governance) and network governance, which involves extending stakeholder engagement through the use of all available media, such as social media, print media and electronic media. These two types of governance can change the way in which public sector decisions are made. E-governance involves using electronic media to provide information (such as websites), to enable the downloading of documents such as application forms for processing – completing and submitting them – and to complete transactions (for example, approval and electronic payments). The purpose of e-governance is to:

- provide access to information
- shorten processes
- reduce delays
- reduce the cost of processing and transactions
- make decision making faster and cheaper.

Network governance is a form of decision making with the purpose of connecting people (stakeholders), extending participation and influencing decision making and ownership of decisions. Network governance is making use of e-governance, in the form of electronic media such as Facebook, to enhance participation. In network governance, government is just one of many stakeholders – and not even the most critical one. Government only facilitates the decision-making process. It is clear that both manifestations of governance are complementary to the way that decisions are made or not made, implemented or not implemented.

Involving more stakeholders in the decision-making process has the effect of democratising decision making in the public sector considerably and of strengthening good-governance principles such as transparency, accountability and responsiveness.

Namibia needs to institutionalise concepts such as e-governance, by enabling access to information through information technology, and network governance through modernising the Namibian public service. Namibia does have a policy of e-governance, but with a few exceptions, the websites of public sector institutions are not regularly updated, nor are they reliable in terms of the latest information. Furthermore, they are not interactive. For example, in theory, a booking can be made via the internet at NWR resorts. However, due to challenges of accessibility of relevant booking details and unsuccessful electronic attempts to get feedback from booking operators, customers often still need to go in person to the offices of the NWR for bookings and payments. In general, most public sector websites need to improve their interactivity and responsiveness. These websites are also often offline, and this frustrates customers, especially those outside Windhoek.

Network governance can result in an increase in public value (Rhodes, 1996; Stoker, 2006) of the four 'e's:

1. **Economy:** demand equals supply
2. **Efficiency:** achieving a goal in a pre-set time that is competitive and within a pre-set budget
3. **Effectiveness:** achieving a goal
4. **Eloquence:** a style implying inclusiveness and responsiveness.

As a bottom-up approach, network governance can increase the participation of stakeholders in issues of national concern. This can be seen in the way social media has been used in the urban land issue, where public opinion has been expressed on Facebook and Twitter, and the organising of a petition and march in June 2016 to protest against the construction of a new Parliament building for N$ 2.4 billion. Developing network governance to its full potential will require that all people in Namibia have access to the internet and that the public sector changes its role, from being the dominant central player which dictates national priorities, to becoming a facilitator and coordinator of the needs of

people. Such a radical change will require substantial and consistent investment in education and that the government provide all schoolchildren with access to the internet. Kenya has made free internet accessible to all school children, which has resulted in a dramatic improvement in the country's education system. One of the most important drivers of development is education. Civil society needs to become an active participant in debating issues of national concern on social media platforms so that more interest groups can take the lead in dialogues to influence policy formulation and implementation.

In July 2016, Namibia joined the African Peer Review Mechanism (APRM). The APRM offers a useful monitoring tool for governance across Africa. The government should consider joining other established transparency initiatives, such as the Extractive Industries Transparency Initiative (EITI), which 'sets governance norms and standards in the mining sector, and the Open Government Partnership, an international drive for accountable and responsive government' with 70 governments as members (*Insight*, 2016).

5.7.5   The impact of corruption on good governance

Good governance, as described previously, includes corporate, public sector and moral governance. Corruption impacts on and prevents quality governance in companies and institutions in both the public and private sectors. This means that all civic institutions, such as churches, sport organisations, taxpayers' associations, trusts and close corporations, are affected by the negative impact of corruption.

Corruption also impacts on moral governance in that it affects moral and transformational leadership. Corruption affects the ability of leaders to make a distinction between right and wrong, to apply values consistently and to lead with fairness, accountability, responsibility, transparency and intellectual honesty. Corruption impairs the ability of leaders to be competent, to be moral and to transform a systemically corrupt institution into a just and fair institution with integrity. Corruption compromises moral, visionary and transformational leadership, and this is apparent in Namibia's own leadership.

The case study that follows illustrates the impact of corruption on leadership.

CASE STUDY 5.4: THE WALVIS BAY–TSUMEB RAIL TENDER

On 19 September 2016, *The Namibian* reported that in the scramble for a lucrative rail tender to revamp the Walvis Bay–Tsumeb line, 225 bids were received. One of the bids was from President Hage Geingob and his business partner, Chinese millionaire Jack Huang, who has been in court several times for corruption-related offences but has never been prosecuted. Although the bid was not successful, an allegedly corrupt relationship and compromised leadership are destructive for trust in a leader. When a leader's reputation is compromised, the public form negative perceptions about them and this reduces the leader's influence. People lose confidence in the leader's ⮡

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ability to provide hope to the poor and the unemployed. The ability of such a leader to inspire business to contribute to investing in social projects and to encourage taxpayers to pay their taxes is reduced. Negative perceptions about a prominent leader, such as a president, impact negatively on the exchange rate, investment and trust in government's ability to implement policies, programmes and regulations. Insecurity is destructive for investor confidence and economic growth. For example, domestic institutional investments (GIPF investments and Nampower investments) and private portfolio investment flow out of Namibia and potential private equity investors, venture capitalists, angel investors and what is known as 'greenfields' and 'brownfields' investment – altogether known as foreign direct investment (FDI) – do not enter the country. However, it is not only about money flowing out of Namibia and FDI not entering. For those investments entering and those retained in the country, the rate of borrowing (discount rate) for accompanying local partners in securing equity from the four main banks increases. The result is that, due to the higher risks of such investments, the probability of default of start-up enterprises making use of such investments also increases.

What is worth mentioning is the impact of negative perceptions on leadership. Leaders cannot always prevent negative perceptions that are formed by allegations and suspicions of corruption in the media. However, even if such allegations are not true, they will have a damaging impact if they are not refuted by facts. If a leader does not refute such allegations with valid and authentic facts, negative perceptions continue to be strengthened that can tarnish a leader's public profile.

5.7.6 The impact of corruption on visionary, moral and transformational leadership

The celebrated words of Lord Acton (1887), 'Power tends to corrupt; absolute power corrupts absolutely', describe the impact of corruption on power most appropriately. In a developing country with weak administrative control mechanisms, the possibility of corruption occurring and the negative impact of this are strong. This will escalate as a strong causal relationship develops among different variables.

The first of these variables is the centralisation of power in the leadership of any arm(s) of government. If power is not 'balanced' between the executive, legislature and judiciary, also known as the *trias politica*, the danger is that any arm(s) of government can dominate the other, as happens with authoritarian and kleptocratic leaders. If any institution in the executive, legislature or judiciary becomes too powerful, the balance of power shifts and such unchallenged and unchecked all-too-powerful institution(s) can dominate all others. For example, a legislative system with one dominant party that has a two-thirds majority can take unilateral decisions in Parliament. In the USA and the UK, multiple sources of authority ensure that no single group has absolute power. The legislative power, for example, has various veto points. Institutionalised

checks and balances in the USA are part of the accepted culture, developed over hundreds of years, and corruption is thus unlikely to remain unchallenged. The more checks and balances are institutionalised, and become part of the culture of a society, the more difficult it is for corruption to occur. If corruption does occur, it does not remain unchallenged. The impact of centralising power also applies to the relation between revenue and expenditure in decentralisation. The lower the likelihood of decentralising income-generating power, the higher the possibility of corruption. If officials and/or an institution have the authority to spend money, but not to generate it, or if decentralised units do not have the revenue to function on a self-sufficient basis, there will be no realistic or 'balanced' perspective on aligning expenditure with income. It may happen that centralisation of power is used as an 'additional excuse' by immoral leaders for appointments based on patronage, nepotism and favouritism at sub-national level, as seen in the current centralisation of local government in South Africa and in Namibia at local and regional council level.

The second variable concerns the situation where transparency is limited and decisions are made in secrecy. The role of the media is perceived as an important fourth pillar to the *trias politica* to report on, and to evaluate, the work of the legislature, executive and judiciary. The media needs to be independent and free from government control to enable unlimited reporting on government activities. However, the higher the levels of illiteracy, the lower the possibility that the media can play a valuable role in creating transparency (as is common in developing countries). Illiteracy is generally associated with poverty. If the government does not identify the concerns of the poor, the poor and the illiterate will not have the ability or the confidence to speak out, partly due to their vulnerability.

Conclusion

The chapter focused on values, principles and governance challenges that guide public sector institutions in Namibia. Some of the most critical values and principles of the public sector are included in the Public Service Charter, for example accountability, access to information and transparency, which are paramount in implementing public sector service delivery.

In order to execute these values and principles, moral and good governance provide the framework for decision making. Namibia is a signatory to international conventions and has to comply with global governance principles such as sustainability. In exercising their mandate from the Namibian public sector, namely that of service delivery, public servants and public office bearers are tempted to operate in their own interests and obstruct development. The chapter examined the issue of corruption as something that is the opposite of integrity, and looked at the negative impact of corruption on governance and society in general.

Test your knowledge:

- Discuss the difference between ethics and morality.

- Consider the following scenario: A function of the public service is being contracted out and the contractor cannot deliver. Who is accountable? Can accountability and responsibility be delegated or not? Consolidate your arguments.

- Secrecy and non-transparency are breeding grounds for unlimited corruption. Assess why tender exemptions circumvent public accountability and create opportunities for corruption. Consolidate your understanding of corruption and categorise its antithesis.

- How can conflicts of interest be managed?

- Why are financial rewards for whistleblowers critical in encouraging people to report corruption? Model your answer in terms of a systemic approach to containing corruption.

- What is the most critical variable for good governance, and why? Determine and explain whether such a variable is present in Namibia.

- Corruption is a systemic concept in which the system itself can take on a life of its own. It has the ability to create its own purpose. For example, occurrences of corruption strengthen a corrupt system to maintain its existence. The purpose of a corrupt system is not to destroy the system. In all corrupt systems, beneficiaries of corruption (such as bribery) depend on the system to maintain their lifestyles (for example having access to luxuries). Contextualise corruption as a systemic problem and examine why it is critical from this perspective for a corrupt system not to be destroyed.

- Explain the fiduciary powers (duties) of directors. Why do these duties have such enormous accountability and liability implications? Discuss examples where personal liability in corporate board context has been applied in Namibia and/or South Africa. This will require some research that is not limited to this chapter.

- How can the damaging effect of allegations and suspicions of corruption, as manifested in negative public perceptions about corrupt leaders, be reduced?

<div style="text-align: center;">**6**</div>

Human resource management in the Namibian public sector

VN Sazita

Learning Outcomes

After reading this chapter, you should be able to:

- explain key concepts relating to human resource management in the public sector
- identify the purpose of obtaining suitable human resources
- explain the need for strategising and planning for human resources in the public sector
- discuss the need for utilising and developing public sector human resource management
- explain the need for remunerating and caring for public sector employees
- describe public sector employee relations and public sector human resource management in a post-democracy
- describe legislation, policies, and structures as directives for public sector human resource management
- explore the changing trends impacting on human resource management in the public sector.

6.1 Introduction

This chapter deals with human resource management (HRM) in the Namibian public sector and focuses on public sector functions, the development of HRM and the clarification of public sector human resource management (PSHRM). It explains key concepts and terminology pertaining to HRM in the public sector and looks at the purpose of obtaining suitable human resources, and why strategising and planning for public sector human resources is important. Remunerating and caring for public sector employees are explored to give meaning to the subject of PSHRM. Also discussed are employee relations in the public sector and PSHRM post-democracy; the major role players in the public sector HR system in Namibia; an overview of legislation, policies and structures in this field; and a synopsis of the trends impacting on PSHRM.

6.2 An overview of the development of human resource management in the public sector

To appreciate the challenges facing HRM in the public sector and the measures that African governments should put in place to develop capacity, promote

innovation and improve performance evaluation in the public service, the government should look at what has happened in the past to assess how HRM systems in the public service have evolved over time.

6.2.1 Reform needed in the public sector

A major shift is needed in HRM in the public sector, away from a culture of one-way hierarchical communication, where the manager or supervisor gives instructions and the subordinate carries out such instructions without questioning them, towards a two-way, open and democratic communication culture. Performance management in the public sector of Namibia is weak and inclined to revolve around a seniority-based performance management system (PMS). It is vital that performance management moves away from senior management to operational levels. If an organisation wishes to perform at acceptable levels, a high-quality workforce needs to be developed so that there are specialists who are tasked with the responsibilities of achieving quality outputs, as opposed to generalists who are given tasks but do not perform at expected levels in an effective and efficient manner. In order for this to be realised, the civil service in the public sector needs to develop humanist skills and to demonstrate good leadership at every level of operation.

6.2.2 Recruitment

Recruitment methods should move away from party politics, favouritism, cronyism and nepotism, which are regarded as closed, to an open system. A closed system is a physical system that does not exchange any matter with its surroundings and is not subjected to any force whose source is external to the system. A closed system is therefore considered an isolated system that does not interact with other systems of operations. The public sector should aim at recruiting and appointing the right person in the right position instead of politicians being involved in bringing in human resources based on their own personal interests. The public service in Africa is characterised by the recruitment and appointment of people who are devoid of skills and who fill high positions and then make use of skilled personnel under them to do the work for them (Unit of African Studies, 2001). This trend has been common in Africa since independence from the European colonial regimes. People are still intensely discriminated against and thus poor performance in general has emerged (Cole, 2002).

Human resources should be recruited from both within the public service and outside of the public service. By so doing, the public service will develop a culture which moves away from one practised by those who are already serving in the public sector. More competency-based approaches to handling tasks will emerge as a culture of independence is created and personnel become job-oriented. The public sector should embrace a management system which develops a decentralised public service administration, thereby providing choices for

personnel, rather than a centralised and restrictive system in which personnel are not independent in performing their tasks based on the knowledge and skills they have. In doing so, personnel are monitored, measured and evaluated based on their achievement of these goals and targets as stipulated in the public sector plans and operations.

The African model of recruitment leaves much to be desired because appointments are mainly based on tribal and racial lines, party politics, cronyism, nepotism and favouritism, thus neglecting the qualified personnel who are supposed to be appointed and are able to perform in specialised areas. African governments tend to be characterised by poor performance because of these factors found across the public service (Unit of African Studies, 2001).

6.2.3 Goals of the public sector

The public sector should ideally aim for the following objectives, as outlined in the National Human Resources Plan 2010–2025 (Republic of Namibia, 2012):

- The public service should not discriminate based on race, gender, culture, creed, disability or any other factor.
- The government should also ensure that certain policies of affirmative action are implemented, and once they have achieved their intended goals they should be gradually done away with in order to create a civil service that is homogenous, and which values the civil service as free of such discrimination.
- The aims of the public sector should embrace values and objectives that reflect effectiveness and efficiency in serving the public, the government and the legislature.
- The public sector should ensure that civil servants or the public sector itself is non-partisan, professional, ethical and competent in all their performances and operations.
- The public sector should set out the roles and responsibilities pertaining to the administration of the public service that are compatible with democratic principles founded on democracy and the rule of law.
- The public sector should be viewed as geared towards the provision of a framework compatible with the law in which leadership and management of the public service are exemplary.
- The public sector should set out the rights and duties of public servants concerning ethical conduct, political operations and activities of the state which are not based on party politics.

The Namibian public sector should be modelled on the principles of establishing procedures aimed at disclosure and the investigation of wrongdoing in the public service. This would be for the purposes of avoiding unfair practices and protecting public servants who disclose wrongdoing from reprisals by either the state or powerful people well connected through political affiliations,

cronyism, favouritism or government institutions. Namibia has established the Anti-Corruption Commission (ACC) to investigate wrongdoing at all levels, regardless of the status of the person, and to bring such wrongdoing to book. By so doing, the government would perform its duties with vigilance and care for the public, and civil servants would be valued as having good ethical conduct in their performance of duty. Government resources would serve the purposes they were meant to serve and not be channelled to benefit a few.

6.3   Clarification of key concepts and terminology

6.3.1 Human resource management in the public service

HRM has been defined as a strategic and coherent approach to the management of an organisation's most valued assets: the people working there who individually and collectively contribute to the achievement of an organisation's prime objectives. According to Ulrich (2011), effective HRM operates through a system that brings together:

- the overarching values and guiding principles adopted in managing people
- strategies defining the direction of HRM
- HR policies defining how these values, principles and strategies should be applied and implemented in specific areas
- processes consisting of formal procedures and methods
- HR programmes that enable strategies, policies and practices to be implemented.

The overall purpose of HRM is to ensure that organisations achieve success through their people. The framework for HRM in most African public services is enshrined in the respective countries' constitutions and in Service Commission Acts that provide the institutional arrangements and regulations for administering and managing the public service. In some cases, these laws contain the values and principles adopted to manage employees in the public service. The service commissions are independent bodies charged with the responsibility of HRM in the public service. This is intended to ensure that the merit principle is observed in public appointments and promotions, and that the civil service is protected from patronage and unsuitable or unlawful political interference.

What is human resource management?

HRM is the management of human resources that is tailor-made to maximise employee performance in the service of an employer's strategic objectives. The discipline is concerned with the management of people within organisations by focusing on policies and operational systems. The main tasks of HR departments are ensuring and overseeing. They ensure that:

- employee benefits are in place
- employee recruitment, training and development are carried out

- performance appraisals are conducted
- rewarding systems (such as managing pay and benefit systems) are in place.

HRM also manages organisational change and industrial relations, and balances organisational practices that arise from collective bargaining and governmental laws (Johansson, 2009; Moti, 2005; Ulrich, 2011).

How did human resource management come about?

HRM operates within frameworks of human relations movements that date back to the 20th century, and came about as a result of researchers who began paving the way in creating business values through the strategic management of employees in the workplace. Frederick Winslow Taylor (1856–1915) was one such researcher. Taylor studied what he termed 'scientific management' (what others later referred to as 'Taylorism') and strived to improve economic efficiency in manufacturing jobs. He gained his insights from viewing manufacturing processes, labour and workforce productivity.

When the concept of HR was established in the 18th century, it was dominated by transactional work, such as the administration of payrolls and benefits. It gradually came to include company consolidation, technological advances and further research. HR has now evolved to focus on strategic initiatives such as mergers and acquisitions, talent management, succession planning, industrial and labour relations, diversity and inclusion of employees, and stakeholders in the management and operations of organisations (Armstrong, 2006; Paauwe & Boon, 2009; Wright, 2011).

Human resource professionals

HRM is a business discipline aimed at maximising organisational employee productivity and profit. Organisations appoint HR professionals to manage the human capital of organisations, and to focus on implementing the policies and processes of the organisation in order to achieve organisational competitiveness and productivity. These professionals are specialists who focus on finding and hiring top talent for organisations. The training and development of professionals ensure that employees are trained and developed in order to be productive and effective. They are responsible for organising training programmes, performance evaluations and reward programmes. HR professionals involved with employee relations deal with employees when policies are broken (as in the case of harassment or discrimination) and are instrumental in ensuring structures for benefits and compensation, family leave programmes, discounts and other benefits that are offered to employees. HR professionals also work in areas such as labour relations (for example, representatives work with unionised employees at workplaces for the well-being of employees and the maintenance of healthy relations between the employees and employer) in organisational set-ups (Conaty & Ram, 2011).

In start-up firms, trained professionals perform HR duties, while in larger firms, an entire functional group is set aside solely for disciplinary purposes. Some staff members specialise in diverse HR tasks and functional leadership and engage in strategic decision making across the organisation.

The Namibian government has been instrumental in ensuring that institutions of higher education, professional associations and companies themselves design study programmes that explain the duties or the functions of these professionals in organisational set-ups. Academic and practitioner organisations may produce field-specific publications to aid organisational awareness and to measure continuous changes and developments in uncertain environments over time. HR in its entirety includes various fields of psychology, including research, management, and industrial and organisational psychology (CIPD, 2016; Froman, 2010).

Today, businesses are globally influential and create more diverse teams that are important for the functioning and communication of HR across cultures and borders. Because of these changes in the business arena, HR should function in diverse situations and use technology to advance employee engagement and competitiveness. The current global work environment tends to focus mainly on reducing employee turnover and on the retention of talent, knowledge or experience. New hires may not only attract high costs but can also increase the risk of an employer not being able to replace the person who had been employed before hiring the new incumbent. HR departments should work towards offering benefits that appeal to workers' needs in order to reduce the risk of losing corporate knowledge and experience.

## Formalising the discipline of human resource management

Work by Abraham Maslow (1908–1970), Kurt Lewin (1890–1947), Max Weber (1864–1920), Frederick Herzberg (1923–2000) and David McClelland (1917–1998) form the basis for studies in industrial and organisational psychology, organisational behaviour and organisational theory. HRM transformed the employer–employee relationship, and the discipline was formalised as 'industrial and labour relations'.

By 1913, professional HR associations had already been instituted and the Chartered Institute of Personnel and Development (CIPD) was established in England as the Moral Welfare Workers' Association. It changed its name a decade later to the Institute of Industrial Welfare Workers and again to the Institute of Labour Management before settling on its current name in 2000. In the USA, the world's first institution of higher education dedicated to workplace studies was the School of Industrial and Labour Relations, which was formed at Cornell University in 1945. In 1948, it evolved into what would later become the largest professional HR association – the Society for Human Resource Management (SHRM), originally known as the American Society for Personnel Administration (ASPA). In the Soviet Union, Stalin's use of patronage, exercised through the equivalent of an HR department in

the Bolshevik Party, *Orgburo*, demonstrated the effectiveness and influence of HR policies and practices, and Stalin himself acknowledged the importance of human resources (Luthans, 2002). The term 'human capital management' (HCM) is sometimes used synonymously with HR. However, it usually refers to HR in a narrower sense and indicates the knowledge that individuals can contribute to an organisation. Other terms that are used to describe the field of HCM include organisational management, manpower management, talent management, personnel management and people management (Ulrich, 2011).

Aims of Vision 2030 in developing human resources in Namibia

Immediately after independence, the Namibian government recognised the acute shortages in HR development, which had major impacts on sustainable economic development. The country embarked on a trajectory emphasising the need for quality human capital. Since then, the country has imported skilled and experienced human capital in order to fill the gaps in the labour market (Bhatia, 2005; Republic of Namibia, 2012). In 2004, Namibia adopted a long-term prospective plan known as Vision 2030. The plan is intended to operate in a totally integrated, unified and flexible way with a high-quality education and training system aimed at equipping Namibian learners for the challenges of the rapidly changing global environment. The target is to balance the supply and demand of human capital in the labour market with the aim of achieving full employment without having to import human capital (Republic of Namibia, 2012).

FIGURE 6.1   THE THIRD NATIONAL DEVELOPMENT PLAN: KEY RESULT AREAS
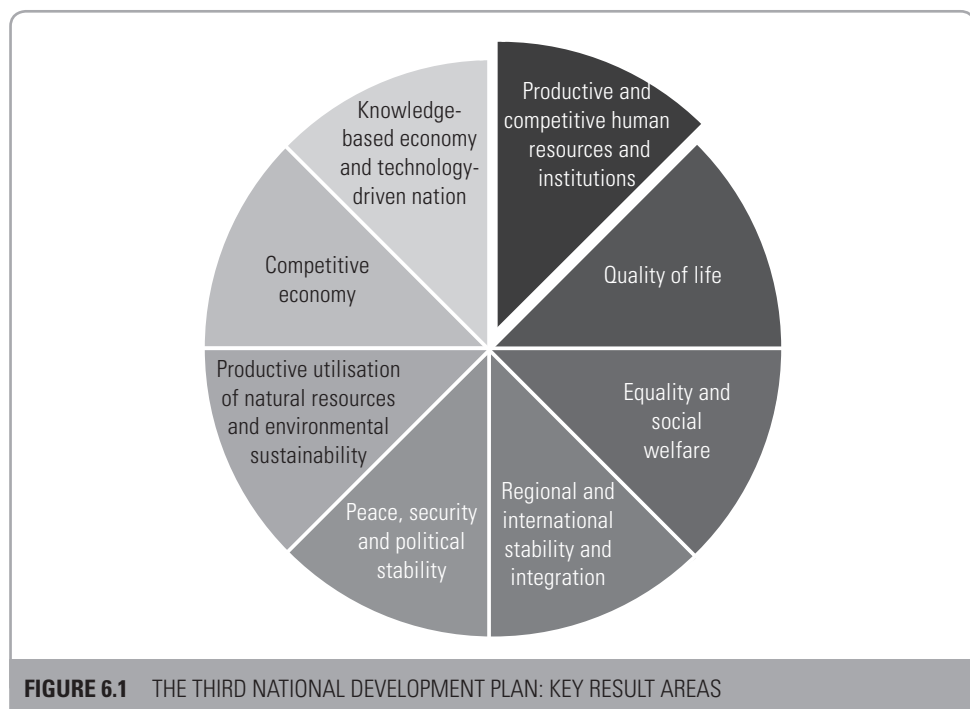
Source: Third National Development Plan (NDP3) 2007/2008–2011/2012

Vision 2030 aims at seeing Namibia become a prosperous and industrial nation developed by her own human resources – enjoying peace, harmony and political stability by the year 2030. The demand for quality human resources in Namibia is high and is being addressed. The scarcity of a skilled labour force hampers effective project and programme delivery processes. The National Human Resource Plan (NHRP) is therefore driving the country towards providing adequate human capital.

Employees are encouraged by HRM to see management as partners in the organisation. Both employees and management are equally responsible for the failure or achievement of the objectives and goals of an organisation. Namibia views HR as one of the fundamentals in bringing proficiency and productivity to service delivery. Human resources are controlled by the Public Service Commission (PSC) in Namibia, which in turn is controlled by the prime minister, who oversees all civil servants and ministries.

Vision 2030 focuses on transforming Namibia into an industrialised and globally competitive country in which equal opportunity and realisation of its maximum growth potential can be attained in a sustainable manner by improving life for all Namibians. To achieve this goal, Namibia aims to develop human capital and build institutional capacities in order to organise a labour force that meets the demands of the economy by addressing the problem of HR skills shortages affecting industrial sectors.

Demand for human resources affected by societal and economic issues

Namibia has grown significantly in the expansion of secondary and tertiary institutions in which human resources are trained and developed to take on essential services in the country. The country currently offers free education at primary and secondary levels and makes bursaries, loans and grants available to tertiary students. While the tertiary level has also grown significantly and has the potential to produce a skilled labour force, government efforts have been plagued by factors such as the unequal distribution of resources, high levels of poverty in regional spheres of influence, and issues of inequality. Economic issues such as labour market segmentation, the global economic recession and unfair competition on a global scale have also affected Namibia drastically.

Mismatches between supply and demand in terms of skilled employees; the opportunity cost of employment; labour regulations; low levels of labour productivity in the manufacturing industry; insufficient investment in sustainable rural development; and gender, age and geographic disparities in employment are all evident. Namibia experiences a high demand for skilled labourers in the public sector, especially in the fields of health, education, social services and external organisations.

The National Human Resource Plan

To address human capital demands, Namibia embarked on the NHRP, which proposes strategies formulated for the short term (one to five years), the medium

term (six to ten years) and the long term (11 to 15 years) under the following categories, which are in tandem with the National Development Plan 3 (NDP3):

- Institutional and policy development
- Data management and information dissemination
- Improvement of the efficiency and effectiveness of the education and training system
- Prioritisation of critical occupations for HR planning
- Addressing unemployment and employability skills.

The NHRP also forecasts the human capital that is needed to achieve Namibia's aim of being a knowledge-based economy country through technology, research and innovation. There are four sub-objectives of the NHRP, namely:

- to identify sectors with high potential for employment creation and economic growth
- to identify and develop the skills and qualifications required in the labour market by sectors and subsectors of the economy, and by timeframes
- to develop the technical skills, managerial skills and technological know-how required to start small-to-medium enterprises (SMEs) in sectors where there are clear opportunities to participate in value chains and channels
- to develop the knowledge required for achieving the country's long-term vision of developing a knowledge-based society.

The mismatch between economic growth and employment results in high rates of unemployment. Namibia can still capitalise on projected economic growth by ensuring its citizens are suitably skilled and can take advantage of the jobs created by the public and private sectors and the employment opportunities available through vocational skills. Skills shortages are evident in the education and training systems too. If they are not addressed, this would impede the achievement of the forecasted economic growth, reduction in unemployment, and the realisation of Vision 2030.

Accordingly, the NHRP – informed by data from the Namibian Occupational Demand and Supply Outlook Model (NODSOM) – posits intervention strategies aimed at addressing the gaps in the job market. Namibia envisions that the achievement of the objectives set out in the plan would require concerted and sustained effort and effective collaboration between the stakeholders, under the guidance and coordination of the National Planning Commission (NPC).

Contemporary public HRM incorporates analyses of the impact of reforms in the public and private sectors that are aimed at integrating efficiency and productivity in the public sector. It is important that the public sector review foundational subjects such as recruitment and retention, pay and benefits, equal employment opportunity, and performance appraisal in light of five key reforms: decentralisation, deregulation, declassification, privatisation and performance-based pay. According to R Paul Battaglio (2014), these reforms have influenced how the traditional practice of public HR has changed, and

not necessarily for the better. Some of the terms used in these key reforms are defined in the box below.

📖🔍 **DEFINITION** ─────────────────────────

Decentralisation: McGew (2006) states that in a decentralised system, each business defines only its own job responsibilities, competencies and skill levels required to get work done. Organisations with multiple locations or divisions have decentralised HR departments. With decentralised HR, each location will control its own individual personnel issues, such as payroll. The primary goal of decentralised HR departments is to give autonomy to different locations, allowing them to adapt to the specific business climate of the individual site. However, the actual result of this form of HRM is often disorganisation, failure to follow unified standards or the ineffective application of those standards.

Deregulation is the process of removing or reducing state regulations, typically in the economic sphere. It is the repeal of governmental regulation of the economy (Daly & Goodland, 1994).

Declassification refers to a process through which documents which were once regarded as classified cease to be so restricted; this declassification is observed under the principle of freedom to information for all the staff members or stakeholders. However, procedures for declassification will always vary from country to country. It can also be that papers may be withheld without being classified as secret, and eventually made available publicly to employees and stakeholders (Matos & Boudol, 2005).

New material on HR information systems, managing motivation in the public sector and public HRM education has surfaced and continues to influence changes taking place in HRM. The public sector that implements HRM should view this as an essential guide and should be able to navigate the challenges and opportunities posed in the changing landscape of HR reforms in Namibia. Networks have become the means by which governments can achieve their strategic objectives, especially in addressing complex issues. The application of strategic HRM is therefore tailor-made to ensure it matches HR practices to the strategic direction of organisations. Importantly, the strategic direction of government is inclined toward network involvement in order to reconfigure HRM practices.

6.4 Strategising for public sector human resources

6.4.1 The role of the human resources department

In the past, the responsibilities associated with HRM fell to the personnel department, which was responsible for hiring people and dealing with the hiring paperwork and processes. The purpose of the HR department nowadays is to improve employee relations and to handle grievances, discharges, safety concerns and other employee issues. The department also keeps track of new legislation impacting the organisation. It helps to facilitate employee

satisfaction, which results in greater productivity. The HR approach encourages large companies to understand that they have to do more than 'hire and fire' employees if they are going to meet customer demands with a competitive edge. The public sector should not only view HRM as crucial to an organisation's success, but should also see it as part of the company's overall strategic plan, because many organisations depend on people to earn profits. Furthermore, strategic planning plays a major role in how productive an organisation is (Ensher, Nielson & Grant-Vallone, 2002).

6.4.2 Strategic planning and human resource management in an organisation

Each of the following aspects plays its own part within the overall strategic plan of the organisation:

- **Staffing:** This includes the development of a strategic plan to determine how many people an organisation needs to hire. Based on the strategic plan, HRM recruits and selects the right people for the right jobs.
- **Basic workplace policies:** The development of policies (safety, security, scheduling, vacation times and flexitime schedules) to help reach the strategic plan's goals is the job of HRM. HR managers should work closely with supervisors to develop these policies.
- **Compensation and benefits:** Pay cheques, plans, health benefits and other 'perks' are the responsibility of an HR manager.
- **Retention:** The assessment of employees and strategising about how to retain the best employees are jobs done by HR managers. However, other managers in the organisation also provide input that covers a wide range of retention strategies, from training to assessment.
- **Training and development:** This helps new employees develop skills needed for their jobs. It also helps employees grow their skills. Determining training and development needs as well as the implementation of training programmes are essential tasks for any organisation. While development and training are imperative, succession planning is also important, and includes handling the departure of managers and preparing other employees to take on managerial roles (Collings & Wood, 2009; De Kok & Uhlaner, 2001).
- **Regulatory issues and worker safety:** The organisation should keep up to date with new regulations regarding employment and healthcare. In smaller organisations, the owner or manager usually performs HRM functions (De Kok & Uhlaner, 2001). They hire people, train them and determine their salaries. Since larger companies have more employees, they employ HR managers to perform these functions for them.

6.4.3 Human resources strategy

Strategy regarding HR is an elaborate and systematic plan of action developed by an HR department. An HR strategy includes detailed pathways put together

and used to implement HRM strategic plans and HR plans. Whereas the HRM strategic plan is the major objective the organisation wants to achieve, the HR plan consists of the specific activities carried out to achieve the strategic plan. The strategic plan includes long-term goals, while the HR plan aims to have short-term objectives tied to the overall strategic plan of the organisation.

The Ulrich HR model provides an overview of the role of HRM in an organisation. Ulrich's model maintains that HR is not merely functional, but is more of a partnership within the organisation. This model has changed over the years, but the current model aligns HR activities to the overall global business strategy to form a strategic partnership (Ulrich & Brockbank, 2005). Ulrich's newly revised model looks at five main areas of HR, namely:

1. **strategic partner:** a partnership with the entire organisation to ensure alignment of the HR function with the needs of the organisation
2. **change agent:** the skill to anticipate and respond to change within the HR function, but also within the company as a whole
3. **administrative expert and functional expert:** the ability to understand and implement policies, procedures and processes that relate to the HR strategic plan
4. **human capital developer:** developing talent needed in the future
5. **employee advocate:** working for employees currently within the organisation.
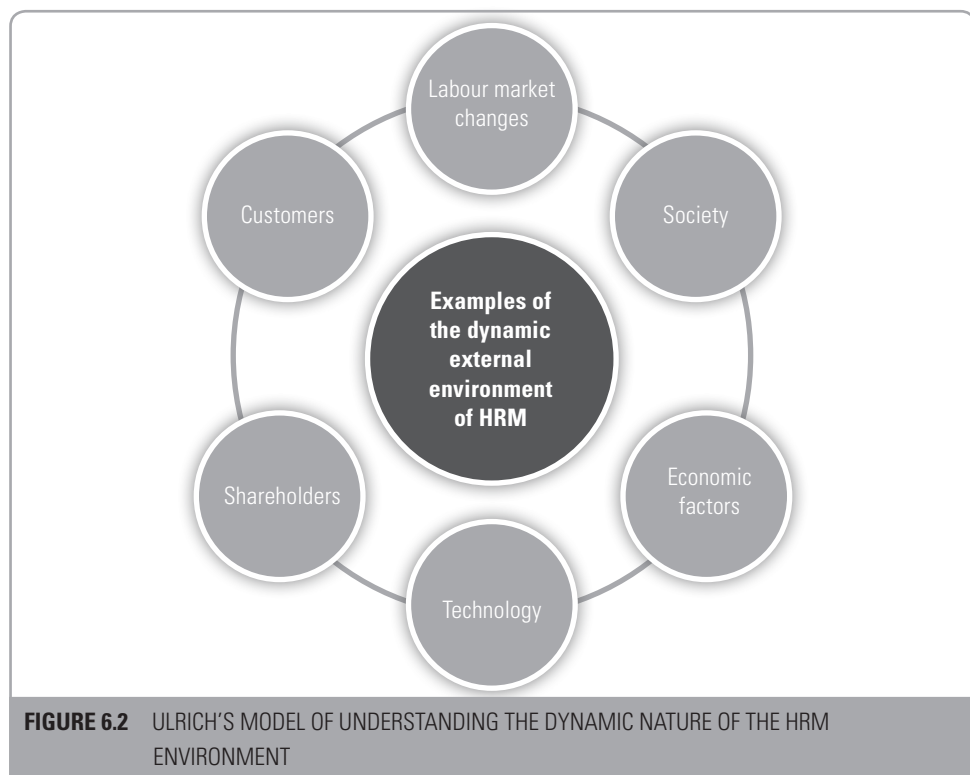
FIGURE 6.2 ULRICH'S MODEL OF UNDERSTANDING THE DYNAMIC NATURE OF THE HRM ENVIRONMENT

Source: Ulrich, 2011

Ulrich (2011) maintains that the implementation of this model must happen with an understanding of the overall company objectives, problems, challenges and opportunities. He states that the HR professional must understand the dynamic nature of the HRM environment. These include the changes taking place in terms of labour markets, company culture and values, customers, shareholders and the economy. HR can then determine how the needs of the organisation can best be met within the confines of these five main areas.

Keeping Ulrich's (2011) model in mind, the public sector should consider the following four aspects when creating a good HRM strategic plan:

1. **Make it applicable:** A good strategic plan should be the guiding principle of the HRM function. It should be reviewed and changed as aspects of the business change. The involvement of all members in the HR department (if it is a larger department) and communication among everyone within the department will make the plan better.

2. **Be a strategic partner:** The alignment of corporate values in the HRM strategic plan should be a major objective. In addition, the HRM strategic plan should be aligned to the mission and objectives of the organisation as a whole. For example, if the mission of the organisation is to promote social responsibility, the HRM strategic plan should address this in the hiring criteria.

3. **Involve people:** An HRM plan should involve everyone in the organisation. As the plan develops, the HR manager should meet with various departments to find out what skills the employees have. The HR manager can then ensure the people recruited and interviewed have similar qualities. In addition, the HR manager should involve the financial department and executives who do the budgeting, so they can determine HR needs and recruit the right number of people at the right times. Once the HR department determines what is needed, communicating the plan to employees ensures that it is aligned with the business objectives.

4. **Understand how technology can be used:** Organisations sometimes do not have the budgets nor the inclination to research software and find budget-friendly options for implementation. In addition, employees are sometimes nervous about using new technology. However, the most innovative organisations are often those which embrace technology and find the right technology for their businesses. There are thousands of HRM software options that can make the HRM process faster, easier and more effective. Good strategic plans address this aspect.

HR managers understand the needs of the organisation, and can therefore develop a plan aimed at meeting these needs. They also stay abreast of current affairs which could affect or influence their strategic plan. Once they know what these could be (an economic downturn or a change in government policies, for example), they can adjust the plan in order to stay focused or remain viable amid those changes. The strategic plan needs to be a live document, and one that changes as the organisation and the world changes.

6.4.4 Elements of a strategic analysis for human resources management

Several elements are required in order for HRM strategic plans to be successful. A distinction between an HRM strategic plan and an HR plan should be drawn. While an HRM strategic plan outlines the major objectives the organisation wants to achieve, the HR plan consists of the details to ensure that the strategic plan is achieved.

A strategic analysis focuses on four aspects of the individual HRM department:

1. **Understanding the company mission and values:** The public sector cannot plan for HRM unless it is aware of the values and mission with which the organisation wishes to identify. It is imperative for HR managers to ensure the alignment of departmental objectives with organisational objectives. Company executives, management and supervisors need to ensure that they all have a good understanding of the public sector and the organisational mission and values.

2. **Understanding the organisational life cycle:** An organisational life cycle refers to the introduction, growth, maturity and decline of the organisation, which can vary over time. A different staffing, compensation, training and labour/employee relations strategy may be necessary to align HRM with the organisation's goals. An organisation that is struggling to stay in business could be in the decline phase. The same organisation, however, could create a new product, for example, which may place the organisation in a growth phase.

3. **Understanding the HRM department's mission and values:** It is vital that HRM departments develop their own departmental mission and values. These are guiding principles aimed at changing as the company's overall mission and values change. All in all, the mission statement is a list of what the department does, which is less of a strategic approach. Brainstorming about HR goals, values and priorities must be viewed as the best way to start. The mission statement expresses how an organisation's human resources help the organisation to meet business goals (Kaufman, 2006).

4. **Understanding the challenges facing the department:** HR managers should anticipate change, and this can happen only if they are able to predict changes. The HR manager should know what upcoming challenges the organisation may face and should start making plans for how to deal with these. This will make the strategic plan and the HRM plan more feasible.

6.4.5 The use of strategic planning tools in human resource management

HRM practitioners should be able to analyse challenges and make adjustments to the departmental mission and values accordingly. Organisations and

departments should use a strategic planning tool which identifies strengths, weaknesses, opportunities and threats (SWOT) in order to determine issues influencing their operations. Once the analysis has been performed, HR can align itself through understanding and applying the organisational strategy.

When the alignment of the organisation's SWOT analysis has been finalised, the HR department can determine the gaps between its strategic plan and the organisation's strategic plan. For example, if the HR manager finds that a department's strength is its training programmes, the organisation should continue with the programmes. If a weakness is the organisation's lack of consistent compensation accross all job titles, it should review and revise its compensation policies.

The HR manager should prioritise the goals and then put together action plans to deal with these challenges. For example, if an organisation identifies a lack of comprehensive training programmes, plans should be developed in order to address this need. Management and executives should be involved in the organisation in addressing the training needs.

HRM involves a strategic process that requires working with other departments, managers and executives to be effective and to ensure that they meet the needs of the organisation. The HR department should also focus on several main areas such as staffing, policy development, compensation and benefits, retention issues, training and development, regulatory issues and worker protection.

In order for the HR manager to be effective, they need to utilise technology and involve others. Part of strategic planning involves conducting a strategic analysis, identifying HR issues, determining and prioritising actions and, finally, drawing up the HRM plan for the organisation.

6.5   Obtaining suitable human resources

As organisations expand, HR practitioners are also required to manage problems that arise from time to time in the organisation. HR practitioners deal with recruiting, hiring and problem solving in organisations. An HR department can therefore ensure that it equips employees with the skills necessary for a career as an HR practitioner or organisational manager. Employment of HRM professionals is growing faster than the average for all other professions, and, as a result, many entry-level jobs focus on appointments that are compatible with skills and specialisations required for the management of employee relations in HR. These include fields that have to do with:

- compensation and benefits
- diversity in the workplace
- employee development
- employment laws
- performance management
- recruitment and hiring.

HR practitioners should be prepared to design pay structures, analyse the influence of unions and government on the labour force, and differentiate between domestic and international HRM. Furthermore, HR practitioners should learn effective employee training methods and methods of integration. HR practitioners must be able to answer questions asked by stakeholders in relation to issues regarding their benefit packages or company policy. Managers should also be able to interact with the workforce and develop ways of helping them to work efficiently.

Regarding the human resources in an organisation, models of innovation revolve around a workforce which is motivated and capable of driving improvements, as employees engage closely with service users. The employees would ensure that they tackle what is not anticipated, or that which may be improved on. Organisations anxious for innovation and improvement will always find ways of obtaining the knowledge required for productivity or improvement. Policies and directives are needed. Maude (2014) argues that public servants must be given the training, skills, and confidence they need with the responsibility to do their jobs and be accountable for what they achieve. In order to achieve true excellence, front-line employees must be adaptable to different challenges and willing to go the extra mile for the organisation they work for.

6.5.1 Adaptability in the workplace

The capacity of the public sector to match supply and demand efficiently depends on the ability and willingness of employers and employees to adapt to changing circumstances and align skills with available opportunities. If this alignment is less than perfect, optimum productivity cannot be achieved. There are two essential ingredients for adaptability. The first is that employers should look at different sources of talent which can help the public sector perform productively. This means that the public sector should be engaged in investigating new geographies and sectors for sources of new talent. The public sector should also invest in existing employees by equipping them with the necessary skills and motivating them to adapt to, and meet, new challenges. The second ingredient is willing individuals who are prepared to embrace change and apply their skills somewhere new (Maude, 2014).

In order to assess adaptability, one needs to ascertain the rate at which people switch between roles and sectors, the rate at which they are promoted, and the number of jobs left open in a market. For the public sector to adapt properly, it requires an organisational culture and structure which create scope for autonomy and for employees to have a say in how they mould and shape their jobs to the requirements of their customers and the sector they serve. This in turn requires that attention be paid to skills, progression, pay, conditions and job design (Maude, 2014).

6.5.2 Human resource challenges in the public sector

Skills and progression remain considerable challenges in the public sector, with data on skills indicating differences between different parts of the public sector. Since qualification levels in the civil service are relatively low, the PSC should audit and identify significant shortages in specific skill sets.

The lack of employee engagement in the Namibian public sector can be attributed to difficult decisions in the public sector around pay, conditions and reduced headcount as a consequence of recent fiscal dilemmas, marked by corruption, 'ghost' teachers and retrenchments in the fishing industry, as well as labour unrest.

Employee engagement in this regard is a fundamental concept in the effort to understand and describe, both qualitatively and quantitatively, the nature of the relationship between an organisation and its employees. Employee engagement is a property of the relationship between an organisation and its employees. An 'engaged employee' is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organisation's reputation and interests (Masson et al, 2008).

Public sector employees across the globe are plagued by redundancies, poor work attitudes, frozen (or cut) pay in some sectors, reduced pension contributions and reduced employee perks (Maude, 2014). Although job satisfaction does not simply correlate with pay and conditions, changes to people's terms and conditions of employment are likely to have marked effects on the way employees are motivated to perform. The public sector scores badly in many sectors of employment, but particularly where managers have more control over the nature of the work itself, and in regard to how employees are engaged and empowered (or not). This has more to do with the clarity of organisational purpose, objectives and outcomes, which impacts directly on staff engagement and has implications for leadership. Vision and leadership connect people to the organisation's purpose: without agreement on the objectives of an organisation, being productive (in the sense of getting things done) seems meaningless. Part of having a good job in the public sector is that it means something not only to the worker, but to society as a whole. Its purpose is provided by being connected to outcomes valued by the public (Maude, 2014).

6.6 Utilising and developing public sector employees

Public sector leaders function with fewer resources and continue to find new avenues when tackling challenges. Leadership in the public sector influences both job performance and employee satisfaction and should be mindful of how government and public agencies perform in achieving their targets and objectives. It is important that leadership in public governance embraces good planning, efficiency, transparency and accountability.

6.6.1 Challenges

Public sector leaders face diverse challenges compared to their private sector counterparts because of different expectations and competencies. Public sector leaders are challenged with delivering public services effectively and efficiently in accordance with demands from citizens and the organisation's authorised procedures, processes, rules and regulations. Senior management are expected to follow and monitor organisational rules and procedures. They are also expected to give clear directives.

The Namibian public sector has used fewer incentives to lure skilled and competent personnel compared with the private sector, and this remained a major challenge until the sector resorted to offering senior management staff incentives in order to motivate them. As a result, the sector has managed to stem the exodus of skilled workers from the public service to the private sector. Labour turnover in the public sector has thus been significantly reduced. The public sector has, however, struggled to establish a positive working environment in terms of motivating people to render good public services.

6.6.2 Identifying and training managers

As soon as potential managers have been identified, they need to be nurtured, a process which includes formal and informal mentoring and training. In order to achieve the best results, high-potential employees are paired with senior management employees in order for them to be mentored and coached in the managerial and leadership positions of the organisations they serve. It is vital that daily tasks are tailor-made to offer opportunities aimed at introducing employees to leadership and managerial positions and situations by ensuring that such high-potential individuals prepare and make presentations to management or to employees who head up teams.

Performance management tools enable managers and staff members to discuss employee skills and put forward the goals and objectives of the organisation. The organisation gains knowledge through teamwork, managing conflict and organisational change, diversity, and communication throughout the entire organisation. Job satisfaction is derived from achieving outcomes, irrespective of the perceptions of others. Whether a person is the permanent secretary (PS) of a government ministry, a departmental manager, a councillor or a cleaner in a hospital, people need to see purpose in their work and how they add value to organisational growth and productivity (Peters, 2011).

6.6.3 Disengaged employees

Public sector employees in Namibia appear less likely than their private or voluntary sector counterparts to agree that their line managers have communicated objectives clearly. Nor does the public sector as a whole score

well on measures for employees trusting senior managers, feeling respected at work or having a clear sense of where the organisation is going. The picture that emerges is one of a public sector struggling to adapt to shrinking budgets, but also one that lacks the tools to get the best out of employees. The problem with this apparently widespread sense of disengagement is twofold:

1. First, disengaged employees may be less committed to their work and less productive as a result. Experimental work has found happier workers to be more productive than average, with unhappy workers less productive.

2. Secondly, employees who do not have clarity about organisational and personal goals, or who do not believe that they are listened to, are less likely to become active partners in redesigning their jobs for higher productivity. In this respect, employee engagement needs to be understood not just as a means of motivating staff, but also as a way of drawing more people into the process of innovation and continuous improvement.

6.6.4 Productivity

The challenge of raising productivity in the public sector as a whole has no easy answers. Engagement is crucial to unleashing the productive potential of any workforce, and thus policy makers must establish strategies regarding what productivity is all about and what it really means in the public sector, as well as how it can be measured. This means more focus should be placed on the achievement of outcomes that are important to the government and service users. It is imperative that leaders and managers engage staff by connecting them to the organisation's purpose and that they empower and enable staff to co-design improvements to processes and jobs. This should be done not just as a motivational tool, but as a key source of information about how services, productivity and outcomes could be improved, and to strengthen two-way communication with staff to improve collaboration in the workplace. HR departments should consider the core capabilities required to work in a more dynamic and innovative public sector. Essentially, these capabilities should include specialist expertise, but also the appetite and capacity to work with the public in redesigning services for improved outcomes and productivity (Maude, 2014; O'Sullivan, 2014).

6.7   Remunerating and caring for public sector employees

The problems associated with the challenges which lie ahead for the improvement of the Namibian public sector's civil service performance depend largely on creating a productive and efficient public sector. The Namibian government has embarked on budget cuts to bring down the deficit, not only for the current dispensation, but for successive governments too. The public sector needs to meet rising regional citizen expectations and to deliver results by doing things differently through targeting key deliverables that satisfy the population as a whole. Users of public services expect personalisation, customer service and

a willingness to go the extra mile in service provision, but this needs to be attained in regional settings with less funding, not more. This means that corruption should be challenged and clamped down on. A leadership style is needed which is visionary, equipped with an understanding of good governance and able to measure current economic, political, social, technological, global and environmental awareness. Leadership should therefore be regarded as highly dexterous, skilled and cautiously visionary on all operational fronts of the public sector.

6.7.1   Challenges in opitimising resources in Namibia

The challenges facing the Namibian government and its institutions are evident: the public sector seems unconcerned with meeting performance targets. Namibia is endowed with a rich pool of natural resources and human capital, and the government should be able to find strategies for optimising and utilising these resources in an achievable manner.

The government's delivery should be configured to responding to a tough fiscal environment and changing workforce aspirations. The Namibian government should also invest in an innovative employment model that can deliver this transformation and create robust areas of employment opportunities. Identifying an array of sophisticated development plans – in the NDPs extending over every five years – which are not achievable does not serve any purpose for a public sector that is created to deliver goods and services. Every ministry, state-owned enterprise (SOE) or private organisation should ask itself questions about its contributions to the population that need such services direly.

The first step to an appropriate answer is to contemplate what each ministry, SOE, government agency or private sector organisation needs to deliver; what it can share across services and other organisations; and what each can buy from others in order to operate in its desired and mandated areas of influence. Significantly, all of these choices have essential workforce implications. The public sector should question itself about how it motivates and engages a workforce that may be employed across a range of entities.

6.7.2   The role of human resource practitioners

It is crucial therefore for HR practitioners to become more strategic in predicting, smoothing and managing peaks and troughs in workforce supply and demand across many organisations. In the private sector, a significant number of organisations have a prominent HR component, whereas in the public sector, the HR component does not uniformly enjoy the same profile (Maude, 2014). Where the HR component is less prominent, perceptions of it are worse and this slows down organisational change. It is the same in the case of an organisation with cumbersome policies. Supporting workforce change that is 'designed' by senior officers and communicated to the workforce is very important. It is vital that the HR component develops the capacity and capability to be

at the forefront of service redesign, becoming 'workforce architects' through providing evidence-based, innovative thinking about the construct of service and the deployment options across the front, middle and back office. This is done by encouraging and facilitating collaboration and co-design across public services, and creating enabling frameworks that effectively plan, attract, retain and motivate the workforce in an organisation.

Most businesspeople understand the concept of the 'front office', which markets, sells and serves customers, and the 'back office', which fulfills demand and handles operations. The front offices are often the most important offices that carry a variety of processes, and changing them can put the company's revenue stream at risk. These offices are managed and viewed in terms of their effectiveness – how they get the job done – rather than their efficiency (Taylor, 2011).

It should be stated here that front-office processes are information-intensive, presentation-based and intended to attract and retain customer interest. Examples are sales and service, order entry, web stores and customer self-service. On the other hand, mid-office processes involve collaboration and result in intensive decision-based outcomes that have no readily repeatable workflow. They use work forms to accomplish tasks and concentrate on communication, transparency and creating engaging connections among interested people. Examples include new product development and product launches, ad hoc taskforce-based assignments, performance reporting, complex customer service, case management, strategy formation and execution, supplier strategy and contract negotiation and meetings. Back-office processes are highly structured and automated processes that are needed to carry out tasks with high reliability, low cost and low variance. These include supply chain, finance or controlling, manufacturing and HRM (Taylor, 2011).

Furthermore, HR departments must be able to advise on the construction of roles and organisational structures to ensure that these elements encourage the overall design of good jobs and effective organisational management. The providers of learning and development should have the skills for coaching and developing public sector staff in order to enable staff to be more adaptable and to find collaborative ways of working within and outside the public sector. Remuneration strategies should be aimed at developing policies that attract and retain talent in smaller but more highly skilled public sector workforces and which incentivise improvements in productivity and the delivery of outcomes. There is no clear path to improving public sector productivity, other than focusing on designing good jobs which engage staff as a good starting point (Maude, 2014).

Giudice (2017) states that although employers and employees can have different motivations for developing a remuneration strategy, it should be clearly spelt out that an effective remuneration strategy is designed to assist the organisation in achieving its strategic goals and objectives. However, in most cases, it is disappointing that many organisations fail to consider their strategic

objectives when developing their remuneration strategy. A typical example of this situation occurs when a strategic goal is to attract high-quality employees, but remuneration is not above market rates. This will not help the organisation to achieve their strategic outcome.

6.8   Public sector employee relations

In most countries, the public sector is categorised and organised in services such as the military, police, public transport and care of public roads, public education and healthcare services. Governments all over the world are pressured to create and provide job opportunities in order to address unemployment, which is high everywhere, and particularly in Africa. Many governments have taken control of resources in such a way that individual people have limited or no access to any natural resources from which to make ends meet. This means that in many countries, the public depends on government supplies; governments should ensure that they provide job opportunities for most of the population rather than limited individuals.

6.8.1 The public sector is vulnerable to strike action

The public nature of the different services provided by governments means they are vulnerable to strike action. Governments should be able to establish what models of performance management are appropriate in order to consider the special nature and diverse contexts of operations in the public sector. It is also crucial for governments to ascertain what dispute resolution structures and legal techniques should be introduced in order to prevent strikes from arising and to manage industrial actions in the public sector, SOEs and private organisational settings. Governments are also expected to devise mechanisms aimed at dealing with the occurrence of large lay-offs in the public sector in times of severe fiscal constraints and an overly large public sector, such as those of 2008–2009. In the case of Namibia, this has been happening since 2015 to offset the country's debt and deficits. The government should also be on top of appropriate bargaining techniques for use in a strongly unionised public service sector.

6.8.2 Policies for employee relations

Given this background, it is therefore necessary that the government has in place policies that support employee relations. The increasing power of public service trade unions is a special area that needs attention. The government should bolster itself with strategies for the prevention of disputes and strikes in the public service, SOEs and private organisations in order to maintain workplace order and employee–employer relations. The public sector should ensure that performance evaluation and service delivery are part of collective bargaining processes. Issues related to remuneration in the public service should be given equal treatment in order to prevent under-payment and over-payment of

different sectors and employees. The payment of state-owned leadership is very high and thus puts a strain on the country's revenue. The public sector should also ensure that there are appropriate legal techniques aimed at spearheading the regulation of employment relationships in all sectors of employment.

6.9   Human resource management in Namibia post-democracy

For a government to be effective in terms of performance, it should embark on the creation of market-oriented economies, secure and productive populations and democratic political systems, especially in third-world economies. Governments should continue to bolster capacity building in order to improve public sector performance as a cornerstone and an essential focus in developmental initiatives. Organisations or training activities are the logical elements for capacity-building interventions. Monetary rewards determine organisational and individual performance. Furthermore, organisations can work well if structures and control mechanisms are available – individual performance improves because of the transfer of skills and technology through training activities. Institutions should be capable of designing interventions that address sources of poor performance based on an assessment of planned, set activities and objectives.

In the case of Namibia, effective public sector performance should be driven by strong organisational cultures, good governance, transparent leadership, good management practices and effective communication networks that are free of reprisals from other political sectors. Rules and regulations or procedures relating to HRM should be viewed by the public as all-embracing and without prejudice and discrimination based on ethnic group, gender, race and forms of disability. Governments of Africa should ensure that individual performance is characterised by opportunities for meaningful work, shared professional norms, teamwork, and promotion that is based on performance.

There are controversies that exist regarding changes taking place in the organisation of public services, which create shifts in the bureaucratic systems of the state. These can arguably be regarded as strategies for control by decentralised units of power, such as the regional and local councils in Namibia. Remarkably, the decentralisation of power has simultaneously tried to increase centralised control over the strategy and policies of the public sector. There is a marked competition in market relations, such as demands for a skilled workforce and remuneration, conditions of work and the work environment, which influences the operations of the public sector. As a result, the poor continue to languish in poverty.

This has become the dominant trend in the coordination of the activities of decentralised institutions and utilities by the public sector. It has made life difficult for poor people who cannot afford basic services or needs such as water, electricity, land and other utilities. The processes of performance management

and monitoring by the public sector, such as conducting audits, inspections, quality assessments and reviews, have suffered heavy blows due to inabilities and the lack of skills in the civil service in regions of Namibia.

It is therefore safe to mention that strategies aimed at decentralising services to regions have simply not paved the way in moving from a bureaucratic to a post-bureaucratic system of government in Namibia. Other ministries have not fully decentralised to bring government closer to the people. In a bureaucratic system, there is a systematic organisational structure that is hierarchical and rigid and which focuses on centralised power. This centralised power provides the organisation with the authority to direct and control employees via an autocratic leadership style. Each employee specialises in an area. However, this specialisation can actually de-skill employees. In contrast, a post-bureaucracy employs a horizontal structure with decentralised power, which enables employee empowerment (Clegg et al, 2011).

Post-bureaucracies are favoured as being better at delivering change and innovation in the firm. One of the key strengths of a post-bureaucracy is its use of concertive control, which brings about change and boosts production. This type of control shifts power from management to staff but in itself maintains corporate control through company values. These values are known for guiding employee behaviour, for example in improving production and delivering innovations. The workers are empowered to work in small teams and are able to make decisions and introduce innovations such as changes in the handling procedures of the organisation. The staff are more involved with the product, which develops their sense of responsibility to the overall management process. Values are used to teach new team members about the existing rules in the team and the organisation and, thus, limit resistance (Barker, 1993).

One could argue that the Namibian system of governance has not fully graduated from centralisation to the decentralisation of power. This can best be described by the nature of some of the services that have been delayed, some 27 years post-independence. These are services such as affordable housing, education, health, land management and addressing imbalances created during the apartheid era. There is a continued relative decline in service delivery by some public sector institutions – the results of a low-performing public sector. The drive to create a public sector which is service-driven and which performs to higher levels of output, instead of being characterised by low commitment from the workforce in general, is crucial in Namibia.

6.10 Major role players

Employment or industrial relations are very important for any organisation. The purpose of industrial relations is to create a platform for the employer, employee, trade union and the government to ensure that they play a major role in creating conducive environments for the employees and employers in the industries. A situation in which employees' grievances, working conditions and

disciplinary actions are not taken care of by the relevant authorities will result in chaotic conditions in the workplace. It is important that the HR department in any organisation creates a web of sound relationships between employee, employer, trade union and government in order for the employees to perform to expected levels (Klerck, 2009).

The major role players in the public HR system in Namibia are:

- the PSC
- the Office of the Prime Minister (OPM)
- government ministries and institutions
- the Office of the Labour Commissioner
- HR consultancies
- trade unions
- the Public Service Charter
- the International Labour Organisation (ILO)
- the Office of the Ombudsman
- the Ministry of Labour
- Industrial Relations and Employment Creation (MLIREC)
- human rights organisations.

6.11 An overview of legislation, policies and structures

It is relevant to note that the public sector is based on organisational values that are geared towards the commitment of excellence in providing public service to the general public and the elected representatives from all the 14 regions of Namibia. This commitment should revolve around the public service's prerogative to recruit, develop and retain a civil service which is compatible with policies that are:

- non-partisan, professional, ethical and competent
- knowledgeable, innovative and responsive to change
- geared towards employing personnel who are engaged, motivated to learn and to improve continually improve their skills, aimed at achieving the goals and targets of the organisation
- focused on personnel who are committed to quality service and who reflect regional diversity at all levels, rather than being discriminative or tribally and racially oriented.

For the public sector to operate with credibility, effective HRM policies and practices should be built on sustaining workforce capacity and productivity supported by legislative powers and authorities. It is important for Cabinet to delegate authority to institutions to create classes of employee positions and to determine the duties of and qualifications for the positions. Also included should be the determination of salary or wage ranges and other remuneration, including benefits, and the setting out of terms and conditions of employment.

These institutions should have further authority to delegate these powers to the PSC without political influences; prejudice based on ethnic, social or racial lines; cronyism; favouritism; considerations relating to colour and creed; and social connectedness to influential people. Some of these powers could also be delegated to some organisations without prejudice in their exercising of such mandated functions, duties and powers. The PSC should be authorised by Cabinet to issue directives for the effective management and administration of HR in relation to public servants appointed by it. The directives should be premised on the establishment of an HRM policy framework and should reinforce the role of Cabinet-appointed institutions and the PSC in making directives. The directives should also be fully supported by corporate and HR policies and resources that are designed to provide direction on specific HRM domains.

6.11.1 The enterprise approach

The policy framework that creates an enterprise approach to HRM, and to managing and responding to issues affecting the workforce and the workplace in a continually changing environment, is very rewarding for the public sector, employees, employers and the general public. A systematic enterprise approach is a policy framework document that sets out procedures or goals, which might be used in negotiation or decision making to guide a more detailed set of policies, or to guide on-going maintenance of an organisation's policies.

The enterprise approach to HRM entails:

- governance and accountability, in which policy direction is related to roles, responsibilities and the delegation of authority for HR decision making
- ethical and business conduct, aiming at policy direction which is related to compliance with the public sector ethical framework elements and business best practices
- an organisational culture that goes hand in hand with strategic direction that is related to leadership and the establishment of an inclusive, accessible workplace
- employment that is characterised by a policy direction related to the employment life cycle (attraction, recruitment, appointment, assignment, adjustment and separation)
- compensation which is characterised by a policy direction related to organisational design, job evaluation, classification, pay, benefits and pension
- talent management reflected by a policy direction which is related to employee support, development and assistance
- employee engagement, retention and succession planning.

The public sector should ensure that, for the enterprise approach to HRM to be effective, it embraces health, safety and wellness. The enterprise approach to HRM will further be shown in employee relations in which activities related to

union management, collective bargaining and the administration of collective agreements are reflected.

The application and scope of the policy directive on HRM applies to all phases and aspects of HRM for public servants appointed to work in ministries or commissions and public institutions established under the Constitution, Acts or the Public Service Commission Act 2 of 1990.

It can be noted that African governments are ailing in regard to what is termed 'delegated authorities', which refers to those powers, duties and functions that are mandatory in regional or provincial areas. These include SOEs, local councils and traditional authorities that are inclined to disregard state-governing rules and principles where they feel that they have more control over resources, the public and other domains.

It is important that regional councils, local authorities, traditional authorities, SOEs or any other relevant fraternities act within the provisions of Cabinet and the directives of the PSC.

6.12 The development of public sector human resource management in Namibia

The nature of service delivery for the public sector in Africa has changed dramatically since independence. This is a consequence of the size and complexity of services delivered. The public sector is currently providing services to populations that are much larger in size. These populations, large as they are, become more demanding and, in the same vein, are increasingly more informed and aware of their rights and obligations. As a result, HRM in the public sector today has to ensure that employee performance meets the complex expectations of growing and informed populations, and those of political leaders. It is challenging and daunting to comply with all these challenges. Because of these challenges concerning HRM in the public sector, it becomes more important that the measures that African governments can take to develop capacity in public services should promote innovation and improve performance evaluation.

6.12.1 Challenges in the African public service

In its effort to transform the continent, the African Union (AU) has adopted Agenda 2063. Its vision is 'an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena' (AU Agenda 2063, 2015:1).

To achieve this vision, according to the AU Agenda 2063 of June 2013, African public services will need to address a number of challenges, which include:

- the fact that government ministries and departments should perform only a transactional as opposed to a strategic role in HRM, due to over-centralised decision-making systems at service commissions

- serious delays in the processing of personnel matters, from service delivery points to service commissions and vice versa, due to the lengthy and multiple levels and points involved, some of which do not add value
- inertia in handling HR matters due to an inadequate sense of accountability by chief executive officers (CEOs) and PSs in government ministries and departments
- poor work culture, discipline and employee motivation as well as inadequate professionalism due to the fact that the final decisions are the mandate of service commissions, which in most cases take months or even years to be communicated
- weak PMSs that are not linked to national visions and development goals
- an absence of customised competence-based training for public service employees
- the politicisation of appointments to public service positions.

6.12.2 Measures for improving performance

African public services can learn from the best-performing public services across the globe and the continent and adapt the best practices into measures which can be implemented to develop capacity, promote innovation and improve performance evaluation in the public service. A review of good practices from the best-performing public services, such as those implemented in Singapore, the UK and New Zealand, shows that these systems have the following attributes:

- A **strong regulatory framework:** the public services commissions (or equivalent) have transformed their role to performing more of a regulatory than a transactional function.

DEFINITION

Regulatory function: This involves the enforcement of government controls and restrictions on a particular activity conducted by the public sector. The integrity of regulatory functions is a matter of public interest.

Transactional function: This refers to a situation where self-motivated people work well in a structured manner and in a directed environment. This ensures values and merit principles are upheld in HRM.

- The powers and functions of HRM for middle- and low-level public servants are delegated to government ministries and departments.
- The HRM values and merit principles are enshrined in the law. This ensures strict compliance and promotes a high standard of professional ethics for public officers.
- They feature functional schools of government that provide continuous capacity and professional development and build a results-based culture for the public service.

- Pay is linked to institutional and individual performances.
- Their service delivery systems are citizen-focused.
- They offer performance-based contracts for senior-level public service officers.

6.13 Changing trends

The public sector has seen a rise in the outsourcing of some of the functions of government to be performed by the private sector. This has never reduced poverty: the poor are simply getting poorer. The rise of corruption, especially on the African continent, has sprung to the fore. Services have become too expensive for an ordinary citizen to afford. The elite misuse these resources for their own benefit. Those close to the system or favoured by the system are the ones into whose companies financial resources are channelled, and they continue to enrich themselves. Whatever the consequences, outsourcing has become accepted as one of the key means of delivering public services, in the same manner that globalisation has been widely accepted. As a result of the popularity of outsourcing across all levels of government, it is incumbent upon governments of the world to be vigilant and to take into account the key trends involving innovation to task management if they wish to succeed. The following twelve trends identified from ISS 2020 Vision (2014) – which are not independent, but rather influence each other in reinforcing their importance – should therefore be clearly understood (ISS, 2014):

1. **Managing demographic bulges:** Governments should focus on, and adjust, the delivery of services to the demographic profile of their populations. In the case of high-income countries, an ageing population increases the fiscal burden, while decreasing the immediate capacity to respond to the general challenges of ageing. As a result, many countries find themselves dealing with the 'youth bulge challenge'.

2. **Responding to growing customer expectations:** Residents of many countries see themselves as consumers of public services, thus becoming an increasingly complex, individualised and diverse population, with growing, shifting and contradicting expectations of governments.

3. **Personalisation of services:** In accordance with growing customer expectations, citizens expect governments to understand the needs of citizens and communities and to ensure that services are compatible with the needs of people using them.

4. **Harnessing technology and other innovations:** For organisations to measure the personalisation of required services, governments and public sector organisations (PSOs) should invest in technologies and innovations in order to improve processes and outcomes. Governments are therefore required to devise solutions that focus on developing more intelligent, interactive solutions which focus on individual needs rather than being heavily focused on organisational needs only.

FIGURE 6.3 TRENDS AFFECTING THE FUTURE OF THE PUBLIC SECTOR AND PUBLIC SECTOR OUTSOURCING
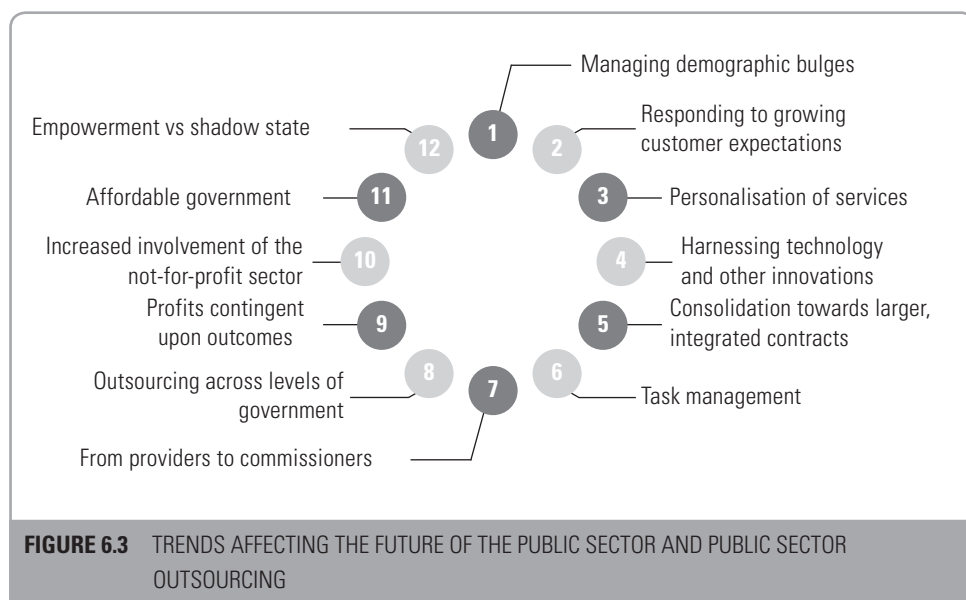
Source: ISS, 2014

5. **Consolidation towards larger, integrated contracts:** Governments and service providers consolidate into larger, integrated or 'bundled' contracts in most domestic markets they enter into with local authorities.

6. **Task management:** Managers focus on improving efficiency and effectiveness of single tasks and services for the organisations they lead. The challenge public sector managers face is driving efficiency from an increasingly complex working environment.

7. **From providers to commissioners:** Governments are shifting from being providers of services to that which commissions, facilitates or brokers services to the people. To ensure this shift, governments require new skills such as agility, innovation, transparency and connectedness, and new capabilities in order to facilitate relationships with external partners. Examples of these are flexibility, co-venturing or co-creation.

8. **Outsourcing across levels of government:** Governments view outsourcing as a new way of accessing external expertise and delivering services more cost-effectively. Outsourcing of activities is characterised by the sourcing of services from the private or semi-private sectors, but also from other government entities in many states of the world today.

9. **Profits contingent upon outcomes:** Today, outcomes-based payment models that are achieved from services rendered by external providers is a growing trend in most governments. The challenges that both outsourcing providers and government fraternities face are diverse, and these are commonly issues relating to how outcomes are being defined and measured.

10. **Increased involvement of the not-for-profit sector:** Public sectors are being encouraged to involve external partners as well as voluntary, charity

and non-profit organisations (NPOs) in order to be all-inclusive in the operations that are aimed at delivering services. It is therefore no longer a government show alone to deliver or render services to the people, but a synergy of all partners working together towards a common goal.

11. **Affordable government:** Nations strive towards making governments affordable as a new trend for current and future PSOs to ensure the continuity of the delivery of services for its citizens. However, demographic ageing, increasing customer demands for personalised services and growing sustainability challenges are seen as creating the biggest challenges for governments to meet expenditure gaps or shortfalls in terms of financing.

12. **Empowerment vs shadow state:** The risk that a 'shadow' government could emerge in many economies is worrying. 'Shadow government' refers to markets for public services that are controlled by a small number of large, predominantly private companies that have a great influence in how these markets work. The state here is at risk, because the services become unaffordable for ordinary people. Prices are also controlled by these private companies and, as a result, the lives of citizens become unbearable, especially in African countries where the woes of poverty are commonplace.

Conclusion

This chapter dealt with the key concepts and terminologies relating to HRM in the public sector, and the objectives in obtaining suitable human resources. The need for strategising and planning for HR in the public sector and the need for utilising and developing PSHRM were extensively assessed. The chapter further highlighted issues around remunerating and caring for public sector employees. Public sector employee relations and PSHRM post-democracy are crucial and were discussed in detail. The implications and the significance of legislation, policies and structures as directives for PSHRM, and the changing trends impacting on HRM in the public sector, were extensively explored to give an in-depth meaning to HRM in the Namibian public sector.

Test your knowledge:

- Explain the need for the development and functions of HRM in the public sector.
- Identify and explain the key concepts and terminology associated with HRM in the public sector.
- What is the purpose of obtaining suitable human resources?
- Discuss the need for strategising and planning for public sector human resources.
- Why is it important to utilise and develop PSHRM?
- What, in your view, are the reasons for remunerating and caring for public sector employees? ⮑

- Give a detailed account of public sector employee relations and PSHRM post-democracy in Namibia.
- Identify the major role players in the public sector human resource system in Africa.
- Provide a synopsis of legislation, policies and structures as directives for PSHRM.
- Identify and critically analyse the changing trends that impact on HRM in the public sector.

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7

Strategic management
in the public sector

AJ Olivier

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Learning Outcomes

After reading this chapter, you should be able to:

- explain the discipline of strategic management, consisting of two distinct but interrelated sub-disciplines – strategy planning and strategy execution
- make clear links between policies, national development plans, strategic plans, programmes and projects
- describe the characteristics of a good strategic plan by applying this to the strategic plan of an organisation in the public sector
- explore the nature and challenges of strategy execution
- analyse and apply the unique public sector context and challenges in strategy planning and execution
- apply the MERIL-DE Model, with its nine integrated components, to improve the chances for successful strategy execution in a public sector organisation.

7.1 Introduction

This chapter deals with strategic management, including strategy planning and execution, from central to local government. Strategy normally focuses on the medium term of five years and is the link between policy and initiatives – programmes, projects and activities. A strategic plan expresses policy goals in terms of SMART (specific, measurable, agreed to, realistic and time-bound) objectives with their related initiatives. The public sector, however, often fails to successfully execute its strategies, resulting in the non-realisation of the intended public benefits stated in the national policies. While strategic planning is a short project, normally spanning a period of less than six months, strategy execution takes place over a five-year period. This chapter therefore places more emphasis on strategy execution as opposed to strategy planning, especially in light of strategic planning becoming more dynamic and integrated in the cycle of strategy execution. Key characteristics of successful strategies and strategic-planning methodologies, including the Balanced Scorecard (BSC) and Logical Framework Approach (LFA), are presented. The chapter argues for a

new mind-set and an agile approach to strategy, where planning and execution are integrated in a dynamic way.

Conventional plan-and-execute processes are complemented with a sense-and-response mechanism. The MERIL-DE conceptual model is introduced, consisting of nine integrated vital components for successful strategy execution. These are:

1. leadership
2. strategic planning
3. project management (PM)
4. alignment
5. performance management (cycle of measure, evaluate, report, improve and learn)
6. drive
7. engagement
8. risk management
9. stakeholder management.

The MERIL-DE Model is then contextualised through a vehicle analogy, called the Stratex Car, whereby each public sector organisation (PSO) needs to design and build its own unique 'car' to take it on a successful strategy execution journey. Case studies are presented with key strategic management questions relevant to the current Namibian context – to stimulate thinking, innovation and improved application. This chapter considers the problem of the consistently and generally poor execution of strategic plans in the public sector, which leads to poor service delivery and the non-realisation of the specified objectives and intended benefits to the public. Strategy execution is regarded by many as the number one challenge in business today.

7.2 Strategic management

Many organisations, including PSOs in Namibia, have a fundamental disconnect between the formulation of their strategy and the execution of that strategy. There is a lack of an effective strategy management process, which would have allowed the permanent secretary (PS) of a ministry, the chief regional officer (CRO) of a regional council or the chief executive officer (CEO) of a local authority and their managers to turn the strategy into operational results. Strategy management involves managing both the development and execution of a strategy. Many organisations separate strategy development and strategy execution and focus on strategy development instead of execution.

7.2.1 The definition and nature of strategic management

Strategic management can be defined as the formulation and implementation or execution of strategy, or the achieving of a set of goals or objectives, involving

a holistic view of the organisation, considering both internal and external aspects influencing the organisation in the medium to long term. In contrast to operational management (concerned with improving efficiency and controlling costs to maintain the status quo), strategic management is concerned with change and with taking the organisation to a higher level of performance, service delivery and stakeholder satisfaction. Strategic management also has the following characteristics:

- It involves significant change, innovation, growth and improvement.
- It requires the management of the organisation as an open system (a system as a group of parts creating a whole), interacting with its environment by exchanging information, materials, services and funds with the aim of system renewal and growth towards better stakeholder service and satisfaction.
- Strategic management is complex and dynamic in nature, a combination of art and science, involving analysis and synthesis (analysis as input for strategic thinking and generating insights, but synthesis to develop a balanced, focused, realistic and integrated strategy).
- In strategic management, the organisation is moved to a higher and more sustainable level of performance and service delivery, considering and integrating the various internal and external systems and their influences, to the satisfaction of stakeholders.
- Strategic management requires the dynamic integration of planning, execution and performance management for an organisation characterised by complexity, operating in a complex and changing environment.

Two complementary operating systems are involved in strategic management: the more formal and static plan-and-execute operating system and the more dynamic sense-and-response operating system. Strategic management starts with strategic thinking and a long-term vision for the organisation, and then develops the best way of getting there with due consideration of the internal and external realities (often referred to as strengths, weaknesses, opportunities and threats).

The strategic plan, best described as a hypothesis to be tested, can include strategic focus areas, SMART objectives and their related initiatives. Strategy is put in place by means of these initiatives (mostly projects). As initiatives are implemented, performance is managed on a regular basis – including the completion of projects or programmes according to plan and the achievement of their related SMART objectives.

To make strategy more meaningful in future, Poister (2010) argues that strategic planning has to transition to a broader process of strategic management, which involves managing an organisation's overall strategic agenda on an ongoing rather than an episodic basis, as well as ensuring that strategies are implemented effectively. In this way, strategic management and performance management become closely integrated.

7.2.2 Strategic management in the public sector

Strategic management originated in the military and was first used by the private sector. The public sector has been slower to adopt strategic management because public administration was originally more concerned about functions and responsibilities than objectives. The public sector first adopted the 'management by objectives' approach (measurable objectives to be achieved over a set period), which was popularised by Peter Drucker. The faster pace of change in communities and the pervasiveness of strategic management in the private sector inspired the use of strategic management in the public sector. While a private sector company's strategy is to plan for victory in competition with other companies for financial gain, the PSO strategy is to achieve, in the best way, stakeholder value in a less competitive environment. This environment would, however, be more open, transparent and complex, with more stakeholders, such as the general public, segments of the public, employees, partners and owners or sponsors. PSOs need to align national and organisational policies with their own strategic objectives.

7.2.3 Strategic management in Namibia

Strategic planning in the public service of Namibia is mandatory, as the strategic plan forms the critical link between national high-level initiatives and organisational purpose and direction pertaining to the office/ministry/agency (OMA). In order to fulfil this critical link, strategic plans should be in line with the guidelines provided by the Department of Public Service Management (DPSM) in the Office of the Prime Minister (OPM). The DPSM provides government institutions with a framework for strengthening policies, strategies, systems and competencies for good governance. One of its roles is to facilitate the development of efficient and effective strategies and systems. (See http://www.opm.gov.na/web/office-of-the-prime-minister/department-of-public-service-management.) The Public Service Staff Rule E VI, Performance Management, provides guidelines for strategic planning. Unfortunately, less guidance is provided for the execution of strategies. Guidelines for strategic planning include:

- alignment with high-level international and national plans, such as the Sustainable Development Goals (SDGs), National Development Plans (NDPs) and the Harambee Prosperity Plan (HPP)
- the informing of financial resource requirements in the Medium-Term Expenditure Framework (MTEF) and Medium-Term Plan (MTP)
- forming the basis for performance management.

Responsibilities are as follows:

- The PS of an OMA, the CRO of a region and the CEO of a local authority, as accounting officers, are responsible for strategic planning and successful execution of these plans (these leaders are the chief execution officers).

- Managers and supervisors at all levels play active roles in strategic planning and execution in their units.
- A Ministerial or Regional Implementation Team (MIT or RIT) must be established to oversee and assist in the coordination and successful development, implementation, monitoring and evaluation of the strategic plan. It is chaired by a senior manager at the level of deputy PS, director or deputy director, who must report to the accounting officer. The MIT or RIT must consist of a combination of staff members in the management cadre and below this to provide for channels of communication throughout the OMA or regional council. Their functions are to:
  - ❑ coordinate the strategic planning process
  - ❑ drive strategy execution
  - ❑ provide technical guidance on performance measurement
  - ❑ provide feedback to senior management and to key stakeholders
  - ❑ act as strategic plan focal persons within their respective departments, directorates, divisions, etc
  - ❑ create an awareness and understanding of the strategic planning process for staff, members and other stakeholders.

NB

Note that strategic management is often performed by a strategy management office (SMO). Many organisations have a strategic planning unit or office that is responsible for strategy development, but lack a unit that is responsible for strategy execution and monitoring. A SMO is an organisational unit that manages both strategy development and execution in an integrated way. The office is responsible for coordinating the whole process of analysis, planning, execution and control of the strategy. It executes and controls the strategy by monitoring the progress of the execution and, when required, making adjustments to the strategy or its execution.

7.2.4 Strategic thinking

Strategic thinking, which is different to operational thinking, is a requirement for strategic management. The public sector leader or manager needs the capacity to think and act strategically (as well as operationally). Strategic thinking is associated with leadership and includes envisioning the ideal outcome for the PSO and then working backwards by determining how best to reach the vision. Strategic thinking should also be collective, through engaging as many managers and staff as possible and empowering them to develop their abilities in team work and problem solving. Different aspects of strategic thinking can be described as follows:

- **Open systems thinking:** identifying and analysing the various systems, their relationships and influences
- **Perspective thinking:** acknowledging that one person cannot possess all perspectives or a balanced view of all things; this type of thinking involves

combining viewpoints from others and considering different perspectives such as financial, customer, employee and processes
- **PPT thinking:** thinking of people, processes and technology (PPT) and their interdependencies and integration, with people as the driving force and most valuable resource
- **Envisioning:** envisioning new possibilities and opportunities; using creative imaginations; utilising intuition and creativity
- **Issue thinking:** understanding the key strategic issues – opportunities, threats, strengths and weaknesses
- **Critical thinking:** questioning the status quo; confronting change; considering various options
- **Flexible thinking:** determining alternatives and finding new ways of doing things; considering new solutions
- **Resource thinking:** understanding the various organisational resources, namely human, relational, structural, physical and monetary resources, mostly serving as inputs for the PSO
- **IPOO (inputs–processes–outputs–outcomes) thinking:** applying one's mind to how the desired outcomes can best be achieved; what outputs would be required; what processes are needed to produce these outputs and what inputs or resources are needed to feed into the processes
- **Analytical thinking:** gathering and analysing appropriate data and information
- **Synthesis thinking:** a more advanced level of abstract thinking to focus, balance and integrate; the ability to combine parts of a whole in new and different ways, resulting in an integrated perspective of the organisation
- **Helicopter thinking:** looking down at the world and the organisation, as if from a helicopter, to see much more than when you are on the ground; thinking from a higher level to see the big picture, to increase your powers of observation
- **Stakeholder thinking:** thinking about and relating needs, requirements and influences from customers, users, beneficiaries, owners, sponsors, regulators, employees and partners
- **Risk thinking:** thinking of pitfalls or obstacles in the road, either from inside or outside the organisation.

7.3 Strategy planning

In this section the focus is on strategic planning, including definitions, characteristics of good strategic plans, methodologies and procedures for strategic planning. If excellence is defined in terms of: 1) being effective (doing the right things), 2) being efficient (doing the things right) and 3) style (doing things the right way), strategy planning has mainly to do with the first element – ensuring effectiveness. What follows is a discussion of the characteristics of good strategic planning and a good strategic plan for a PSO.

7.3.1 Definitions of strategy planning

A strategic plan or strategic planning can be regarded as:

- a **project** to develop a five-year strategic plan
- a **medium-term plan,** normally for a five-year period, broken down to annual targets
- a **hypothesis** with integrated objectives and initiatives on how best to achieve the desired future
- **a top-down process** of starting with the vision, working downwards to focus on areas or themes, objectives and then initiatives (as illustrated in Figure 7.1)
- a disciplined effort that produces **fundamental decisions and actions** that shape and guide what an organisation is, who it serves, what it does, and why it does it, with a focus on the future
- a **blueprint/roadmap/guide** for success
- the general **direction** to achieve a desired state in the future
- choosing the most important value drivers, the **right things to do** to ultimately create stakeholder benefits or value; the **unique and sustainable ways** to create value
- a systematic and comprehensive plan of **actions to reach specific objectives**
- indicating **priorities** and **the way resources will be deployed** to accomplish objectives; trade-offs – deciding on what to do and what not to do with the limited resources available
- a **logical process or system** of creating value by linking inputs, processes, outputs, outcomes and impacts
- an **integration of four different perspectives** according to the BSC.
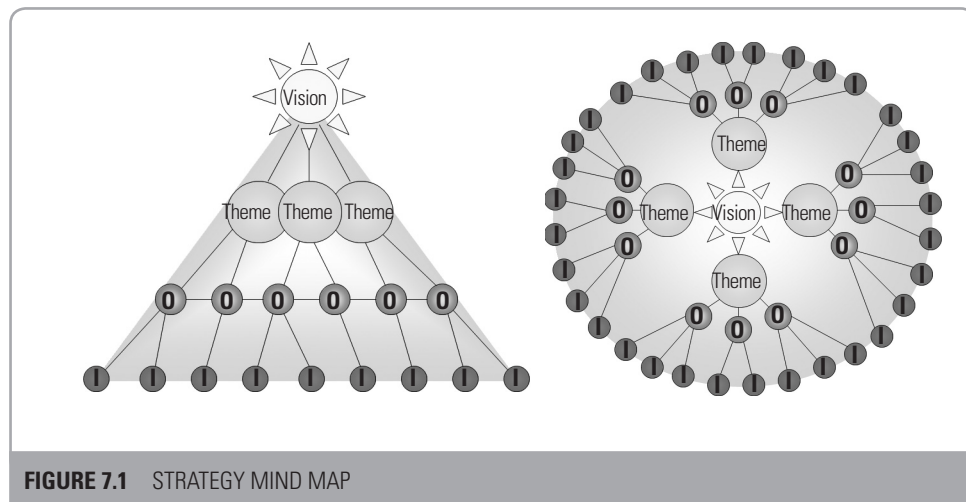
FIGURE 7.1   STRATEGY MIND MAP

Source: Olivier, 2016

7.3.2 Strategic questions

In strategic planning the following four key questions are posed:

1. Where are we now?
2. Where do we want to be?
3. How can we best get there, considering our environment and own resources?
4. How will we know that we are getting there – that we are successful?

The next set of questions could be used to help in the identification of key strategic issues and related strategic objectives:

1. What is the purpose of our business?
2. How do we define success in our business? Can we measure our success?
3. Can we with certainty say how successful we were the previous year?
4. What were our three greatest successes over the previous year?
5. What were our three greatest failures over the previous year?
6. What are the three things that give us the most sleepless nights?
7. What are the three things we want to achieve in the next year?
8. What are the three things we need to do that will make the biggest impact on our success?
9. What are the three things we regard as most important to measure?
10. What are the three things we should stop doing?
11. Who are our five most important stakeholders? Prioritise these.
12. Describe in one sentence the relationship with each stakeholder in terms of needs, expectations and contributions or influences.

7.3.3 Characteristics of a good strategic plan

A good strategic plan for a PSO has the following 14 characteristics:

1. **Alignment:** The plan should be aligned to national and international plans such as the NDP, HPP and SDGs.
2. **Contextualisation:** This is based on the current and expected external and internal situation within the unique public sector context, as summarised in the key strategic issues.
3. **Focus:** There would be a selection of a limited set of objectives (a maximum of 16). These clearly help to make decisions on what to do and what not to do. Priorities are clearly indicated.
4. **Balance:** This concerns objectives in the different BSC perspectives (financial, learning and growth, internal processes and customer perspectives). This also involves the building of capacity and resources (human, structural, physical, relational and financial resources) and the improved management of these resources through better processes to improve customer value and satisfaction.

5. **Logic:** The plan should clearly show the links between inputs, processes, outputs and outcomes (IPOO). Both the LFA (Figure 7.2 on page 145) and the BSC approach (Figure 7.3 on page 146) indicate this logical progression. The strategy map is particularly valuable in showing how value is created in lead-lag relationships (see Figure 7.4 on page 147).

6. **Approach:** A clear description should be given of the strategic approach for each objective.

7. **Objectives that are SMART:** All objectives are SMART by means of performance indicators (PIs) and targets.

8. **Assignment:** This involves single accountability for objectives and single responsibilities for initiatives.

9. **Cascade:** The corporate five-year strategic plan is 'cascaded' to annual unit plans so that each unit in the PSO knows what to achieve and what to do every year.

10. **Initiatives:** These include programmes, projects and activities, with brief but clear descriptions of their scope, responsibilities, timelines and cost estimates.

11. **Realism:** There are sufficient human, financial, physical and other resources to complete the initiatives successfully, and the targets set for the objectives are realistic.

12. **Integration:** Objectives are linked or integrated in lead–lag relations (like building a house from the bottom up, building block by building block) and depicted in a strategy map over the various perspectives, themes or focus areas, supported by a strategy narrative. This strategy map is regarded as a value creation map (see an example of a strategy map in Figure 7.4).

13. **Scorecard:** This is a detailed, but simple scorecard, table or matrix linking SMART objectives on the left-hand side with clear initiatives on the right-hand side. This forms the basis for performance management – measurement, evaluation, reporting, improvement and learning (see Figure 7.5 on page 148).

14. **Acceptance:** The plan is understood, accepted and internalised by all in the PSO, thus inspiring action.

7.3.4 The value of strategic planning

A good strategic plan is a powerful document. It addresses the core of the PSO business and it clarifies the purpose and defines the vision, success and objectives, which are then aligned with measures, targets and initiatives. The plan is a communication and motivation tool, providing focus and guiding decision making. It shows your stakeholders that you know where you are going, that you have a plan to get there, and that you have a mechanism to determine your progress.

In sum, a good strategic plan:
- provides purpose and focus
- defines what really contributes to success
- integrates and unifies the PSO around a shared vision and objectives

- aligns groups and individuals
- guides decision making and resource utilisation
- facilitates accountability and transparency
- facilitates improved PSO, unit and individual performance
- forms the basis for performance management.

Strategic planning therefore has value for the individual, the unit, the organisation and the country. Strategy links vision and policies with activities and focuses resources on the achievement of predefined objectives.

7.3.5 Strategy planning methodologies

The two most common strategic planning methodologies in use in Namibian PSOs are the LFA and the BSC. These two methodologies are depicted in figures 7.2 and 7.3 respectively. Where most local authorities seem to use the BSC approach, many OMAs follows the LFA or a combination of the two approaches. The LFA has been in use since 1969 (almost 50 years) and the BSC since 1992 (more than 25 years).

The Logical Framework Approach

The LFA is a methodology mainly used for designing, monitoring and evaluating international development projects. It was developed in 1969 for the US Agency for International Development (USAID) and has been widely used by multilateral donor organisations, such as the United Nations (UN) and the European Commission. The product of this analytical approach is the logical framework matrix (LFM) or the 'logframe'. Figure 7.2 illustrates this logic from inputs to processes to outputs to outcomes.

FIGURE 7.2   THE LOGICAL FRAMEWORK APPROACH
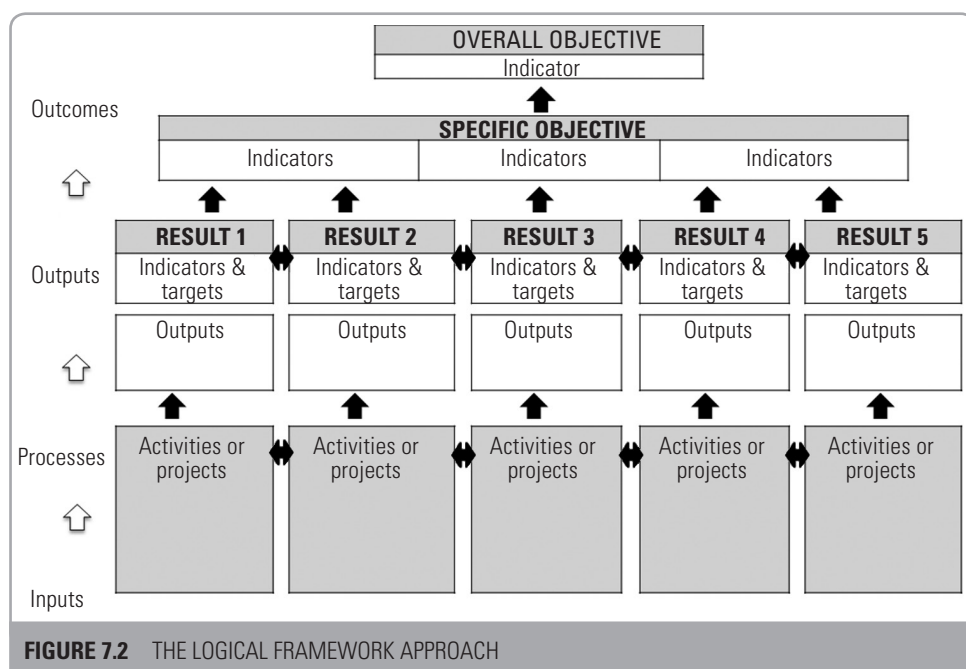
The LFM typically takes the form of a four-by-four project table. The four rows, from top to bottom, are:

1. **goal:** overall objective
2. **outcome/purpose:** what will be achieved, who will benefit, and by when
3. **outputs:** specific results the project will generate
4. **activities:** what tasks need to be done in order for the output to be achieved.

These are achieved and measured by the headings from left to right. The columns represent types of information about the events, namely:

- **narrative description:** explaining the objectives
- **objectively verifiable indicators (OVIs)** of these events taking place: how to measure the achievements
- **means of verification (MoV):** regarding where information will be available on the OVIs or how to collect the information for the indicators
- **risks and assumptions:** factors that could have an influence, whether positive or negative, on the events described in the narrative column, including factors that may impact on the project's success but cannot be directly controlled by the project or programme managers. (A good project plan should substantiate its assumptions, especially those with a high potential to have a negative impact.)

The Balanced Scorecard

The BSC is a strategic management framework developed in 1992 by Kaplan and Norton (1992). The BSC has been broadly adopted worldwide, in both public and private sectors over the last 25 years. It is a powerful method for planning and executing strategy. The BSC is illustrated below in Figure 7.3.
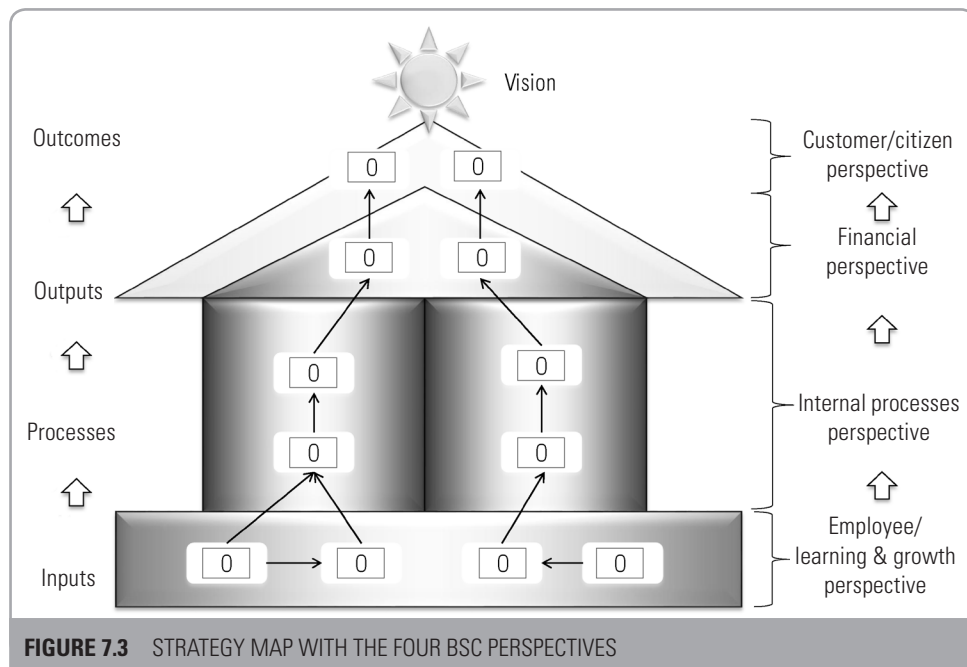
FIGURE 7.3   STRATEGY MAP WITH THE FOUR BSC PERSPECTIVES
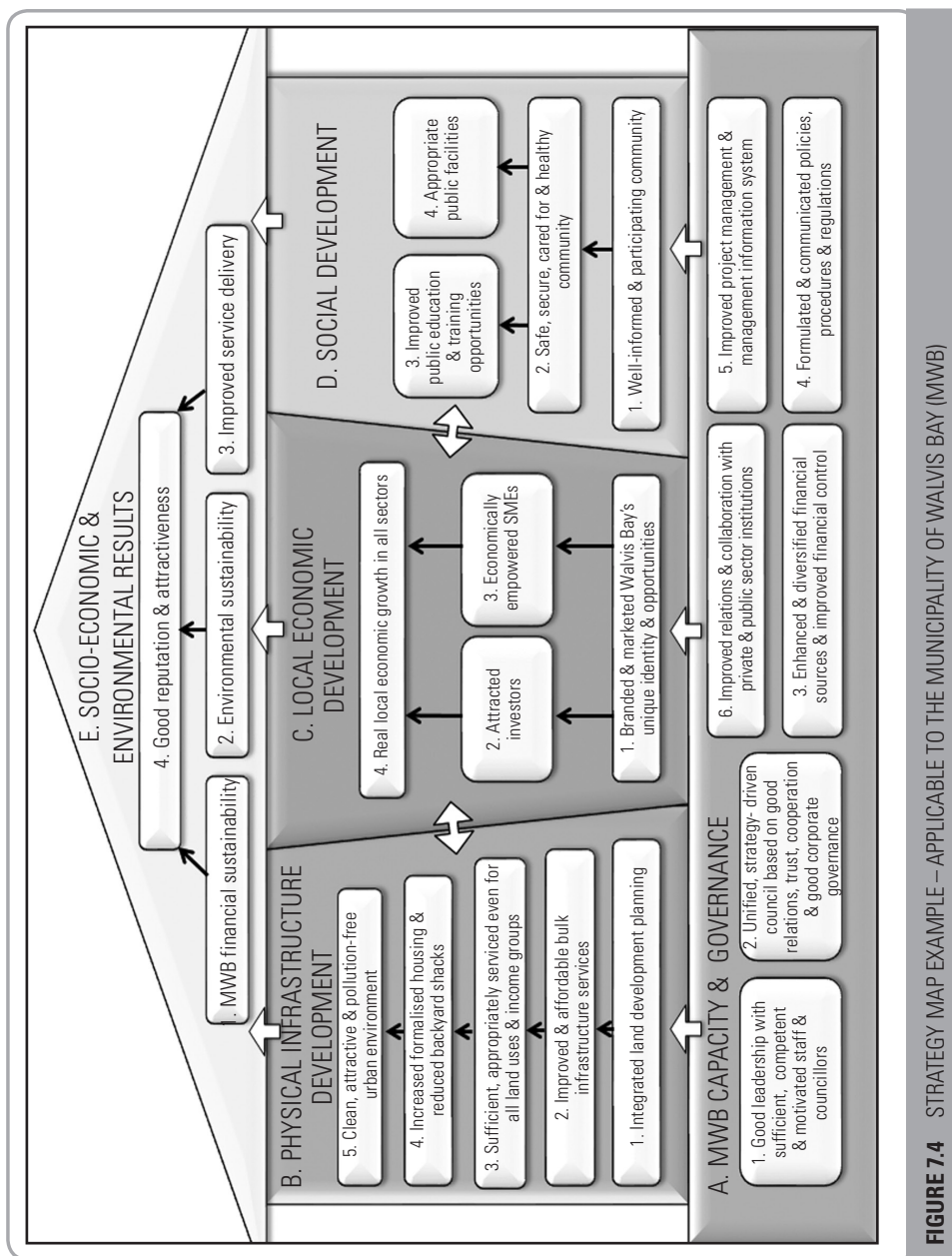
FIGURE 7.4 STRATEGY MAP EXAMPLE – APPLICABLE TO THE MUNICIPALITY OF WALVIS BAY (MWB)

E. SOCIO-ECONOMIC & ENVIRONMENTAL RESULTS

1. MWB financial sustainability
2. Environmental sustainability
3. Improved service delivery
4. Good reputation & attractiveness

D. SOCIAL DEVELOPMENT

1. Well-informed & participating community
2. Safe, secure, cared for & healthy community
3. Improved public education & training opportunities
4. Appropriate public facilities

C. LOCAL ECONOMIC DEVELOPMENT

1. Branded & marketed Walvis Bay's unique identity & opportunities
2. Attracted investors
3. Economically empowered SMEs
4. Real local economic growth in all sectors

B. PHYSICAL INFRASTRUCTURE DEVELOPMENT

1. Integrated land development planning
2. Improved & affordable bulk infrastructure services
3. Sufficient, appropriately serviced even for all land uses & income groups
4. Increased formalised housing & reduced backyard shacks
5. Clean, attractive & pollution-free urban environment

A. MWB CAPACITY & GOVERNANCE

1. Good leadership with sufficient, competent & motivated staff & councillors
2. Unified, strategy-driven council based on good relations, trust, cooperation & good corporate governance
3. Enhanced & diversified financial sources & improved financial control
4. Formulated & communicated policies, procedures & regulations
5. Improved project management & management information system
6. Improved relations & collaboration with private & public sector institutions

The 'balanced' part of the BSC can be described as offering a complete picture, including tangibles and intangibles, short-term and long-term focus, and a balanced set of value drivers – which are like key building blocks that are integrated to create value for the organisation. Also part of the BSC are leading and lagging indicators and the IPOO system. The term 'scorecard' is used because the BSC measures or keeps score of the balanced set of value drivers. Furthermore, it forms the basis for evaluation, learning, decision making and reporting or communicating, and it facilitates performance and customer service improvements.

Objective	Acc	P1	Target		Initiative	Resp	Cost	Schedule				
								Y1	Y2	Y3	Y4	Y5
A1 Objective name & description	HoD	PI 1	BL	Yr 0								
			T	Yr 1								
			T	Yr 2	A1.1 Project	AB	1 000	X	X			
			T	Yr 3								
			T	Yr 4								
			T	Yr 5	A1.2 Project	CD	4 000	X	X	X	X	
		PI 2	BL	Yr 0								
			T	Yr 1	A1.3 Project	CD	500		X		X	
			T	Yr 2								
			T	Yr 3								
			T	Yr 4	A1.4 Project	CD	3 000				X	X
			T	Yr 5								
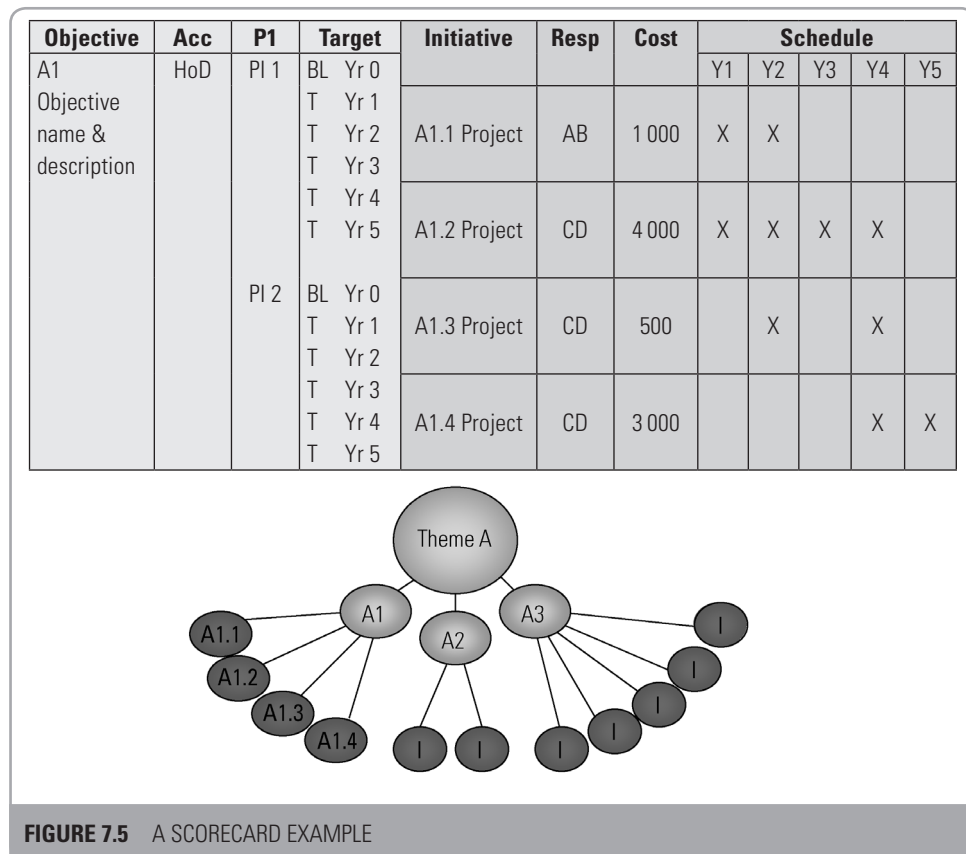
FIGURE 7.5 A SCORECARD EXAMPLE

Source: Olivier, 2016

7.3.6 Strategic planning steps

There are many different frameworks and methodologies for strategic management. While there are no absolute rules regarding the right framework, most follow a similar pattern and have common attributes. Common stages or steps in the different frameworks, including the Public Service Staff Rule E VI, are described in this section and depicted in the Strategy Diamond (Figure 7.6).
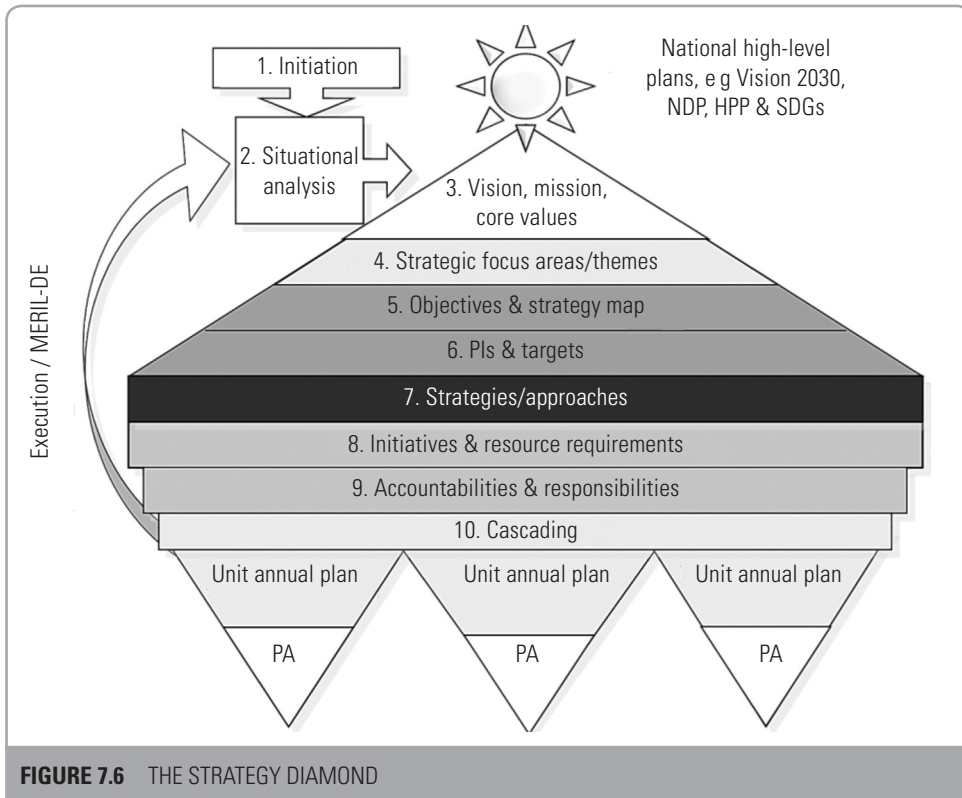
FIGURE 7.6 THE STRATEGY DIAMOND

Source: Olivier, 2016

Step 1: Initiate the strategic planning process

As strategic planning is a project, the planning process should be properly initiated and planned. Activities can include the appointment of a strategic planning coordinating committee, the preparation of a Terms of Reference for the project, committing resources to the planning process, raising awareness and knowledge of strategic planning with stakeholders, conducting initial stakeholder liaison and informing the OPM.

Step 2: Do a situational analysis

This is a critically important step for analysing both the external and internal environments of the OMA. Strategy cannot be developed without this information. Activities can include:

- agreeing on the OMA mandate, based on legislation
- studying Vision 2030, the NDPs, the SDGs and MTEF objectives to obtain clarity on the OMA's role in these
- defining the customers and their needs or requirements
- consulting and analysing stakeholders in terms of roles, needs and influences
- analysing both the external and internal environments and identifying issues, change drivers, threats and opportunities, and looking internally at imbalances, strengths and weaknesses

- preparing a SWOT (strengths, weaknesses, opportunities and threats) summary
- identifying the key strategic issues.

Step 3: Develop high-level statements

This involves developing vision and mission statements based on national high-level statements such as Vision 2030 and the NDP, and agreeing on core values in relation to the OMA's Public Service Charter.

Step 4: Determine strategic themes

This step identifies the few core strategic themes or focus areas for achieving the OMA vision. Identify the key desired outcomes (say three to six) aligned to national plans and based on the key strategic issues.

Step 5: Select strategic objectives and develop a strategy map

Identify and link objectives, based on the key strategic issues. Clearly describe each objective and link all objectives together in a cause–effect relationship in a strategy map (aligned to national plans).

Step 6: Agree on performance indicators and targets

PIs and targets per objective are agreed upon. These should indicate to what extent an objective has been achieved and should form a method of verification. Activities could include the following:

- For each objective, identify a limited number – one to three – key PIs that would best describe the achievement of the objective. These should be related to outputs or outcomes (lagging indicators), as well as to inputs or processes (leading indicators).
- For each PI, agree upon a unit (for example a number, percentage or in currency) and target (for example 25; 80 per cent; or N$ 100 000).
- Based on benchmarking, choose the most appropriate PIs and targets. These will eventually determine the standard of service delivery or performance.

Step 7: Determine best strategies per theme/objective

Agree on the best way, approach or strategy to achieve these objectives in the various themes. Consider alternative strategies, options or solutions, weigh them up, and agree on the best strategy.

Step 8(a): Select initiatives

Initiatives are the actions required for achieving objectives. Initiatives can include projects, programmes, activities and operations. This step involves:

- developing alternative initiatives that could achieve each objective, as verified by its PI and target
- choosing specific initiatives that are expected to best achieve the objectives

- for each initiative, giving a brief description of scope, timeframe, responsibility, cost estimate and other key resource requirements; prioritising initiatives and grouping these in five-year timeframes.

Step 8(b): Determine resource requirements

Initiatives need resources – both financial and human resources. Develop a cost estimate and other key resource requirements for each initiative.

Step 9: Agree on accountabilities for objectives and responsibilities for initiatives

Assign single accountabilities for each objective and single responsibilities for each initiative.

Step 10: Cascade the strategic plan to unit plans/annual unit plans

The OMA strategic plan (with objectives, PIs, targets and initiatives) now has to be cascaded to the level of management plans. These are one-year action plans to be executed by groups or teams in each unit. These units could be departments, directorates, sections or project teams.

7.4 Strategy execution

This section presents the implementation of strategic plans. It covers definitions, the importance of strategy execution, and the gap and barriers between strategic planning and execution.

7.4.1 Definition of strategy execution

According to Childress (2013), there is no strategy without execution. Through execution, the strategic plan, as a hypothesis, is tested and reviewed where needed to achieve the specified aims in the most efficient way. Strategy execution, as part of strategic management, is the action of doing what the strategy (or the strategic plan) says, and it includes a review process. De Flander (2010) defines strategy execution as 'all the actions necessary to turn your strategy into success', while execution, according to Bossidy and Charan (2002), is the major job of business leaders. Hrebiniak (2005), in turn, describes execution as a disciplined process or logical set of connected activities that enable an organisation to make its strategy work.

Childress (2013) views strategy and execution as inseparable and distinct, but intimately connected, much like two sides of a coin. When separated they do not work. He sees strategy as a living organism that only expresses itself though the process of being delivered. It is a unique, disciplined journey involving the whole organisation. Strategy without execution is consequently non-existent and execution is therefore the only competitive advantage. He compares strategy to a dynamic contact sport where the leadership team will grow in capability, alignment and confidence through agility to respond to the uncertain and dynamic environment through frequent updates and adjustments.

He also sees strategy as a journey of breakthroughs to a different tomorrow, a journey requiring bold leaps in performance and requiring changing the way things are done.

Strategy therefore always involves doing things in new ways. This distinctiveness is also captured in the definition of a strategic initiative or project according to the Project Management Body of Knowledge (PMBOK) – namely that it is temporary, unique and creates a specific benefit (PMI, 2013). Because of this, there cannot be a perfect project plan and perfect strategic plan, 'but the sooner you begin to work your plan, the sooner you learn how to improve your plan' (Childress, 2013). In the strategic plan, a portfolio of projects is implemented, which consists of the various selected programmes, projects and activities (PMI, 2013). Hamm (2011) describes execution as a game marked by continually keeping score, measurement, feedback, learning and making improvements, innovations or corrections. Leaders are paid and held accountable to produce results from this 'game'.

7.4.2   The importance of strategy execution

Collins (2001) states that what separates the good from the great organisations is not strategy, but rather execution. Bossidy and Charan (2002) state that 'execution is the great unaddressed issue in the business world today'. Niven (2003:10–11) agrees with this view: '[T]he execution of a strategy is more important and more valuable than the formulation of a strategy [...] [U]nfortunately, the vast majority of organisations fail miserably when attempting to execute their strategies'. In a similar fashion, Hrebiniak (2005) says that formulating strategy is difficult, but executing it throughout the organisation is even harder and that without effective execution, no business strategy can succeed'. He argues that managers today know far more about developing strategy than executing strategy. De Flander (2010:29) asserts: 'Strategy execution is a new, emerging competitive battlefield that starts to get more and more attention.' Lepsinger (2010) and OnPoint Consulting (2011) agree that if an organisation cannot execute its strategy, nothing else matters – not the most solid, well-thought-out strategy, not the most innovative business model, nor even technology that could transform an industry. They agree that the real differentiator is the ability to get things done and to deliver consistent results. Therefore, in strategic management, it is strategy execution that matters most. Strategy execution seems to be where the action is, as it is very dynamic and difficult. However, it is also where the benefit lies, where performance is improved and where competitive advantage is realised.

7.4.3   How big is the gap between strategy planning and execution?

Some 70 per cent of CEOs who are fired are not dismissed because of bad strategies, but rather because of poor execution (Childress, 2013). Further research suggests that organisations on average realise only 40 per cent of their

strategic ambition, leaving an average gap of 60 per cent between strategic planning and execution (Childress, 2013; Cruz, 2013; De Flander, 2010; Mankins & Steele, 2005; OnPoint Consulting, 2011). Organisations in general therefore face an average *performance loss of 60 per cent* when implementing strategy. At the high end, Zook and Allen (2001), Kaplan and Norton (2001; 2008), Franken, Edwards and Lambert (2009), and Dinsmore and Cabanis-Brewin (2011) reported a 60–90 per cent failure rate of well-formulated strategies. The findings of Leinwand and Mainardi (2016), also from the private sector, is that 66 per cent of executives say their organisations do not have the capabilities to support their strategies. Niven (2003) reveals a *90 per cent failure rate* in strategy execution for PSOs, due to the unique internal and external challenges faced by governments. It therefore seems as if strategy execution in the public sector is more difficult than in the private sector. However, reliable statistics based on sound research in the public sector do not seem to be available yet.

7.4.4 What are the barriers to strategy execution?

In his research, Olivier (2015) investigated the main barriers to successful strategy execution in the public sector. Based on his literature review and participatory action research, he identified nine key factors contributing to the 60 per cent gap between strategic planning and exceuction. Key sources, in chronological order, are: Kaplan and Norton (2001), Bossidy and Charan (2002), Hrebiniak (2005), Morgan, Levitt and Malek (2007), Paladino (2007), Spitzer (2007), Kaplan and Norton (2008), Harpst (2008), Marr (2009), Mukherjee (2009), De Flander (2010), McKnight, Kaney and Breuer (2010), Lepsinger (2010), Collins (2001), McChesney, Covey and Huling (2012), Kotter (2012), Calhoun (2013), Childress (2013), Barrows (2014) and Leinwand and Mainardi (2016). The literature suggests various barriers to successful strategy execution. These barriers are grouped into nine categories, namely:

1. poor **leadership**, especially from the CEO, but also from top management and sponsors/champions at all levels
2. poor **strategic planning** – that is wrong, incomplete, unclear, not SMART, not cascaded
3. poor **PM**, including portfolio, programme and project management
4. poor **alignment** of the strategy with the remainder of the organisational elements – these include staff, skills, culture, structure, processes, technology and budget
5. lack of a **performance management system** (PMS) – an institutionalised repetitive cycle of measurement, evaluation, reporting, improving and learning
6. poor **drive** – poor internal motivation from individual people
7. poor **engagement** of management and staff in strategic management, both in the planning process and during the strategy execution journey

8. poor **risk management** – risk identification, evaluation and response based on regular situational/contextual analysis

9. poor **stakeholder management** of the numerous partners, sponsors, interest groups, etc, from the public and private sectors.

7.5 The MERIL-DE Model

Arising from the divide between strategy planning and execution, a conceptual model developed in Namibia is presented in this section as a means of helping to close this gap. This is followed by an analogy, called the 'Stratex Car', for application of the MERIL-DE Model to each unique PSO.

7.5.1 The conceptual model

The MERIL-DE Model (Olivier, 2015), as depicted in Figure 7.7, is a new, simplified and integrated conceptual model for improving strategy execution in today's PSOs. The model was developed during eight years of participative action research involving 10 case studies in Namibia. The model integrates nine vital components into a usable model for improved strategy execution in the public sector, operating in a complex, dynamic and open system. Although it depicts a general sequence of events in a cyclical fashion, it presents the pieces of a puzzle or essential building blocks for executing strategy in a specific context, namely the public sector. It is an integrated system representing a part of the real world. The nine vital strategy execution components are the following:

1. Leadership
2. Strategic planning
3. PM, including programme and portfolio management
4. Alignment – with organisational elements such as people, culture, processes, budgets and technology
5. Performance management – the MERIL cycle of measure, evaluate, report, improve and learn for innovation
6. Drive – internal motivation based on the PAAMAA elements of purpose, action plans, autonomy, mastery, appreciation and achievement
7. Engagement – of people through dialogue
8. Risk management
9. Stakeholder management.

The name of the model is derived from the acronym describing the performance management cycle of Measure, Evaluate, Report, Improve and Learn – all through Drive and Engagement.

The model, shown in Figure 7.7, shows the need for the conventional plan-and-execute processes to be complemented by the more agile sense-and-respond capabilities, in which components are dynamically integrated.
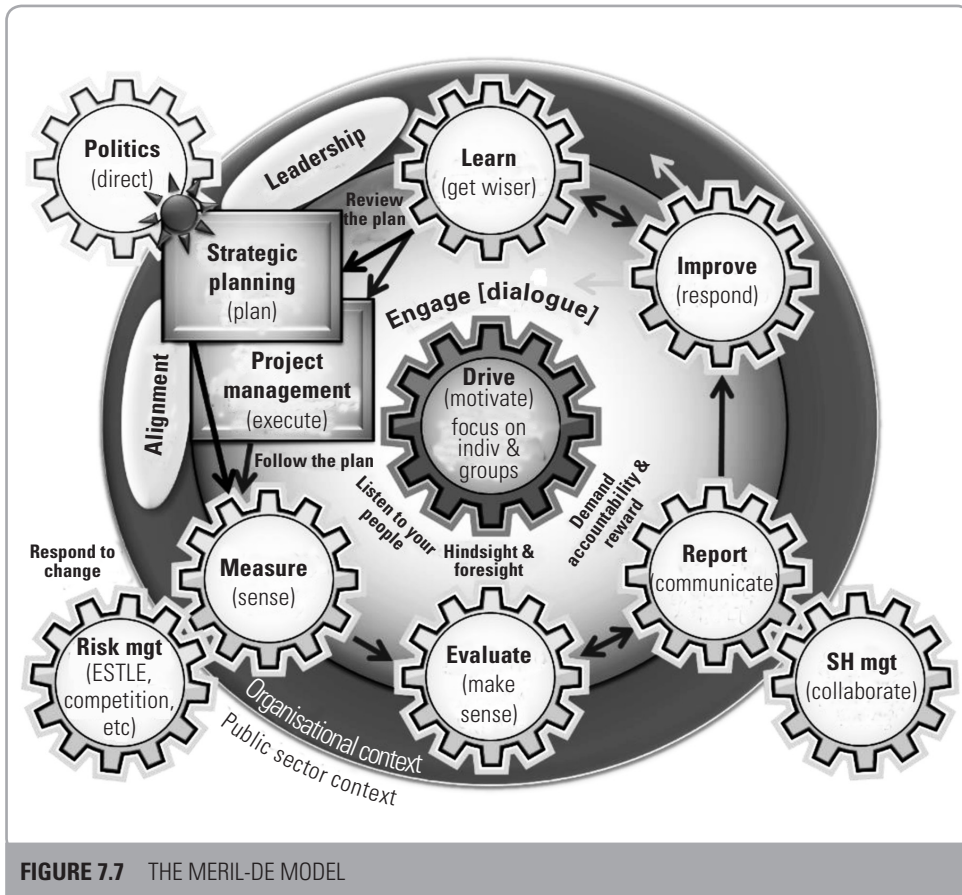
FIGURE 7.7 THE MERIL-DE MODEL

Source: Olivier, 2015

The model is depicted as one *engine with connected gears*. This whole *Stratex Engine* needs to be built and made operational for every PSO that wishes to improve the implementation of its strategy. Apart from the connected gears, there are the two boxes called *Strategic planning* and *Project management*. These two boxes represent the conventional plan-and-execute process or operating system, the more stable process repeated every five years and amended annually. In contrast, the gears represent the more dynamic and agile sense-and-respond process or operating system. The background represents the organisational context, surrounded by the (external) public sector context. This boundary between the internal and external contexts, however, is fairly porous and blurred.

Embedded in this organisational context are two relatively stable components, namely *Leadership* and *Alignment* (of strategy to people, culture, structure, processes, technology and budgets). In contrast to the more permanent and stable executive leadership is the more changing or dynamic political leadership and influences, as depicted in the top left gear. This political gear can at any time (moderately or substantially) change the strategic direction.

The sun represents the organisational vision, aligned with the national and political vision. The source of energy comes from inside, i e from *Drive*. This represents the mostly internal motivation of individuals and groups. Around *Drive*, linked to the other components, is the area of *Engagement*. This area of lubrication allows the gears to move smoothly in an integrative way.

7.5.2 The MERIL-DE Model story

Chronologically, the MERIL-DE Model story could be explained as follows.

A good *strategic plan* is developed, based on thorough external and internal situational analysis (understanding the current and expected future context), including the political direction and priorities. SMART objectives are identified with related initiatives by using tools such as strategy maps and scorecards. The corporate strategy is cascaded to units with clear accountabilities and responsibilities. The strategic initiatives are then converted to detailed project plans that are properly executed, controlled and closed, through managing all 10 knowledge areas (KAs) described in the PMBOK (PMI, 2013), namely project scope, time, cost, quality, human resources, communication, risk, procurement, stakeholder and integration management.

The gears start turning during *Execution*, when the strategic plan is executed by means of projects. Many of these projects are outsourced and require proper procurement and contract management. *Measure* represents the sensing mechanism, sensing compliance to the plan – both strategic and project plans, the views of the people, benchmarks, changes, and risks in the environment. Data is captured with technological support. Thereafter the data is *evaluated* (through analysis and synthesis) by means of dialogue and technology to make sense of and give meaning to the data.

This is normally followed by informal and formal reporting for transparency and communication purposes. *Reporting* in turn can precede evaluation. Reported information and knowledge are shared with both internal and external stakeholders – with internal stakeholders to demand accountability and reward good performance and with external stakeholders to maintain and improve collaboration. This reporting is done according to the communication and *stakeholder management plan* and often serves as a trigger for releasing more funds.

This is followed by making the *improvements* and *learning* to become 'wiser'. Based on these learnings – from both successes and failures – the strategic plan and related project plans are adjusted or improved. Improvements could include any or more of the organisational development (OD) elements with a focus on organisational, unit and/or individual levels. Learning and knowledge are institutionalised to make the organisation all the wiser.

All this is fueled by *Drive* and lubricated by *Engage*. *Drive* provides the energy setting and keeps the Stratex Engine in motion through engagement

(continually engaging the minds and hearts of employees), providing the connection and ensuring that the engine runs smoothly as a whole. While this motivational energy driving the engine comes from the inside (individual and group motivation), it has to be sustained by means of engagement, feedback, rewards, learning and development.

The plan-and-execute mechanism is complemented by a sense-and-respond operation. The performance management cycle is the continual alignment of organisational, unit and individual performance towards achieving agreed-upon objectives. It facilitates continuous improvement of organisational, unit and individual performance and ensures high levels of drive or motivation (the engine or energy) through engagement, dialogue or interaction. MERIL-DE provides the sense-and-response capability during the execution of strategy and projects. PIs for both objectives and initiatives are measured against targets and compared to benchmarks. Risks are identified, analysed and responded to on an ongoing basis. By understanding progress (or the lack of progress) through proper evaluation, the organisation is able to respond appropriately and learn from its successes and failures through ongoing dialogue. During dialogue, there is the need to sense, measure, take note of or listen to the actual performance compared to planned performance. There is also a need to listen to the risks, to listen to the people, and, through evaluation, to develop a solid hindsight as well as foresight. Performance reporting (or feedback) is done regularly to inform both internal and external stakeholders. Appropriate rewards and corrective measures can be implemented based on verifiable performance reports. This performance management process should be standardised and institutionalised as a regular and closed-loop system. Technology can support this process.

7.5.3   The Stratex Car

A conceptual business model cannot be successful per se. Its success or value is found during implementation. The conceptual model has its origin in reality (a broken reality) and its application should go back to reality (for a less broken reality – where strategies are more successfully executed, where the gap between strategic planning and execution is increasingly being reduced). In this translation from conceptual into concrete things, it should be remembered that organisations are complex and dynamic, always subject to internal and external influences, always subject to change. To apply this conceptual model in the real world, each PSO needs to develop its own unique or tailor-made MERIL-DE Model, called the Stratex Car (Olivier, 2015), taking into consideration its own unique conditions. The car analogy is used to apply the MERIL-DE conceptual model in the real world of the PSO.

For successful strategy execution, a complete, roadworthy, (fuel-)efficient and reliable 'vehicle' is required. The Stratex Car should be designed and built to take the PSO on a strategy execution journey on Public Sector Road. This car could be depicted as in Figure 7.8 with reference to the nine MERIL-DE components.
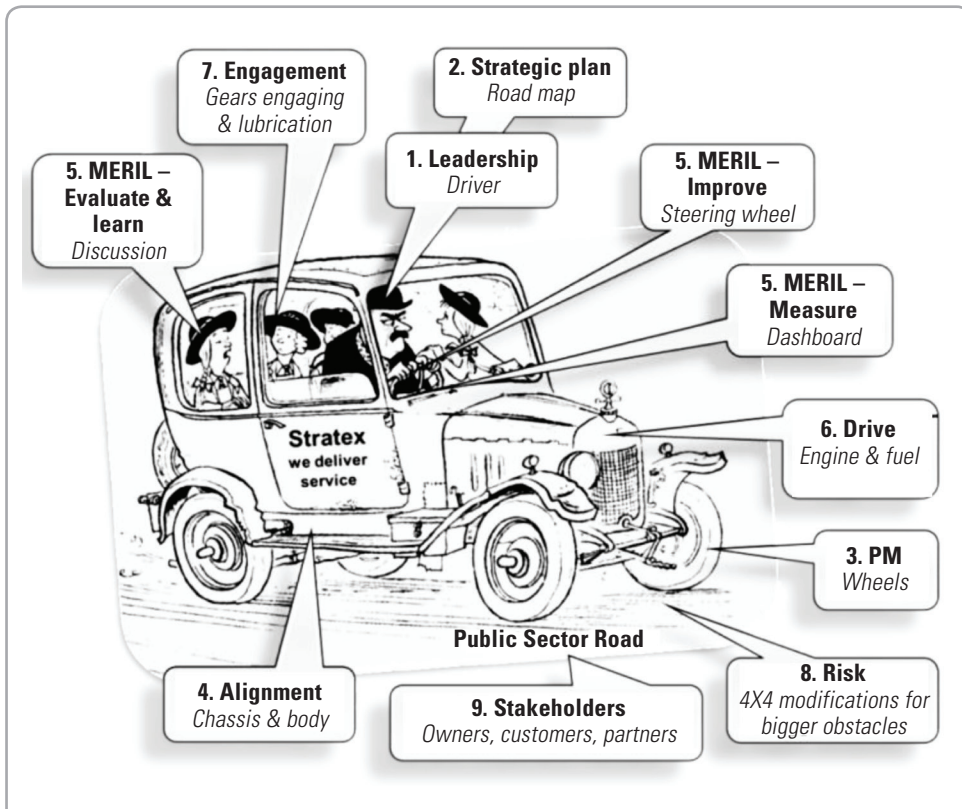
FIGURE 7.8 THE STRATEX CAR DRIVING ON PUBLIC SECTOR ROAD

Source: Olivier, 2015

An explanation of Figure 7.8 follows:

1. The lights are showing the direction and the road ahead (the vision). The **driver** controlling the car is normally the owner, sponsor or champion of the trip (leadership).

2. The **road map** offers guidance of where to go and the best route to take (the strategic plan).

3. The **wheels** are where the vehicle touches the ground, where the action is, where strategy occurs through clear actions, projects and programmes (PM).

4. The **chassis and body** are the frame or structure of the car, proving supporting strength. This refers to the aligned organisational design, including PPT, supporting the strategy and PM.

5. The **dashboard** enables everyone to sense or know what is happening and to make sense of it, as it enables measurement and evaluation through dialogue with everyone in the car. This involves reporting and sharing in facilitating good decision making and agreed-upon improvements to be implemented, with learning taking place – from successes and failures, informing adjustments to the journey, the car, and the passengers as required (the PMS).

6. The **engine** and **fuel** provide the energy and power to drive the vehicle forward. Drive refers mostly to the internal motivation of individuals collaborating in teams through dialogue, making the journey a sustainable one, without regular motivation through external rewards.

7. **Gears with oil/lubrication** allow all moving parts to be engaged and to run smoothly. This involves engagement through dialogue that is more than just loose or informal communication, but rather communication engaging the hearts and minds of everyone in the organisation.

8. **Modifications** to the vehicle are made to travel on the more rugged terrain of Public Sector Road, consisting of gravel and sand with steep slopes, under more severe and changing weather conditions, making the vehicle stronger, more robust and better equipped with the best outdoor gear, including 4x4 and differential lock capability and high-lift jacks (also risk management).

    The **maintenance plan** allows for regular inspections – both reactive repairs and proactive maintenance. This, however, requires regular stops. The **bumpers and airbags** provide the safety features to make the journey safer, enhancing the chance of reaching the desired destination in one piece and on time (risk management).

9. Finally, regular **communication** by means of cell phone or radio is needed to inform family and friends of progress on the journey and expected time of arrival (stakeholder management). This car must be robust, durable, sustainable, economical, user-friendly, green, fast, powerful and intimidating to others.

In Table 7.1, each of these nine components is described in terms of its role in the car analogy, its position and function in the MERIL-DE Model, and a brief description with main elements contributing to the establishment of each component.

TABLE 7.1   DESCRIPTION OF THE NINE VITAL COMPONENTS OF THE MERIL-DE MODEL AND THE STRATEX CAR

Vital component	Role in car analogy	Position in MERIL-DE Model	Component description with elements
Leadership	Driver	At the top left – with vision and strategic planning, due to its important role	*We have a driver.* The most important component; fully committed leaders, daily leading from the front, taking their organisations on a journey characterised by purpose, direction, resources, progress and cohesion; applying the eight Leadership Levers (Olivier, 2015). ➲

Vital component	Role in car analogy	Position in MERIL-DE Model	Component description with elements
Leadership (continued)			This are: envision – for direction; educate – for clarity (head); energise – for commitment (heart); employ energy – through planning; empower – through PPT capacity; engage – through participation; execute – with integrity; and ensure – through controls.
Strategic planning	Road map	At the top, crafted by leadership, considering political direction	*We have purpose and direction.* A good strategic plan is the foundation for good strategy execution, characterised by focus, balance, integration, SMART, cascading, understood, accepted, single accountability for objectives, and detailed initiatives with clear descriptions, responsibilities, timelines and cost estimates.
PM	Wheels	The 'Execute' in the plan-and-execute mechanism linked to strategic planning	*We know what to do.* Strategy is executed through strategic initiatives; by applying the PM knowledge, skills, tools and techniques in the five process groups and 10 KAs (PMI, 2013), initiatives are successfully completed to achieve the SMART objectives; together with strategic planning, PM forms the plan-and-execute mechanism or operating system.
Alignment	Chassis and body	In the outer circle, representing the organisational context	*We can do it.* Organisational resources have to be aligned and allocated to the strategy, namely: structure (coordination, communication and decision making); people (staff and skills – internal or outsourced); culture (identity, thinking, attitude, behaviour); processes (e g performance management and PM); technology (as enabler); funding (budgeting, funding systems and allocations).
MERIL	Dashboard; discussions; steering wheel	Forming the five MERIL gears in the centre of the model; interrelated in a general sequence	*We know how we are doing.* An institutionalised regular cycle of performance management (operating system/mechanism) providing the complementary sense-and-response capability; with five MERIL components, namely measure, evaluate, report, improve and learn.
Drive	Engine and fuel	At the centre; the driving force or energy keeping all gears	*We want to do it.* Drive from the PAAMAA elements (Olivier, 2015) of purpose, action plan, autonomy (authority-accountability), mastery, acknowledgement and ➲

Vital component	Role in car analogy	Position in MERIL-DE Model	Component description with elements
Drive (continued)		moving and the wheels rolling forward in the direction set by leadership in the strategic plan	achievement; applying and aligning the change levers of personal, social and structural influences to strengthen/reinforce/sustain the right behaviours and correct the wrong behaviours (with the focus on groups); reward system not only appropriately responding to good performance, but also taking action for poor performance.
Engage	Gears engaging, with lubricants	In the centre around 'Drive', engaging all the surrounding vital components or gears	*We feel part of the journey and enjoy it.* One of the eight Leadership Levers (Olivier, 2015); engage all stakeholders, especially guiding coalition and project team members; without engaging the 'gears', there cannot be any movement; gears require lubrication (oil) to keep them moving for long periods; the best way to engage stakeholders is through true dialogue; how people talk to each other determines how well the organisation will function; communication characterised by trust, respect, teamwork, openness, sincerity, a willingness to share and learn, and accountability; requiring, however, time, effort and commitment.
Risk manage-ment	4x4 ability; higher ground clearance; special bumpers; air bags; slower speeds; more regular stops for inspections	Mostly outside the organisation, but also covers internal uncertainties linked to 'Measure' to integrate risk management with the MERIL cycle	*We are positive about overcoming our challenges in an uncertain world.* A formal risk management system is required to identify, analyse and respond to risks regularly due to the complex, dynamic and uncertain nature of the public sector; to make strategy execution more 'bulletproof' by preventing failure and maximising the chances for success; aiming to prevent or minimise any attacks, distractions, derailing or breakdowns on the strategy execution journey; external risks could come from political cycles or changes, economic or social changes, stakeholder influences or poor partnerships; internal risks could be poor culture, inadequate resources or poor alignment; the nature of Public Sector Road, with more obstacles and uncertainties, requires the Stratex Car to be equipped with extra features and to be driven in a different way.

⮕

Vital component	Role in car analogy	Position in MERIL-DE Model	Component description with elements
Stake-holder manage-ment	People with a stake in the car and the journey, incl the public/citizens (who actually own the car), sponsors, customers and partners	External and internal stakeholders; linked with 'Report' to integrate stakeholder management and collaboration with the MERIL cycle, with two-directional influences	*We are pro-actively engaging our stakeholders.* The public sector is more open, more visible and more influenced by stakeholders, such as the public, customers, special interest groups, politicians, oversight or regulatory bodies and partners; formal stakeholder management is required to manage influences to and from stakeholders, particularly private sector collaboration, often through procurement/contract management; communicate according to the Communication Management Plan from 'Report', but also take actions according to the Stakeholder Management Plan to pro-actively and reactively manage relations towards successful strategy execution.

Source: Olivier, 2015

7.6 Strategic management in the public sector

7.6.1 A unique context

A good strategy is responsive to context. Strategy separated from context could therefore be regarded as unrealistic or meaningless, as the purpose of strategy is to find the best way of responding to opportunities and threats appearing in an external environment or context, when considering and addressing internal strengths and weaknesses. The public sector purpose or mandate is usually defined in legislation, setting out its role, responsibilities and authority. In its most basic form, the purpose of the public sector is to serve the public. Its value proposition is to promote the social and economic well-being of all its citizens. Starling (2011) regards the PSO as generally operating within a system that is more open than that of the private sector.

Most literature on strategy execution comes from the developed world and the private sector, in which goods and services are produced with the prime purpose of making profit. In his research, Olivier (2015) explored the main differences between the public and private sector contexts with regard to strategic management. Olivier (2015) identified 16 key differences that apply to strategy execution. It should be noted that these differences are not independent, but rather related to each other. Many sources argue that strategy *formulation or planning* is more prone to these different influences, while strategy execution is more technical in nature and less prone to these influences. The 20–80 rule (based on the Pareto Principle) could apply to strategy execution. There may

be only 20 per cent significant differences in context between the private and public sectors, but if these differences are not fully addressed, they could hold back (brake or break) 80 per cent of strategy execution. Even if strategy execution is 80 per cent the same in public and private sectors, the 20 per cent differences are regarded as significant. Differences in the 16 elements could be regarded as the *critical few* to be considered in strategy execution in the public sector. These differences are found in:

1. purpose
2. governance (defined as the application and balance of power, relationships, rules and procedures aimed at creating perceived value in compliance with all relevant laws, regulations, policies and directives)
3. leadership
4. culture, values and guiding principles
5. decision making
6. economic, social, technological, legal and environmental influences
7. political influences
8. the planning and execution cycle
9. funding and budgeting
10. stakeholders, complexity and transparency
11. strategic objectives
12. structure and human resources
13. flexibility and change
14. PM
15. costs and productivity
16. performance management.

Regarding PM (referred to in 14 above), Kwak et al (2014) found that government projects and programmes are characterised by the pursuit of more non-financial benefits, and by greater susceptibility to political influences, because they are larger, more complex, have longer product life cycles and are dealing with more stakeholders. In the absence of an approach, or if only an informal approach to PM is used, efficient and effective strategy execution is highly unlikely. With large and complex projects, one can expect more frequent changes in scope, resulting in time and cost increases. Extensive outsourcing makes procurement and contract management more complicated.

As context matters in strategy execution, these differences should be considered in order to improve the chances for success in strategy execution in the public sector. The 16 differences could be regarded as the 20 per cent portion mentioned earlier. Considering the unique context of the public sector, it would be unwise to approach the strategy execution journey in the public sector in the same way as in the private sector. More than strategic planning,

situational or contextual analysis should be applied for strategy execution, due to the much longer duration and the complexity of strategy execution. In general, the public sector demands a more cautious approach in the execution of strategy, requiring more time for consultation, buy-in and decision making. A simple, focused and clearly defined strategy is of the utmost importance. The larger number of stakeholders, the increased transparency and the increased complexity should all be noted. An understanding of the greater openness to environmental and stakeholder influences and the need to respond to these during strategy execution is important. The unique leadership characteristics in the public sector, including its shorter term, power base and criteria for selection and success, should be considered. Risks, whether originating from the macro-environment, pressure groups, politicians, corruption or self-enrichment from within a system, and capacity constraints, should be managed in a professional and diligent manner.

The application of the MERIL-DE Model with the Stratex Car analogy can play a key role in the implementation of strategy in the unique public sector context that has been descibed.

🔍 CASE STUDY 7.1: IMPROVED STRATEGY EXECUTION

Two years ago, Ministry A decided to take drastic action to improve delivery on its strategic plan. It had the following aims, which delivered good results after implementation:

1. **Develop policy and procedures** based on the MERIL-DE Model, and integrate related policies and procedures, such as strategic management, performance management, stakeholder management, risk management and PM.

2. **Set up a PMO:** Establish a permanent unit dedicated to strategic management and portfolio management.

3. **Improve the plan:** Ensure the strategic plan is focused, logical, balanced, integrated, detailed and realistic, with clear accountabilities and responsibilities. Start preparing for strategy execution during the strategic planning process.

4. **Build the Stratex Car:** Make preparations for the five-year strategy journey. Based on the assessment of our current total strategy execution capacity, we should work towards strengthening the nine components of our Stratex Car.

5. **Go, but regularly service the Stratex Car:** Even with an imperfect Car, we will start our strategy journey, but we will regularly test, maintain, repair and improve the Car during the journey by means of our quarterly institutionalised MERIL meetings.

Conclusion

Strategic management consists of two distinct but interrelated disciplines: strategy planning and strategy execution. The unique context in the public sector has to be considered during strategy planning and execution. Value is created during strategy execution. The PS, CRO or CEO is the chief execution officer, accountable for achieving policy and strategy objectives.

Successful strategy execution in PSOs depends on a good strategic plan, but also on strong and sustainable leadership. As strategic plans are realised 'on the ground' through strategic initiatives (programmes, projects and activities), PM is of critical importance, and this includes programme and portfolio management. The PSO further has to ensure that its strategy is aligned to its people, culture, processes, budgets and technology. Strategic management involves performance management (the MERIL cycle of measure, evaluate, report, improve and learn) and needs to continuously address the motivation or drive and engagement of people through dialogue. Finally, strategic management – during planning and execution – should integrate risk management and stakeholder management to maximise the chances of strategic success and the delivery of the intended value to the public.

Test your knowledge:

- Discuss the following statements:
  - Strategic management is more difficult in government than it is the private sector.
  - It is difficult to balance national strategic interest, customer/community/public/political interest and employee interests in public sector strategic management.
  - The PSO does not compete with other institutions and therefore does not need to consider other PSOs and benchmarking or world-best standards. To what extent does this apply to OMAs, regional councils, local authorities and state-owned enterprises (SOEs)?
- Does it matter what strategic management methodology one follows in an organisation? Which method is the best, and why? Compare the Strategy Diamond (Figure 7.6) with the steps or stages presented in the Public Service Staff Rule E VI, Performance Management. Part II, Planning for Performance. How can the process be improved?
- What major issues or problems might there be in strategy execution with reference to the MERIL-DE Model?
- By using the vehicle analogy of the Stratex Car, how can your organisation best improve its chances for successful strategy execution?
- Based on the MERIL-DE Model and the vehicle analogy of the Stratex Car, answer the following:
  - Can a PSO claim its leadership is strong if other components are weak, such as PM, Alignment, Drive and Engagement?
  - Is the execution of organisational strategy as strong as the weakest component or as strong as the average component (of the nine vital strategy execution components of the MERIL-DE Model)?

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Portfolio, programme and project management

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AJ Olivier

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Learning Outcomes

After reading this chapter, you should be able to:

- analyse and see the relationships between the concepts and disciplines of projects and project management; programmes and programme management; and portfolios and portfolio management; as used in the project management profession

- examine the best practices in project management as found in the Project Management Institute's Project Management Body of Knowledge, including the five process groups, the 10 knowledge areas and the link between projects and operations

- link vision, policy, strategy and projects; show how policies and strategies are implemented by means of initiatives (programmes, projects and activities) and demonstrate the value of project management

- examine project stakeholders and the project management organisation, including the role of the project management office

- explain the unique nature and challenges of public sector projects and how best to respond to these unique challenges

- explore ways to improve project management maturity in the Namibian public sector, and how best to apply portfolio, programme and project management practices in the public sector to achieve national, regional and local development goals and objectives.

8.1 Introduction

In this chapter, the concepts of portfolio, programme and project management (PM) are defined and linked according to the Project Management Institute's *A Guide to the Project Management Body of Knowledge* (PMBOK) (PMI, 2013a), regarded as the leading foundational PM standard. The second PMI publication, the *Organizational Project Management Maturity Model* (OPM3) (PMI, 2013b), provides guidelines for improving organisational PM within organisations. Organisational project management (OPM) is a strategy execution framework in the OPM3 (PMI, 2013b) that utilises portfolio, programme and project management, as well as organisational enabling practices, to deliver organisational strategy consistently and predictably for better performance and better results. In both these PMI standards, vision, policy, strategy and projects

are clearly linked in order for the manager to understand the critical role of strategic initiatives (programmes, projects and activities).

This chapter gives an overview of the five PM process groups and 10 knowledge areas (KAs), and shows how they are integrated. Projects and programmes play a critical role in delivering government services, especially in bringing about change and improvement in service delivery and value creation. The chapter argues that the PM gap is a main causal factor in poor service delivery. The significant differences between programmes/projects and operations prompt managers to apply different management methodologies, tools and techniques. The link between projects and operations for sustainability is highlighted. PM as a separate discipline and profession is described with reference to project organisation and stakeholders.

The final section discusses the unique characteristics of public sector projects and programmes, with their associated challenges and possible solutions. The chapter argues that the public sector needs to enhance its PM capacities if it wants to succeed in the execution of its policies and strategies. The chapter concludes with key questions relevant to the current Namibian context.

8.2 The history of project management and professional development

8.2.1 Overview

The field of PM has been around for thousands of years – it was applied in the planning, coordination and construction of the ancient wonders of the world, including the pyramids in Egypt and the Great Wall of China. So-called modern PM is associated with Henry Gantt's development of the bar chart in the early 1900s and the PM techniques specifically developed for military and aerospace projects of the 1950s and 1960s in the USA and Britain. A major milestone was the formation of the PMI in 1969, with the development of the first PMBOK Guide in 1987, offering a structured and integrated approach to PM rather than an ad hoc collection of tools and techniques. Professionalism in PM was developed through ethics, standards and accreditation.

In current times, PM has expanded to all sectors. With the introduction of the personal computer and the internet there has been a dramatic explosion and proliferation of PM software. Indeed, according to the PMI president, '[p]roject management has evolved over many decades as a means for organizations to deal with change, and is currently one of the fastest growing professional disciplines in the world' (PMI, 2016). PM has developed into a profession and discipline on its own: 'Through 2020, 1.57 million new project management jobs will be created each year around the world, according to our Project Management Talent Gap report' (PMI, 2016).

The PM profession exists and grows due to the need for the proper management of temporary and unique endeavours for achieving specific objectives.

The profession differs from the operational management profession, which handles ongoing business activities that are not unique or temporary in nature. Master of Business Administration (MBA) courses typically include operational management subjects such as financial management, marketing management and human resource management (HRM) applicable to day-to-day operations or business as usual. The PM profession, on the other hand, deals with change, innovation and improvement within limited timeframes and budgets to achieve specific objectives or benefits according to agreed scope and quality requirements.

8.2.2 The Project Management Institute

The PMI is the world's largest not-for-profit membership association and is the world's leading organisation for the PM profession. According to the PMI (2016), the institute has about 500 000 global members, with almost 300 local chapters in more than 100 countries. Almost five million copies of the PMBOK Guide of all editions in different languages have been issued to 636 000 project management professionals (PMPs). Certifications and standards are two of the PMI's offerings:

- **Certifications:** The PMI offers eight certifications that recognise knowledge and competency, including the PMP® certification, held by more than 650 000 practitioners in 2016. The number of people with this certification is growing worldwide. Salaries and career opportunities for certification holders show that employers recognise the value delivered by trained practitioners. PMP certification is similar to professional certifications in engineering, architecture, quantity surveying and other professions.
- **Global standards:** The standards offered by the PMI for project, programme and portfolio management are the most widely recognised ones in the profession and are a model for PM in business and government. They are developed by thousands of PMI volunteers with experience in every type of project and they provide a common language for PM around the world.

This chapter is based on the PMBOK® Guide, which contains both a standard (the Standard for PM) and a guide. The standard describes the processes, inputs and outputs that are considered good practices for managing projects. The guide expands on the standard, with additional information on key concepts, emerging trends, tailoring considerations, and tools and techniques used in PM.

The three sub-disciplines in the PM profession are portfolio management, programme management and project management. There is a clear distinction among these, but there is also a link. The portfolio–programme–project hierarchy is shown in Figure 8.1 on the next page. Refer to the PMBOK Guide (PMI, 2013a) and OPM3 (PMI, 2013b) for a full description of the three sub-disciplines.

FIGURE 8.1   THE PROJECT MANAGEMENT HIERARCHY
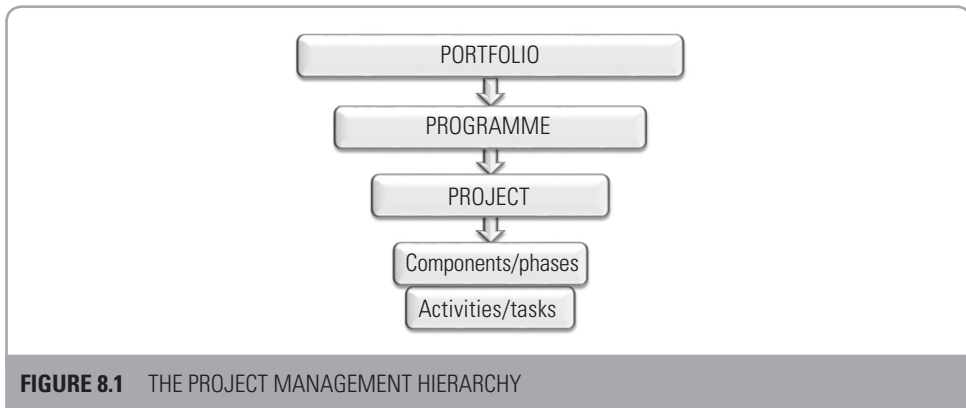
Definitions of projects, programmes and portfolios are presented below, together with definitions of project, programme and portfolio management.

8.2.3 Projects and project management

A project is a temporary endeavour undertaken to create a unique product, service or result (PMI, 2013a). As a project is unique and complex by nature, effort is required to do something that has not been done that way before. This would involve effort with a beginning and an end to develop a new product or service, and to achieve a specific objective with limitations in scope, time, cost and other resources.

This definition is depicted in Figure 8.2, showing a project's temporary nature, uniqueness and specific benefit or objective. Note that sometimes more than one project is required to achieve the intended benefit or strategic objective.

FIGURE 8.2   PROJECT DEFINED
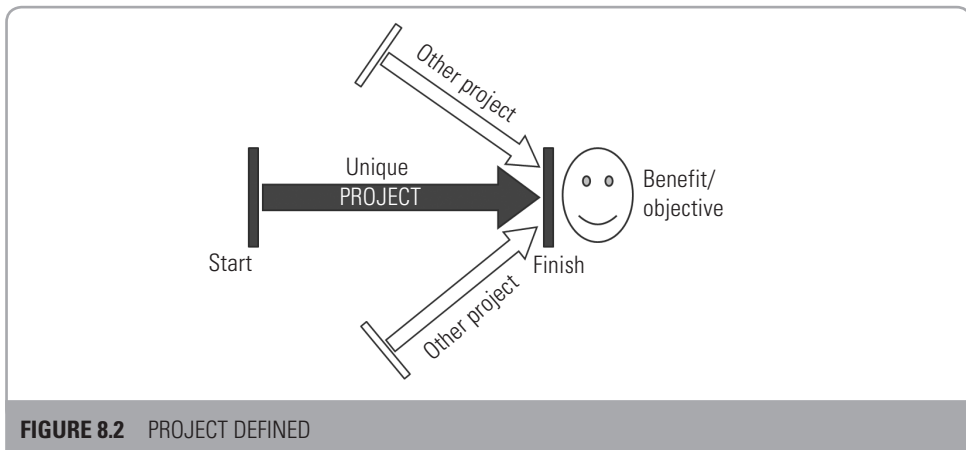
Source: Olivier, 2016, based on PMI, 2013a

Projects are a means of organising interdependent activities and multiple resources that cannot be addressed within an organisation's operational limits. Projects are utilised as a means of achieving an organisation's strategic objectives. Projects vary in *type, size* and *complexity.* Small, simple projects

require only a project coordinator, but large, complex projects need experienced project managers. Projects could be classified in terms of:

- objective (measured for importance: small to big)
- scope (from small and simple to large and complex)
- single discipline to inter-disciplinary
- time (short to long)
- cost (small to big)
- results/benefits (tangible, e g construction, or intangible, e g attitude change).

PM is the application of knowledge, skills, tools and techniques to activities to meet the project requirements (PMI, 2013a). PM can be characterised according to the following (Kodukula, 2014):

- Its components are activities or tasks.
- Its orientation is tactical.
- Its focus is to create deliverables.
- Its objective is to meet project requirements according to the project plan (in terms of scope, time, cost, etc).
- Its success criteria are the production of project deliverables within scope, time and budget.
- Change is managed as exception to 'baseline'.
- Its lifetime is relatively short term.
- Its performance monitoring frequency is weekly.
- Its management is focused on managing the project team and the creation of project deliverables.

PM involves the effective management of five process groups and 10 KAs. Managing a project typically includes, but is not limited to:

- identifying requirements
- addressing the various needs, concerns and expectations of stakeholders
- setting up, maintaining and carrying out communications among stakeholders
- managing stakeholders with regard to meeting project requirements and creating project deliverables
- balancing the competing project constraints, including scope, quality, schedule, budget, resources and risks.

8.2.4 Programmes and programme management

A programme is a group of related projects managed in a coordinated way to obtain benefits and control which would not be available from managing them individually (PMI, 2013a). Programmes may include elements of related work outside of the scope of the discrete projects in the programme. Programmes in organisations are typically related projects which have the aim of achieving a specific strategic objective, such as improved road safety. Programme management can be characterised according to the following (Kodukula, 2014):

- Its components are projects that are related to each other.
- Its orientation is strategic.

- Its focus is the delivery of benefits.
- Its objective is to deliver benefits, manage stakeholders and integrate related projects.
- Its success criteria are the delivery of desired benefits through programme deliverables.
- Change is expected and is seen as an opportunity to manage proactively to deliver promised benefits.
- Its lifetime is mostly temporary but relatively long term.
- Its performance monitoring frequency is monthly.
- Its management is focused on managing project managers, programme staff, project interdependencies, the benefits-creation process, and providing leadership to the overall programme team.

8.2.5 Portfolios and portfolio management

A portfolio is the collection of all the programmes, projects and activities managed as a group to achieve strategic objectives (PMI, 2013a); it is a collection of strategically aligned, value-generating projects that help achieve organisational goals (Kodukula, 2014). The portfolio components may not necessarily be interdependent or have related objectives. The portfolio components are quantifiable – that is, they can be measured, ranked and prioritised (PMI, 2013a).

Project portfolio management (PPM), also simply referred to as portfolio management, is a dynamic decision-making process whereby all current projects are constantly evaluated, updated and revised. The evaluation, selection and prioritisation of new projects may lead to existing projects being accelerated, de-prioritised or terminated, and resources allocated and reallocated to the projects most likely to achieve the strategic objectives (Kodukula, 2014). Portfolio management has the following characteristics (based on Kodukula, 2014):

- Its components are projects and programmes that generate value independently of each other.
- Its orientation is strategic.
- Its focus is on the allocation of resources.
- Its objective is to achieve strategic objectives through balancing objectives, initiatives and resources or budgets.
- Its success criteria are the achievement of strategic objectives, whether of value to business or the public.
- Change drives the portfolio, so investment priorities must change in accordance with internal and external changes and changes in strategy.
- Its lifetime is ongoing.
- Its performance monitoring frequency is quarterly.
- Its management is focused on managing the portfolio team and staff, managing project investments and facilitating the project/programme governance process.

8.3 Process groups and knowledge areas

PM consists of managing projects through five process groups and in 10 KAs (PMI, 2013a). These are presented in the following section.

8.3.1 The five project management process groups

The five process groups (see Figure 8.3) are Initiating, Planning, Execution, Monitoring and Controlling (M&C) and Closing. Figure 8.3 also shows that projects are initiated following on from an opportunity (the sun) or a threat (lightning). These five process groups together form the project life cycle (from start to finish), but at project completion, the facility of operations takes over. The project thus become part of the product life cycle.
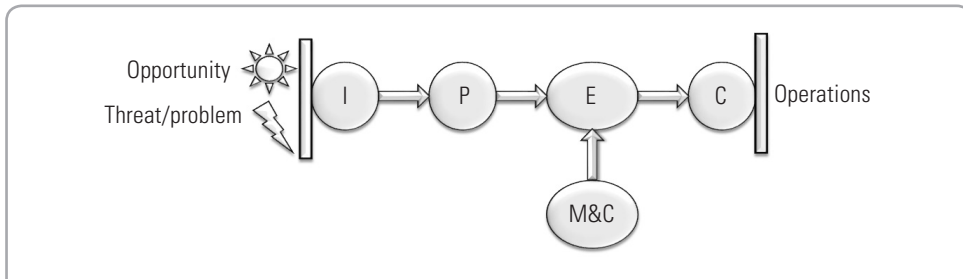
FIGURE 8.3   PROJECT MANAGEMENT PROCESS GROUPS (SIMPLIFIED)

Each project goes through different stages of its life, called the project life cycle. A short description of the five process groups are presented in Table 8.1.

TABLE 8.1   TYPICAL ACTIVITIES PER PROCESS GROUP

Initiating	Planning	Executing, M&C	Closing
Clarify the opportunity, benefit, challenge or problem Identify possible solutions Evaluate alternatives Select the best solution Define the new project Develop project charter and submit for approval Obtain approval to start the project	Define the exact requirements Define the course of action to achieve the project objectives Develop detailed project plan Obtain project plan approval	Execute the project Complete the work defined in the project plan Monitor and control the project, including meetings, approvals, revisions Training	Finalise all project activities Operations preparations (the preparations during the closing stage to prepare for operations, e g staffing, training, handover) Training, handover Project evaluation As-built drawings Review, document and close the project Formally close the project

Figure 8.4 shows the project life cycle from start to finish. The cost and staffing levels start and finish at zero. The milestones at the end of each process group are:

- an approved project charter at the end of Initiation
- an approved project plan at the end of Planning
- accepted deliverables at the end of Execution, Monitoring and Control
- archived project documents at the end of Closing.
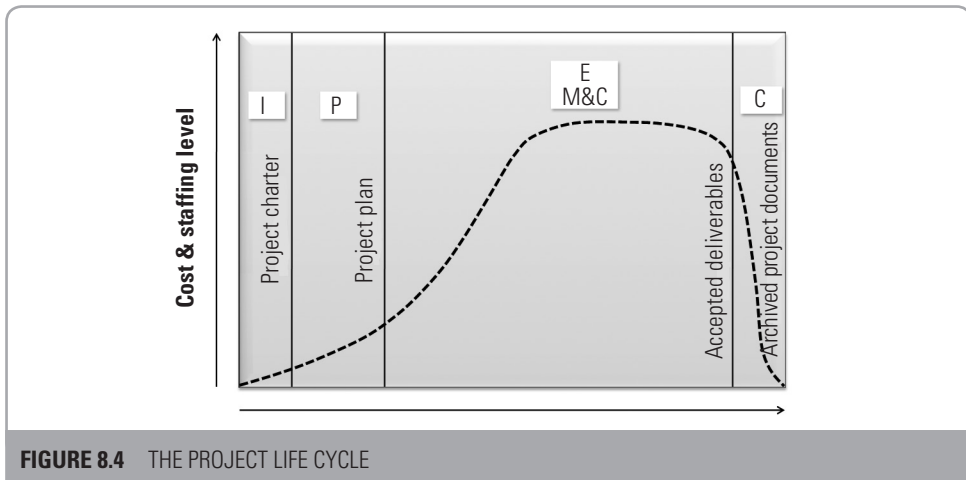
FIGURE 8.4   THE PROJECT LIFE CYCLE

Source: Olivier, 2016

Figure 8.5 shows three trends during the project life cycle. The first of these involves stakeholder influence, risk and uncertainty, which start very high and, as the project reaches completion, are reduced to a low level. The second is the inverse trend relating to the cost of change or the cost of correcting errors. The longer one waits, the higher the cost. A third trend is the possible effort or workload of a project manager on the project.
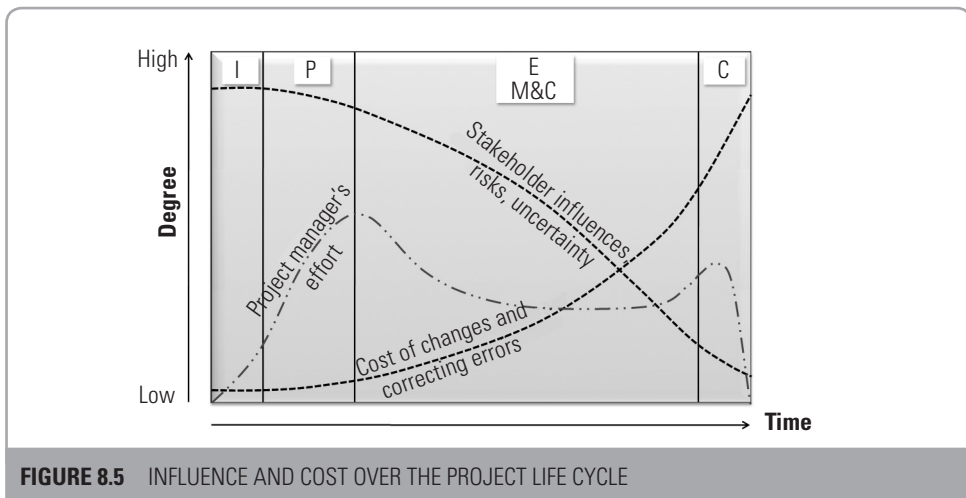
FIGURE 8.5   INFLUENCE AND COST OVER THE PROJECT LIFE CYCLE

Source: Olivier, 2016

8.3.2 The 10 project management knowledge areas

The PMBOK Guide (PMI, 2013a) describes PM as the management of project activities in the five process groups and in 10 KAs. The 10 KAs in relation to the project are:

1. integration
2. scope
3. time
4. cost
5. quality
6. resources
7. communication
8. risk
9. procurement
10. stakeholder management.

The management required in the different KAs is now briefly described.

Project integration management

In integration management, the project charter is developed during the initiation stage; the project plan is developed during the planning stage; project work is directed and managed during the execution stage; project work is monitored and controlled while integrated change control is performed during the M&C stage; and the project is closed during the closing stage. Turner (1999) proposes five functions for PM. He regards scope and organisation as the two essential functions of PM. Scope is driven by the purpose or expected benefit and is facilitated or made possible by the organisation. Turner regards the three functions of quality, cost and time as constraints.

FIGURE 8.6   PROJECT INTEGRATION
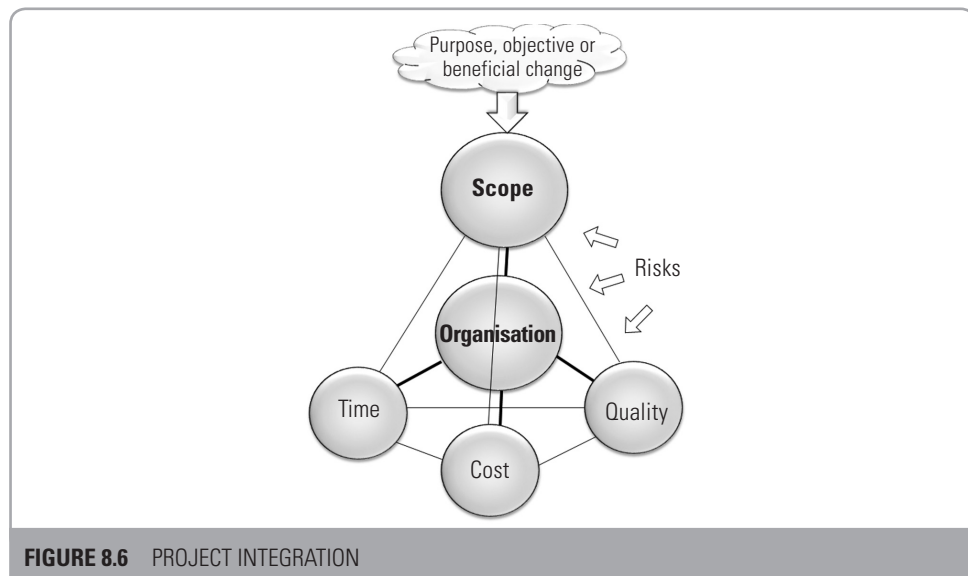
Source: Turner, 1999, adapted in Olivier, 2016

Project scope management

The project's scope is defined and presented in the form of a work breakdown structure (WBS), after which the scope is validated and controlled. This KA asks the questions: 'What should we do? What is included? What is excluded?' The answers are given in the WBS.

Project time management

In project time management, activities are defined and sequenced, resource requirements are determined, activity durations are estimated, the schedule is developed and then controlled. This KA asks the question: 'When should we do it?' The answer is given in the schedule.

Project cost management

Under activity cost management, the project budget is determined by adding the costs of all activities, and then the budget is controlled. This KA asks the question: 'How much will it cost?' The answer is given in the budget.

Project quality management

In quality management, project quality is planned, assured and controlled. This KA asks the question: 'How good should it be?' The answer is given in the Quality Management Plan.

Project resource management

In resource management, human and other resources (such as materials, equipment, facilities and transport) are planned and acquired, and the project team is developed and managed. This KA asks the questions: 'Who should do the work? What resources do we need to do the work?' The answers are given in the Resource Plan.

Project communication management

Under communication management, communications are planned, managed and controlled. This KA asks the question: 'Who should know about this project?' The answer is given in the Communication Management Plan.

Project risk management

In risk management, risks are identified and analysed, and risk responses are planned. These are then implemented and controlled. This KA asks the question: 'What can go wrong on the project and how can we best respond?' The answer is given in the Risk Management Plan.

Project procurement management

Under procurement management, resources required from outside the organisation are planned, acquired and controlled, and closed after the period of contract management. This KA asks the question: 'What do we need from outside the organisation and how best can we acquire this?' The answer is given in the Procurement Management Plan.

Project stakeholder management

Under stakeholder management, stakeholders are identified, analysed and engaged. This KA asks the question: 'Who do we need to engage in the project and how?' The answer is given in the Stakeholder Management Plan.

8.3.3 Projects and operations

Figure 8.7 depicts an organisational transformation programme, with various projects. Projects (P) show periods of turbulence where transformation is taking place towards a sustainable upward trend in performance/service delivery. During operations (O), business activities are more stable, perhaps with continuous improvement initiatives being implemented. The broken line shows the environmental change or performance levels of the competition.

FIGURE 8.7 PROJECTS VS OPERATIONS
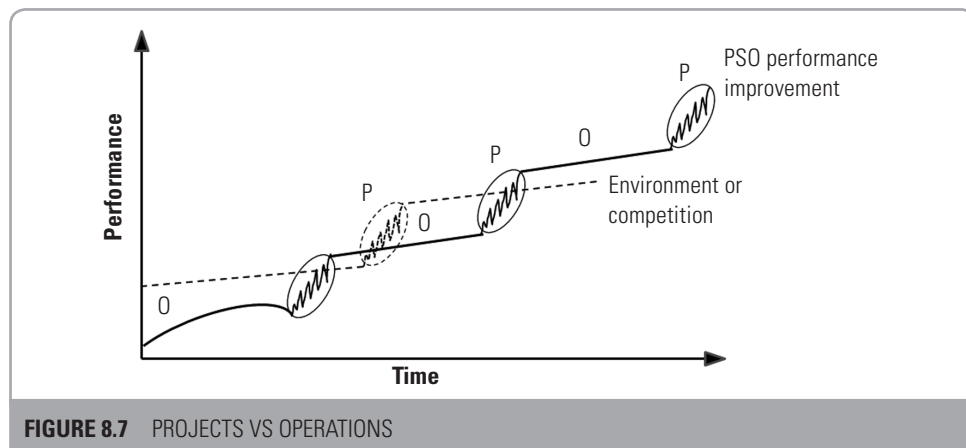
Source: Olivier, 2016

It is of critical importance for the public service manager to make a distinction between projects/programmes (P) and operations (O), for the following reasons:

- Different methodologies, tools and techniques are used for P and O. The P toolbox is different from the O toolbox. The P toolbox contains the tools and techniques of the five process groups and 10 KAs – to be able to handle temporary and unique endeavours for achieving specific objectives, benefits or value at the end of the project. The O toolbox contains the tools and techniques to deal with ongoing operations, such as human resources (HR) and financial management.
- There needs to be a good link between a project and operations. These links occur at the beginning and at the end. Consider, for example, the completion of a school, a water treatment works or a computer training course. The completed school building needs to be equipped, staffed and used for quality education; the water treatment works must provide quality water; and the computer training course should enhance business performance.
- Programmes can sometimes have projects running sequentially and not simultaneously.

The Kalkveld project, in the following case study, includes various PM KAs, processes and project organisation. A reading of the case study should enable the reader to identify the successes and failures of the project and to highlight the root causes of these.

🔍 CASE STUDY 8.1: KALKVELD TOURISM CENTRE

A tourism and general business complex being built in Kalkveld, viewed as the middle of nowhere, is not only seven months behind schedule, but its cost has mysteriously doubled to N$ 28 million.

The complex at this settlement of about 5 000 people is being set up by the Namibia Development Corporation (NDC), a parastatal that is still marred by the controversy of the disappearance of N$ 100 million about 10 years ago.

Aimed at Kalkveld tourism, the project is being built by Goto Investments, owned by Sam Nelongo. Kalkveld is 60 km north of Omaruru and 60 km south of Otjiwarongo.

The Namibian visited the project this week and it became clear that a lot of work still has to be done before completion. Paving and the roof are not complete. The only part of the project that is almost complete is the service station, where markings clearly show that it will be owned by Shell.

NDC's head of industrial and entrepreneurship development, Freddie Vries, confirmed the delay and the high cost yesterday, but attributed it to unforeseen additions to the project. Vries also confirmed that there was frustration with the way the project is dragging on; the tenants want to move in because they have already signed contracts. The tenants expected to have their businesses operational last month already.

He, however, said that no one is to blame for the delay of the project, because NDC had to take on extra costs and additions. According to Vries, the project cost went up to N$ 23 million and not N$ 28 million, although the estimate was N$ 27 million.

He also said that, in addition to the initial N$ 14 million, N$ 3 million was added to build a fuel service station to the tenant's specifications and industry standards. Vries said that N$ 3 million was spent on redesigning and making changes to the specifications suggested by the tenants of the restaurant, the supermarket and the service station. These changes also mean new material, he said.

He pointed out that an additional N$ 3.3 million was used for support facilities, such as a sewerage system, water tank and backup power generator, which they had not anticipated. All the additions, Vries said, were forced on them because Kalkveld's services were not reliable.

Nelongo also confirmed that NDC bought material for the project, but said it was for a nominal fee of less than N$ 1 million.

NDC head of corporate affairs said the project is meant to attract investment to the isolated settlement that is surrounded by farms. The travellers, truckers and tourists who drive through need a stopover. ⮞

He said the development has seen people from Kalkveld moving back into businesses such as the new restaurant.

All this, he said, will create jobs. Sources, however, told *The Namibian* that after the contractor, Goto Investments, failed to meet the deadline, NDC threatened to cancel the contract but did not do so. NDC sources said the company is now paying for material and wages so that Goto Investments can complete the project. Although Vries denied that NDC paid wages on behalf of Goto Investments, he confirmed that they bought building materials on one occasion and deducted the money from the contractor's dues.

He said this was an exception rather that a rule, because NDC sometimes helps emerging contractors and Goto Investments fall into that category. Nelongo denied that NDC paid his workers' wages.

Source: based on an article by Tileni Mongudhi in *The Namibian*, 3 July 2014

8.4 Linking vision, policy, strategy and projects

PM is a strategic competency that enables organisations to implement strategies and deliver expected benefit. Whereas vision provides a picture of the preferred future, policy gives the high-level outline of how this could be achieved. Strategy expresses this policy in practical terms, bringing policy to the ground for implementation. In this sense, policies are not implemented, but strategies are. Strategies are executed mostly through projects. (Refer to Chapter 7 for a full discussion on strategy.)

8.4.1 The Strategy Mind Map

The Strategy Mind Map (Olivier, 2007), presented as Figure 7.1 on page 142 in Chapter 7, shows the link between vision, themes (or strategic focus areas), objectives (O) and initiatives (I). The left-hand section of Figure 7.1 shows the top-down alignment, whereas the diagram on the right shows the view from the top with the whole portfolio (all initiatives) linked into the vision. 'Initiative' is the term used in the Balanced Scorecard (BSC) and it includes programmes, projects and activities – but mostly projects. Figure 7.1 shows how initiatives or projects contribute to the achievement of strategic objectives. PM is therefore required for succeeding not only with projects, but also with strategies.

8.4.2 The scorecard/matrix

The scorecard, table or matrix (the BSC or Logical Framework Approach [LFA] is used in strategic planning) in Figure 8.8 on the next page relates to the strategy mind map of Figure 7.1. The scorecard consists of two main components: the objective details or the target (on the left, in light grey) and the details about initiatives or actions required to achieve the target (on the right, in darker grey). It shows how Objective A1 (part of Theme A) will be achieved by successfully implementing four project initiatives: A1.1 to A1.4.

Objective	Acc	P1	Target	Initiative	Resp	Cost	Schedule				
							Y1	Y2	Y3	Y4	Y5
A1 Objective name & description	HoD	PI 1	BL Yr 0								
			T Yr 1								
			T Yr 2	A1.1 Project	AB	1 000	X	X			
			T Yr 3								
			T Yr 4								
			T Yr 5	A1.2 Project	CD	4 000	X	X	X	X	
		PI 2	BL Yr 0								
			T Yr 1	A1.3 Project	CD	500		X		X	
			T Yr 2								
			T Yr 3								
			T Yr 4	A1.4 Project	CD	3 000				X	X
			T Yr 5								

Theme A — A1 (A1.1, A1.2, A1.3, A1.4), A2, A3

FIGURE 8.8 SCORECARD EXAMPLE

Source: Olivier, 2007

A discussion of the critical role of projects and PM follows, with an initial definition of project success.

8.4.3 What is project success?

A project can normally be regarded as a success when both customer satisfaction and business value are achieved according to the project plan, within scope, time, cost and quality (STCQ) restrictions. Project success therefore involves three components, namely:

1. the project itself – completed according to project plan, within the limitations of STCQ (PM success)

2. business benefit, for example financial gain or an improved strategic position for the organisation (business success)

3. customer benefit and satisfaction (customer-related success).

It is important to note the difference between the short-term *project life cycle* and the long-term *product life cycle.* Project life cycle success = PM success + operations/outcome success. Normally the project manager is responsible for PM success during the project life cycle, whereas the project sponsor is accountable for operations success/benefit realisation during the operations life cycle.

8.4.4 What is the value of project management?

Different stakeholders will have different views of project success, involving the elements outlined in this section. Strategy execution is complex and happens in a very dynamic environment. To improve the chances of successful implementation, PM tools and techniques should be used, based on PM KAs and processes. Considering that projects are unique, project planning is therefore of major significance to project success, because the project involves doing work that has not been done before. PM is a strategic or core competency. Project managers bridge strategy and execution. The value of PM could be described as:

- maximising the chances of achieving the intended benefits by completing the project on time, within budget and according to quality requirements
- improving the chances that the final result will satisfy the performance requirements of the sponsor and quality requirements of the client
- completing projects as successfully as possible in spite of difficulties and risks.

The value of PM could also be expressed in terms of:

1. **savings:** cost-saving achieved through lower costs, use of fewer resources or through more cost-efficient execution
2. **optimisation:** optimisation techniques to maximise the utilisation of resources; to get more done with the same or even fewer resources
3. **accountability and governance:** providing a framework for a project life cycle and standard processes that lead to greater accountability, giving confidence and assurance to sponsors and development partners to deliver successful changes
4. **risk management:** creating a culture of proactive risk management by identifying and managing threats and opportunities
5. **selection and prioritisation:** helping to focus continuously on the right things and to prioritise limited resources, through portfolio management.

8.5 Project stakeholders and project organisation

8.5.1 Project stakeholders

> **DEFINITION**
>
> **Stakeholders:** '[p]eople or parties who are positively or negatively affected by the activities or final results of a project; they stand to win or lose; they have a claim or vested interest' (Dinsmore, 1999).

Successful project managers know that success goes with managing stakeholder expectations. Who are the stakeholders on our projects in the public sector? The four stakeholder groups or categories are demonstrated in Figure 8.9. The two-way relationships are shown, with the broken arrows indicating what stakeholders need from the project organisation (strategic factors) and the solid arrows showing what the project organisation needs from each stakeholder.

FIGURE 8.9 PROJECT STAKEHOLDER GROUPS AND STRATEGIC FACTORS
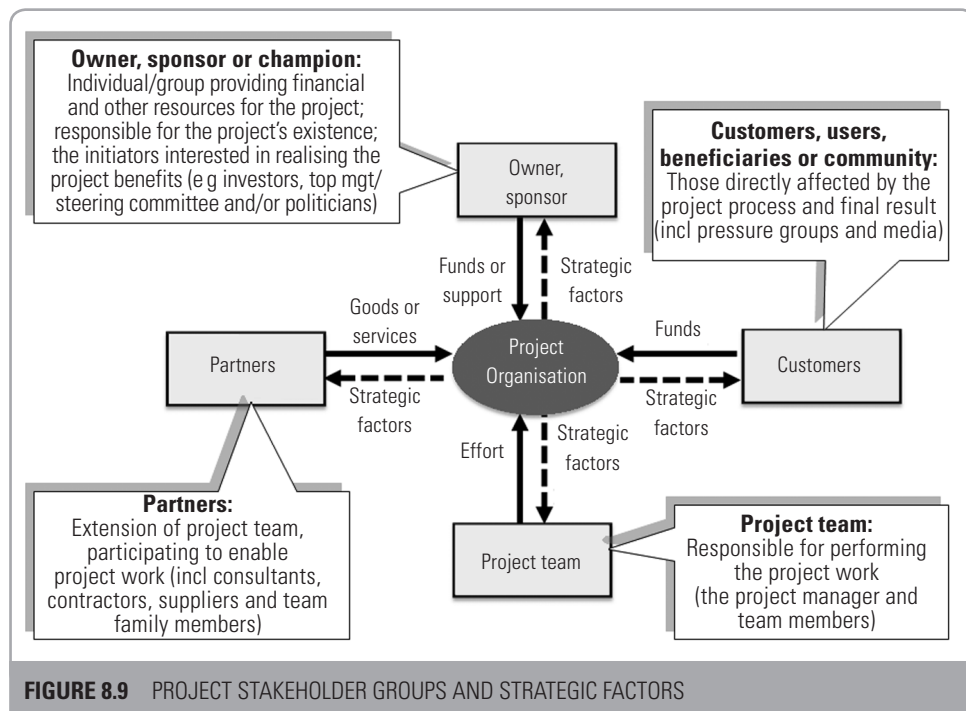
Source: Olivier, 2016, based on Kenny, 2005

Strategic factors are what a project organisation needs to get right in order to succeed with its key stakeholders – they are critical to the success of a project. They are externally focused, relating to stakeholder expectations. They are also the criteria used by stakeholders to assess a project's performance. Project organisations need to optimise each relationship and transaction (based on Kenny, 2005).

8.5.2 Project organisation

Project organisation includes all the resources (human, structural and physical) required to create the project. Projects of different sizes have different ways in which, and requirements for how, people are organised. In a small project, little organisational structure is needed. There might be a primary sponsor, a project manager and a project team. More people are involved in large projects. Clear roles and responsibilities are important. In project HR planning, the staff requirement for the project is determined, based on the WBS – what needs to be

done. To deliver each work package, human resources are required – from inside the performing organisation and/or from outside the organisation. The sponsor and project manager, with the organisational leadership, should then identify individuals to be appointed to the project team. Should human resources not be available in-house (in the office, ministry or agency [OMA]), these skills should be outsourced through consultants, suppliers and/or contractors.

Figure 8.10 depicts an example of a project organisation with the four main groups. In this diagram, the project team is depicted as the project manager (PM) with three team members (TMs).
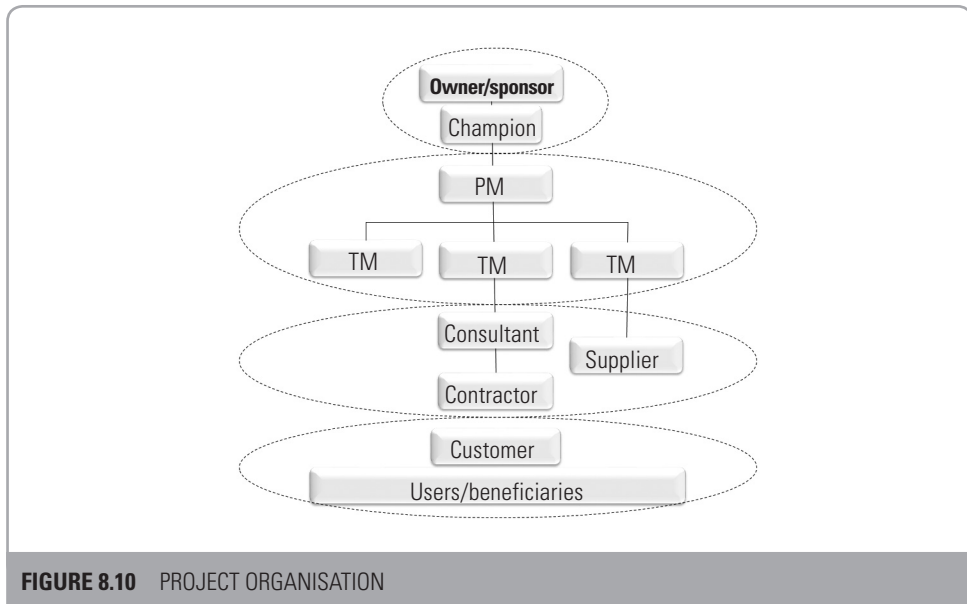
FIGURE 8.10   PROJECT ORGANISATION

Source: Olivier, 2016

8.5.3 Project management office

A project management office (PMO) is an organisational structure that standardises the project-related governance processes and facilitates the sharing of resources, methodologies, tools and techniques. The PMO is the unit responsible for improving PM within an organisation. It is a permanent department or unit within an organisation, not a temporary function. It is there to coordinate projects and to ensure they have the right tools, standards, methodologies and templates needed to boost their chances of success. There are three types of PMOs (Olivier, 2016, based on PMI, 2013a):

1. **Supportive:** This is the most common type of PMO. Its purpose is to empower project managers and teams to deliver projects. It does not control or direct projects. Instead, it supports projects by offering training, mentoring, administration and reporting.

2. **Controlling:** Supportive services may not be enough to put projects back on track. By offering controlling services (such as project reviews, audits

and assessments), the PMO can influence project delivery. It may also enforce project standards and processes to minimise project risk.

3. **Directive:** The least common, but sometimes most effective, type of PMO is one that directs projects. Here, project managers report to the PMO, which is directly responsible for the success of each project. This helps to group the project work within an organisation under one department – the PMO.

A portfolio management office (PMO) manages a portfolio of programmes and projects. The PMO performs in six 'S' areas (Olivier, 2016):

1. **Strategise:** ensuring projects are clearly linked to the strategy and jointly managed towards successful strategy execution

2. **Standardise:** developing PM policy and procedures; synchronising; ensuring staff in the organisation are following the required PM methodology, templates, tools, etc

3. **Share:** sharing PM resources with all in the organisation, including the PMBOK Guide, books, templates, conference materials

4. **Support:** supporting project managers and team members in project activities, including training in PM

5. **Synergise:** optimising resources for improved efficiencies and effectiveness through programme management

6. **Supervise:** controlling and directing projects as needed.

Lessons can be learnt from countries who have successfully implemented PMOs, such as:

- the UK – Infrastructure and Projects Authority
- Singapore – Centre for Public Project Management
- Qatar – Qatar National Project Management
- Saudi Arabia – National Project Management Office
- Canada – Major Project Management Office
- Philippines – National Project Management Office (Education)
- South Korea – National Project Management Office (Health and Education).

These offices are filled with world-class PM talent. They therefore achieve excellent results. Can the Harambee Prosperity Plan (HPP) and the National Development Plan (NDP) be successfully executed without such an office?

8.6 Public sector projects

Policies and strategies are implemented through initiatives (mostly projects and programmes). In order to implement anything, it is necessary to know exactly what to do (scope), when to do it (time), how much it will cost (budget), how good it should be (quality), who will do it (human resources), what you need (various other resources), who should know about it (communication), what can go wrong (risks), what external services or products are needed (procurement)

and who are the stakeholders to be managed. These are included in the 10 KAs described in the PMBOK Guide (PMI, 2013a). Projects in the public sector have unique characteristics, challenges and solutions. These are discussed in the sections that follow.

8.6.1 The nature of public sector projects

Projects play a big role in the public sector, whether these projects are properly managed or not. 'The public sector has a big market, making up 17 per cent of the gross domestic product (GDP) of the world. A lot of money is spent on public-sector projects. This is why many Government Organisations are very interested in finding and developing good project managers. PM in the public sector however, presents different challenges than private sector projects.' (Wirick, 2009:2). Managing public sector projects can be more difficult than private sector projects due to greater challenges with multiple stakeholders, outsourcing or partnerships, new or unproven technology, shifting or unclear project requirements and constrained resources (Starling, 2011; Wirick, 2009). Technical Pathways (2013) states that, as the purpose of government is to manage projects that no one else wants, there are sound reasons why government projects cannot, and should not, be managed like those in the private sector. Apart from differences between projects in the private and public sectors, there are also PM trends observed the public sector. These include changes (Zwikael & Smyrk, 2012):

- from new public management (NPM) to public value management (PVM)
- from generic to tailored PM frameworks, such as the PMBOK® Guide's Government Extension
- from a focus on efficient delivery of outputs (triple constraint of scope, time and cost) to benefit generation and realisation
- from a single to multiple accountabilities.

8.6.2 Differences between projects in the public and private sectors

Projects in the public sector are more complex

The size, value and complexity of many government projects or programmes are higher than in the private sector (Crawford & Helm, 2009; Mares, 2013; Wirick, 2009). This higher degree of complexity is often the reason for the inability of PSOs to deliver. Projects do not get to a point of closure for producing tangible final deliverables, but tend to continue indefinitely (Caliste, 2012). The public sector deals with more stakeholders, many of whom are overlapping, who may directly or indirectly slow down or stop a project. More layers of stakeholders with varied interests therefore have to be involved while appeasing political interests and satisfying media scrutiny. Because there are more stakeholders in the public sector, public sector project managers often have less authority (Wirick, 2009).

Visibility

Translating a policy into a project or programme of actionable tasks across departments is complex, with many stakeholder management issues. With more stakeholders, project visibility is higher in the public sector. Technical Pathways (2013) explains that even the most benign public sector project can be a candidate for front-page news. The press, public opinion, oversight committees, checks and balances, and the public record put government projects in a fishbowl of scrutiny, which can place their project managers in the difficult position of having to choose between what is right and what looks right.

Public sector project managers are anonymous when projects run smoothly, but 'in the hot seat' when problems arise. Apart from dealing with higher visibility, the public sector project manager also experiences more difficulty in determining exact project requirements in an environment of conflicting goals and outcomes, with shifting or unclear project requirements (Wirick, 2009). According to Caliste (2012), scope creep (increasing the number of project features) and gold plating (presenting project features as better than what they are) are more common in government because of poorly defined project requirements and scope.

Stricter constraints

Government projects are performed under stricter constraints, imposed by administrative rules and often cumbersome policies and processes. Unique constraints in government include purchasing systems, legal mandates, political and media oversight, and complex rules and processes. These are not there to help people to get things done, but to ensure adherence to a consistent standard of behaviour. Often these rules and standards overlap (Wirick, 2009). While one might expect a more structured approach because of these factors, the public sector often follows a more unstructured approach to PM, in which the project sponsor, project manager and team members are not given clear roles and responsibilities. The results can easily include duplicity of effort, conflict and poor control (Caliste, 2012).

Lack of implementation

In the public sector, there is a clear separation between the initiation and planning of projects and the implementation of these projects. Often projects are selected without considering implementation concerns, such as the human, physical or monetary resources required (Wirick, 2009). The complexity of policy and strategy execution often keeps new public programmes and projects from getting off the ground (Ring & Perry, 1985). To secure a project, often overly optimistic assumptions about costs and revenues are made. Examples are the Suez Canal and the Sydney Opera House, where the ultimate costs were respectively 20 and 15 times more than the original estimates (Wirick, 2009).

Namibia has had similar experiences. The Neckartal Dam is a dam under construction in the Karas Region of southern Namibia. It is a curved gravity

dam on the Fish River near Berseba, about 40 kilometres northwest of the regional capital, Keetmanshoop. Construction started in 2013 and was initially expected to finish in 2017. Once completed, it will be the largest dam in Namibia. Another example is the State House of the Republic of Namibia, the administrative capital of Namibia as well the official residence of the president of Namibia. Located in the Auasblick suburb of Windhoek, the State House was constructed by Mansudae Overseas Projects of North Korea, from September 2002 to March 2008, a total of 66 months. The administrative building cost N$ 400 million.

Political influences

Political influences in projects can bring a change in priorities and political adversaries. Technical Pathways (2013:1) expresses this as follows:

> *'[N]ew visions', 'a better tomorrow' and 'time for change' are standard political themes regardless of political affiliation. Elections bring new leaders, new ideas and new priorities, particularly at the local level where constituents can vote, directly or indirectly, on projects that are literally outside their doors. All political change trickles down to projects eventually. Unlike their private sector counterparts, the government's project managers need to be prepared for change with every election.*

Wirick (2009) describes the political process as having a built-in project 'adversary', as opposition parties are not particularly keen to see project success, and the press is keener to report on project failures than project successes. The public sector has to manage the different and sometimes conflicting political cycle (three to five years), strategic planning cycle (usually five years) and the numerous project cycles, which can be of any length (Caliste, 2012). Attempts are needed to prevent quick-win, short-term projects that dovetail with election cycles at the expense of longer-term, more efficient and effective projects. A balance of short-term (low-hanging fruits for political gain) and long-term projects (bigger and more sustainable benefits) is always required.

Uncertainty of funding

Government projects are mostly funded through annual budget cycles. This is generally not a problem for projects completed within a year, but

> *single-year budgeting, however, can have adverse impacts on multi-year projects, particularly capital projects like those found in public works, urban redevelopment and environmental restoration. Costs rise over time, political priorities change with new administrations, revenue streams run dry, bond markets fluctuate, and over time the project manager can move on to other projects or retirement.* (Technical Pathways 2013:1)

Project funding is therefore more uncertain in the public sector. The government project manager cannot legally bind future legislatures fiscally, so there is no guarantee that projects will be fully funded. The reselling and repackaging of projects are often required (Wirick, 2009).

Human resources constraints

Wirick (2009) and Caliste (2012) report more HR constraints in public sector projects. Understaffing on public projects is common. There is a general shortage of capable project managers in the public sector who are able to handle the more complex projects, which is in stark contrast to the private sector. Project managers are needed to manage the many stakeholders, often with ambitious and unrealistic ideas, and insufficient budgets, ever-increasing scope and unrealistic schedules. It is the author's contention that few people working in the public sector understand and appreciate the role of the project manager and PMO, compared to people's understanding and appreciation of these in the private sector.

Initiative overload

Project selection and termination are often not well structured in government. The public sector is often not disciplined enough to terminate projects that no longer add value. Initiative overload is therefore a common problem in the public sector. With more objectives, public sector organisations (PSOs) often have many more initiatives than private sector organisations. The large portfolio size and vagueness of objectives make it more difficult to manage projects in portfolios. A larger portfolio makes alignment, communication and collaboration very difficult, especially in large PSOs. Conflicting priorities and incompatibilities among projects are common in government. In a larger organisation, there is a greater possibility of experiencing incompatibility and interdependence with other initiatives and other commitments.

Unplanned crises

Besides planned projects, government also has to handle emergencies, such as recessions, natural disasters, epidemics, blackouts and civil unrest. In crises, an anxious public expects prompt decision making, and this can halt important projects that are in progress. Meanwhile, the press is always ready to raise the visibility of the response, and the one-year budgeting clock keeps ticking for projects delayed by the emergency (Technical Pathways, 2013). Unique project risks in the public sector include the need for handling more emergencies, more long-term projects with short-term budgeting, changing legislation and staying within laws and regulations. Government projects tend to experience delays due to land acquisition, environment clearance, protests by local people and a lack of coordination between different agencies (Wirick, 2009). Public sector project managers therefore need a different set of risk management skills than their counterparts in the private sector (Technical Pathways, 2013). Despite more risks in government, there is little tolerance for failure (Wirick, 2009). There is very little personal gain in government for taking risks to achieve goals more effectively. However, there is the potential for substantial criticism and personal loss if the innovative attempt fails (Mares, 2013).

Complex contract management

Procurement and contract management are generally more complex and challenging in the public sector. More consultants, contractors and suppliers are used, with a more complex procurement process and limited human resources to manage all the contracts (Wirick, 2009). This raises the bar for the contract management skills expected of a public sector project manager. These skills would include contract preparation, bid management, work review and issues management involving several individuals, departments and contractors, none of whom report to, or necessarily owe allegiance to, the project manager. As public sector contracts normally have set prices for fixed work, they require additional care in scope, time, cost and quality management. A great deal of foresight and flexibility is required, often as the inertia of bureaucracy pulls in the opposite direction (Technical Pathways, 2013). A lack of transparency in the bidding and awarding process often causes delays in public sector projects (Wirick, 2009).

8.6.3 Responses to unique challenges in public sector projects

Kwak et al (2014) define six main differences between public and private sector projects. For each of these six unique characteristics they propose specific responses. These are presented below.

Challenge 1: Pursuing non-financial benefits

- Project objectives are not clearly identified.
- Costs and benefits of the deliverables are difficult to justify and measure.
- There is a focus on achieving national goals rather than on a return on investment (ROI).
- Benefits are formulated to support predetermined project outputs.
- Target benefits are often inflated – this is strategic misrepresentation or optimism bias.

Response – Managing projects considering non-financial benefits:

- Evaluate the impact of the project to determine to what extent the project is contributing to the achievement of strategic objectives.
- Identify clear non-financial benefits in the business case (a business plan in which the investment compared to the expected benefits is justified and approved).
- Ensure that expected benefits are realistic and achievable.
- Establish an agreed evaluation methodology for project benefits.

Challenge 2: Susceptibility to political environment and dynamics

- There are many uncertainties (e g in regard to technology and resources).
- Projects could evolve around the preferences and expectations of owners.
- There might be changes in management, leadership or government.
- Political risk is a factor.
- There could be uncertainty in economic policy (for example nationalisation of project assets, government grants and permits and tax).

Response – Managing projects considering the political environment and dynamics:

- Consider legal advice to ensure that proposed ideas are in line with current legislation.
- Consider financial advice to improve an understanding of the economic aspects of the project.
- Ensure that the project is aligned with agencies' strategies.
- Consider public–private partnerships (PPPs), but ensure PPPs are economically feasible.
- Provide more authority to project managers.

Challenge 3: Following mandated project management processes

- There is a mandatory use of formal processes.
- There are strict budgeting processes with different types of funds and budget codes.
- Different countries and industries follow different sets of processes.
- There are strict internal audits and review processes.
- Ineffective use of processes has been found.

Response – Managing projects considering PM processes:

- Establish and follow government PM framework and processes.
- Follow formal planning and estimating processes that incorporate lessons learned.
- Follow a formal risk management process.
- Follow formal project monitoring and change management processes.
- Establish and follow project governance frameworks.

Challenge 4: Being involved in mega-projects that are big and complex with larger budgets

These include projects that cost more than N$ 1 billion; projects of a significant cost which attract a high level of public attention or political interest because of substantial direct and indirect impacts on the community, environment and budget; and projects with high risk, complexity, uncertainty, and a long duration.

Response – Managing projects taking into account that they are large and complex mega-projects:

- Develop a base cost estimate and integrated master schedule.
- Align the project cost with the annual budget cycle.
- Consider off-the-shelf solutions rather than high-risk new development where possible.
- Split programmes into smaller manageable projects for tight project control.
- Develop contingency plans and monitor risks.
- Identify training needs for long projects.

Challenge 5: Managing a long product life cycle

- Projects are expected to be operational for many years after being launched.
- Product durability, functionality and flexibility are key.
- A high level of technological uncertainty is involved in product design due to the anticipation of future needs.
- There are challenges regarding technology development and adoption.

Response – Managing projects considering the long product life cycle:

- Ensure robust design and quality management processes.
- Reduce occasions of using unapproved (too advanced) technologies.

Challenge 6: Dealing with multiple stakeholders

- This might involve several stakeholders with various objectives and expectations.
- This may affect the progress of the project in political, social or financial ways.
- There is a need to distinguish the potential purpose and impact, and to identify key or non-key stakeholders.

Response – Managing projects considering multiple stakeholders:

- Bring in procurement personnel to the project team.
- Consult the business community when relevant.
- Coordinate the project with existing operations.
- Establish inter-agency agreements for cross-agency projects.
- Ensure effective collaboration with procurement personnel and an effective acquisition process.

Managing public sector projects requires special attention regarding these additional complexities and challenges. These projects have to be executed within budgetary and political cycles. These factors put more pressure on project managers, who are often not well equipped or qualified as project managers.

8.7 Improving project management maturity

This section addresses the assessment and improvement of PM maturity in the Namibian public sector. Maturity is determined by the level and alignment of project, programme and portfolio management application in organisations. The PMI developed the OPM3 (PMI, 2013b) in order to support the implementation of improvements to OPM maturity, which assesses the alignment of the project, programme and portfolio management domains with the achievement of strategic objectives. OPM3 as a maturity model can assist a PSO in assessing their PM gaps and in developing an improvement path towards PM maturity. OPM3 defines a continuum of maturity levels. The outcome of an OPM3 assessment is an indication of OPM maturity and an identification of best practices and specific areas needing improvement. The improvement path starts in the project domain and then moves to the programme domain and finally to

the portfolio domain. The OPM3 concept of process improvement is to ensure a maturing of each relevant capability or best practice through the sequential stages of standardising, measuring, controlling and, finally, improving. These stages are linearly interdependent. The first step towards OPM maturity is the standardisation of identified best practices and the addressing of specific areas that need focused improvement. Each organisation is expected to plan its own implementation of improvements.

8.7.1 The current status of project management in Namibia

The following case studies provide perspectives on the 'health' and functioning of projects and PM in Namibia.

🔍 CASE STUDY 8.2: BUDGETS AND EXPENDITURE

A common major concern in government is the lack of implementation, and government's inability to spend their budget. In Namibia, the *Republikein* newspaper of 7 March 2013 reported on the 'disturbing' statistics of various ministries who were unable to spend their budgets in the 2012/2013 financial year. In this article the National Planning Commission (NPC) reported that in some instances less than 50 per cent of budgets were spent. The Office of the Prime Minister (OPM), for example, was able to spend only 10 per cent of their budget of N$ 41 million. This was despite the common excuse that a lack of funding caused the non-implementation of projects. The reasons for the poor performance, given by the NPC, were poor project planning (including scope, schedules and budgets) and HR capacity constraints for implementation.

🔍 CASE STUDY 8.3: PROJECT MANAGEMENT IN NAMIBIA

Namibia has 617 capital projects in the pipeline (in various stages of development), according to an article in *New Era* of 3 June 2016. The approved budget for the Medium-Term Expenditure Framework (MTEF) of the next three fiscal years is N$ 32.5 billion. More and more people in Namibia are emphasising the need for PM in the delivery of projects such as the mass housing programme. It is worrying that in Namibia, with its well-formulated NDP4, HPP and strategic plans, so little mention is made of PM. If these NDPs and our sector/OMA strategic plans are executed by means of projects or programmes, why not do so by employing PMPs and using the available world-best PM methodologies, tools and techniques for project activities? Where is PM in Namibia? Why use professional engineers and professional architects, but not professional project managers? Why did we only have 10 PMPs in Namibia in 2015, while there are hundreds in other African countries and thousands in developed countries? Why do others employ certified project managers and not Namibia? Why do we give our projects or programmes – large or small – to people who do not know and cannot apply PM methodologies, tools and techniques? This is similar to giving a painter a broom and duster to repair your car.   ➲

The value of PM is that it maximises your chances of achieving business success and customer satisfaction, while completing the project within time and budget. It is well known that government projects are generally much more challenging than private sector projects. Why not get the top project managers to do the job? Why is formal PM education not presented at our tertiary institutions? Currently Namibians have to go to South Africa or elsewhere for PM education. Engineering design, construction and site supervision for housing are not the same as PM. Most engineering companies do not have qualified or certified PMPs. PM involves managing a project from initiation to planning to execution, from monitoring and controlling to close-out and then handing over to operations. It is on a higher level than mere designs, tendering and construction. Is government forgetting about PM? As a home is much more than just a house, a project is much more than just the building. It is about creating an attractive, safe, sustainable living space integrated with its physical and social environment, promoting social and economic well-being. It is much more than just ticking off that a contractor completed another house as part of a mass housing scheme.

🔍 CASE STUDY 8.4: CHALLENGES IN 2016

On 30 June 2016, the president announced an emergency drought situation over the whole of Namibia (Report from Government of the Republic of Namibia, 2016). The 2016/17 livelihood vulnerability report released on 4 July said the drought ravaging Namibia had exposed 729 134 people to food insecurity. The dams around Windhoek were 20 per cent full and were expected to run dry in the following four months.

Various water supply options are being investigated, such as desalination of seawater, pipelines from the Okavango River and aquifers in the north-central parts of Namibia. Moreover, approximately 30 per cent of the population is without clean water and 70 per cent without safe sanitation. Apart from shortages of water supply, Namibia is still struggling with a serious shortage of electricity supply affecting large portions of the population, who are without any form of electricity. Other topics often appearing in the news are skills shortages, unemployment, poverty, inequality, low economic growth, crime and corruption.

🔍 CASE STUDY 8.5: EXECUTION OF THE HARAMBEE PROSPERITY PLAN

[An overview of the HPP can be found at: http://www.gov.na/documents/10181/264466/HPP+page+70-71.pdf/bc958f46-8f06-4c48-9307-773f242c9338]

The HPP, developed by the Office of the President in 2015/2016, addresses key issues with specific targets. The HPP calls on all Namibians to 'pull together in the same direction' for improved prosperity for all in Namibia, to work towards a common purpose and to support the execution of the plan.

➲

The overall goal is the reduction of poverty and inequalities and to give every Namibian access to the basic necessities for survival and for realising their full potential to prosper according to their inherent abilities. The so-called Namibian House is presented with five pillars, namely effective governance, economic advancement, social progression, infrastructure development and international relations and cooperation. It contains 16 goals, each with a clear target and champion OMA that is accountable for achieving the goal. The term 'goal' is used, rather than 'objective', which is typically used in strategic plans of the OMAs. The HPP as a four-year strategic plan will be executed by means of projects and programmes (groups of related projects managed in a coordinated way). In order to manage projects, the discipline and profession of PM has to be engaged.

8.7.2   Towards improved project management

The important role of PM in achieving government objectives is generally not realised in Namibia. The role of PM is not properly highlighted in the HPP and NDPs. National, regional and local strategies can best be implemented through portfolio, programme and project management. A central PMO and linked PMOs in OMAs can significantly contribute towards the realisation of strategic objectives. Furthermore, Namibia should invest in the development and attraction of PMPs in key PM roles (similar to the use of professionals such as engineers and architects). PM should always involve the effective management of the five process groups (project initiation, planning, execution, monitoring and control, and closing) and 10 KAs (scope, time, cost, quality, resources, communication, risk, procurement, stakeholder and integration management). Stakeholder and procurement management are of critical importance in public sector projects.

By following best practice PM methodologies, the chances of achieving the project objective and completing the project on time and within budget, as well as satisfying the project stakeholders, will be maximised. Detailed and integrated project plans need to be developed before execution – based on detailed WBSs. These approved, detailed project plans then have to be executed, with regular or monthly monitoring and control and at least quarterly assessments along the lines of measurement, evaluation, reporting, improvement and learning, according to the HPP/NDP requirements. This would result in projects being aligned with the achievement of the related HPP/NDP indicators and targets. (For more information on this, refer to Chapter 7.)

The following specific actions should be considered for improving PM in the Namibian public sector:

- **Standards and procedures:** There should be proper, institutionalised project governance to ensure the right projects are implemented correctly, based on the PMI's PMBOK Guide, with related management systems, rules, protocols, relationships and structures.

- **Detailed project plans:** At least all major projects need to have detailed project plans in which all PM KAs are clearly integrated.
- **PM skills:** Projects should be led by qualified or certified project managers skilled in all PM process groups and PM KAs – in particular people/stakeholder/change management and procurement management.
- **PMO:** A permanent, specialised unit or PMO is necessary to coordinate, monitor and control projects properly. Such an office could easily be funded by the savings realised through good PM practices.

Conclusion

PM has become a professional discipline in its own right and is no longer an add-on to other disciples such as engineering or information technology. As is the case with professional engineers and architects, the PMI is certifying PMPs. Portfolio, programme and project management knowledge, skills, tools and techniques are being successfully applied to improve public service delivery worldwide. By applying best practice PM methodologies, tools and techniques, the chances of achieving project objectives, satisfying stakeholders and completing projects on time and within budget are maximised. Whereas PM is concerned with the scope, time, cost and quality of individual projects, programme management is concerned with efficiency gains through managing related projects in coordinated ways.

Portfolio management is on a higher strategic level to ensure the selection of the best projects and programmes (and activities) for achieving strategic objectives; the allocation of resources to these selected projects or programmes; and the monitoring of outputs, outcomes and impacts from the projects or programmes.

The rolling out of permanent PMOs, managed by professional or certified project managers, can play a significant role in promoting the achievement of government policy and strategy objectives – through professional portfolio, programme and project management continuing through political cycles.

Test your knowledge:

- With reference to the definitions of **portfolio, programme and project management**, which of the following are portfolios, programmes or projects and operations – and why? Crime investigation; mass housing; culture change; Walvis Bay Port expansion; upgrading of roads in Windhoek; and the HPP.
- **Process groups:**
  - How well are we currently doing in the activities of the five process groups, as shown in Table 8.1 on page 172?
  - What lessons can we learn from Figure 8.5 on page 173 to minimise the costs of our projects?
  - **KAs:** Should all KAs be included in our project plans? How can these KAs be integrated into one plan?

↻

- ❏ **Projects vs operations:** How well do we understand the difference between projects and operations in Namibia? Are we using different methodologies, tools and techniques for projects and operations? How do we link our related projects with one another? How do we currently link our projects with operations?
- **Linking strategy and projects:** Motivate the value of PM to your manager by referring to the vision–policy–strategy–project links.
- **Project stakeholders:** Considering a specific project, answer the following:
  - ❏ Who are the beneficiaries?
  - ❏ Whom do we target directly?
  - ❏ Who are the customers who will buy our service or product?
  - ❏ Who are our team members?
  - ❏ What consultants, suppliers or contractors are we going to use?
  - ❏ Who are our leaders/management who will approve the project?
  - ❏ Who is paying for the project?
  - ❏ Who will provide resources for the project, such as labour, facilities and equipment?
  - ❏ Are there community groups with a specific interest in the project?
  - ❏ Who are the people or groups who can expedite or delay the project?
- Considering the six **key characteristics of public sector projects**, which characteristics do you think are the most important to be considered when managing government projects in Namibia? Which of these are mostly ignored? Motivate.
- **PM in Namibia:**
  - ❏ The HPP Goal 8.2 states that 20 000 new housing units will be constructed countrywide during the Harambee period 2016/17–2019/20. How can this target best be achieved?
  - ❏ The HPP Goal 8.3 states that 50 000 rural toilets will be constructed during the Harambee period 2016/17–2019/20 (both goals are championed by the Ministry of Urban and Rural Development). How can this target best be achieved?
  - ❏ Motivate the value a PMO could play in the ministry to achieve these targets better. Recommend the type of PMO, its functions and composition.

Public–private partnerships in the Namibian public sector

CA Keyter

Learning Outcomes

After reading this chapter, you should be able to:

- explain the concept of a public–private partnership
- identify the differences between privatisation and public–private partnerships
- discuss the different organisational frameworks for a public–private partnership arrangement
- compare and contrast the different public–private-partnership options
- explain the different policies applicable to public–private partnership arrangements.

9.1 Introduction

The public sector was the main actor in service delivery and development activities in most African countries until the mid-1980s. This sector was the main provider of basic services such as primary education; healthcare; clean water supply and distribution; waste-water collection, removal and treatment; development and maintenance of roads; and solid-waste collection and removal. It was also the main role player in energy generation, distribution and supply, which are vital for reducing poverty and achieving the Millennium Development Goals (MDGs). From the mid-1980s, following the winds of change in the form of far-reaching social, political and economic reforms, the role of the public sector in the development process has changed in many African countries. The public sector has gone from being a developer and executor of services to being a facilitator for privately led economic development and growth. In this regard the private sector will play a major, active role in bringing about sustainable development in most African economies, including Namibia.

9.2 The concept public–private partnership

Governments can engage in a public–private partnership (PPP) for several reasons. These might include, for example (Keyter, 2010):

- a lack of resources for exploiting an opportunity on their own
- a desire to acquire the necessary expertise for undertaking a service or for encouraging investment in effective, efficient and economical rendering of services to citizens within a given environment and country.

The main purpose of a PPP is to enhance service delivery and infrastructure development. A PPP normally brings the strengths of the private sector to public service delivery while avoiding full privatisation.

9.2.1 The role of the private sector

Economic growth and development that is led by the private sector is considered to be more effective and efficient when it comes to service delivery. The private sector is seen to be more dynamic, resistant, creative, innovative and vibrant than the public sector. The main aim of the private sector is to generate a profit, as it embraces the concept of free interplay of the market forces of supply and demand in the production and distribution of goods and services. Due to this interplay there might be market failures in the production and distribution of goods and services. Furthermore, due to the profit-oriented approach used by the private sector, goods and services might not be available or affordable to the poor and might benefit only the more affluent who can pay for the services.

9.2.2 Public–private partnerships can empower the poor

In order to address these concerns, the use of a PPP as a service delivery mechanism in the production and distribution of some goods and services is inevitable for sustainable development. A PPP can indeed deliver tangible economic, social and environmental benefits to the local economy (including the poor), thereby contributing to achieving the MDGs. Furthermore, a pro-poor PPP is geared towards delivering basic services to the poor themselves, thus enhancing their access to adequate, affordable services while providing them with economic opportunities at the same time. Moreover, such an approach can empower the poor and catalyse their effective participation and representation. There would also be an increased choice of service provider, level of service, and tariffs.

It is becoming increasingly clear that governments cannot meet the growing demand for services by acting alone and that there is indeed a need to look for support from other employers within society to contribute towards municipal service delivery. However, since basic services are public goods and since markets fail to provide such services equitably, the primary responsibility and accountability for their delivery remains with the state.

9.2.3 What is a public–private partnership?

A PPP can be explained as a collaboration between public and private organisations in public service delivery (Commonwealth, 2003; Nkya, 2000; Sohail et al, 2003). According to Plummer (2002), a PPP describes some form of partnership endeavour involving the public and private sectors, but not excluding the involvement of the third sector, namely civil society. This approach is echoed by Gildman et al (1995) in Ngowi (2006:29), who indicate that four groups of actors are relevant in PPPs. These four groups are the

government, non-governmental organisations (NGOs), community-based organisations (CBOs) and the private sector. Current literature and experiences indicate that faith-based organisations (FBOs) such as churches can also play a major role in PPP arrangements.

9.2.4 Public–private partnerships versus privatisation

A PPP should not be confused with privatisation. A distinction can be made between full and partial privatisation of a service or asset. The difference between a PPP and privatisation can be illustrated by comparing the definitions and characteristics of a PPP with those of privatisation. Table 9.1 briefly compares the two concepts.

TABLE 9.1	PUBLIC–PRIVATE PARTNERSHIPS VERSUS PRIVATISATION	
Criteria	**Public–private partnership**	**Privatisation**
Definition	A PPP occurs when public institutions such as central, regional or local authorities and public enterprises (PEs) engage in a partnership with privately owned companies to take advantage of a business opportunity or to provide a service to promote the general welfare of the citizens within a specific environment and country.	Privatisation normally implies the transfer of a facility or public service to a private operator. The transfer normally implies that the facility has been taken over and is fully owned and managed by the private operator in accordance with market forces and within a defined framework.
Characteristics	▪ The contracting authority establishes the specifications of a project and expects the private operator to take responsibility for implementing the best solution, subject to the requirements stated by the contracting authority. ▪ Price is one of the many criteria in the evaluation of bids. The emphasis is on the technical and financial capability of the bidder, financial arrangements proposed, and the reliability of technical solutions used. ▪ Regarding the duration of the PPP, either long (20+ years) or shorter periods (one to three years), the emphasis is on the arrangements proposed for the operational phase. ▪ There is no transfer of ownership of the asset or service to the private sector.	▪ The private sector prepares the divestment plan. ▪ The ownership of the asset or service is transferred to the private sector. ▪ It is a complex transaction which requires a carefully designed contract and a multi-stage competitive tendering process. ▪ The public sector withdraws from management of the entity earmarked for privatisation. ▪ All risks are borne by the private sector.

Source: Republic of Namibia, 2010:13–14.

9.3 Organisational frameworks for a public–private partnership

Plummer (2002) indicates that there are various organisational frameworks that can be considered for a PPP arrangement. In this regard Plummer (2002:179–187) draws attention to the following organisational options:

- The direct contractual model
- The utility model
- The joint venture model
- The community-contracting model
- Bundling
- Unbundling.

Table 9.2 explains the differences between these various organisational options.

TABLE 9.2 ORGANISATIONAL FRAMEWORK OPTIONS

Organisational option	Characteristics
Direct contractual model	The private sector is contracted directly to render a specific service. A formal relationship is created by government and the private operator (Plummer, 2002:181).
Utility model	The public-sector partner may wish to create an independent utility to separate responsibilities for the service. The government has an agreement with the utility and the utility has a management contract with the private operator to provide a service. This organisational framework creates a series of contractual relations at the higher level, supplemented by secondary contracts for delivery (Plummer, 2002:181).
Joint venture	The public sector partner establishes a joint venture with the private sector for the delivery of a specific service and both the public and private sectors assume co-ownership of assets and co-responsibility for the delivery of services. The public and private sector partners can either form a new company or share ownership of an existing company. Joint ventures create a new entity to implement various types of project structures (Plummer, 2002:185).
Community-contracting model	This model implies that the public sector partner delegates its role to the community itself. In some cases, the public sector partner does not have a contractual relationship with the community, but through a structured programme of change, the community has established contractual arrangements with the private operators. This model may be limited in size, but the benefit of this arrangement is that it places the community in the position of key role player (Plummer, 2002:185–186).

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Organisational option	Characteristics
Bundling	Bundling refers to the aggregation of components or functions to create a larger scope of work. Aggregation implies that more than one municipality are grouped together to attract the private sector to introduce economics of scale not possible in smaller municipalities, or to share transaction costs. For example, a public sector partner may approach another public sector partner to determine if there will be benefits in presenting their service problems as part of a consolidated package. This can include arrangements where the public sector partners group together to attract the private sector, to introduce economics of scale or to share costs (Plummer, 2002:181).
Unbundling	Unbundling refers to the disaggregation of components within a service sector. Disaggregation involves breaking down a service sector into a number of parts to involve a range of actors, for example, waste-water treatment plants or pumping stations. An unbundling approach may enable a range of service delivery options to be adopted and may be helpful in introducing a private sector approach (Plummer, 2002:183).

Source: Adapted from Plummer, 2002:180, Box 8.1, Structuring partnerships

The development of an organisational and institutional framework will form the primary part of the broader management objectives.

9.4 Public–private partnership options

Once the framework is in place, the various options for a PPP can be considered. The options to be considered are:

- service contracts
- management contracts
- affermage or lease contracts
- concessions
- franchises
- build–operate–transfer (BOT)
- joint ventures
- hybrid arrangements.

Each one of these options will be briefly explained.

9.4.1 Service contracts

What are service contracts?

Under a service contract, the public sector partner hires a private party to carry out one or more specified tasks or services for a period, typically one to three years. The public sector partner remains the primary provider of the

infrastructure service and contracts out only portions of its operation to the private partner (Republic of Namibia, 2012b). The private partner must perform the service at the agreed cost and must typically meet performance standards set by the public sector. Governments generally use competitive bidding procedures to award service contracts, which tend to work well given the limited period and narrowly defined nature of these contracts. Under a service contract, the public sector partner pays the private partner a predetermined fee for the service, which may be based on a one-time fee, unit cost, or other basis. Therefore, the contractor's profit increases if it can reduce its operating costs, while meeting required service standards. One financing option involves a cost-plus-fee formula, where costs such as labour are fixed, and the private partner participates in a profit-sharing system. The private partner typically does not interact with the consumers. The government is responsible for funding any capital investments required to expand or improve the system (UNDP, 2005).

Suitability

Service contracts are usually most suitable where the service can be clearly defined in the contract, the level of demand is reasonably certain, and performance can be monitored easily. Service contracts provide a relatively low-risk option for expanding the role of the private sector and can have a quick and substantial impact on system operation and efficiency. They also provide a vehicle for technology transfer and development of managerial capacity. Service contracts are often short term, allowing for repeated competition in the sector. The barriers to entry are low, given that only a discrete service is up for bidding. The repeated bidding maintains pressure on contractors to maintain low costs, while the low barriers to entry encourage participation in the competition (Plummer, 2002).

Weaknesses

A potential weakness of service contracts is that they are unsuitable if the main objective is to attract capital investment. The contracts may improve efficiency and thus release some revenue for other purposes, but the private contractor is not under an obligation to provide financing. The effectiveness of the private contractor may be compromised if other sources of financing do not materialise. The fact that the private contractor's activities are discrete and segregated from the broader operations of the company may mean that there is no broader or deeper impact on the system operations, only discrete and limited improvements. The public sector partner remains in charge of tariff setting and assets, both of which are politically vulnerable and critical to sustain the system (Plummer, 2002).

9.4.2 Management contracts

A management contract expands the services to be contracted out to include some or all of the management and operation of the public service (for example hospitals, port authorities, etc). Although the ultimate obligation for service provision remains in the public sector, daily management control and authority

is assigned to the private partner or contractor (Republic of Namibia, 2012b). In most cases, the private partner provides working capital but no financing for investment.

How management contracts work

The private contractor is paid a predetermined rate for labour and other anticipated operating costs. To provide an incentive for performance improvement, the contractor is paid an additional amount for achieving pre-specified targets. Alternatively, the management contractor can be paid a share of profits. The public sector retains the obligation for major capital investment, particularly that which is related to expansion or substantial improvement of the system. The contract can specify discrete activities to be funded by the private sector. The private partner interacts with the customers, and the public sector is responsible for setting tariffs. A management contract typically, however, will upgrade the financial and management systems of a company, and decisions concerning service levels and priorities may be made on a more commercial basis (UNDP, 2005).

Advantages

The key advantage of this option is that many operational gains that result from private sector management can be made without transferring the assets to the private sector. The contracts are less difficult to develop than others and can be less controversial. The contracts are also relatively low cost, as fewer staff are dispatched to the utility from the private operator. Management contracts can also be seen as interim arrangements, allowing for modest improvements while more comprehensive contracts and structures are developed. Similarly, a management contract can be structured to phase in increasingly extensive involvement of the private sector over time and as progress is made (Plummer, 2002).

Weaknesses

In contrast, a weakness of the management contract is the split between the obligation for service and management on the one hand, and financing and expansion planning on the other (Plummer, 2002). The main concern with a management contract is that it can address efficiency objectives, although not the structural problems associated with underinvestment. A management contract focuses on improved management – it does not facilitate a strategy for improving service coverage. For example, poor settlements that are not connected to a water supply are unlikely to benefit from improved performance, unless the municipality funds a capital works programme (Plummer, 2002:191).

9.4.3 Affermage or lease contracts

Lease contracts

Under a lease contract, the private partner is responsible for the service in its entirety and undertakes obligations relating to quality and service standards. Except for new and replacement investments, which remain the responsibility

of the public sector partner, the operator provides the service at their expense and risk. The duration of the leasing contract is typically 10 years and it may be renewed for up to 20 years. Responsibility for service provision is transferred from the public sector partner to the private sector and the financial risk for operation and maintenance is borne entirely by the private sector operator. In particular, the operator is responsible for losses and for consumers' unpaid debts. Leases do not involve the sale of any assets to the private sector. The initial establishment of the system is financed by the public sector partner, after which it is contracted to a private company for operation and maintenance (UNDP, 2005).

Affermage

An affermage is similar, but not identical, to a lease contract. Unlike a lease, where the private sector retains revenue collected from customers and makes a specified lease payment to the contracting authority, an affermage allows the private sector to collect revenue from customers, pay the contracting authority an affermage fee and retain the remaining revenue. An affermage can be more appealing to the private partner, as it reduces some risks associated with low-cost recovery in sales. The affermage fee is typically an agreed rate per unit sold.

Advantages and drawbacks

Under lease and affermage contracts, the private partner's profits depend on the utility's sales and costs. The key advantage of this option is that it provides incentives for the operator to achieve higher levels of efficiency and higher sales. The main drawback is the risk of management reducing the level of maintenance on long-lived assets, particularly in the later years of the contract, in order to increase profits. Further, the private partner provides a fee to cover the cost of using the assets although the private partner does not provide investment capital (Plummer, 2002).

The key issue in moving from service and management contracts to a lease is that the contractor's revenues are derived from customer payments and, hence, the question of affordable tariff levels becomes a concern. This may require structuring and revising complex tariff arrangements. In addition, the responsibility for capital investment remains with the government and no private investment capital is mobilised (Plummer, 2002).

9.4.4 Concessions

In a concession arrangement, a public sector partner grants a private operator the right to design, build, finance and operate an infrastructure asset owned by the public sector (Republic of Namibia, 2012b). The concession PPP contract is for a fixed period, between 25 and 30 years, after which responsibility for operation reverts to the public sector partner. The private operator recoups its investment, operating and financing costs and its profit by charging members of the public a user fee.

The private operator assumes the risks

Thus, a key feature is that the private operator assumes the risk of demand for use of the asset, in addition to the risks of design, finance, construction and operation. However, demand risk may be allocated in various ways: for example, the public sector partner may share the risk by underwriting a minimum level of usage. User charges may be either prescribed in the PPP contract or set by the concessionaire. Typical examples of this type of PPP include toll roads, railways, urban transport schemes, ports and airports (Plummer, 2002).

Private sector responsibility and the role of the public sector

A concession makes the private sector operator (concessionaire) responsible for the full delivery of services in a specified area, including operation, maintenance, collection, management, and construction and rehabilitation of the system. Importantly, the operator is now responsible for all capital investment. Although the private operator is responsible for providing the assets, such assets are publicly owned even during the concession period. The public sector partner is responsible for establishing performance standards and for ensuring that the concessionaire meets them. In essence, the public sector's role shifts from being the service provider to regulating the price and quality of the service (UNDP, 2005).

The concessionaire collects the tariffs directly from the system users. The tariff is typically established by the concession contract, which also includes provisions on how it may be changed over time. In rare cases, the government may choose to provide financing support to help the concessionaire fund its capital expenditures. The concessionaire is responsible for any capital investments required to build, upgrade or expand the system, and for financing those investments out of its resources and from the tariffs paid by the system users. The concessionaire is also responsible for working capital. A concession contract is typically valid for 25–30 years to give the operator sufficient time to recover the capital invested and earn an appropriate return over the life of the concession. The public sector partner may contribute to the capital investment cost if necessary (UNDP, 2005).

Advantages

Concessions are an effective way to attract the private finance required to fund new construction or to rehabilitate existing facilities. A key advantage of the concession arrangement is that it provides incentives to the operator to achieve improved levels of efficiency and effectiveness, since gains in efficiency translate into increased profits and returns for the concessionaire. The transfer of the full package of operating and financing responsibilities enables the concessionaire to prioritise and innovate in the way it deems most effective.

Drawbacks

Key drawbacks include the complexity of the contract required to define the operator's activities. Governments also need to upgrade their regulatory capacity

in relation to tariffs and performance monitoring. Further, the long-term nature of the contracts complicates the bidding process and contract design, given the difficulty in anticipating events over a 25–30-year period. This drawback may be countered by allowing a periodic review of certain contract terms in the context of the evolving environment (Plummer, 2002).

There is additional risk that the operator will only invest in new assets where it expects payback within the remaining period of the contract, unless provisions for these events are set out in the contract. Because of the long-term, comprehensive nature of the contracts, they can be politically controversial and difficult to organise. It is argued that concessions provide only limited competition given the limited number of qualified operators for a major infrastructure network. Another concern is that concessions should not set out monopoly terms but should provide room for additional operators where this is in the best interests of certain groups of consumers and the concessionaire cannot provide an equivalent service (Plummer, 2002).

9.4.5 Franchises

Franchises are a type of concession in which the private sector takes over existing public infrastructure, operating and maintaining it under a fixed-term contract, often with an obligation to upgrade it. They are common, for example, in the rail sector. The private operator often pays an initial lump sum of money to the public authority to acquire the franchise. The dividing line between franchises and concessions is not precise. If a project involves a high level of initial investment in new or upgraded infrastructure, it may be called a concession, whereas if it involves a limited level of initial investment it may be called a franchise (Plummer, 2002).

9.4.6 Build–operate–transfer

A BOT, and other similar arrangements, is a kind of specialised concession in which a private operator or consortium finances and develops a new infrastructure project or a major component according to performance standards set by the government (Republic of Namibia, 2012b). Under BOTs, the private operator provides the capital required to build the new facility. Importantly, the private operator now owns the assets for a period set by the contract, sufficient to allow the developer time to recover investment costs through user charges. The public sector partner agrees to purchase a minimum level of output produced by the facility, sufficient to allow the private operator to recover its costs during operation. These arrangements generally require complicated financing packages to achieve the large financing amounts and long repayment periods required. At the end of the contract, the public sector partner assumes ownership but can opt to assume operating responsibility, contract the operation responsibility to the developer, or award a new contract to a new partner. A BOT generally involves large investments requiring substantial outside finance, for both equity and debt (UNDP, 2005).

Variations

There are many variations on the basic BOT structure, including build–transfer–operate (BTO), where the transfer to the public sector partner takes place at the conclusion of construction rather than at the end of the contract. Another is build–own–operate (BOO), where the developer constructs and operates the facility without transferring ownership to the public sector partner. Under a design–build–operate (DBO) contract, ownership is never in private hands. Instead, a single contract is let out for the design, construction and operation of the infrastructure project (Republic of Namibia, 2012b).

The questions of ownership and the timing of the transfer are generally determined by law and financing conditions, and the number of possible options is large. With the design–build–finance–operate (DBFO) approach, the responsibilities for designing, building, financing and operating are bundled together and transferred to private-sector partners. DBFO arrangements vary greatly in terms of the degree of financial responsibility that is transferred to the private partner (Republic of Namibia, 2012b).

Advantages

BOTs have been widely used to attract private financing for the construction or renovation of infrastructure. BOT agreements tend to reduce commercial risk for the private partner because there is often only one customer: the government. The private partner must be confident, however, that the purchase agreement will be honoured. An advantage of DBFO projects is that they are financed partly or completely by debt, which leverages revenue streams dedicated to the project. Direct user fees (such as tolls) are the most common revenue source. However, other sources of finance in the road sector, for instance, might include lease payments and vehicle registration fees (Republic of Namibia, 2012b).

Weaknesses

A BOT has a project-specific application, so they are potentially a good vehicle for a specific investment, but with less impact on overall system performance. It can be difficult to link the increases in production brought about by a BOT with commensurate improvements on the demand side. While initial capital construction costs may be reduced through the private sector's experience, private debt may be an expensive substitute for public financing where a take-or-pay agreement is in place. Furthermore, the benefit of competition is limited to the initial bidding process and these contracts are often renegotiated during their lifespans (UNDP, 2005).

9.4.7 Joint ventures

A joint venture is a legal entity that takes the form of a partnership in which both public and private parties jointly undertake a transaction for mutual profit. Generally, each party contributes assets and shares risks. Under joint ventures associated with PPPs, the government can be both the regulator as well as an

active shareholder in the operating company, allowing it to maintain enough control to protect and serve the public interest (Plummer, 2002).

Joint ventures are alternatives to full privatisation, in which the infrastructure is co-owned and operated by the public sector partner and private operators. Under a joint venture, the public and private sector partners can either form a new company or assume joint ownership of an existing company through the sale of shares to one or several private investors. The company may also be listed on the stock exchange. A key requirement of this structure is good corporate governance, in particular the ability of the company to maintain independence from the government. This is important because the government is both part owner and regulator, and officials may be tempted to meddle in the company's business to achieve political goals. From its position as shareholder, however, the government has an interest in the profitability and sustainability of the company and can work to smooth political hurdles (Plummer, 2002).

The private partner assumes the operational role and a board of directors generally reflects the shareholding composition or expert representation. The joint venture structure is often accompanied by additional contracts (concessions or performance agreements) that specify the expectations of the company. Joint ventures also take some time to develop and allow the public and private partners considerable opportunity for dialogue and cooperation before the project is implemented. Under the joint venture structure, both public and private partners have to be willing to invest in the company and share certain risks (Plummer, 2002).

Advantages and weaknesses

Joint ventures are real partnerships of the public and private sectors that match the advantages of the private sector with the social concerns and local knowledge of the public sector. Under a joint venture, all partners have invested in the company and have an interest in the success of the company and incentives for efficiency. A disadvantage of a joint venture can be that government's dual roles as owner and regulator can lead to a conflict of interest. Joint ventures also have a tendency to be directly negotiated or to follow a less formal procurement path, which can lead to concerns about corruption (Plummer, 2002).

9.4.8 Hybrid arrangements

Contract arrangements that incorporate different characteristics of a range of contract types are often developed and referred to as 'hybrid arrangements'. These bring together the attributes most suitable to a particular project's requirements and the operating conditions. Hybrid arrangements provide a tailored solution in terms of scope, risk sharing and/or scope that is most directly suitable to the project at hand, with numerous potential variations. The major distinguishing features for the different PPP options can be defined in terms of how they allocate responsibility for functions such as:

- asset ownership and asset transfer arrangements
- operations and maintenance

- capital investment
- commercial risk
- scope of the contract
- duration of the contract
- the contractual relationship with the customer.

At one end of the spectrum is the option of a fully public sector service provision, where the government is responsible and accountable for all stages of service delivery. At the other end of the spectrum is the option where the government delegates full responsibility for the service to the private sector, retaining only its role as enabler and regulator. However, between these two poles there are various institutional options. The selection of a particular institutional option depends on the results of a thorough analysis. Different countries have opted for different institutional options for PPPs. In practice, these arrangements are often hybrids or a combination of the basic institutional options such as service and management contracts, leases, concessions, BOT arrangements or a complete transfer of ownership of the asset or service to the private sector through divestiture. The options can be illustrated as in Table 9.3.

TABLE 9.3   OPTIONS FOR PUBLIC–PRIVATE PARTNERSHIPS

Option	Asset ownership	Operations and maintenance	Capital investment	Commercial risk	Scope of contract	Duration
Service contract	Public	Public and Private	Public	Public sector	Meter reading, bill collection, leak repairs, etc	1–2 years
Management contract	Public	Private	Public	Public sector	Full system	3–5 years
Lease	Public	Private	Public	Shared between public and private sector	Full system	8–15 years
Concession	Public/ private	Private	Private	Mostly private sector	Full system	25–30 years
BOT	Private	Private	Private	Mostly private sector	Bulk supply, waste-water treatment plants, etc	20–30 years

Source: UNDP, 2005

Sohail et al (2003) indicate that there are no strict PPP classifications that can be made, as partnership classification depends on the type of services, the nature and strengths of the partners and the objectives of PPPs. Nkya (2000) and Sohail et al (2003) further argue that partnerships are basically institutional arrangements which constitute rules defining the relationships that govern the partnerships, as well as the roles, responsibilities and accountability mechanisms. The overall aim of PPPs is to meet public needs which would not have been realised without joint efforts. Ngowi (2006:31) concludes that through PPPs, 'inter-alia, the public sector will be able to maintain partial ownership and management of services, avoid accusations of "whole state" transfer of service delivery to the private sector and at the same time be effective in its role of political accountability to its constituents'.

Why the poor do not benefit in conventional arrangements

One of the main problems experienced in conventional PPP arrangements is that the poor do not benefit. On the contrary, improvements in the service often come at the expense of the poor. This is mainly due to the absence of proper policy directives and regulatory frameworks with strong poverty reduction objectives and incentives that are not in place at the outset. Furthermore, a lack of capacity and hastily prepared policy instruments, together with a lack of experience and knowledge, lead many governments to adopt contracts and regulatory frameworks that are detrimental to government and, more specifically, to the poor. Attempts to rectify these contractual omissions might lead governments to renegotiate contracts with their private counterparts to address the omissions. This process becomes very costly for the state, sets up uncertainties for private sector investment in service delivery and creates public discontent and opposition to any form of private sector involvement in the provision of basic services. Governments who embrace a PPP approach are required to ensure that there are close consultations with all identified stakeholders, including the poor, before entering into any type of contractual arrangement. It is the responsibility of governments to define service delivery targets, make the necessary regulatory changes and build them into contracts. These contracts should have appropriate incentives for private operators and other non-state service providers to meet service delivery targets, and enforceable penalties for failing to do so (Plummer, 2002).

Private sector operators and other non-state providers also have a role to play in order to ensure that the PPP arrangement is successful. Besides employing ethical business practices in fulfilling their contractual obligations and not exploiting the power accorded to them in terms of long-term contracts, they need to be more creative and innovative in seeking to expand the service coverage, quality and affordability of the service to the poor. Private sector operators and other non-state providers have a crucial role to play in transferring skills and knowledge and empowering the poor (Plummer, 2002).

The following case study is an article published in *Namibian Sun* on 13 November 2017 about participants at a conference on highlighting the importance and relevance of PPPs within the Namibian context.

🔍 CASE STUDY 9.1: PPP PARTNERS URGENTLY SOUGHT

Construction, energy and logistics were highlighted at the third annual conference about PPPs as key sectors in which government can benefit from private expertise and investment.

Ogone Tlhage – The government is keen to find private sector development partners for a number of projects, which include the refurbishment of the office of the Ministry of Justice, a partner in the expansion of Hosea Kutako International Airport (HKIA), and an operator for the soon-to-be-completed Walvis Bay container terminal.

This was said by the director of the PPP Unit at the Finance Ministry, Saurabh Suneja.

He was speaking at a PPP conference that was hosted by the finance ministry, PriceWaterhouseCoopers Namibia, Standard Bank Namibia and Namibia Media Holdings.

Suneja said that PPPs presented attractive opportunities.

'It is a good time to have discussions in the power sector. The [recently adopted] National Integrated Resource Plan envisages 590 megawatts in power generation to be set up. The majority of this investment is expected to come from NamPower. We believe that this is the sector that provides opportunities for PPPs,' said Suneja.

The government was also looking for a partner for the redevelopment of the Ministry of Justice building on Independence Avenue in the Windhoek city centre.

'The Ministry of Justice project is an interesting one. We believe we can create surplus commercial office space,' Suneja said, in a bid to entice potential investors.

Suneja said the government was also looking to bring a private operator on board for the Walvis Bay container terminal currently under construction, as well as the planned expansion of HKIA.

'There is an opportunity to utilise this project through the selection of a private operator,' said Suneja.

He said the airport project presented a great opportunity for private sector buy-in.

'There is a need to expand this asset. This is likely to be a lucrative investment, as PPPs present an opportunity to expand public infrastructure,' Suneja said.

A PPP committee will be established in due course to guide regulation setting, Suneja said.

'We are in the process of setting up a committee and regulation drafting is at an advanced stage,' he said.

Finance Minister Calle Schlettwein has announced that regulations related to PPPs are expected to be finalised before the end of the year.   ➲

The PPP regulations as per Section 40(1) of the PPP Act have been drafted. The draft regulations have been submitted to the office of the attorney-general for initial scrutiny.

'The regulations will assist the implementation of the Act by providing guidelines to be followed throughout the PPP process. The regulations are anticipated to be gazetted by December this year,' said Schlettwein.

Another recent development was the steps taken towards establishment of the Public–Private Partnerships Committee.

The roles of the PPP Committee include advising the Minister of Finance on policies and best practices relating to PPP projects, Schlettwein explained.

Source: *Namibian Sun*, 13 November 2017

The role of CBOs, NGOs and FBOs in making a PPP work for the poor can also be significant. They can mobilise community support for and ensure involvement with the related processes, undertake raising public awareness and promotion campaigns for a PPP to succeed, and mediate in the dialogue between public and private partners and the community and users. They can furthermore play an overseeing role on behalf of users from poor sectors and the public regarding the quality, quantity, coverage and affordability of service delivery. They can also ensure that there is no abuse of users by the private operators and/or misuse of public funds by the partner.

9.5 Legislation and policy framework

A PPP can only operate effectively and efficiently once the necessary legislation and policies are in place. With reference to Namibia, a list of key legislation and policies that impact on potential PPP projects is given below (the list is not necessarily complete):

- Constitution of Namibia, Act 1 of 1990
- State Finance Act 31 of 1991
- Local Authorities Act 23 of 1992, amended 2007
- Decentralisation Enabling Act 1 of 2000
- Foreign Investments Act 27 of 1990
- Regional Councils Act 22 of 1992
- Competition Act 2 of 2003
- State-Owned Enterprise Governance Act 2 of 2006
- Labour Act 6 of 1992, amended in 2007
- Employees Compensation Act 30 of 1941
- Affirmative Action (Employment) Act 29 of 1998, amended 2007
- Various tax Acts
- Traditional Authorities Act 25 of 2000
- Anti-Corruption Act 8 of 2003

- Agriculture Land Reform Act 6 of 1995
- Communal Land Reform Act 5 of 2002, amended 2005 and 2013
- Environment Management Act 7 of 2007
- Companies Act 28 of 2004, amended 2007
- Trust Fund for Regional Development and Equity Provisions Act 22 of 2000
- Minerals (Prospecting and Mining) Act 33 of 1992
- Export Processing Zones Act 9 of 1995
- Public Procurement Act 15 of 2015
- Labour Act 11 of 2007
- Public Private Partnership Act 4 of 2017

In addition to the legislation listed above, there are a number of key strategic documents and policies that encourage the generation of business and partnerships between public and private sector organisations. What follows is a brief description of some of the most important policy documents relating to PPPs. The list is not complete.

9.5.1 Vision 2030

Namibia's Vision 2030 presents a long-term plan to improve the general welfare of Namibian society to the level of their counterparts in the developed world. Vision 2030 is a framework that defines the current situation and indicates where Namibia wants to be in 2030 and how it should get there. It is designed as a broad, unifying vision which would serve the country's five-year development plans from the first National Development Plan (NDP) through to NDP7. It will at the same time provide direction to public institutions such as government ministries and regional and local authorities, as well as the private sector and civil society actors.

One of the major principles of Vision 2030 is based on 'partnership'. Partnership is recognised as a major prerequisite for the achievement of effective, efficient and economical sustainable development (Republic of Namibia, 2004). This involves partnerships between government, communities and civil society; between different branches of government with the private sector, NGOs, CBOs and the international community; between urban and rural societies; and ultimately, between all members of Namibian society (Republic of Namibia, 2004:11). Thus, it is clear that a PPP is acknowledged as a key strategy in economic and social development. Vision 2030 therefore allows and will give rise to a number of PPP opportunities.

9.5.2 The National Development Plan 4 2012/13 to 2016/17

The NDP4 2012/13 to 2016/17 (Republic of Namibia, 2012a) identifies the institutional environment with specific reference to public and private sector cooperation as follows: With regard to PPPs, the government will establish an institutionalised public–private dialogue platform. Frequent meetings will be arranged through workshops, investment planning sessions, and information

briefings. This dialogue will enable both the public and the private sectors to invest in various industries in the economy in order to accelerate growth and job creation. The platform will not only facilitate private sector participation, but will also support government's efforts to expand the provision of goods and services, enhance the extension of business loans, establish additional economic infrastructure and broaden the development of skills according to capabilities, areas of expertise and interests. The main aim of the NDP4 is to focus on the execution of development strategies and the monitoring and evaluation of development activities. Furthermore, the NDP4 is characterised by fewer and more carefully selected goals and targets. The three overarching goals are to achieve high and sustained economic growth, increased income equality and employment creation. It focuses on the economic sectors that will create economic growth, namely logistics, tourism, manufacturing and agriculture.

Section 2 of the NDP4 reflects on the enablers that are necessary for economic development. These include factors such as the institutional environment, including environmental management, education and skills, health, the reduction of extreme poverty, and public infrastructure. These are also referred to as foundation issues, as without them economic development might be difficult. Clearly, this strategy has acknowledged the relevance and importance of PPPs in rendering effective and efficient services. This approach will give rise to a host of PPP opportunities.

9.5.3 The Civic Organisations Partnership Policy, 2005

The Civic Organisations Partnership Policy recognises the importance of partnerships with NGOs and other civil society organisations and identifies the need for a clear policy framework to implement national assessment recommendations. A partnership policy was included in the five-year NDP2, with financial support from the governments of France and the Federal Republic of Germany. The overall goal of the policy framework is to create a working partnership for the entire country, its citizens and their civic organisations, and for the government. Thus, the policy reflects those provisions of Vision 2030 that foresee civic organisations working in close partnership with government, utilising their capacities fully in their advocacy for the people and in the promotion of national development. The Civic Organisations Partnership Policy specifically refers to a PPP arrangement and recognises that partnerships often occur at local levels, where local authorities share the responsibility of providing services with NGOs.

9.5.4 The Local and Regional Development White Paper, 2011

The rationale for adopting the Local and Regional Development White Paper is threefold: improving governance, stimulating economic development and restructuring, and encouraging social progress and improving quality of life. The White Paper adopts the following definition of Local Economic Development (LED): 'Local economic development is a process by which actors within urban and rural areas work collectively with public, business

and non-government sectors to create better conditions for economic growth, employment generation and community wealth in order to enhance the quality of life for all in community' (Republic of Namibia, 2011:2–3).

The involvement of local people, and networks of people and agencies, is a key defining feature of LED. Furthermore, there are many different public and social actors involved in LED. The public actors comprise local and regional authorities, offices of central government, traditional authorities and state-owned enterprises (SOEs). The social factors include employers, business representative organisations, non-governmental community and voluntary organisations, FBOs, trade unions, co-operatives, development agencies and educational institutions.

9.5.5 The Target Intervention Programme for Employment and Economic Growth

The main purpose of the Target Intervention Programme for Employment and Economic Growth (TIPEEG) is effectively to reduce the high unemployment rate in Namibia. This would mainly be through expediting the implementation of government programmes and projects with the potential to create huge numbers of direct and indirect job opportunities – in particular for the unskilled youth in Namibia. It is important to note that the focus of TIPEEG is on presenting an opportunity, in particular for the unskilled youth, to work. While many of the job opportunities will be temporary, this will nevertheless go a long way towards enabling beneficiaries to have better prospects for long-term employment.

TIPEEG focuses on six sectors: agriculture, transport, tourism, housing and sanitation, as well as public work programmes with high growth and employment creation potential. Each of the six sectoral programmes is underpinned by a number of sub-programmes and specific projects. While TIPEEG is a state-led initiative, the government is aware that in order to achieve a sustainable reduction in the unemployment rate, accompanied by rapid growth and wealth creation, it must engage in a collaborative effort with all stakeholders concerned, in particular the private sector. The government realises that ultimately private sector operators will be more effective in creating more jobs that are sustainable. In this connection, the government remains committed to reforming the business climate, with the aim of making Namibia one of the preferred business destinations in the world. In addition to the initiatives under the private sector development programme, the adoption of the PPP approach in the early stage of TIPEEG implementation will enhance service delivery.

9.5.6 Joint Business Venture Regulations

The Joint Business Venture Regulations provide for local authority councils to enter into joint business ventures for the purposes of exercising, performing or carrying out their powers, duties or functions. A local authority council may, only with the prior written approval of the minister, enter into joint business

ventures with, or together with, central government, a ministry, a regional council, another local authority council, a PE, an NGO, a company or a trust. The written approval of the minister is not required in the case of a Part I municipality. The objective must be to promote economic development and employment creation within its area or to supplement its funds. If foreign nationals are involved in the joint business venture, the minister would grant approval only after consultation with the Minister of Finance and the Minister of Trade and Industry. A local authority council, when entering into a joint business venture, may do any of the following for the purpose of establishing the venture: '[T]he council may take up shares in a registered company or a company to be registered; the council may accept the position of beneficiary of the trust established and/or the council may enter into an agreement with Central Government, a Ministry, a regional council, another local authority council, a public enterprise or a non-governmental organisation' (Republic of Namibia, 2001: Regulation 3).

A local authority council may only with the prior written approval of the minister encumber or dispose of its shares, assets or interest in a joint business venture. The minister may impose conditions and the approval may be granted only after consultation with the Minister of Trade and Industry. The approval must further specify the purchaser or the beneficiary and the relevant shares, assets or interest. This restriction does not apply in respect of a Part I municipality. The council may pool any of its resources, services or property in a joint business venture. This input may be by way of any of the following:

- Providing labour or other services
- Supplying materials or equipment free of charge
- Making a cash payment or loan to the venture, including furnishing a guarantee for the due fulfilment of its contracts or obligations
- Entering into a lease agreement with the venture.

9.5.7 The Public–Private Partnership Policy, 2012

The PPP Policy was drawn up by the Ministry of Trade and Industry in collaboration with a consultant and approved by the Namibian Cabinet in 2012. According to the policy document, PPP projects will 'serve as an engine for achieving social and economic objectives of the Namibian Government such as job creation, pro-poor development, inequality reduction and development of small-to-medium enterprises (SMEs)' (Republic of Namibia, 2012b). According to the policy, a PPP is a contract between a government institution and a private party for the provision of public infrastructure assets and or services for use, either directly or indirectly, by the public through investments made by and or management undertaken by the private sector entity for a specific time period. The policy furthermore is based on three essential elements: a contractual arrangement, substantial risk transfer and outcomes-based financial rewards for the private sector. The assumption is that the quality of services and the construction of infrastructure will improve because PPPs will draw upon the

best available skills, knowledge and resources. At the same time, it is expected that there will be a reduction in infrastructure expenditure for government and that efficiencies and cost-effectiveness through infrastructure development will be generated.

The policy applies to all central, regional and local government authorities. It is also relevant to all PEs in Namibia via their line ministries. PPP projects include economic assets and related services in sectors such as roads, railways, ports, airports, electricity, communication, tourism, infrastructure and amenities. A PPP arrangement also applies to social services such as healthcare, education, accommodation, public housing, court and correctional facilities, municipal assets and related services such as water supply, sanitation, refuse collection, sewage disposal, water treatment plants, municipal markets, and so on. Furthermore, a community-based PPP will be used as an important element in the pro-poor approach, especially for projects on the local level. A variety of PPP forms of arrangement are recommended, such as service contracts, management contracts, lease contracts, area concessions, DBOs, BOTs, DBFOs, build–own–operate–transfer (BOOTs) or design–build–own–operate–transfer (DBOOTs) and BOOs.

The PPP Policy relates to the Public Procurement Act and laws such as the Affirmative Action (Employment) Act, the Anti-Corruption Act and other related laws. To strengthen the implementation of the policy, the Public Private Partnership Act was approved by the National Assembly. The main reason for such an Act is to ensure that best practices will be applied throughout all stages of PPP projects.

9.5.8 The Harambee Prosperity Plan

The Harambee Prosperity Plan (HPP) does not replace but rather complements the long-term goal of the NDPs and Vision 2030. The HPP does, however, introduce an element of flexibility in the national planning system by fast-tracking development in areas where progress is insufficient. It also incorporates new development opportunities and aims to address challenges that have emerged after the formulation of the NDPs. The HPP is a focused and targeted approach for achieving high impact in defined priority areas. The HPP is built on five pillars consisting of sub-pillars to form the frame or structure of a house. The five pillars are effective governance, economic advancement, social progression, infrastructure development, and international relations and cooperation.

Ultimately, the sub-pillars, goals, targets and actions stipulated under each of these pillars are to bring Namibia closer to the promise of prosperity that will be characterised, among other things, by (Republic of Namibia, 2016:5):

- a more transparent Namibia
- a culture of high performance and citizen-centred service delivery

- a significant reduction in poverty levels
- a reputable and competitive vocational educational system
- a spirit of entrepreneurship resulting in youth enterprise development
- improved access to serviced land and housing
- guaranteed energy supply and sufficient water for human consumption and business activities.

The HPP acknowledges the relevance and importance of rendering effective and efficient services. This approach has the potential to give rise to a host of PPP opportunities.

Conclusion

The task of any government is to contribute towards promoting the general welfare of its citizens. This implies that government, as the representative of the people's needs and aspirations, needs to seek ways and means of enhancing effective, efficient and economical service delivery to its citizens. In order to meet this demand, government can make use of different ways and means to achieve such objectives: through commercialising, privatising, nationalising or considering a PPP in service delivery. This chapter has emphasised the value of one such option – a PPP arrangement. Seven different PPP options and the differences between them have been identified and briefly explained. The chapter has also focused on the importance of a legislative and policy framework to ensure the successful implementation of the PPP option. The development of legislation related to PPP arrangements in Namibia enables future PPP arrangements. Such legislation authorises the government of Namibia to award to the private sector any activity carried out by the public sector with an economic value that makes such an activity capable of being efficiently managed through a PPP arrangement. This also provides an overarching framework for uniform treatment of PPP-related issues and procedures.

Test your knowledge:

- Explain the differences between privatisation and PPP arrangements and indicate which option you prefer. Motivate your answer accordingly.
- Identify and briefly explain the different options to be considered when a PPP arrangement is selected to render services.
- Explain the differences between a concession arrangement and a BOT.
- Explain how Vision 2030 encourages PPPs within the Namibian context.
- Discuss the relevance of the HPP within the Namibian context and indicate how it will enhance PPP arrangements.

Enhancing service delivery in Namibia through public sector reform

CA Keyter

Learning Outcomes

After reading this chapter, you should be able to:

- explain the factors that contribute towards public sector reform
- discuss positive and negative aspects of public service delivery in Namibia
- analyse the measures for enhancing public sector reform in Namibia.

10.1 Introduction

The main purpose of any public service globally is to promote the general welfare of the citizens of that specific country. The historical involvement of governments in the provision of services stems from two main reasons.

The first of these is that governments believe their social and developmental objectives can best be served by government rather than other institutions such as those in the private sector. Ezzamel and Wilmot (1993: 39, as quoted in Keyter, 2007:1) observe:

> [I]t is evident that historically, Public Sector organisations have been established to provide a level of quality of goods and services for which there was (deemed to be) a public demand but which had not been satisfied by the market mechanism. Put at its simplest working to provide these goods and services has been understood to serve a public need in a way that was directly geared to the accumulation of public wealth.

The second reason why government has been historically involved in the delivery of goods and services is that governments control those sectors of the economy that are considered to be of significant strategic importance. For example, electricity, like other energy forms such as gas and oil, has always been viewed as a strategic resource too important to be left to the market (Keyter, 2007).

Once governments get involved in the provision of goods and services, the taxpayers or citizens of a country expect the government to operate according to the principles of effectiveness, efficiency and economics. However, government

involvement in the provision of goods and services over the last 20 years has generally been characterised by inefficiency, poor performance and a lack of delivery of basic services (Perotti, 2003:10, as quoted in Keyter, 2007). Due to this development, governments were forced to find new solutions for these problems. This implies that governments need to reform the public sector and ensure that they operate according to international best practices.

According to Van der Westhuizen (2005:143), public sector reform has been referred to by different terms. These terms include new public management (NPM), market-based public administration, the post-bureaucratic paradigm, and entrepreneurial government or managerialism. Despite the different names, they are mostly patterned around the principles of NPM and 'reinventing government' (RIG) (Van der Westhuizen, 2005:15). The main goal of both NPM and RIG is to bring private sector management practices, the introduction of market forces and the establishment of democratic principles into the state machinery in its broadest sense.

The first part of this chapter will focus on two areas: the factors that contribute towards public sector reform in transitional countries, and the reform measures put in place in the Namibian public sector to enhance service delivery.

10.2 Factors that contribute to public sector reform in transitional countries

The main factors leading to public sector reform can be traced back to three criteria, namely:

1. the redefinition of the role of the state
2. the introduction of new measures to enhance public management performance
3. the emphasis of governments regarding the adherence to principles of good corporate governance through increased transparency, openness, accountability and increased citizen participation.

10.2.1 Redefinition of the role of the state

According to the World Bank 1997 Development Report (as quoted in Adamolekun, 2002:255) the role of the state is limited to five tasks, namely:

1. establishing a foundation of law
2. maintaining a non-distorting policy environment, including macroeconomic stability
3. investing in basic social services and infrastructure such as health and education
4. protecting the vulnerable
5. protecting the environment.

In many countries the government is not able to satisfy all the needs and expectations of the population. It is often difficult to satisfy the basic needs of the citizens of the country, such as ensuring sufficient food supply, good health, basic education, a sense of security and even protecting the environment for future generations to come. If the money, institutions or the necessary policies are not in place, then alternatives such as private commercial or a non-commercial private sector role player can be sought. This implies that in these circumstances, governments can limit themselves to creating the conditions for private sector development.

Furthermore, the role of the government would be to create a regulatory framework for the private sector and to ensure that the private sector respects the rules, regulations and policies formulated for the different activities to be undertaken, such as in the water or electricity sectors. The World Bank (WB) (2002) refers to these activities as building institutions for markets. If this approach is to be used there are two different management issues that need to be addressed. The first deals with how to run a government department or ministry, and the other with how to manage a government company or enterprise. In the case of a government department or ministry, public administration techniques are required, while private sector approaches and practices can be applied to the running of a government company or enterprise.

A second option is to involve the private sector in the management of a government utility. The reasons for getting the private sector involved may be related to the limited efficiency of government organisations, but the reasons may also be of a financial nature. In some countries state-owned enterprises (SOEs) run huge budget deficits and are still not able to deliver the goods and services they would like to deliver. For example, inefficient water or electricity companies might produce services at a price too high for the customer. However, there are various ways to involve the private sector in areas such as the provision of basic services and infrastructure. One of these is by means of a public–private partnership (PPP), an arrangement between public and private parties in which all partners bring in resources to share risks.

10.2.2 Enhancement of a management performance system in the public service

A management performance system in the public service refers to an approach for achieving a shared vision regarding the purpose and aims of the organisation. It is aimed at helping each employee to understand and recognise their contribution to the vision and mission of the organisation and thus manages and enhances the performance of the organisation. It is, furthermore, an approach for managing people that entails planning employee performance, facilitating the achievement of work-related goals and reviewing performance as a way of motivating employees to achieve their full potential in line with the organisation's goals.

Other management reform measures that could be implemented to improve the performance of the public sector are the modernisation of both the human resources (HR) and financial management systems, and the improvement of skills within the public sector. With reference to improvements in human resource management (HRM), some countries, such as Japan, Singapore and South Korea, introduced merit-based recruitment and promotion strategies. Countries such as South Africa, Namibia, Nigeria and Ethiopia, which have experienced racial or ethnic divisions, have implemented policies to rectify the ills of the past, such as affirmative action policies and strategies. Furthermore, countries such as South Africa, Namibia and Ghana also introduced policies and strategies to ensure proper gender representation within the public sector (Adamolekun, 2002:165).

With regard to financial management reform, two main measures would have been implemented – budget reform and expenditure control. In this regard, countries such as South Africa, Namibia, Ghana, Malawi and Uganda implemented a Medium-Term Expenditure Framework (MTEF), which helps to ensure a more strategic approach to resource allocation and management (the budgetary process) and to enhance government's capacity for controlling public spending. The objective of an MTEF is to produce a system that allows for better decision making about public expenditure.

Two other measures related to financial management reform are the strengthening of accounting and auditing capacity in countries such as Ghana, Malawi, Kenya and Uganda, and the establishment of autonomous revenue authorities to ensure significant increase in revenue from tax and customs. The officials in these revenue branches of government cease to be career civil servants, and their contracts provide for rewards that are linked to performance (Adamolekun, 2002:165).

The improvement of skills within the public sector is considered a major priority of governments globally. Developing work-related skills is imperative, since all employees working within the public sector, irrespective of their backgrounds or academic qualifications, have to work and develop in an ever-changing and developing work and community environment. Personnel training and development therefore require processes for expanding knowledge, acquiring skills and changing attitudes. The training of public services should therefore be designed in such a way that it is need-focused, aimed at ensuring that public servants display a spirit of commitment, dedication and efficiency in rendering services to the public (Van der Westhuizen, 2005).

10.2.3 Corporate governance

The catalyst of economic growth, particularly in developing countries, includes foreign direct investment (FDI) and the creation and maintenance of an effective and efficient private sector. A foreign investor's decision to invest in developing countries depends on the fiscal and tax policies of the countries,

the institutional framework for trade and investments and good corporate governance. Governance in its broadest sense involves credible and democratic government. Governments therefore have a critical role to play in establishing the economic and political fundamentals that underpin economic growth and in facilitating the practice of good governance (Khoza & Adam, 2005:14).

Due to globalisation the world has become a smaller place, and competition for capital has intensified as traditional barriers to the movement of capital, people and information have broken down. The result is the development of new markets and new sources of products and services. One such example is India, which has become a leading centre in software development. The developing world eagerly looks to the developed world to stimulate local economic growth. However, international investors require more uniform standards of good governance, because they are accountable to their shareholders, whose concerns extend not only to a meaningful return, but also increasingly to the manner in which that return is generated. In Africa, the New Partnership for Africa's Development (NEPAD) has provided much-needed impetus for change towards better governance across the continent. There is a growing recognition that initiatives such as NEPAD are important for making countries attractive to investors and for achieving effective regional integration (Khoza & Adam, 2005:20). In order to ensure effective, efficient and economical service delivery, governments need to implement the principles of good corporate governance within all machinery of government. The King Committee on Corporate Governance (2002) refers to seven characteristics of good governance, namely:

1. **discipline:** a commitment to behaviour that is universally recognised and accepted as correct and proper
2. **transparency:** the ease with which an outsider is able to analyse action
3. **independence:** the mechanism to avoid or manage conflicts
4. **accountability:** the existence of mechanisms to ensure accountability
5. **responsibility:** processes that allow for corrective action and acting responsibly towards all stakeholders
6. **fairness:** balancing competing interests
7. **social responsibility:** being aware of and responding to social issues.

Ultimately, good corporate governance is about effective leadership. Good corporate governance is not a 'nice-to-have' (Rukoro, 2004) – it is absolutely vital for the survival and future growth of any country. This can only be achieved if citizens of a country are informed and feel that they are free to speak out. Only if governments allow for a transparent and open society can innovation flourish. Innovation is the prerequisite for economic growth, change and development within any country (Rukoro, 2004).

10.3 Public service delivery in Namibia

Du Toit et al (2002) state that ample proof exists that service delivery to all citizens originated thousands of years before the birth of Christ. This is due to the way people live in close proximity with others and are therefore subjected to a form of governing body, which has given rise to public service delivery. Not only has this resulted in service delivery itself, but the requirement has grown for more effective, efficient and economically accelerated service delivery.

The Constitution of the Republic of Namibia sets the statutory framework for service delivery in Namibia. At the highest level is the national government. At the regional level, 14 regional authorities have been established. Each of these regional authorities has jurisdiction over a specific area of the country. Closer to the inhabitants of the country are a large number of local authorities that provide service to the local inhabitants under their jurisdiction. Although the Namibian Constitution determines the physical structure of the three levels of government, it is important to notice that the statutory framework is more comprehensive than simply the physical structural framework. Other legislation also contributes towards the statutory framework for service delivery.

The efficiency of the Namibian public service is integral to the country's economic, social and ecological progress. Equal participation by all Namibian citizens, economic stability, the effective combating of poverty, an independent and just judicial system, and excellent performance in the educational and health sectors can only become a reality if all public officials on all levels of government fulfil their duties and responsibilities according to the principles of good governance (The NamCode, 2014). The Namibian Constitution made an important contribution to a new attitude among public officials and citizens regarding service delivery. The intention of certain sections in the Constitution is to emphasise the importance of the narrative guidelines according to which public officials must deal with their clients. The origins of these narrative guidelines are the body politics, societal value systems and legal rules. Besides the Namibian Constitution, the principles of good governance have been laid down in the Public Service Charter of the Republic of Namibia, the Customers Service Charter for each government office/ministry/agency (OMA) and the public service code of conduct.

On 21 March 2017, Namibia celebrated 27 years of freedom, peace, progress and social stability. Two years earlier, the country witnessed the smooth transition of presidential power in a peaceful, democratic and constitutional manner. This smooth transition demonstrated that Namibia had moved from the stage of consolidating democracy towards its institutionalisation. However, besides all the positive developments within Namibia, the country has also witnessed an increase in corruption, maladministration and poor service delivery over the past years. Various commissions of inquiry were set up to investigate these maladies in the state. As yet the people of Namibia have not seen the implementation of many these recommendations, nor have they seen action taken against culprits

within Namibia. The newly elected president, Hage Geingob, has committed himself and his government to dealing with these issues, and to ensuring that the citizens of Namibia get value for money.

10.4 Positive developments in service delivery

Taking into account the positive developments in service delivery within Namibia over the past 27 years, this section will focus briefly on the three main areas of successful service delivery: service delivery in the economic, health and educational sectors.

10.4.1 The economic sector

Since independence, the Namibian economy has registered positive economic growth. The economy has demonstrated its stability with high growth potential over the years since independence in 1990 (Republic of Namibia, 2014). Since 2010, the economy has grown positively, with the gross domestic product (GDP) registering at more than 5 and 6 per cent annually. However, the economy recorded a growth of only 5.1 per cent and 4.5 per cent in 2013 and 2014, which was not at the targeted 6 per cent annual growth of the National Development Plan 4 (NDP4) and Vision 2030 (Republic of Namibia, 2014:25).

Namibia is currently classified as an upper-middle-income country because of the continued increase in GDP per capita – the result of sustained positive economic growth and slow population growth. However, it should be noted that the growth in per-capita income masks income inequality or disparities. Growth in total investments was driven by an expansion in production activities in sectors such as construction, mining and transport, and by an increase in assets investment – equipment for mineral exploration, construction and transport in the production side of the economy. Namibia's absorption capacity has shown that the economy has unlimited capabilities for increasing production through additional investment because the economy consumes more than it produces. The Namibian economy has been shown to be very stable, with high growth potential since independence. Namibia has grown positively, with GDP growth trending between 5.0 and 6.0 percent annually. Achieving and sustaining economic growth of 6.0 percent per annum will act as a stimulus in the fight against socio-economic challenges such as high unemployment, poverty eradication and income equality (Republic of Namibia, 2014:33).

10.4.2 The health sector

Namibia's projected population growth rate is 1.7 per cent per annum (2001–2031) and the government therefore anticipates continued growth in demand for health and other social services. The health sector receives the second highest portion of the public budget after the education sector. Investing in the health sector significantly contributes to the overall well-being of the country's citizens.

The following developments have been recorded (Republic of Namibia, 2014:63–64):

- Overall life expectancy increased by 7.9 years over a ten-year period between 2001 and 2011, from 49.0 years to 56.9 years.
- There was a decline in the infant mortality rate, from 46 deaths per 1 000 live births during 2006–07 to 39 deaths per 1 000 live births during the 2013 Namibia Demographic and Health Survey (NDHS).
- The under-five mortality rate also declined during the same periods, from 69 deaths per 1 000 live births to 54 deaths per 1 000 live births.
- The results of the 2011 census show that life expectancy for both males and females in Namibia increased by 5 and 11 years, respectively. This means people are now expected to live longer than they did in 2001.
- Despite a high death rate in the population, quality of life has improved between 2001 and 2011 in lieu of life expectancy.

However, the HIV/AIDS pandemic remains a major challenge for the country, as it affects all sectors of Namibian society. Despite a relatively small population of 2.2 million, Namibia is ranked amongst the countries with the highest infection rates in the world and HIV/AIDS is now the leading cause of hospitalisation and deaths in the country.

10.4.3 The educational sector

Regarding the educational sector, notable progress has been made over the last 25 years. Currently more than 83 per cent of Namibians between the ages of 15 and 24 are literate and almost all eligible children are in primary school. Enrolments in vocational and technical education have increased drastically since 1992 and 6.96 per cent of the population is currently enrolled in higher education institutions.

Despite these efforts and related gains, many challenges still remain, such as producing more sufficiently skilled and educated citizens for the workforce and improving the quality of education. Due to these reasons, the educational sector undertook a comprehensive analysis of the education system currently in place. The analysis identified the need for sector-wide reforms to improve quality, responsiveness, effectiveness and internal efficiency, and to address the lingering inequalities within the educational sector. This has led to the development of the Education and Training Sector Improvement Programme (ETSIP). The strategic framework and road map for 2005–2020 was also adopted by Cabinet in 2006 (Republic of Namibia, 2006).

Namibia is experiencing a serious problem with unemployment, especially among school leavers. According to current statistics, the unemployment rate is 29.9 per cent (Namibia Statistics Agency, 2013). As a result, the Presidential Commission on Education, Culture and Training Report recommended that entrepreneurship should be strengthened in the school curriculum in order to equip the Namibian youth with necessary skills. The Ministry of Education

therefore decided to introduce entrepreneurship as a subject in the junior secondary phase from 2007 (Republic of Namibia, 2006).

10.5 Negative developments in service delivery

Besides all the positive developments that have taken place since independence in 1990, Namibian citizens continue to experience ineffective and poor service delivery. Two of the major concerns raised by citizens are the management of public enterprises (PEs) and the increase in corruption and unethical behaviour by public officials within the Namibian public sector.

10.5.1 Management of public enterprises

PEs are set up with state funds, which are often misallocated because of the lack of timely reporting, monitoring, scrutiny and limited enforcement of basic corporate governance principles. At independence in 1990, Namibia had only 12 PEs. However, at the beginning of 2017, there were 98 PEs. While the numbers of PEs are rising, sound financial performance and adherence to principles of good corporate governance remain elusive for most of them.

Currently, a dual-governance model exists in the Namibian PE sector, namely the State-Owned Enterprise Governance Council (SOEGC) and the different line ministries. While the SOEGC has been replaced by a new Ministry of Public Enterprises, the dual model remains. The failures of PEs can be attributed to the dual-governance model. In Namibia, 74 per cent of PEs are non-commercial and are mostly regulated bodies and service-rendering institutions. The main problem lies with the commercial PEs, which are not performing and which cost the government a lot of money in bailouts, such as TransNamib and Air Namibia. Another serious problem is that some laws are not aligned or synchronised with other laws. Some PEs, such as NamPower, do not have legislation to regulate them. There is a need to create legislation to govern PEs. Within other PEs, such as the Social Security Commission (SSC), the Roads Authority and the Offshore Development Corporation, there is indeed a lack of consistent and regular reporting and monitoring of performance and activities. A study conducted by Deloitte and Touche (2001:45) on the functions and performances of PEs revealed negative trends, namely:

- increasingly high state financial allocations, mainly to sustain the high current expenditures related to the over-sized organisational and personnel structures of SOEs
- monopolistic practices that have resulted in uncontrollable prices which are concerning for the general public
- low productivity and contribution towards the achievement of national development goals
- high exposure to unsustainable debt
- poor leadership at both board and management levels

- lack of intra-agency coordination, planning and linkages, including promotion of local industries through preferential procurement of goods and services
- remuneration at both management and board levels which are not linked to productivity and the ability of the enterprises to carry the expenditure burden.

These findings confirm the concerns of the public that urgent remedial action is needed. The study also confirmed that Namibians have learnt about corrupt practices in some PEs as revealed by different commissions of inquiry. These commissions have reported on disturbing and shocking malpractices, misuse of funds, corruption and misappropriation of assets in some PEs.

10.5.2 Increase in corruption and unethical behaviour

The second major concern raised by Namibians is the increase in corruption and unethical behaviour among public officials within the Namibian public sector. According to Transparency International's (TI) (2016) Corruption Perceptions Index (CPI), Namibia was ranked as the 52nd most corrupt country in the world out of a total of 176 countries in 2016. In 2012 the country's ranking was 48th out of 176 countries. Namibia's ranking decreased over the last four years, which is a source of concern and concerted efforts are needed to improve the situation. Namibia's current CPI score is 53. According to the CPI ranking, 0 implies highly corrupt while 100 implies very clean. These scores indicate that Namibia currently has a corruption problem, and that corruption has a damaging impact on the human and economic development of the country.

Over the previous 27 years, Namibians have seen the destructive impact that corruption has had on the economy, the welfare of Namibian citizens and the international image of the country. Namibians have seen and heard about officials who are engaged in corrupt practices for the purposes of enriching themselves or benefiting only a few individuals at the expense of the majority. These culprits use and abuse public resources for personal and private gain. The end result is the diminished ability of the state to deliver crucial services to the public. It also leads to the erosion of public confidence and trust, and to public contempt for state and private institutions. Various reports of the Public Service Commission (PSC), the Office of the Auditor-General, the Office of the Ombudsman and commissions of inquiry reveal the shocking increase in corrupt practices among Namibian public officials. The public saw little action on behalf of the GRN, thus feeding the perception that corruption was condoned. The public has never experienced a serious effort by the GRN to root out corruption.

Namibian political analysts Tangeni and Sherbourne (2005) suggest that politics has had a major role to play in the growth of corruption. They blame the GRN for the appointment of poorly qualified people, the saturation of boards of directors of PEs with the same faces, and a lack of transparency at

state institutions – all of which have created an atmosphere for corruption to flourish. Many cases that should be classified as corruption involving the elites have developed into a 'culture' that has come to be regarded as legitimate and has been tolerated as empowerment. Corruption is detrimental to the goals of socio-economic progress and should therefore be fought at all levels and in all spheres of Namibian society, including in the private sector.

10.6 Measures to enhance service delivery

This part will focus briefly on some of the measures the GRN has implemented to address the problems in service delivery.

10.6.1 Enhancing ministerial accountability

The public financial resources at the disposal of the GRN are limited. Therefore, in order to use these resources effectively, efficiently and economically, it is imperative that public officials are guided by prudent financial management guidelines. This implies that strict financial discipline should be enforced. To achieve this objective, the president mandated the prime minister to coordinate and closely supervise all the activities of OMAs to minimise and eventually abolish the overlapping, duplication and wastage of public resources. In future, ministerial accountability will be strictly enforced in accordance with the Constitution of the Republic of Namibia. Article 41 of the Constitution clearly states that all ministers shall be accountable individually for the administration of their own ministries and collectively for the administration of the work of the Cabinet, both to the president and to Parliament in the management and performance of their portfolios and execution of their duties. This implies that all members of Cabinet must became fully versed with the affairs, responsibilities and functions of their respective OMAs. This will enable them to supervise and monitor the implementation of government programmes and projects as contained in the ruling party's election manifesto (SWAPO, 2004).

10.6.2 Dealing with corruption

Former President Hifikepunye Pohamba, in his address at the opening of Cabinet on 28 March 2006, indicated that the GRN was fully committed to addressing corruption with a sledgehammer (Republic of Namibia, 2006). He further committed his government towards a zero-tolerance approach to corruption and unethical behaviour. This has been echoed by current President Hage Geingob. The Anti-Corruption Commission (ACC), which is provided for by the Anti-Corruption Act 8 of 2003, has been established and has become functional. In liaison with existing structures, such as the Namibian Police, the courts, the ombudsman and Parliament, the anti-corruption machinery attempts to root out corruption within Namibian society. The ACC does not report to any ministry. It is accountable only to Parliament and does so in an annual report. Therefore, there is no interference from any ministry in the functioning of the ACC.

One of the concerns regarding the rooting out of corruption is the absence of legislation that provides for the protection of whistleblowers – so that when people report corruption they can do so with confidence. In this regard, the Whistleblowers Protection Bill was approved in 2017. Another concern is that there is no legislation currently in place on access to information. This lack of legislation may hamper some sectors from doing work which could assist the ACC. However, the ACC has committed itself to working as a team with the public and the media in order to address these concerns.

10.6.3 Improving the management of public enterprises

Article 98 of the Constitution prescribes the economic order of Namibia, which shall be based on the principles of a mixed economy. This type of economic order has as its main objectives the securing of economic growth, prosperity and the human dignity of all Namibians. In terms of the Namibian GDP, the state and the PEs are the biggest role players in the economy because of their significant buying and spending power. Such is the importance of these sectors to the Namibian economy that they must be managed in the most professional and efficient manner. PEs have reduced the GRN's workload through diversifying responsibilities. These are now the responsibility of different PEs, who do the work on behalf of the GRN.

The report delivered by Deloitte and Touche (2001), as adopted by Parliament, set in motion the establishment of the SOEGC with its Secretariat and the Central Governance Agency through the State-Owned Enterprise Governance Act 2 of 2006. Under the leadership of the newly elected president, Hage Geingob, the SOEGC has been replaced by a Ministry of Public Enterprises. The current legislation was amended to facilitate the formation of a new ministry based upon sound principles.

The management boards of PEs will in future consist not only of diligent and dedicated individuals, but also of members with technical know-how and professional acumen. They will be required to have distinguished themselves in areas connected with the activities of the PEs of which they are board members. Chief executive officers (CEOs) and top management cadres of PEs will in future be individuals who have attained the requisite technical and professional knowledge and experience. CEOs who do not possess the requisite academic qualifications and who have little or no experience in the activities of the PEs in question will be unable to lead, control, supervise and direct their subordinates to achieve the goals of the PEs. The training of key role players in PEs will be enhanced through the Namibia Institute of Public Administration and Management (NIPAM). To improve performance further, performance agreements will be undertaken between the shareholders and the boards as well as between boards and management, which has never happened before.

The issue of individuals serving on numerous boards has been a point of concern, as individuals with the right political clout were able to serve on more than one

board. The newly appointed Minister of Public Enterprises has indicated that there is political appetite to change the status quo for the greater good.

10.6.4 Establishing sound labour relations

The SWAPO Party Election Manifesto (2004) stipulates that the GRN appreciates the importance of sound labour relations in Namibia and the need to maintain sound communication lines between all social partners in labour relations. These are essential for economic development. In this connection, the GRN promised to set up alternative dispute resolution mechanisms to ensure a harmonious relationship between the government, trade unions and the business and industrial sectors in order to avoid unnecessary confrontation. The GRN thus promulgated a new Labour Act 11 of 2007. The main reason for this new Act is that the Labour Act 6 of 1992 made provision for a cumbersome process in dealing with labour disputes. It took time, energy and resources to deal with labour despites. Furthermore, the District Labour Courts were flooded with labour disputes, but they did not have the human resources and were not able to deal with these cases in an effective and efficient manner. In terms of the Labour Act of 2007, the District Labour Courts are being replaced by trained arbiters and mediators to speed up the process of labour disputes. The new approach has ensured affordability, equity and accessibility for the majority of Namibians and has ensured that taxpayers' money will not be wasted.

10.6.5 Amendment of the Public Service Act 13 of 1995

The Public Service Act, Part 1, Section 2, clearly states that: 'a Public Service for the Republic of Namibia should be impartial and professional in its effective and efficient service to the government in policy formulation and evaluation and in the prompt execution of government policy and directives so as to serve the people of the Republic of Namibia and promote their welfare and lawful interests.'

Section 26 (2) (a) of the Public Service Act states that the permanent secretary (PS) concerned may, on the recommendation of the PSC, suspend any staff member at any time before or after they are charged with misconduct. The public service staff rules state that the purpose of charging a staff member with misconduct and the ensuing disciplinary action is to maintain a good standard of work and proper behaviour, as required from staff members, as well as to ensure that the rules and regulations of the public service are adhered to.

In practice, the procedures for taking disciplinary action against culprits have taken too long. There is also the tendency to suspend public officials on paid leave for years while disciplinary procedures are taken care of. Changes have been made to the Public Service Act, aimed at streamlining and shortening disciplinary procedures. The changes imply that disciplinary measures can be

taken in the shortest possible time without disrupting the work of OMAs. They also ensure that public officials who are alleged to have engaged in misconduct learn their fate in the shortest possible time. Those public officials who feel aggrieved by the decisions of disciplinary committees can take advantage of the dispute resolution mechanisms provide by the new Labour Act of 2007.

10.6.6 Enhancing training and professionalism

An Act of Parliament, namely the Namibia Institute of Public Administration and Management Act 10 of 2010, resulted in the establishment of NIPAM. The institute functions as a PE as per the provisions of the State-Owned Enterprise Governance Act. The institute was officially launched in February 2011 with a mandate to provide administrative and management training and to serve as a think tank for the public sector. It was charged with creating a public sector culture that values good governance, cooperation and coordination, the building of partnerships, the conducting of operational research and capacity evaluation that provides for learning (NIPAM, 2015).

A capacity-building framework has been developed by NIPAM, which provides a platform for systems-wide learning to facilitate the development of common values, ethos, culture and practice. Underpinned by several flagship programmes, NIPAM promotes the concept of a life-long learning experience which becomes a critical element of an individual's personal development path. All programmes and courses will eventually be linked to the public sector performance management system (PMS) to ensure that training and capacity building respond to actual performance challenges in the public service. The training strategy and capacity-building initiatives are well researched, grounded in local reality and underpinned by best practice. Research findings are fed into training programmes and the development of new products and services. To ensure that the programmes offered by NIPAM meet international standards and that they are both professional and accountable, NIPAM has signed agreements with other reputable training institutions in Namibia and abroad.

Training interventions for NIPAM are targeting public servants in the Namibian public sector, including central government OMAs, regional and local government institutions and PEs. The institute's approach in teaching and training is to ensure that the elements of 'experiential, participatory, life-long learning and transformation' are embedded in the approach to capacity development (NIPAM, 2012:34). It strives to do this within the broader context of achieving the goals of both the NDPs and Vision 2030 for Namibia.

10.6.7 Transparency

The current administration under President Hage Geingob has shown an admirable commitment to transparency. The president's voluntary asset declaration was a great example that was heralded across the continent. The National Assembly is also currently debating a code of conduct that would require members to declare their assets and conflicts of interests. Transparency

is sorely needed in the realm of good governance, where news of shady dealings makes headlines on a regular basis.

The president further emphasised the importance of all ministers and senior government officials abiding by the approved PMS. The PMS is designed with one purpose, namely to transform the public service of Namibia into an efficient and performing organisation in order to realise the objectives of the national development agenda and Vision 2030. The president made it clear that the PMS should not be viewed as a punitive instrument, but as a management tool for monitoring performance, providing timely corrective interventions and capacity building, whenever necessary. He further stated that it is the role and responsibility of all ministers to undertake their responsibilities effectively and to contribute to the achievement of the shared vision of a Namibian House where effective governance, improved delivery of goods and services, reduction of income disparity, job creation, poverty eradication and, eventually, prosperity will materialise (Republic of Namibia, 2015).

10.6.8 Embracing public–private partnerships

There are specific clauses in the Constitution that enable public, private and PPP arrangements and foreign investments. Indeed, there are no provisions limiting the scope of a PPP arrangement in any manner. The following clauses provide the basis on which a PPP framework can be developed:

- Article 98 (1) of the Constitution, which outlines the principles of economic order, states that the 'economic order of Namibia shall be based on a mixed economy with the objectives of securing economic growth and prosperity for all Namibians (Office of the Ombudsman, 2016:56).
- Article 98 (2) of the Constitution proclaims that 'the Namibian economy shall be based on the following forms of ownership: public, private, joint public private, cooperative, co-ownership and small-scale family (Office of the Ombudsman, 2016:57). The enabling of 'joint public–private ownership' lays the basis for PPPs in the economy.

Thus, the Constitution envisions a vibrant and free economy in which private initiatives (including PPPs) would be welcome in creating a progressive economic environment. The Ministry of Trade and Industry, with the support of a consultant and the approval of the Cabinet in 2012, has drawn up a PPP policy. The objectives of the PPP Policy are to encourage private sector investment to facilitate the development of infrastructure and enhance efficiency in the public service in Namibia. According to the policy, PPP projects will 'serve as an engine for achieving social and economic objectives of the Namibian government such as job creation, pro-poor development, inequality reduction and development of SMEs [small-to-medium enterprises]' (Republic of Namibia, 2010). The PPP concept will involve a substantial transfer to the private sector of the risks involving the life cycles of projects. Risks could be financial, and could involve management capacities, procedural constraints and attitudes towards a PPP

approach. This approach implies that the focus of government institutions will shift from managing inputs to managing outcomes. The Ministry of Finance is the implementer of the PPP Policy. A PPP unit was established to serve as a directorate within the Ministry of Finance in 2015. The PPP unit will serve as a secretariat for a PPP committee, which has an oversight role in the preparation, procurement and contract awarding of PPP projects. To cement the PPP Policy further, the Public Private Partnership Act 4 of 2017 was approved in 2017. PPP legislation is a powerful tool for ensuring best practices through all stages of PPP projects.

10.6.9 Management performance system in the public service

The Namibian public service has introduced a management performance system to enhance service delivery. The Policy on the Performance Management System for the Public Service of Namibia was approved by Cabinet in November 2011. The PMS applies to all staff levels in OMAs and regional councils. The purpose of the PMS is to (Office of the Prime Minister, 2016):

- improve individual and team performance in order to achieve organisational goals
- provide for a shared process between managers, teams and individuals so that management takes place by contract rather than demand
- support knowledge, skills and competency development.

The implementation of an effective PMS will benefit the public service by (Office of the Prime Minister, 2016):

- providing a framework for strategic management
- empowering people
- improving the understanding of work expectations between employees and supervisors
- providing processes for improving work planning
- eliminating a blame culture
- increasing and sustaining motivation
- identifying and prioritising training and development needs of staff members
- developing skills, competencies and individual potential
- clarifying accountabilities
- creating a performance culture
- encouraging the early identification and turnaround of unsatisfactory performance
- serving as an input for the recognition and rewarding of performance
- attracting and retaining skilled staff
- providing a basis for career and succession planning.

The purpose of the PMS is to create a standard of excellence in the delivery of public services in Namibia, thus realising the goals of Vision 2030. Vision 2030 has the following ideal in mind: 'A prosperous and industrialised Namibia,

developed by her human resources, enjoying peace, harmony and political stability' (Republic of Namibia, 2001:4). The PMS aims to change the public sector culture from being input-oriented to being outcome-oriented. Only time will tell if these aims will be achieved.

Conclusion

Although measures relating to service delivery in the public sector have been put in place by the GRN on institutional levels to ensure that resources are utilised economically, effectively, efficiently and ethically for the benefit of all Namibian citizens, the question still remains as to whether public officials are committed to implementing these measures successfully. A lack of professionalism, dedication, commitment and initiative, as well as poor leadership among political leaders and public officials, might hamper the successful implementation of these measures.

Test your knowledge:

- Explain the factors that contribute towards public sector reform in transitional countries.
- By making use of Namibian examples, discuss the positive developments that have taken place in Namibia since independence to enhance service delivery.
- Identify the factors that contribute towards poor service delivery in the Namibian public sector. Give examples to illustrate your answer.
- Identify and explain any four reform measures that have been implemented to enhance service delivery within the Namibian public sector. Motivate why you have selected these four measures as the most important.

Containing and dissolving corruption in the public sector

J Coetzee

Learning Outcomes

After reading this chapter, you should be able to:

- explain the key drivers and uncertainties in reforming and transforming corruption in Namibia
- discuss how to create systems and controls for a Namibian integrity assessment
- interpret in your own words which strategic institutions in the public sector are critical for transforming first, before focusing on the remainder of the public sector
- explain public sector reform within the context of the broader Namibian society
- evaluate the dissolving of corruption in transforming the public sector so that conditions for the prevention of corruption and the promotion of good governance can be created.

11.1 Introduction

Following on the discussion in Chapter 5 of the problems in Namibia's public sector regarding questions of ethics, accountability and governance, based on an epistomological foundation this chapter describes two systemic phases for embarking on and sustaining the momentum of reform and transformation. The main focus is on preparing the context or climate to prevent and steer corruption and governance problems and invent the space in creating innovative alternatives to said challenges. Too much focus on the 'hard' aspects – for example, penalties, legislation and enforcement – cannot contain corruption. Furthermore, an excessive focus on structural aspects, such as faceless procedural matters, could create deficiencies and ineffectiveness. Public servants need incentives, motivation and inspiration to stimulate creativity, openness and trust in order to dissolve the complex problem of corruption. Dissolving corruption in a dysfunctional public sector with performance challenges requires innovation and new perspectives, because the problem situation is multifaceted and dynamic. Innovative strategies are critical for generating new strategies to contain the never-ending mutation of the corruption disease.

This chapter follows a systemic approach towards reducing corruption, instead of only focusing on reform and/or transformation of the Namibian public sector. The focus of this chapter is a systemic framework for guiding any country in

reducing corruption. However, it is not a blueprint, because the context of corruption differs from country to country and strategies should be tailored within the context of the framework of this chapter. The chapter includes best practices for steering corruption in the four countries that were most successful in reducing corruption over a period of four decades. These countries followed an incremental approach that can be interpreted as containing systemic elements.

The containing and dissolving of corruption in the Namibian public sector require the managing of key drivers, key uncertainties and key interventions (strategies). The first phase of containing corruption, to use the metaphor of a lifestyle illness, is to bring down the patient's fever and stabilise the patient as soon as possible. Once the fever and heart rate are under control, then surgery, and physiological and psychological treatment (dissolving phase) can begin for the realisation of a sustainable lifestyle.

The dissolving phase is the most challenging, and it can take decades to create the most suitable and sustainable conditions for treating a social illness and lifestyle disease such as corruption. Making changes in attitude and lifestyle, providing hope, and exploring alternative ways of sustainable living require discipline and committed politicians who benefit from such change in the form of increased support from voters. Monitoring and evaluating, creating a support network and establishing penalties (for falling back into an unsustainable lifestyle) and rewards (financial incentives and praise) for the painful structural and operational changes associated with uncertainty all form part of the dissolving phase.

It is now appropriate to focus on the problem that needs to be addressed – corruption, the antithesis of integrity.

11.2 Corruption as opposed to integrity

11.2.1 Perspectives on corruption and integrity

Definitions of corruption

The World Bank (WB) defines corruption as 'the abuse of public office for private gain' (WB, 1997: 9–10). This is one of the most commonly used definitions of corruption within the public domain. The WB's expanded definition distinguishes between 'isolated' and 'systemic' corruption (WB, 1997: 9–10). Although at first reading the latter definition seems to be outdated (because the definition is not holistic: it does not acknowledge corruption as a system and its interdependent and interrelated role players in other sectors, such as in the private sector and civil society), it remains applicable since it remains the view of the WB. Isolated (or accidental) corruption is described as 'rare, consisting of a few acts, and straightforward (though seldom easy) to detect and punish' (WB, 1997: 9–10). In this case, non-corrupt behaviour is the norm, and public and private sector institutions support integrity. According to Coetzee (2012), formal and informal systems are strong enough to return the system to a 'non-

corrupt equilibrium'. Systemic corruption, on the other hand, is pervasive, or entrenched, where corruption is routine between and within the public sector, companies or individuals. Formal and informal rules 'are at odds with one another'. Corruption may be illegal, but in this case, it is understood to be routine in transactions with government or business. Equilibrium exists (also called a 'systemic corruption trap') where incentives for corruption are very attractive for companies, individuals and public servants – attractive to be exploited and not resisted because of a high likelihood of success in a supportive corrupt environment (Coetzee, 2012:10).

Integrity as a contrasting concept

Corruption is generally a systemic problem. The WB's definition fails to accept the general nature of corruption as systemic – a concept that suggests interdependence on deviant behaviour in public and/or private sector institutions. The WB's definition does not focus adequately on integrity. Corruption represents a breakdown in integrity. According to Rose-Ackerman (1999:2), integrity implies 'honesty, probity, uprightness, moral soundness, moral stature, principle, character, virtue, purity'. Antonyms of integrity are 'deceit, venality, corruption' (Shepherd, 2006:447). Latin for 'integrity' is *in-teger*, meaning 'what is not touched, taken away from, or interfered with' (Stanford Encyclopaedia of Philosophy, 2010a). *In-teger* can be interpreted as 'wholeness'. Therefore, 'integrity' should be a central (albeit contrasting) concept in any root definition of corruption, because it represents consistency in 'actions, values, methods, measures, principles, expectations and outcome' (Stanford Encyclopaedia of Philosophy, 2010a; 2010b). The Oxford Advanced Learner's Dictionary (Hornby, 2005:714) describes 'holistic' as 'considering a whole thing or being to be more than a collection of parts', and in terms of medicine, as 'treating the whole person rather than just the symptoms'. This definition corresponds with the definition of the *Verklarende Handwoordeboek van die Afrikaanse Taal* (HAT) (Odendal, 1985: 401), which emphasises that holism is a philosophical statement *'wat berus op die beginsel dat die geheel meer as die som van die dele is'*. The HAT definition emphasises the inherent holistic characteristic of the whole being larger than the sum total of the independent parts. This seems to be a most appropriate insight for the purposes of this chapter. Corruption can therefore be defined as 'an impairment of integrity, virtue or moral principle; depravity, decay, and/or an inducement to wrong by improper or unlawful means, a departure from the original or from what is pure or correct, and/or an agency or influence that corrupts' (Merriam-Webster Dictionary, 2010).

A scholar can argue about 'a departure from the original or from what is pure or correct', because whose standards are applicable in determining 'what is pure and correct'? Nevertheless, the essential attributes of corruption are represented in this definition and will be used in this chapter, which focuses on the concept of 'institutional integrity'.

According to Spies (2003:9), integrity means also that the norms and behaviour of every element of a social system represent the norms and behaviour of

the whole. A popular view of integrity is that the actions of a person should correspond with what they say. Corruption is the antithesis of integrity (Spies, 2003:9) because a breakdown of integrity means a systemic breakdown. This systemic contamination not only affects the cohesion of and symbiosis in a social system (the interdependent relationships between different role players such as public servants and businesspeople), but is also a direct attack on the norms and standards that drive the cohesion and symbiosis of a society. It is therefore symptomatic of a society in which serious systemic imbalances occur (Spies, 2003:9). Corruption is 'a general concept describing any organised interdependent system in which part of the system is either not performing duties it was originally intended to, or performing them in an improper way', to the disadvantage of the system's original purpose (Knol, 2010).

Corruption is multi-dimensional

Another perspective on corruption is that it is multi-dimensional. According to Gharajedaghi (1982:68), corruption is not 'just a malfunctioning of the value system' (ethical and moral), but a serious and deep-rooted problem situation that affects the wholeness of a society, that includes:

- the generation and distribution of power (governance and politics)
- wealth (economics)
- knowledge (science and technology)
- innovation and inspiration (aesthetics).

Corruption can therefore not be defined properly if the general conditions under which it occurs are not described. For example, within the context of administrative behaviour, the bigger the difference between the minimisation of transparency and accountability on the one hand, and the maximisation of discretionary power and responsibility on the other hand, the more favourable the opportunities for corruption become. Transparency entails being clear and 'unmistakable, easily understood, free from affection or disguise' (Upshall, 1992:836). The bigger this difference, the more lucrative corruption is, because the risks involving exposure (being reprimanded, fired or sentenced in court) are less than the actual costs – the benefits from corruption minus the risks.

11.2.2 Perceptions of corruption in Namibia

In order to gain a more informed idea of the extent of corruption, it is appropriate to focus on people's perceptions of and propensities for corruption. The 2008 Afrobarometer survey indicates that approximately half of the 1 200 respondents in Namibia 'believed that all or most national government officials were corrupt' (Daniels & Links, 2011:2). The same survey revealed that '[s]ome 42 percent of respondents believed most or all police officials were corrupt and 38 percent believed most or all tax officials were corrupt' (Daniels & Links, 2011:2). Regional academics categorised the Namibian public service in the group of 'under achievers' (Hansohm, as cited in Hansohm et al, 2001:115).

It is necessary to investigate the level of corruption in Namibia in comparison with other countries. One way of arriving at an indication of the level of corruption in a country is to execute perception studies. However, such studies tend to not be based on a rigorous methodological approach. They are also subjective and based on the level of understanding of the participants. They are simplistic indices and do not perceive and tackle corruption from a holistic or systemic perspective. Irrespective of the limitations of perception studies, such studies provide a comparative measurement of the level of corruption in countries.

The Corruption Perceptions Index

The Transparency International (TI) Corruption Perceptions Index is the most popular index used by investors to obtain an indication of the level of corruption in a country, as a decision-making indicator for investment purposes (Coetzee, 2012:124). The TI index on corruption and good governance is compiled annually per country. Countries are classified as open economies or closed economies and are rated out of 10, with 10 being a perfect score indicating no corruption and perfect good governance. The TI index has measured the level of people's perceptions about corruption in Namibia since 1998. A rating of mostly below 5 out of 10 since 2004 indicates that Namibia is mediocre in terms of the Namibian public's perceptions about corruption and governance (decision making and implementation or non-implementation).

The Namibian TI rating on democracy and good governance decreased between 1998 and 2011 from 5.3 to 4.2, based on the annual rating of perceptions of corruption by the TI (see Figure 11.1).

FIGURE 11.1   TRANSPARENCY INTERNATIONAL'S ANNUAL RATING OF CORRUPTION PERCEPTIONS IN NAMIBIA 1998–2017
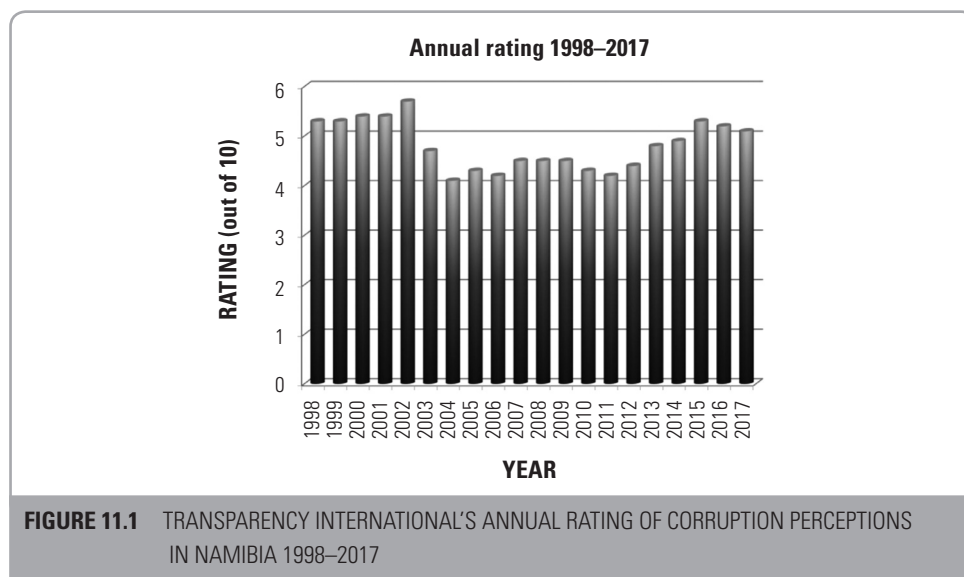
Source: Transparency International (TI). 1998–2017. *Corruption Perceptions Index.* Available at: http://cpi.tranparency.org/cpi/. Compiled by author of the chapter.

The TI rating of Namibia is an indication that business leaders, academics and economists perceive Namibia to be a corrupt country. However, from 2011 to 2016, the rating improved year on year from 4.2 to 5.3 out of 10. This is a positive short-term trend. The average (the central tendency of the given ratings) for the whole period is 4.8. During the previous decade, the average was 4.7, meaning there was a very slight deterioration of the corruption trend and by implication no real improvement. This is an indication that Namibia is failing from an international and local perspective (because TI ratings reflect the perceptions of Namibians) in tackling corruption.

The mode, meaning the value that occurs the most, is 4.5. From a statistical point of view, the mode is of more value than the average, because the mode is the value that is most likely to be sampled. The median (the middle value of the ratings) is also 4.5. Since the mode and the median are the same, this value is the most reliable reflection of the 20-year ratings. This means that Namibia is 45 per cent corruption-free and 55 per cent corrupt. Provided that the most dependent variables stay the same, the country is more likely to be corrupt in the near future than less corrupt.

A tolerance of corruption in Namibia

From analysing the long-term trend, it can be deduced that there is tolerance of corruption in Namibia and that this has become part of the culture of ingrained corruption. This has also 'infected' law enforcement agencies and the private sector. Some pending fraud cases date back to 2008, for example the Teko Trading case. This case involves a former public service commissioner and her business associates (Coetzee, 2018b:2). Ten years after the reporting of the AVID/Social Security N$ 30 million corruption case (involving 60 people) in the media in 2008, a very small number of the originally accused have been sentenced. This case, which involves a former deputy minister, Paulus Kia, and a lawyer, Sharon Blaauw, is one of the few corruption cases that have been concluded. The case is an illustration of the delay in the execution of justice, which discourages whistleblowers to report corruption and causes a loss of trust in the judicial system.

Given the creation of the Anti-Corruption Commission (ACC) in 2006 and regulating authorities such as the Namibia Competition Commission, the Namibia Financial Institutions Supervisory Authority (NAMFISA), the State-Owned Enterprise Governance Council (SOEGC), the National Petroleum Corporation of Namibia, the Electricity Control Board and the Communications Regulating Authority, one would have expected an improvement in the corruption rating during the previous decade. However, the creation of these regulating authorities has contributed to an increase in bureaucracy. With more legislation and regulations to adhere to, lucrative opportunities for corruption arose with large-scale infrastructure projects such as the building of the Neckartal Dam. The cost of this dam increased from N$ 2.4 billion to an expected completion cost of N$ 5.7 billion. Another project is the Walvis Bay Petroleum facility, with

an initial cost of N$ 900 000 which escalated to an expected completion cost of N$ 3.5 billion. Corruption has most likely increased to get business done and to get tenders approved and has contributed to public servants requesting bribes (Coetzee, 2018b). Based on the magnitude of cost overruns, post-tender corruption is a relatively new pattern in Namibia that is much more devastating than pre-tender corruption.

A further example of government interference relates to the unresolved issue of ownership of Meatco, a meat processing and marketing entity in which the cattle producers of Namibia are the main shareholders. However, Meatco is now 'technically' bankrupt, with 257 employees having lost their positions during July/August 2018. In another example, a number of sheep abattoirs have been closed due to excessive government regulation of the industry. The price difference at South African and local abattoirs has been put at N$ 17/18 per kilogram, causing sheep farmers to scale down production, with some switching to game farming and other forms of income where possible. Furthermore, the drafting of the New Equity Economic Empowerment Framework (NEEEF) has contributed to perceptions by formerly disadvantaged Namibians that the government will assist them in buying a 25 per cent share in businesses in Namibia. The 25 per cent clause has been omitted due to extensive public and international outcry. Based on the foreseeable bureaucratic implementation challenges of the NEEEF, indications by the Economic Policy Research Association (EPRA) are that the average 66 days it takes to open a new business (TI, 2011) is expected to increase to 120 days. This was expressed at an EPRA Management Board Meeting on 9 August 2018 in Windhoek. (The author is a member of the Board.) Such delays will contribute to investment being channeled to other emerging economies.

For a more informed perspective about perceptions of and propensities for corruption, it is now appropriate to focus on reform and transformation of the Namibian public sector.

11.3 Reform and transformation

Strategies to overcome resistance to change in the Namibian public sector are critical. However, greater than the need to overcome resistance is the need for the total transformation of an institution. Such a complete change requires a focus on the concepts of reform and transformation. 'Reform' means to 'form something again, especially into a different group or pattern with the intention to improve or correct' (Hornby, 2005:1223). The general meaning is to improve, to rebuild, to remodel, and to amend (see also Shepherd, 2006:678). The term 'transformation' consists of two parts: 'trans', which is the Latin for 'across', and 'form', which means to give shape, to create, to begin (Hornby, 2005:585, 1571). 'Transformation' therefore includes the notion of 'change', or to 'shift' from one form to another. To transform means to change the internal 'structure, nature, and shape or appearance of the organisation' (Van Tonder, 2004:107). Transformation emphasises the result or consequences of change. A systemically

corrupt institution is different in appearance and character once transformation has taken place (Van Tonder, 2004:105). This type of change is a fundamental 'remaking' of an institution. It is likely to affect an institution in all those dimensions and factors that are meaningful for its functioning and survival (Van Tonder, 2004:107). Transformation has occurred when a systemically corrupt institution is officially 'declared dead' and a 'new' institution is 'conceived'. In light of the concept of 'change', a system can be transformed, while people can only be 'changed', in other words, 'developed'.

In comparing the concepts of 'reform' and 'transformation', one should note that reform focuses on evolutionary, incremental improvement over the long term, such as the reform of the USA's public sector over the course of the 19th century. 'Transformation' is used in a more comprehensive sense, with a focus on radical revolutionary change. However, it will become evident in this chapter that there is a great deal of overlap in the meanings of these two concepts.

11.4 The containment phase: Stabilising corruption

> **DEFINITION**
>
> **Leverage points:** Places in a system where small changes can force large changes that become significant enough to cause a larger, more important change, also known as a 'tipping point'. This changes the whole system, for example from systemic corruption to isolated corruption.

Leverage points can provide early gains in inspiring momentum for change in the process of containing corruption. The idea of using leverage points as part of the transformation process originated from Meadows (2009:1–13). Other authors who have dealt with this include Klitgaard (2010) and Rose-Ackerman (1999). In this chapter, the author has adapted, blended and synthesised leverage points from these three different authors to address the unique requirements for Namibia's problem regarding corruption. Key drivers, also known as the five dimensions of development (economics, politics, knowledge/science/technology, ethics, and inspiration) and key uncertainties (co-producers or contributors) are central concepts in this chapter. Probable interactions of key uncertainties and how they can unfold will be described, and from that, key interventions or strategies (leverage points) will be constructed. Leverage points or strategies will be discussed in sequence. However, leverage points are overlapping and not mutually exclusive, because a social change process is complex and dynamic, not sequential. Change is not a step-by-step process.

11.4.1 Managing key drivers and key uncertainties

In developed countries the private sector is the largest engine of growth and the biggest agent of change. Of the top 100 economies measured in terms of gross domestic product (GDP) and revenue, 60 are countries and the remaining

40 are multinational corporations (MNCs) (Juniper, 2016:30). In developing countries (Namibia has been categorised as a middle-income country by the WB, mainly based on its GDP per capita), the size of the private sector is small relative to the size of the public sector. This means that the private sector cannot realistically be the biggest agent of change. If the public sector and governments in developing countries are large in proportion to the private sector and are in effect the biggest drivers in reducing corruption in society and the public sector specifically, it means that resistance to such change by public servants and politicians can be a serious obstruction to reform and transformation. In an already corruption-prone environment, those in control of government are also controlling development and can deliberately create obstructions.

If there is no political commitment to addressing corruption, or if the commitment is weak, as seems to be the case in Namibia, then a bottom-up approach should be followed in order to create social cohesion and put pressure on politicians to reform. The bottom-up process is time-consuming and can take more than one generation, as is evident from the common denominators of best-practice case studies. Examples of best practice case studies that contain elements of a systemic approach include the UK and USA during the late 1800s and early 1900s respectively, and Singapore and Hong Kong since the 1950s. If a bottom-up process is followed, what can be done to stabilise the situation (contain it) and what can be done to dissolve the problem to create an environment conducive to sustainable reform or transformation?

To stabilise the situation, pressure should be applied on politicians by civil institutions across the board to increase the capacity of law enforcement agencies, to develop pockets of excellence in the public sector, and to create an open debate on corruption. In developing excellence, strategic areas that could be focused on include the police, revenue and procurement. Such a strategy can influence all stakeholders of these best-practice areas, the public and private sectors, and civil society. In pursuing this strategy, accurate statistics should be kept to measure, monitor, develop, evaluate and change outdated strategies. The police need to be highly visible, create a safe environment and cover all crime, irrespective of how small its impact is – similar to the strategy that was followed to reduce crime in New York during the 1980s. Dealing with all incidents of small crime will contain the corruption for the interim and medium term and will expose the bigger criminals, such as the drug bosses, as part of the longer term or dissolving phase. Once benchmarks are in place and the success of the police is evident, the underlying principles for stabilising corruption can be adopted and tailored to all other areas of law enforcement, such as licence and permit applications. Such an approach can create an across-the-board, long-term culture of respect for authority, law and order.

The next section focuses on incentives and penalties as part of changing the legal and regulatory environment.

11.4.2 Increasing incentives and penalties

Penalties and rewards can help to create a situation where the negative risks of exposure are substantially higher than the benefits, in combination with an increase in law enforcement capacity.

Penalties

The enforcement of penalties should be increased, but this should not be over an indefinite period of time. Increased enforcement should continue until a 'change of phase' or long-term multidimensional and multilevel change is created, after which the enforcement can be reduced. Such a 'change of phase' will be achieved when perceptions start to change, for example from the perception that 'everybody does it' to 'I am afraid to do it, because the probability is high that I can be caught'; from awareness to prevention; from compliance to performance and from being guilty to being publicly shamed. To make such a 'change of phase' possible, there should be a close relationship between penalties and the probability of detection. A close relationship such as this is possible when penalties are enforced with the minimum of exceptions. The more penalties are enforced, the higher the probability that offenders will be caught and shamed. The greater the probability of detection, the higher the probability that possible offenders will not take the chance of being caught, implying they will be more reluctant to commit an offence. In general, penalties are increased by means of legislation and regulations. However, the probability of detecting corruption is not necessarily increased in proportion to the imposition of higher penalties, such as more severe sentences. When people know that they will most likely be caught (because of the increased probability of detection), they will think twice before engaging in corruption. However, increasing penalties without increasing the probability of detection will not deter corruption. Penalties and risks should be linked to the benefits (the gains or spoils) of corruption after deducting its costs (the costs of the bribe or kickback; the risk of being caught; the loss of status, position and income). A fixed penalty increases the demand for higher bribes, but once the threshold of the benefits is higher than the costs, corruption becomes worthwhile.

In the USA, penalties are limited to a maximum of not more than three times 'the monetary equivalent of the thing of value', or sentences cannot exceed 15 years in jail, or both (Rose-Ackerman, 1999: 55). This approach is also not the best in deterring corruption, because penalties are 'capped'. Drug trafficking, for example, has huge profit margins after deducting the costs. Net costs of the cocaine business can include the following: growing coca (mainly in Peru and Bolivia); collection and transportation of coca leaf or coca paste; processing of coca into cocaine base and cocaine hydrochloride; transportation of the finished product to the USA; wholesale and retail distribution (repackaging in smaller quantities for shipment to other markets such as South Africa); paying runners to find new addicts (customers); bribes for import and export fees at border posts; and payment to the police 'to look the other way' (Williams, 2001: 322).

To make corruption unattractive, every Namibian dollar or rand increase in benefits from corruption should be matched with more than a Namibian dollar or rand increase in costs. The maximum penalty in Namibia for money laundering should be removed, because the maximum penalty of N$ 500 000 and/or five years in jail reduces the number of small payoffs but increases the size of larger payoffs. The maximum penalty should be replaced with a penalty on a sliding scale that is directly linked with the cost (and should always be more than the cost) to deter corruption.

Incentives and rewards

Incentives should be created to motivate people to resist and fight corruption, to protect the integrity of the system, and to make it attractive to report corruption. People should not have to fear losing their jobs, nor should they be intimidated and made to feel scared by death threats. Incentives are needed for rewarding the risk of reporting corruption and protecting whistleblowers from intimidation and harassment. Namibians need encouragement and incentives ('carrots') for commitment, as well as penalties ('sticks') for non-compliance.

The Whistleblower Protection Act 10 of 2017 states that the whistleblower commissioner may request the Criminal Assets Recovery Committee to recommend to Cabinet that a whistleblower be rewarded financially for a disclosure leading to arrest and prosecution of the accused, or if the disclosure leads to the recovery of money or property. However, the provision is too bureaucratic and vulnerable to political will and discretion and it will not be effective. Such a provision should be automatically applied and not be subjected to approval by the Cabinet or the commissioner. The proposal is based on the the False Claims Act of 1863, which provides protection and incentives for all people inside and outside a company reporting corruption. Under the False Claims Act, if a person (whistleblower) brings a lawsuit to court, the reward can be 25 to 30 per cent of the penalty if such a person is bearing the legal costs. If the Justice Department is bearing the legal costs of the whistleblower, the maximum is 15 per cent (Rose-Ackerman, 1999: 52–59). Rewards should be substantial so as to make reporting worthwhile for whistleblowers. In drug trafficking, for example, a few million US dollars is 'small change', as whistleblowers run high risks and might even face death.

The provision of the Whistleblower Protection Act should be changed to reward whistleblowers with 45–50 per cent of the value of the penalties imposed. For example, if the penalty imposed by a court for a corruption case is N$ 2 million, the reward should be N$ 1 million, to make provision for legal costs incurred to bring the case to court, as well as the risks faced by the whistleblower – such as loss of employment, exposure to intimidation, harassment, loss of social standing – and compensation for the time spent on lengthy court hearings. To bring a case to the High Court requires a minimum of N$ 100 000 without any proceedings. With a GDP per capita of US$ 9 541, this figure can be adjusted by purchasing-power parity (Trading Economics, 2018) to N$ 133 574 – based

on an exchange rate of N$ 14/1 US$ – which shows that the average Namibian cannot afford to initiate and pay for corruption cases. The judicial system should be changed so that the state provides adequate financial support for prosecuting cases involving corruption in the private sector (because it also impacts on the public sector). In cases of personal vendettas, the culprits should be held personally liable for such costs.

King IV, the code of corporate governance as partially discussed in Chapter 5, has proved to be insufficient to reduce corporate corruption in South Africa and Namibia. A supplementary alternative for these two and other African countries is the Bribe Code (Coetzee, 2018a). This code has been developed by Chuma Nwokolo, a well-respected barrister, academic and publisher. The code makes provision for the compensation, reward and protection of whistleblowers. If a company is convicted of serious corruption, above a threshold of, say N$ 100 000, then the directors will face a penalty of liquidation, with a no-fine option, and with 1 % of its assets going towards reward the whistleblower(s). This approach can overcome the current challenge in Nigeria and Namibia in that corrupt companies would no longer be able to depend on their partners in government to side-line justice.

The Bribe Code will make the penalty for corruption unacceptable to company directors and shareholders and create a private sector with minimum tolerance for corruption. A new anti-corruption culture can develop that will grow by self-regulation from the private sector and civil society . This would change the propensity for corruption in the public sector, in the form of requesting bribes, and in the private sector, in the form of offering bribes.

Increasing both the penalties for corruption and the incentives for reporting should be accompanied by changing strategic institutions, which is the focus of the next section.

11.4.3 Transforming strategic institutions

Some institutions are strategic because of their visibility in the public eye, such as border control units or institutions issuing permits. If such institutions could be reformed first before the remainder of the public sector, the positive outcomes could convince public servants who are doubtful of the change process to be committed to changing other public sector institutions less visible to the public eye. These institutions are also 'hot spots' of corruption. If the fruits that are the consequences of corrupt institutions are visible to the public eye (for example bribery or pay-offs), there may be greater leverage points for reducing corruption by transforming such institutions.

Klitgaard (2010:18) calls the process of transforming such strategic leverage points 'picking visible low-hanging fruit'. These are strategic institutions which, in terms of this chapter, are the most 'annoying' organisational units

or components in a public sector resisting transformation, partially because of corruption. Strategic institutions include:

- the Ministry of Finance, tax and customs offices
- the Ministry of Works and Transport
- specific budgeting and accounting offices (stocks)
- offices involved with procurement (public works and tendering)
- the Ministry of Trade and Industry
- the Investment Centre (part of the Ministry of Trade and Industry, supposed to be a one-stop-shop for investors who want to open a business in Namibia)
- the Namibian Police Force
- the Ministry of Home Affairs
- specific offices dealing with work permits, study permits and permanent residence permits.

Public enterprises (PEs) include the Motor Vehicle Accident Fund, the Government Institutions Pension Fund (GIPF), NAMFISA, the Namibian Financial Students Assistance Fund, the Social Security Commission (SSC) and the Roads and Construction Company. The purpose is to break the recurring negative loops of self-serving and mutually beneficial behaviour. Other Namibian 'hot spots' of administrative and regulatory control units, where one is most likely to find corruption, include:

- **quotas and licences:** fishing, transport and mining
- **permits and regulations:** environmental, occupational health and safety, and labour
- **inspections:** taxation and construction
- **subsidies:** drought and housing.

The process of applying for permits and licences needs special mention here, as public servants can create delays to make such services appear to be scarce, thereby increasing the demand for the service and encouraging applicants to bribe them. This is a situation which typically involves co-producers – conditions that contribute to corruption. In the case of the strategic institutions mentioned earlier on, co-producers are those conditions that contribute to corruption in these institutions. For example, this would apply to all situations in the public sector that limit the access and supply of public goods and services such as permits, subsidies, licences, quotas and tenders. Access to and supply of such goods and services are always through the discretionary application of regulations and rules that are exposed to political interference and the abuse of power. The successful transformation of strategic institutions can generate the momentum for sustaining the change process and for broadening it to include the remainder of the public sector.

11.4.4 International expertise and 'new blood'

International expertise and local new blood (for improved governance) can be used in combination with trusted and seasoned staff to transform strategic

institutions. Bringing in 'new blood' is important for being innovative and for providing alternative perspectives, such as international best practices. Bright young graduates should be recruited to partner with 'senior heroes' in in-depth investigations. For example, young, certified accountants (CAs) and graduates in information technology and business administration and management should be exposed to a rigorous all-round experience of best practices in institutions to groom them for good governance. 'New blood' means that new ideas and challenges can come into existing paradigms of conventional thinking about containing corruption. For Namibia, experienced British and American law enforcement officers and CAs from international revenue services can be seconded or recruited as part of an exchange programme to work alongside Namibian law enforcement and revenue officers, so that capacity building can take place. International assistance in the form of aid and grants can be sought to experiment with innovative and unorthodox strategies. For example, corruption 'score cards' can be used to determine the level of an institution's vulnerability to corruption. Such score cards can help to prioritise the level of monitoring required.

The following section focuses on stimulating competition to increase service and product delivery, and on reducing monopolies to inhibit corruption.

11.4.5 Reducing monopolies and stimulating competition

Transformed strategic institutions will have adequate incentives (such as performance-based outcomes) for reducing monopolies and stimulating internal competition, and for competing later with external institutions. Monopolies are conducive to promoting corrupt practices. Such monopolies – institutions that have sole discretion over pricing mainly because they have no competition – represent 'negative feedback loops', or 'causal loops', that strengthen corruption (Meadows, 2009:1–13). (Causal loops are responses received from customers that do not need to be considered.) Regulating negative feedback loops can break the recurring circular effect of 'self-organising' of systemic corruption. For example, the more people benefit from corruption, the more they become dependent on it. The more dependent they are, the more they will resist changing the system. An example is the following: When recruitment standards are lowered, fewer quality people are employed; staff are thus less competent and more inefficient, which increases corruption. Another way to break recurring negative feedback loops is to eliminate corruption-prone programmes.

Monopolies and programmes that create public scarcity – for example programmes limiting the number of people qualifying for public goods and services, such as drought subsidies, fishing quotas and allocation of land for resettlement – should be abolished. If monopolies cannot be abolished in a small economy, competition should be created, for instance by stimulating entrepreneurship and innovation in the private and informal sector, and by benchmarking and intrapreneurship in the public sector. Intrapreneurship is a

concept used to explain the ability of people within institutions to create new ventures and new programmes (Rwigema & Venter, 2007: 7). If an increase in external competition is not possible, then an objective and independent regulatory body should be created before privatisation is embarked upon. Another option for increasing internal competition is the benchmarking of small components of public services for comparison with best practices of similar services in the private sector. For example, the 97 Namibian state-owned PEs, which are all monopolies, should apply such best practices. The UK civil service implemented benchmarking with great success during the 1980s. Public institutions should be encouraged to compete with the private sector in submitting tenders for public services.

The remuneration packages of public servants in strategic institutions need to be reviewed in tandem with individual performance measurement systems, so that the best performers are rewarded to create a 'new culture' of performance and meritocracy. The 'level of temptation' should be reduced so that there is at least 80 per cent parity between public and private sector remuneration for similar jobs (Klitgaard, 2010: 21).

It is necessary to mention that Klitgaard is an important reference in this chapter because his study of reforming and transforming corruption in Haiti as a best-practice case is critical in understanding and tailoring best-practice principles for changing corruption in Namibia.

Unlimited discretion should be avoided when reducing opportunities for corruption. However, those public servants who demonstrate that they can be trusted should be allowed wider discretion. Individual and group accountability should be in harmony, as discussed in Chapter 5. Staff members should accept individual accountability for their actions. In Namibia it is a concern that staff members in teams, committees and boards tend to divert from individual accountability. Corrupt people abuse collective accountability so as not to accept individual accountability. In terms of the fiduciary powers of directors and board members, as stipulated in the Companies Act 28 of 2004, directors and board members take decisions collectively. However, they must be held individually liable for the N$ 41 billion debt incurred by PEs at the end of 2017. Individual liability is very seldom enforced by boards, which will most likely contribute to a further increase in corruption in the future. Accountability can be increased by creating cost centres and performance centres in the public sector. Such centres and their staff must accept liability for inadequate performance.

11.4.6 Eliminating co-producing programmes

As part of the containment phase, programmes that contribute to corruption should be eliminated. If such programmes are abolished, nobody can or needs to be bribed. The corruption of officials cannot take place if these functions no longer exist – if there are no regulations that entrench programmes contributing

to delays and inefficiencies. An example is the removal of subsidies, permits and licences, as this will prevent the bribing of officials to obtain scarce benefits or to speed up processes (Rose-Ackerman, 1999:39–42).

If formerly illegal activities such as gambling, prostitution, drug trafficking and the selling of liquor are legalised, then bribery of officials can be stopped (Rose-Ackerman, 1999:40). However, eliminating some programmes may create new opportunities for corruption elsewhere. For example, a reduction in the staff or the budget of licence application services can create scarcity where there is not supposed to be any. Scarcity encourages corruption. It follows that increasing the efficiency of programmes will not necessarily reduce corruption. If budget cuts are made because of increased efficiency, yet the same restrictive and outdated regulations (inherited from Namibia's colonial past) are maintained, the scarcity of public services can result in increased corruption. Budget cuts need to accompany regulatory and, in some cases, legislative changes. An increase in scarcity has a similar impact to that of monopolies: the demand for services and the opportunity for corruption increase at the same time.

It is not always possible to eliminate all programmes that contribute to corruption. Alternative options for distributing social benefits are sometimes restricted, for example those involving drought relief, allocating land for resettlement and allocating fishing quotas. Drought relief implies that a candidate has to meet certain requirements in order to qualify for such relief. To qualify, candidates may provide false or incorrect information, or those who decide on the allocation of such relief may be politically influenced to make allocations without the recipients actually qualifying for the relief. This is an abuse of power and can involve patronage – allocating relief to those who are members of the ruling party. Those who make the allocations are bribed and the intended recipients do not receive the relief allocations (air supply). Colluding, price fixing and bid rigging occur when the companies that receive tenders to provide the relief engage in bribing those who decide on the tender approvals. The companies that participate in bidding decide prior to submitting their tenders to fix the prices. If programmes cannot be eliminated, they should be changed to become more innovative, accountable and transparent. For example, overlapping jurisdictions, officers working in pairs, and rotation can reduce corruption. The system for driver's licence applications in Namibia is a programme that cannot be eliminated. However, the system can be streamlined, staff can be reduced, the remaining staff can be paid better salaries and incentive bonuses, and customers reporting bribery can receive a discount.

In Namibia, corruption is ingrained in the distribution channels of social programmes, such as the distribution of donor aid. An example of this was when donor food supplies destined for flood victims were discovered rotting in a warehouse in Caprivi during 1998–2000. In such cases, non-governmental organisations (NGOs) with clean track records on corruption could temporarily take over the distribution process. This arrangement could continue until a 'change of phase' or long-term multilevel change has been achieved and the

system of distribution transformed, after which the responsibility for distribution could revert to government.

The next section focuses on the benefits of centralising the coordination of anti-corruption measures.

11.4.7 Centralising anti-corruption coordination and control

A central focus agency should mobilise, coordinate and control institutions in a synchronised and effective anti-corruption drive for optimum impact. A credible anti-corruption agency, which is independent of political influence and reports directly to Parliament, could coordinate all units that investigate and monitor corruption in the country. Such coordination and mobilisation could also include institutions at sub-national level.

The Hong Kong and Singapore anti-corruption agencies are examples of best practices of centralised anti-corruption units. Based on these examples, potential focus points could include:

- **awareness:** public relations
- **prevention:** knowledge and skills development, for example a coordinating institute for research and publications
- **enforcement:** prosecution.

As part of the public awareness campaign, information could be disseminated about how corruption acts as a 'tax' or additional cost that inflates prices. Based on the example of Hong Kong's Independent Commission Against Corruption (ICAC), the central agency should have excellent relations with stakeholder institutions, including public institutions and citizen groups, because they depend on them for information, monitoring and reporting (formalising of transparency).

Namibia should create sub-national control points at regional and local government level for coordinating, monitoring and controlling corruption. Sub-national control points should be under the control of the central anti-corruption coordination unit. This unit should report directly to Parliament and be free from the influence of the government of the day. The president of Namibia needs to play a coordinating and leadership role, but should not be controlling, because excessive control in the hands of any one person or institution creates opportunities for the abuse of power.

In addition to a centralised unit for corruption coordination and control, the following actions could be implemented:

- Other independent investigative units, such as the Namibian Narcotics Bureau, the Forensic Fraud Unit and the Vehicle Theft Unit, should be accountable to Parliament.
- Private businesses and the United Nations (UN) Global Compact could be approached to fund private investigative units as part of a national vigilance programme to expose and prevent corruption.

- Systemic corruption is not just an ethical or moral problem; therefore, incentives must be created for whistleblowers to report corruption.
- Penalties must be enforced, for example, to get the 'kingpins' of organised crime in jail, sending out a clear message that Namibia and South Africa are not safe havens for transnational organised criminals.
- Effective integration of the bureaucracy, as well as an increase in intelligence to infiltrate and monitor the actions of syndicates, is needed.
- In order to contain local organised crime and transnational organised crime in a state with weak institutions, such as Namibia, a separate court for hearing only corruption cases could be created, as the current system is characterised by years of case backlog.

The focus now shifts to creating a transparent context for exposing the process of corrupt behaviour and the structure of interdependent corrupt relations.

11.4.8 Creating information flows for transparency

All social systems depend on information and effective communication networks. Information flows should be created to steer and influence a corrupt system towards transparency, accountability and sustainability, based on universal principles of justness, fairness and integrity.

The independent media, free from government shareholding and control, should be strengthened. Namibia should also legalise guarantees for citizens requesting information on budget appropriations, performance and execution of offices/ministries/agencies (OMAs). Conflicts of interest cannot always be avoided. However, they can be managed in an accountable and transparent way. For example, strategies need to be developed on how to:

- guarantee access to information
- implement best practices in order to declare the interests of board members, directors and public servants
- disclose information and gifts to individual politicians and public officials
- declare the business interests and assets of all politicians and their family members on an annual basis, as indicated in the Code of Conduct for parliamentarians, adopted in 2015.

Accessible information will contribute to a culture of openness and will make lifestyle audits of unexplained wealth possible. For this purpose, Article 62 of the Anti-Corruption Act 8 of 2003 should be strengthened. Namibia should make the auditing of political parties' financial statements a legal requirement and party leaders should be held liable for wasting taxpayers' money. A transparent system will provide more competition and can also be used for sabotaging corruption from within.

11.4.9 Subverting the subversive

A corrupt system should be undermined and sabotaged. Klitgaard (2010:22–25) talks about 'subverting corruption', meaning infiltrating and exposing the operations of those involved in corruption. This can be done by creating effective information flows as part of a network of key people. Such a network for subverting corruption can go 'underground' to operate in the same way that organised criminal networks operate. However, secrecy about network operations can encourage corruption. These networks for 'subverting the subversive' must be monitored by highly trustworthy and competent people with a reputation for unquestionable integrity and accountability. In order to enable such subversion, fluid, adaptable and elusive networks of more informal than formal social organisations are needed, similar to the characteristics of networks of local organised criminal groups and transnational criminal organisations (TCOs). Such networks enable the flow of information, knowledge and communication.

Organised crime, as a manifestation of systemic corruption in Namibia and South Africa, can be attacked by 'subverting the subversive', by disseminating information on the corrupt system that corrupters (initiators of corruption) and corruptees (participants in corruption) would like to keep hidden. This would be information about the allocation of tenders where bribery, price fixing and bid rigging can, for instance, be made public. 'Covert agents' should be 'planted' in offices where corruption is most likely to occur, such as revenue and tax, customs and excise, and police and procurement offices, to observe and report transgressions. These informers should be used to spread 'misinformation' about bid rigging, for example, to create fear and/or to provide suspects with the leeway to make mistakes and to incriminate themselves. Disseminating credible information can increase public pressure for transparency and change. Politicians and public servants whose lavish lifestyles do not match their remuneration packages and asset portfolios should be legally required to explain how they accumulated such wealth. The central anti-corruption coordinating unit can cooperate with private institutions that have an interest in reducing corruption. Corruption can be uncovered by making use of hidden video cameras, confidential exit interviews and electronic surveillance (Klitgaard, 2010:26). Whistleblowers can be promised state protection, immunity, financial rewards and new identities in other countries if they are the first to expose organised criminal syndicates and other manifestations of corruption.

Against this background, the next section focuses on creating a national integrity system and evaluating the quality of relations among core (key) institutions needed for the distribution of services. A Namibian case study, which explains how to create an integrity system for assessment, is presented first.

11.4.10 Creating a Namibian integrity system for assessment

Developing national integrity system assessments can guide the evaluation of key institutions and elements contributing to the governance of society, namely integrity, transparency and accountability, including the following pillars: the three branches of democratic government (executive, legislative and judicial), the media, the private sector, and civil society (TI, 2010:4). These pillars can also include watchdog institutions, the public sector, ombudsmen, electoral management bodies, supreme audit institutions, law enforcement bodies and political parties (TI, 2010:4, 33). Figure 11.2 illustrates some of the pillars that could be considered for Namibia, but individual pillars are in no way prescriptive. It is necessary to describe the capacity of pillars suitable for Namibia and the quality of their relationships. Each of the pillars needs to be assessed to determine its role, capacity and governance function relative to the others and in terms of the dimensions of the Namibian society.

The term 'national integrity system' was coined by Jeremy Pope of TI to describe 'a changing pattern in anti-corruption strategies in which it was recognised that the answer to corruption did not lie in a single institution, let alone a single law, but in a number of agencies, laws, practices and ethical codes' (Griffith University and Transparency International Australia, 2005:i).
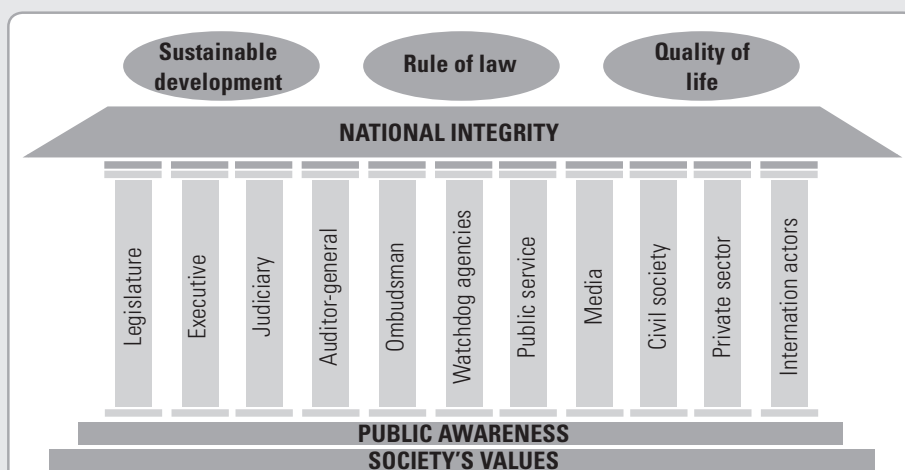
FIGURE 11.2   TRANSPARENCY INTERNATIONAL'S NATIONAL INTEGRITY SYSTEM 'GREEK TEMPLE'

Source: Pope, 2000:35

National integrity assessments measure the strengths and weaknesses of the relations between these pillars, sectors and institutions.

A National Integrity System Toolkit has been developed by TI (2010:1–49) that can be used to execute a national integrity assessment of the extent and depth of corruption in Namibia. More than 70 national integrity assessments have been executed with the assistance of TI Chapters in various countries (TI, 2010:4). ➲

Table 11.1 illustrates pillars or core institutions, and distributed institutions and controls described in this chapter as part of the proposed Namibian integrity system for assessment.

TABLE 11.1 INSTITUTIONS AND CONTROLS TO BE CONSIDERED FOR THE NAMIBIAN INTEGRITY ASSESSMENT

Core institutions	Distributed institutions and controls			Purpose
Legislature Executive	Oversight by legislature	Political will 'Frying the big fish' Moral and transformational leaders	Electoral and political processes Independent branches of government	Political stability National consensus for transformation
Judiciary	Specialised bodies to prosecute corruption	Effective legal framework Probability of detection		Rule of law
Auditor-general Ombudsman	Supreme financial audit authority Human rights oversight	Efficient accountability mechanisms	Oversight and regulatory mechanisms	Accountability
Watchdog agencies	Anti-corruption legislation and agency for corruption coordination Corruption investigation bodies	Whistleblower protection Incentives and penalties Awareness and education; detection and prosecution		Centralising anti-corruption coordination and control

Core institutions	Distributed institutions and controls			Purpose
Public service	Human resource management (HRM) controls	Public service conditions	Administration and civil service	Transforming strategic institutions
	Financial management controls	Pre-budget statement Citizens budget Social grant		Identifying 'hot spots' Reducing monopolies of PEs and benchmarking for stimulating public service competition Regulatory quality
	Organisational management controls	Organisation and methods standards		
	Guidance and training of public officials	Codes of conduct and value clarification (Western vs traditional) Professional accreditation mechanisms		
Media	Transparency mechanisms	Media Ombudsman Regional reporting body	Civil society, public information and media	Information flows for transparency and accountability
Civil society	Social capital market	Active civil society institutions		
Private sector	Public–private partnerships (PPPs)	Training and transfer of capacity	Voluntary compliance	Sustainability
International actors	TI, UN Global Compact	Training and transfer of capacity 'New blood' and innovation	International best practices	Universality

Source: Based on TI (2010:3), with major amendments to fit Namibia

The focus now shifts to initiating public dialogue on corruption-related issues as a means of creating a national system for assessing Namibian integrity.

11.4.11 Initiating public debate and measuring perceptions

Citizen activism and participation in public policy formulation will enable sustainable policies for improved service delivery. The low level of voter participation in local elections is an indication of apathy caused by a number of reasons. The younger generation especially seem not to have a keen interest in politics. They tend to be more interested in social media, studying and finding employment opportunities. To sensitise the public and get them involved in debates about and demands for increased levels of service delivery, case studies conducted in other countries could be discussed, as could different scenarios for the future, each based on key assumptions and possible directions and implications. Such debate should be initiated in the form of workshops countrywide with adequate media coverage. In these workshops the public and private sectors should be involved, including interest groups as representatives of civil society. This would be an excellent way of mobilising creativity and embarking on what Klitgaard (2010:29) called the 'beginning of action plans'. Workshop participants could analyse case studies on successful anti-corruption campaigns in other countries before focusing on Namibia. Participants should learn about the nature, impact, manifestations and costs of corruption, and possible individual and collective anti-corruption strategies for developing a network of anti-corruption pacts between stakeholders. Cross-cutting strategies should be developed in the network structure and later on at institutional level. Such cross-cutting strategies are closely related with what has been discussed in Chapter 5 as 'network governance', with further reference to social media platforms and the role that these electronic media platforms has played in the Arab Spring. However, in this case such platforms should be used to influence, educate and transform public perceptions in developing a bottom-up thrust for eventually reaching a tipping point in activating civilians into mass-scale support for changing corrupt systems in the Namibian and South African societies.

The containment phase, as described, does not focus on 'all-encompassing strategies at once', but on a few carefully selected strategies. Meaningful perceptions of corruption, as measured by TI and other indices, can provide an indication of whether the corruption situation has stabilised. Integrity templates can be developed to provide for a baseline – a minimum starting point against which all performance can be compared or measured – of the level of trust and the quality of relations among the various institutions in the public, private and civil sectors. Frequent audits can provide direction for strategy formation.

The following section looks at the dissolving process. This can start once the corruption problem has been stabilised and the critical mass of a tipping point or change of phase has been reached in the few selected areas that will enable long-term multidimensional change.

11.5 The dissolving phase: Changing the context

Once the overall corruption trend has slowed and the corruption problem has stabilised, the process of dissolving can start. Dissolving focuses on changing the environment (the wider context, a characteristic of complex systems) so that preventative and good governance conditions can be created within a transparent legal and administrative environment for enabling lasting transformation. Whereas containment focuses mainly on hard (formal or structural, also known as legal), short-term and tactical-operational strategies, dissolving focuses chiefly on soft, long-term, strategic or prospective strategies. Dissolving strategies are more systemic in nature than containing strategies, because they are all-inclusive and create the context for changing, for example, world views, paradigms and values. In moving downwards in Meadows' (2009) leverage hierarchy of changing systems, strategies become increasingly more localised, mechanistic or linear. Such mechanistic strategies that do not take account of their overall impact on the whole system (society and the public sector) increase the complexity of control necessary to change the corrupt system. This then becomes counterproductive because they can create and stimulate the environment for corruption. The system then also becomes too complicated to manage. This is one reason why visionary, transformational and moral leadership is of such critical importance. Other strategies can at most be supportive. The next section therefore focuses on the role of leadership.

11.5.1 Moral and transformational leaders and competent public sector employees

There is a close relationship between systemic corruption, lack of transformation and failed moral leadership in developing countries. Systemic corruption is an inevitable outcome of vacuums of power and destabilisation during transformation processes where moral and strategic leadership has failed, as is the case in Namibia and South Africa.

Role models of transformational leadership in business, education, spiritual and community work are extremely important to the hopeless and vulnerable, who can be misled by populist demagogues wanting to fill the vacuum of power with radical, intolerant and immoral leadership. This can destabilise a country with extreme challenges such as widespread poverty, gross inequality and high levels of unemployment. Role models should be visionary and moral to provide hope and earn respect. However, it is not only moral leaders who are required for transformation, but also committed leaders who have the political will to transform corrupt and unjust systems into systems of good governance. Because the morality of politicians in a corrupt country such as Namibia is questionable, politicians must experience the political benefits (in the form of political support) of taking risks to change systems. This will have an impact on their power base (voter support). These benefits and support are needed to create what Meadows (2009:1–13) calls 'positive recurring loops' for second-

order change and development. Second-order learning is needed to unlearn (much more challenging compared to learning, because it involves cognitive re-programming, also known as neuro-linguistic programming) practices that create opportunities for corruption, such as centralisation of authority, abuse of power, secrecy, monopolies, unchallenged discretion and limited accountability. For example, politicians should abolish patronage systems when the national consensus is that these appointments increase inefficiency.

Appointing people based on merit will increase efficiency, which will in turn generate positive feedback from the public. Quality people will create new structures of relations and features of corrective behaviour, such as trust and streamlined processes and strategies for broader member participation. Such quality people will design innovative strategies and apply the most appropriate organisational structures. Once quality people have been recruited, they can synchronise all other variables of Namibian society. These include purpose, process, structure, governance and context/environment. However, people in the public sector cannot be hired and fired indiscriminately. Such actions could co-produce political instability and social harm, taking into account that the public sector is a large employer compared to the relatively small private sector, and may cause the transformation process to be delayed. People whose competencies and/or values do not 'match' the new culture can be retrained, redeployed or encouraged to leave with a substantial retrenchment package. The WB can be approached to facilitate 'golden handshakes' directly to such people. Direct distribution can avoid golden handshake pay-outs not reaching retrenched people (as a result of corruption), thus preventing an increase in corruption and re-corruption.

Innovative people should be appointed who can experiment with finding the right systemic mix between efficiency and effectiveness that is also ethical and elegant. Such a 'mix' or 'balance' will co-produce a new anti-corrupt culture that is characterised by justness, fairness and integrity. Moral and transformational leaders and competent people will be inspired by the benefits of such a culture of openness, accessibility and accountability. Role models of transformational and moral leadership can provide a strong message to change Namibian perceptions of hopelessness, which are associated with Namibia's systemic corruption. Moral and transformational leaders are of key importance for securing a political commitment to long-lasting change.

11.5.2   Capitalising on political commitment

Political commitment is imperative for initiating systemic change and transformation, because political leaders control the levers of development needed for change and transformation. As citizen activism translates into institutionalised support for intolerance of corruption, a critical mass will develop into a national consensus in favour of transformation. Once there is political commitment, one of the most effective leverage points is to 'fry the big fish' (Klitgaard, 2010:17).

Examples of 'frying the big fish'

Examples of 'the big fish that have been fried' include President Andrés Pastrana's actions against corrupt mayors and governors in Colombia. In Indonesia, President Susilo Bambang Yudhoyono's Corruption Eradication Commission successfully prosecuted many public servants, some of them extremely senior, as well as business people who gave bribes. President Enrique Bolaños of Nicaragua locked up former president Arturo Alemán, under whom Bolaños had served as vice-president, on charges of corruption (Klitgaard, 2010:17).

The first big fish should preferably come from the political party in power. In Hong Kong's turnaround strategy, an ex-police commissioner was extradited from England and 'fried' in Hong Kong, sending out a clear message that change was taking place and that no one was above the law. 'Frying the big fish' causes scandals and such scandals can trigger transformation. The authority to 'fry the big fish' can be given to an anti-corruption agency, provided that such an institution has political clout, support and credibility.

'Big fish' in Namibia are untouchable

To date no minister, deputy minister, director or board member in the public service or state-owned enterprises (SOEs) has been 'fried' in Namibia. This has sent out a clear message that the 'big fish' are untouchable. A core group of politically connected people conclude black empowerment deals. The 'big fish' to be fried should include Cabinet members. The reports of the more than 10 presidential commissions of inquiry into corruption should be made public so that the knot of mutually self-serving behaviour can be disentangled in public. Once the 'big fish' have been fried, a clear message of transformation will be conveyed and this will in turn stimulate a more open and transparent culture in which information will be disseminated with fewer restrictions.

Changes that could be made

As citizen support is building and voters' support is swinging towards political parties that are committed to reducing corruption, a political critical mass will be reached that will make it possible to challenge the excessive powers associated with the presidential position, such as the appointment of several high-ranking officials. Changes that could be made include the following:

- The appointment of these high-ranking officials should be done through parliamentary processes and civil oversight bodies to prevent the abuse of power.
- Once a presidential commission has submitted its report to the president, it must be released within a reasonable time (based on common law) for public information, and acted on. If this is not done, the president must be forced by law to publicly disclose the information of the findings of such a commission.
- The Constitution should be changed so that the president is not above the law during his or her term in office, but can be prosecuted for criminal

offences. The message should be clear: no person or institution should have absolute or unchecked powers that can be abused.

Preventing opportunities for corruption is better than dealing with their destructive consequences. A lack of and/or weak accountable political representation system with checks and balances, and a lack of transparency and information flow could break a social system, such as has happened in Namibia.

The next section focuses on creating social consciousness of the implications of corruption.

11.5.3 Stimulating a culture of bridging capital

Systemic corruption is like a spider web or network that draws its strength from the mutually self-serving behaviour and trust between corrupt members, leading to the 'common decay' of society. To fight corruption, it is appropriate to adopt the same type of network (but with opposing values) for developing personalised ties of trust geared towards the 'common good' of society. For example, Mahatma Gandhi, the moral and transformational leader of Indians in South Africa and India who had no official status, rank or title, created motivation and hope, and relied on the social network and public trust of 133 million Indians to expose the injustices of the British colonial system. Gandhi used social capital (networks of relationships between people in a society that enable the society to function) to take control of the process of gaining independence for India. It is thus clear that a corrupt system with a strong and wide social network of personalised ties – such as the most powerful economic system at that time, the British Empire – can be subverted if the leadership opposing such a system is anchored in the universal values of transparency, integrity and accountability.

Systemic corruption in Namibia not contained

Despite various ad hoc attempts to reform Namibia, systemic corruption has not been contained. Attempts to reform the public service have been made through:

- the creation of the Public Service Commision (PSC) and the Wages and Salary Commision just after independence
- the restructuring of the public service several times during the 1990s
- the creation of the Management Services Unit, including the Performance and Effectiveness Measurement Programme, the PPP Programme and Unit and 98 PEs
- the Efficiency and Charter Unit
- the Namibia Institute of Public Administration and Management (NIPAM)
- reform efforts specifically to reduce corruption through the creation of the ACC, legislation that supported the Namibian ACC investigation unit, a relatively free judicial system and more than 10 presidential commissions of inquiry into corruption scandals.

Such failure occurred in the absence of citizen vigilance that could have institutionalised social 'safety nets' and national support for subverting corruption. Citizen awareness and activism are not limited to socio-economic challenges but extend to all developmental challenges in the political sphere.

Political commitment to reducing systemic corruption in Namibia has been weak. All the presidents of Namibia have on several occasions individually declared their intended commitment 'to root out corruption'. However, hard structural changes and softer changes in the public sector in terms of reform and transformation, which could have reduced corruption drastically, have been limited. It would serve no purpose for the ruling party to commit 'political suicide' – to support the rooting out of corruption – if party members would not benefit from a less corrupt system. Even if there is political will to reduce corruption, it will take one or two generations to reduce corruption successfully.

The need for social accountability

In the absence of political will to reduce corruption, Namibia should develop broad-based social accountability, supported by as many stakeholders as possible. Such broad-based, collective accountability would develop a social consciousness and public trust. This kind of awareness is needed for creating hope and a network of relations (social capital) for influencing and controlling co-producers of systemic corruption, such as poverty. Social consciousness and public or citizen trust can create a 'critical mass' of national agreement, or consensus, on the need for reducing corruption. Once voters in Namibia realise that most of them are not benefiting from corruption, the threat of losing voters' support will encourage politicians to support an anti-corruption drive. This 'bottom-up' approach will create incentives for politicians to initiate change and to increase penalties for those politicians found guilty of corruption.

To enable such a 'bottom-up' approach, the focus should predominantly be on stimulating social capital, which includes bonding capital (such as that between family members) and bridging capital (between people of different races, cultures and income groups). This would require citizens to be mobilised in developing an 'investment bank' of social capital to reduce corruption. Such an 'investment bank' is dependent on relationships across stakeholders, ethnic groups and races that can function as 'safety networks' for supporting people who are most affected by corruption. These would be the abjectly poor, whistleblowers and other marginalised groups, for example street children, orphans and the unemployed. Because citizens also have knowledge about what can be done in order to reduce corruption, perception studies and in-depth interviews can be employed to survey or canvas Namibians' views about where they think the 'hot spots' of corruption are and what strategies could be most effective to combat corruption.

In order to pursue the question of cultivating social and bridging capital, the focus now shifts towards social entrepreneurship and innovation.

11.5.4 Social entrepreneurship, innovation and change

Social entrepreneurship is defined by Nicholls (2006:56, 62) as taking action that benefits 'people whose urgent and reasonable needs are not being met by other means'. In a development context, this means that social entrepreneurship is seen as taking action that benefits people whose urgent and reasonable needs (what Maslow called basic needs) are not being met by key drivers of human development. These drivers include economic, political, educational (knowledge, science and technology), ethical and inspirational factors. Social entrepreneurship requires investors who are 'comfortable cutting across categories, since the most interesting new solutions typically are cross-cutting' (Nicholls, 2006:53). This cross-cutting potential of social entrepreneurship is most suitable for addressing and minimising systemic corruption.

The following figures illustrate the contribution of the social entrepreneurial sector (also known as the 'citizen sector') to GDP: in the UK, the sector grew by 260 per cent from 1991 to 2001 (Nicholls, 2006:47). The growth trend of this sector is illustrated by the 450 per cent growth in registered international citizen groups from 1990 to 2000 (Drayton, cited in Nicholls, 2006:48). To contain systemic corruption in Namibia, one emerging lever includes stimulating the untapped potential of social innovation and entrepreneurship – a fast-growing global trend.

Social innovation in Namibia

A social entrepreneur wants to create social value in a way that cannot be easily divided between the key drivers of development. This is because, as Emerson (cited in Nicholls, 2006:62) argues, it 'leave[s] value on the table', meaning that in order to create social value, the equal contribution of all key drivers is needed for development. Social value should be perceived in terms of 'blends' and the managing of all dimensions of a social system. Social entrepreneurship is connected to social innovation because, once created, it allows people 'more for less, or to solve problems that would otherwise [be] insoluble' (Nicholls, 2006:69). Examples of social innovation proposed for Namibia include:

- a pre-budget statement
- the implementation of a social grant (say N$ 250 per month) for all registered unemployed persons.
- the use of songs, poems, flyers, posters, essays, presentations and competitions in curricula to which students can relate.

DEFINITION

Social value: This includes social capital and values such as honesty, compassion and the ability of people to participate in decisions through negotiation, mediation and arbitration. This is much more accessible and less costly than conventional dispute resolution mechanisms administered by legal representatives.

Raising awareness about corruption should be a marketing and branding issue that captures public attention. The influence of the UN Global Compact office in Namibia can be used to obtain public relations and marketing assistance from local advertising companies. This would be for the purposes of assisting in identifying target markets for branding specific projects as part of a national anti-corruption campaign. An example would be that because Namibians relate very well to music, songs and stories, such initiatives can have a lasting impact on students of all grades and ages.

The value of social entrepreneurship

The more social entrepreneurship that is generated, the higher the probability is of increasing social innovation. Social innovation is imperative if one is to look at the 'old' and 'hopeless' problem of systemic corruption from new and inventive perspectives. The greatest value of social entrepreneurship and social innovation is that they can be translated into systemic change and transformation, because they change the 'architecture' of how things work. Social entrepreneurs do not rest until they have changed 'the pattern in their field all across society. Their life vision is this new pattern ... Small groups of committed people can find points of powerful leverage – and achieve a tipping point' (Nicholls, 2006:45, 70). Florence Nightingale is an excellent example of a social entrepreneur. She transformed public health, nursing, housing codes and the application of statistics for the public benefit (Nicholls, 2006). Nicholls has highlighted the essence of social entrepreneurship and social value, and also described their value as a leverage point.

Social entrepreneurship in Namibia

To apply social entrepreneurship to Namibia's uncompetitive political dimension, 'we're talking about nothing less than the democratisation of power' (Skoll, cited in Nicholls, 2006:49). Skoll is a co-founder of eBay, a social entrepreneurial business that connects thousands of small traders (Nicholls, 2006:49). In Namibia the ruling party has a two-thirds majority and is consequently in a position to abuse its power by manipulating weak institutions for political gain, such as making political appointments (patronage). In such a context social entrepreneurship can create cross-cutting social capital and social innovation for the democratisation of power.

Social entrepreneurship and social value could also be institutionalised to address Namibia's socio-economic challenges. Namibia's 'social capital market' could develop into 'a financial market system' of its own. Such a market could provide a 'safety net' for marginalised groups and can grow into a social investment bank or social market that has the potential to fund social investment projects in Namibia. Grameen Bank is a good example of a bank that started as a social project to lend money to borrowers without assets. Grameen is now providing programmes that finance, for example, student loans, pension funds and loans to beggars to become door-to-door salesmen. It loans half a billion US dollars a year and has more money in deposits than it lends to borrowers (Nicholls,

2006). The concept of social entrepreneurship includes not only non-profit organisations (NPOs), NGOs and CBOs, but also any commercial business that invests in the community by undertaking social projects. The concept extends also to PPPs where businesses and emerging entrepreneurs in Namibia can form smart partnerships for the transferring of competencies and stimulating economic entrepreneurship development at local community levels. Social entrepreneurship includes determining social value (and in effect also public value for public policy formulation) and methods to evaluate 'value', that is, the 'tools for supporting conversations' (Nicholls, 2006:62). Such conversations for enabling negotiations are needed for managing conflict in divided societies such as Namibia.

11.5.5 Principled negotiation for conflict management

In a systemically corrupt country such as Namibia, the alienation of groups is co-produced by skewed or non-sharing in developmental opportunities, such as the illiterate and unemployed in contrast to the educated elite who are employed. Alienation is also illustrated by the increasing apathy about participation in elections, especially in local government elections, among young educated Namibian voters. It is also shown in national socio-economic inequality and exploitation. Such polarised groups have opposing vested interests, values and perceptions about social and public value that create serious obstructions to development. This conflict needs to be managed in a win-win, all-inclusive grand approach, so that there is no situation in which the winner takes all.

What is principled negotiation?

Principled negotiation is a process 'to decide issues on their merits rather than through a haggling process focused on what each side says it will and won't do' (Fischer & Ury, 1999:xiv). This entails a process of creating understanding and a shared future for groups polarised by a history of bloodshed and mistrust, such as in Namibia. (Although the reference is dated, the quote is source-specific and adds timeless value.) These negotiations should be focused on agreeing about how to control and manage systemic corruption. In order to reach agreements, a credible process of developing mutual trust for building future relationships is necessary. The following phases of such a negotiation process (based on Fisher & Ury, 1999:18–149) are proposed:

- Separate contrasting groups who participate in systemic corruption (e g political, business, ethnic, cultural, religious and educational groups).
- Focus on vested interests, not their conflicting group positions.
- Devise options for benefiting all groups (mutual gain).
- Insist on applying international criteria, such as a transparent legal and regulatory environment, to conclude agreements and resolve conflicts.

Separating the different groups' involvement in systemic corruption is critical, because failure to do so will create conflict in relationships between groups (for

example the powerful ruling party as opposed to the small, powerless opposition parties in Namibia, both of which are involved in systemic corruption). Systemic corruption is complex and efforts to contain it should not increase its complexity. Bridging relationships should be built between alienated and polarised groups to withstand the strain of future negotiations for the sake of achieving systemic outcomes.

How to build relationships

Alienation (feelings of not having a role, meaninglessness and being exploited), polarisation (based on ethnic, religious, racial and class differences) and corruption are characteristics of a failed society or state (Spies, 2011). Namibian society demonstrates some of these characteristics. The following could be implemented in building relationships of mutual trust:

- Perceptions, emotions and communication should be managed.
- Different and opposing perceptions should be acknowledged and discussed.
- All groups that remotely have a role to play in containing systemic corruption should participate, especially minority and marginalised groups. Participation enables influence and ownership, thereby increasing openness, accountability and transparency.
- Emotions should be made explicit and acknowledged as legitimate: for example, the ruling party's fears that it would lose substantial voter support if it supports anti-corruption initiatives, and marginalised groups' fears of intimidation, harassment and murder by ruling party supporters.
- The vested and legitimate interests of opposing groups should be acknowledged.
- The focus should not be on current positions of power, for example the ruling party's power dominance as opposed to the powerless situation of the small opposition parties, and empowered business tycoons as opposed to the economically powerless, unemployed and abject poor.
- Narrowly focused conflicting interests in Namibia should be identified and acknowledged, such as the minority of white farmers who are land owners as opposed to the majority of landless black people, as well as the impact of transformation on such interests.
- Narrowly focused interests should be reconciled to develop broad-based shared interests, for example shared land ownership for increased meat production and national reconciliation between the white and the black segments of the population, as well as between the most powerful ethnic group (representing mostly the ruling party) and marginalised ethnic groups (such as the San).

A national consensus for transforming conditions of corruption is possible once a change of phase or long-term change (based on a number of quantitative changes that add up to a 'tipping point') is achieved. These shared cross-cutting ethnic, business and racial interests, values and outcomes can provide the foundation for transforming Namibia as a systemically corrupt country into one that is transparent, accountable and sustainable.

Mutual gain for all groups

Options for mutual gain for all groups should be created. Social innovation is needed for managing conflicting interests. International facilitators with a reputation for objectivity and creativity (for example Al Gore, a former vice-president of America who is an example of a social entrepreneur) can be invited to facilitate brainstorming sessions for generating divergent options for containing systemic corruption. Differences of interest should be identified, for example, between the ideological viewpoints of the ruling party as opposed to the pragmatic interests of marginalised parties, and between the political considerations of political parties as opposed to the economic interests of business owners. Once business leaders realise that they will benefit more from an efficient Namibian public sector, they will financially support parties that are willing to reduce corruption. International expertise available from the UN, TI, the UN Global Compact and other professionals skilled in political, economic, knowledge and educational systems and in psychology should be invited to assist groups in brainstorming shared options. From these options, different types of possible agreements should be identified, for example short-term as opposed to long-term, and provisional as opposed to permanent. These options can broaden the scope of future agreements.

Objective criteria should be identified to evaluate the shared potential of the brainstormed and agreed-upon options. Such criteria should be based on independent, international standards and precedents that will make them legitimate and fair, less vulnerable to attack and more acceptable to Namibian groups with opposing interests, perceptions and fears. For example, one criterion should be to bring in 'international expertise and new blood', as will be discussed below. Other criteria can include universality, such as best practices of systemic reform in the USA, UK, Hong Kong and Singapore, and some universal values, as discussed in Chapter 5.

These values will be discussed in further detail and in their contexts in the section that follows.

11.5.6 Universal values and principles

Values and principles are universal and provide objectivity and legitimacy. Such values can promote agreement about access to systemic outcomes and 'anchor' them in a polarised Namibia. The four values central to this chapter are transparency, accountability, sustainability and universality.

The first three values, which were discussed in Chapter 5, are also in line with the following conventions/protocols:

- The UN Convention against Corruption
- The Organisation for Economic Cooperation and Development (OECD) Convention
- The Convention on Combating Bribery

- The African Union (AU) Convention on Preventing and Combating Corruption
- The Southern African Development Community (SADC) Protocol against Corruption.

Transparency creates openness. If actions and decisions are accessible, people can ask questions and this, in turn, stimulates accountability. When a system is transparent, open and collectively accountable to all groups, it creates public trust. Such trust is a systemic outcome of transformation, but also imperative for developing public dialogue and public policy in a polarised and divided society characterised by cross-cutting ethnic, cultural and racial tensions, as in Namibia. Public policy should contain public and social value. Social value is also imperative for stimulating sustainability. This value enables prudence and the long-term thinking needed for creating a durable institution. The last value, universality, is a systemic outcome of the values of transparency, accountability and sustainability. However, universality is also part of international standards of performance, behaviour and benchmarking.

The proposed four values have the potential to anchor the new culture of Namibia. Such a culture should be inspirational and encourage risk-taking for overcoming resistance to change as manifested in conservatism, segmentalism (the separation of something into parts so that its value is reduced) and an excessive focus on organisational structures (structuralism). Resistance to change can be overcome by bringing in 'new blood'. The Namibian Public Service Charter lists 10 public service values, as mentioned in Chapter 5, but there are too many to link to performance outcomes (institutionalising). These public service values need to be reduced in number to be in line with the proposed four values. However, they should not be the same as these four values, because they need to reflect the unique ethos of the Namibian public service. The four values need to be discussed, interpreted and agreed upon for application at forums representing different sectors and institutions. The articulation of ethical codes and criteria for measuring these values at national and sub-national levels is needed for dialogue and collective agreement about the application of the values.

Apart from the four values, the application of conflicting value systems needs clarification and resolution, as is discussed in the following section.

11.5.7 Differentiating between traditional African and Western values

The four proposed values should be contextualised in relation to the conflict between traditional African values and modern Western values of capitalism. This does not mean that *ubuntu* does not have a role to play, as discussed in Chapter 5 under 'good governance'. In African countries such as Namibia, it is not clear to people that these opposing value systems are compatible. They can, however, be seen to be different in application and impact.

Sipho (2009: 219–222) states that at home and in the villages traditional values can apply, where the individual is less important than the group and the chief or leader is also the undisputed judge and jury who must be obeyed at all times. This is different from modern institutions, where these traditional values cannot be applied 'exclusively'. Collective accountability in the traditional value system means that the individual is subjected to the group and the group is subjected to the pleasure of the chief, who has all powers vested in him. Collective responsibility and collective accountability (traditional values) cannot 'replace' individual responsibility and accountability in modern Namibian institutions. Differences between the two value systems should be made clear to employees working in modern institutions, so that they can apply the two systems complementarily and not exclusively. The exclusive application of these value systems, and the exploitation of confusion arising from this, is contributing to corruption in Namibia.

Some populist leaders tend to rely on traditional values for justifying the unchallenged autocratic abuse of power, which is a form of corruption. In the context of African governance underpinned by African values such as collectivity, where the focus is on the coherence of the group, some populist leaders tend to double up as traditional chiefs. Such unchallenged African leadership roles have contributed to conflicts of interest, which is a form of corruption (Sipho, 2009:203–222).

There is a perception that corruption is a Western concept and another perception that African values and morals are so different from Western values that corruption ratings by the TI are 'misleading' and cannot be applicable to Africa (Tsheola, 2014: 722). Some African languages (if not the most) do not have a word for 'corruption'. From the discussion, it is clear that there is a need to recognise the existence of African governance as opposed to the Western concept of 'good governance'.

Neither imperialism, colonialism, neo-colonialism, apartheid nor liberation struggles have prepared Namibia and other African countries for the Western concept of 'good governance' (Coetzee, 2012:137). In many developing countries autocratic leaders emerged who stifled all opposition, for example Daniel arap Moi of Kenya (Russell, 1999:9–94). 'Good governance' is a disputable reality in Namibia and other African countries. Many citizens tolerate corrupt leadership behaviour, although they are excluded from power sharing and discriminated against, and so prevented from meeting their needs, such as employment and self-actualisation. The poorly educated workforce in Namibia is not aware of the differences in application of these two value systems. These differences should be made clear to them as part of a national awareness programme and included in the curricula of educational institutions.

In the process of differentiating between the opposing value systems of African governance and 'good governance', a focus on universal ethical values can have a positive impact on other cross-cutting areas, such as the quality of political,

business and civil society leaders. An option is to cultivate universal values through selected African literature, such as stories and poems, that comply with criteria that propagate values such as integrity. A book club for Africans, in which a person can enrol for a nominal annual fee, can be created to make affordable books electronically accessible.

Conclusion

The chapter has described how to manage the key drivers, key uncertainties and key strategies as a means of containing and dissolving the problem of corruption in the dysfunctional Namibian public sector. The containing phase is designed to stabilise corruption and its impact before long-lasting reform can occur. Once the problem is under control, the environment can be changed, because systemic corruption cannot be solved but needs to be dissolved, given its complexity. In dissolving corruption, lucrative opportunities for corrupt behaviour should be reduced. Risks should also be increased substantially to make the cost of corruption high and to reduce the level of temptation for bribery (because of the difference in remuneration between public and private sector positions). Preventing corruption should take place within a transparent legal and regulatory environment. Strategies for transforming the system should include a blend of:

- **short-term, formal or hard structures:** increasing policing and law enforcement
- **long-term, informal or soft approaches:** reducing poverty and inequality, and increasing the quality of education, including the value for money per capita spent on education by transforming the education system to make it industry-driven. There should be an educational system that prepares students much better for technical skills such as carpentry and building. Other aspects that should be part of the curriculum include stimulating creativity, team building, nutrition, handling conflict, values, leadership, and insights about love – how to seek purpose in life, and finding wisdom by making use of retired people and providing community work
- **structural (strategic or prospective) strategies:** transforming offices dealing with licences (driver and vehicle road-worthy licences issued by employees administering the Namibia Traffic Information System), quotas (such as fishing quotas allocated by the Ministry of Fisheries), permits (for example import and export permits issued by Tax and Customs offices of the Ministry of Finance), building compliance licences issued by local municipalities and subsidies (such as drought subsidies issued by the Emergency Management Unit of the Office of the Prime Minister (OPM), which were discussed as the 'hot spots 'of corruption) and strategic institutions, such as the GIPF, NAMFISA, the Financial Intelligence Centre (FIC) and the ACC
- **tactical/operational strategies:** increasing efficiency, effectiveness and performance, through determining unit costs of public goods and services (such as the cost of issuing a driver's licence), benchmarking of public services against best international standards – this includes off-time of the inter- and intranet of public offices' websites, relevancy and frequency of updating public websites, ease of internet payments for public services and the number of days for businesses to be open.

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The transformation process of a developing country (such as Namibia) dealing with corruption should include different development applications, such as:

- soft approaches in contrast to hard approaches
- informal, voluntary and social approaches in contrast to formal and legalised networks
- bridging capital in contrast to bonding capital
- transparency and public trust in contrast to subverting the subversive
- incentives for corruption in contrast to imposing harsher penalties
- coordination in contrast to control
- inspiration in contrast to enforcement.

These opposing strategies form a synergy of integrated developmental improvements for sustainable change and transformation as a way of eliminating systemic corruption.

In the absence of political will, national consensus should be stimulated to create a critical mass for a change of phase or for long-term change. Such a national consensus should be anchored in shared values about the future, generated during principled negotiations and conflict resolution. Social entrepreneurial responses are needed to create 'safety nets' for the abject poor especially, and for the creation of a 'social market' for funding innovative cross-cutting development initiatives. Social entrepreneurship is emerging as a fast-growing global trend that needs to be tapped into and capitalised on. In dissolving systemic corruption, both integration and differentiation strategies are needed to institutionalise transparency, sustainability, accountability and universal standards. As an institution grows and develops, differentiation by means of specialisation must be counterbalanced by an increase in the integration of operational processes.

This chapter has illustrated that public sector reform can be successful if a systemic or holistic approach is followed. Such a sustainable approach requires that not only the public sector be changed, but also the society in which it is embedded. What is required is civil society's active participation in improving service delivery, reporting corruption and developing an international and national consciousness for changing an environment that is supportive of corruption.

Test your knowledge:

- Examine why it is important to transform strategic public sector institutions before tackling the remaining institutions in the public sector.
- Consolidate arguments for why monopolies create situations that do not enhance efficiency.
- Corrupt programmes in Namibia can be eliminated. Contextualise the conditions under which such elimination is possible and under which this is not feasible.
- Corrupted people operate in a network of secret webs of obligations that make them vulnerable to and dependent on the benefits from corruption. Apply this statement in your own words to examples.
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- Leaders should be moral, transformational and visionary in reducing corruption. Interpret in your own words which approach is the second-best alternative if political leadership commitment is not available for public sector reform.

- Traditional African values and modern Western values can confuse people in deciding which values to apply under what conditions, and this can contribute to role conflict, conflicting values and even conflicts of interest. From the discussion in this chapter, it is clear that universal values and principles can to some extent overcome the dilemma of leaders and members of society who 'double up' in traditional (African) and political roles (based on Western democratic values and principles). Categorise which universal values and/or principles can play a role in reducing corruption.

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Scenario planning: Scenario planning is a tool to help a leader in forming different scenarios of the future, mostly for the long term, looking, say, 10 years ahead. Examples of scenario planning for South Africa are the following:

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2. The 'Clockwork and Cloudy Flags' offers different scenarios for South Africa for the period 2016–2026. See: http://www.news24.com/Columnists/ClemSunter/the-latest-global-scenarios-2021-to-2026-20160722?utm_source=news24-breaking-alert&utm_medium=email&utm_campaign=Newsletters

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