REPUBLIC OF NAMIBIA

MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION

DRAFT WHITE PAPER

ON

LABOUR BASED WORKS POLICY

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Permanent Secretary
Ministry of Works, Transport and Communication
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FOREWORD

by

The Honourable Rev. Dr. Hendrik Witbooi

DEPUTY PRIME MINISTER

The Government of Namibia is committed to the upliftment of all our people, and foremost of our concerns is the need for gainful, meaningful work for all those who seek it.

This White Paper has been prepared at the direction of a Cabinet resolution to draft a national policy on Labour Based Works (LBW). It is the result of an extensive consultative process involving all affected sections of the population, from all regions of the country.

This policy is a demonstration of Government's political and financial commitment to speed up the struggle against poverty in our country. It does not require any immediate legislative measures but it may substantially affect the operations of many areas of Government and the Private Sector. I wish, however, to state that this initiative cannot be considered a panacea for eliminating unemployment. It is intended to be a contribution which, together with other complementary measures, will make an impact in reducing unemployment and poverty in Namibia.

Its implementation will require a spirit of co-operation from all those involved: workers, community leaders, trade unionists, businesspersons and Government officials at both central and local level. Only then can we improve the quality of life throughout the nation.

The Honourable Rev. Dr. Hendrik Witbooi
DEPUTY PRIME MINISTER
EXECUTIVE SUMMARY

The White Paper on LBW policy represents an important step forward in the struggle to combat poverty and unemployment in Namibia. It is aimed at equipping the various economic sectors with guidelines for meaningfully increased utilisation of our abundant human resources.

Produced in response to an earlier Cabinet resolution, the policy's drafting process embraced a uniquely democratic methodology. It was directed by a tripartite Draft White Paper Committee and took cognisance of inputs from business, labour and the public sector. In this regard a consultative Green Paper formed the basis for extensive regional workshops from which numerous relevant contributions were obtained.

The Paper comprises five chapters, the first three supplying important conceptual and background information, whilst the forth and fifth focus more specifically on policy matters.

The First National Development Plan (NDP1) proposes labour-intensive employment approaches as an important element in the national strategy towards attaining the country's developmental goals. The White Paper lends substance to the concept, as succinctly conveyed in the objectives of the LBW policy:

To improve living standards in a sustainable way, through increasing income generation and employment opportunities, where technically and economically feasible, for the poor and marginalised sectors of Namibian society, in a focused and targeted manner, by way of -

- Encouraging the substitution of labour for capital and the use of "labour friendly" technologies, thus substituting local resources for imports;
- ensuring that Government procurement favours the use of local resources and employment generation;
- stimulating and supporting small scale enterprises to implement labour based technology; and
- maintaining the labour absorption characteristics of the various sectors of the economy that already utilise large amounts of labour.
The Namibian economy, highly dependent on unpredictable primary sector economic activity in agriculture, fishing and mining, is presently unable to cope with the large number of new job entrants onto the labour market (approximately 20 000 per annum). Joint unemployment and under-employment is estimated at close to 60 per cent of the labour force, with about two-thirds of the population classified as ‘absolutely poor’ by the World Bank. Apart from a sluggish economy combined with high population growth, other employment constraints are related to technological factors, labour market characteristics, productivity levels and fiscal constraints.

The labour environment in Namibia can be considered to be generally conducive to LBW. Wide-spread, though partly qualified, support for the approach exists amongst all the social partners.

Experience in other countries has demonstrated that LBW offer significant and viable means to provide more job opportunities; for the retention and improved redistribution of national wealth; and for the creation of much needed infrastructure. Namibia, too, has gained valuable experience in launching and managing LBW projects since independence, especially with regard to rural road construction and maintenance.

The first step towards promoting LBW is to create an enabling environment characterised by policy coherence, realistic expectations and commitment by both Government and the private sector. In this respect institutional support is of prime importance in order to facilitate acceptance, implementation and sustainability of LBW.

The White Paper proposes the formation of a statutory Namibian Labour Based Works Forum (LBWF), which will constitute the hub of all activities regarding employment creation through LBW without removing the implementation responsibilities from the direct role players.

Raising awareness of the benefits of LBW amongst stakeholders will require the formulation and propagation of appropriate strategies by key Ministries, based on the broad policy directives of the White Paper.

Skills development is integral to the policy and again Government ministries have an important role to play. Training must be project related but programme driven and will entail inputs also from business and trade unions.

Appropriate policy on labour is vital for the success of LBW and must be sensitive to industrial relations and human resources issues. The policy will not require any change to
existing labour legislation, emphasising that while efficient and cost effective use of labour is the basis of the approach, unfair labour practices will not be condoned.

The choice of technology determines the labour/equipment ratio in any operation. Technologies which optimally increase the number of job opportunities per unit of expenditure are therefore called for and shall be promoted by various means.

Fundamental to all the above-mentioned enabling aspects is the underlying role of funding. Given existing constraints militating against increased Government expenditure, the White Paper introduces policy directives aimed at financing LBW largely within existing budgetary parameters.

Turning to actual implementation, or delivery of LBW, the White Paper identifies four main delivery agents: Public sector force account operations (public works); public sector procurement; private sector initiatives; and community initiatives.

Force account operations will in future place greater emphasis on substituting labour for capital intensive equipment where that is technically feasible, economically viable and where it will result in an increase in employment generated per unit of expenditure. The policy will not require an expansion of ministerial establishments but will, instead, focus on temporary or contract based operations.

Public sector procurement (provision of goods and services to public bodies) can constitute a suitable vehicle for accelerating employment creation if targeted at socio-economic policy goals in addition to primary objectives. Targeted procurement will entail various policy directives, chief amongst which will be the classification and unbundling of contracts (reducing tenders into smaller contracts); increasing the labour content of contracts where practicable; and enhancing the accessibility of contracts to SMEs (small and medium enterprises).

The private sector can assist substantially to increase the labour absorption capacity of the economy if such initiatives can be shown to represent sound business opportunities. Government will undertake various measures to stimulate private sector interest in LBW, especially in sectors which have the most promising potential to generate additional employment such as agriculture and tourism.

Finally, community based initiatives can also make a valuable contribution to rural economies in terms of employment and infrastructure. Such LBW, whilst externally financed and facilitated, will be planned, managed and executed by communities themselves.
Together with the other LBW delivery agents, community based works hold promise of improving living standards of the poor and underprivileged in Namibia.
1 INTRODUCTION

1.1 Background

1.1.1 Namibia has been burdened by high unemployment for many decades and according to recent estimates, the employment situation is in fact deteriorating. There are various reasons for this, most of them well beyond the immediate control of Government. Structural factors determined largely by the country's fragile ecology and aggravated by the enduring colonial legacy, can only partly be alleviated piecemeal over an extended period of time. In addition, Namibia's open economy is highly sensitive to global influences with world commodity prices, shifting trade patterns and the vagaries of major stock-markets all exerting strong pressures on the business cycle and the economy's capacity to generate new jobs.

1.1.2 Creating employment is one of the four major national development goals, finding ample resonance throughout much of the First National Development Plan (NDP1). Unfortunately, however, combating the rising tide of unemployment and stimulating job creation has been found to be a most intractable problem. Overcoming the numerous obstacles involved demands strong leadership by Government; clear policy guidelines; effective strategies; and resolute action on the part of all role-players in the national economy.

1.1.3 In order to give positive impetus to the launching of well co-ordinated, deliberate interventions aimed at the creation of additional job opportunities, Cabinet reviewed the disturbing situation on 21 November 1995. It resolved that the Ministry of Works, Transport and Communication should proceed with the process of preparing a Draft White Paper (DWP) on Labour Based Works (LBW). Cabinet also directed that the process to be followed should, inter alia, provide for the establishment of a DWP Committee representing both the public and private sectors; the commissioning of relevant studies; broad consultation; and the presentation to Cabinet of a draft policy document as a precursor to a final White Paper on LBW and subsequent legislative drafting if required.

1.1.4 Cabinet's instructions were comprehensively carried out in cumulative stages in the ensuing period. After the appointment and various meetings of a representative DWP Committee, and the commissioning and appraisal of applicable studies by consultant specialists, a Green Paper on Labour Based Works was compiled and widely disseminated in February 1997. The Green Paper was conceived as a fore-runner to the
White Paper with the objective of focusing attention on important issues at an early stage, thus fostering popular interest and debate on those matters.

1.1.5 During July and August 1997 a series of regional consultation workshops were held at which the social partners and the public at large were given opportunity to debate and comment on the Green Paper. The numerous contributions were subsequently collated, studied and presented to the DWP Committee. Relevant concerns, ideas and proposals were as far as possible taken into consideration in the compiling of the resultant DWP.

1.1.6 The White Paper is comprises five chapters covering all aspects relevant to policy on LBW, including background information necessary for perspective and clear understanding of technical concepts. Throughout the document, emphasis has been placed on pragmatism rather than idealism, although without ignoring principles of human rights and employment equity. The working papers upon which this White Paper is based are available at the Ministry of Works, Transport and Communication: They include: the Green Paper on Labour Based Works (1997); Technical Study on Targeted Procurement (1997); a Report on Community Based Works (1997); Labour Based Works Forum (1995); Labour Based Works Project Document (1995); Memorandum on Incentives (1998); and Transcripts of Regional Labour Based Workshops (1997).

1.2 The Value of Employment

1.2.1 Most governments, in response to the wishes of the people, seek to improve the quality of life of their citizens, particularly in the social and economic spheres. The well-being of the nations depends on economic growth exceeding population growth and an equitable distribution of the wealth so produced. In the face of widespread poverty of which unemployment and underemployment are some of the main causes, employment opportunities are essential for the achievement of both growth and redistribution. Furthermore, useful productive employment brings not only income, but is also essential to maintain human dignity, enhance self-worth and sustain hope for a better future.

1.2.2 Severe unemployment is a serious problem in any society, but the response should not be the creation of jobs simply to keep people occupied. Employment opportunities should be productive and, through the acquisition of skills, help people to become yet more productive, and able to use new-found skills to their own benefit. To do this, some employment approaches may offer a multi-component compensation package which could include remuneration for work done, some elements of appropriate training and access to other opportunities such as entrepreneurial activity.
1.3 Employment and the National Development Plan

1.3.1 The four broad national development goals that were set at independence are: reviving and sustaining economic growth, creating employment, reducing inequalities in income distribution and eradicating poverty. The First National Development Plan (NDP1) includes objectives such as: a vigorous human resources development programme, especially for the unemployed, the promotion of appropriate technology, increasing literacy, and increased participation of women, youth and other marginalised groups in the economic development activities of the country. To achieve this, NDP1 has identified the following six main elements of the national strategy:

- Providing an enabling environment for sustained socio-economic development;
- investing in human resources development, promoting participatory development and equity;
- ensuring that development is sustainable;
- defining and promoting Namibia's international role;
- ensuring that Government machinery is responsive and works efficiently; and
- defining the Government's Public Sector Investment Programme (PSIP) in support of the Plan's development objectives.

1.3.2 The Labour and Employment chapter of NDP1 proposes the encouragement of the private sector to utilise labour-intensive methods, and an investigation of labour-intensive public works. Such works are envisaged to harness the potential of surplus labour, to mitigate the effects of drought and to promote rural development. This White Paper is an important step towards the practical achievement of these worthy, although often elusive, goals in a young country such as Namibia.

1.4 Why Labour Based Works?

1.4.1 The majority of developing countries are faced with acute problems such as low economic growth, pervasive poverty, unemployment and underemployment. These problems are aggravated by high population growth rates, a skewed distribution of wealth and a shortage of basic development infrastructure, the latter often having to be provided within an environment of limited access to foreign currency. Such countries therefore,
have to adopt strategies which enhance internal economic capacities and foster utilisation of local resources.

1.4.2 A labour based approach has several advantages:

- It provides employment opportunities;
- assists in retention of wealth within the country, reducing pressure on the need for foreign exchange;
- promotes a better redistribution of retained wealth; and
- often contributes to much needed infrastructure.

1.4.3 As in the case in many economic activities, the impact of labour based approaches is gradual and sometimes not easily measurable. Nevertheless, the use of labour based technology has a long and proud tradition in both industrialised and developing nations. For example most of the early railways, canals and highway systems of Europe and its then colonies were built using labour based methods. However, by the middle of the 20th century, technological changes world wide brought about in part by the rising cost of labour in the industrialised nations, resulted in a movement towards equipment based technology.

1.4.4 Today, in industrialised countries, where the cost of unskilled labour is high, the use of equipment based technology makes good sense. However, the situation is different in economies such as Namibia where wages for unskilled labour are much lower (although high compared with most of Africa) and where more than half the labour force is unemployed or under-employed. Labour based technology, which had been allowed to fall by the way in many pre-independent African countries, is now re-established in most of Africa where it is seen to produce high quality, cost effective infrastructure while at the same time creating jobs.

1.5 **Objective of the Labour Based Works Policy**

1.5.1 The employment potential of an economy, at any point in time, is the product of past and current policy, resource endowment and external influences of various sorts. All these factors over time collectively lead to the determination of a particular structure of an economy, which in turn determines people’s economic and social quality of life.
1.5.2 Government can influence the direction and structure of the economy and thus attempt to create more employment and improve people’s standard of living. Hence the need for a coherent policy which, however, is only part of a mix of factors that influence the economy. Furthermore, inappropriate policy can have the opposite effect and actually result in fewer jobs and lower standards of living. It is important, therefore, that such policy be holistic in nature and takes cognisance of all possible consequences both positive and unintended.

1.5.3 The box below presents the Government’s objective for a policy on Labour Based Works:

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2 THE SOCIO-ECONOMIC CONTEXT

2.1 Economic Sectors

2.1.1 Within the Namibian economy, the most important contributors to Gross Domestic Product (and hence to standards of living) are Government (24% of GDP) and the mining industry (18%). These are followed by farming (7%), manufacturing (6%), wholesale and retail trade (6%), and fishing (4%) (1996 figures). Since the most important components of the manufacturing sector are the fish and meat processing industries, these enhance the importance of fishing and farming.

2.1.2 Some of the key structural changes since the 1980’s include:

- Stagnation of the agricultural sector at around 10% of GDP, although it employs roughly half of the labour force;
- decline of relevance of the mining sector;
- growth in the manufacturing sector, while its activities are as yet almost solely confined to the processing of agricultural and mineral raw materials; and
- rapid expansion of the public sector.

2.2 The Government Budget

2.2.1 Government expenditure is already very high at 38% of GDP (Government expenditure is 24% value-added plus subsidies and interest on public debt), and the budget deficit (the amount expenditure exceeds income, which is made up through borrowing) escalated for 1996/97 to an unprecedented 6.2%. From the point of view of international financial institutions, a 3% deficit is generally perceived as the acceptable upper limit. Such high figures place severe constraints on a government's ability to increase capital expenditure for development programmes. Both income and expenditure would need very careful management and redirection (i.e. a change in spending priorities) to achieve maximum benefit for the poor and marginalised sectors of society while supporting sustainable economic activity.
2.3 **Prospects for Growth**

2.3.1 Experience elsewhere has consistently shown that only growing economies can achieve the alleviation of poverty and inequality. But an orientation towards growth alone is not sufficient. An employment-orientated growth path is also necessary. For this, a diversification of the economy is required. Most of the current large sectors (agriculture, fishery, mining) have unpredictable growth prospects, and the public sector needs to be streamlined. Growth prospects seem to be best in the manufacturing and service sectors, especially tourism.

2.3.2 Government aims for an economic growth rate of 5% per year. Many economists in Namibia regard this objective as overly optimistic and unrealistic, whilst others on the international scene regard it as too conservative. In the context of a population growth of more than 3%, it is highly desirable to achieve growth of such an order. While any growth estimates must have a high error margin in the presence of factors beyond the control of Government (e.g. drought and natural conditions affecting the fishery sector on the supply side and world market related price factors on the demand side), the pace of growth depends also on the continuing process of economic reform.

2.4 **Employment and Unemployment**

2.4.1 The composition of employment in the formal economy is subject to differing classification systems and therefore figures are not always consistent. The National Planning Commission for example follows the convention not to include employment on commercial farms in its measure. It is estimated that in the mid-1990s around 187 000 persons were employed or self-employed in the agricultural sector. The single largest formal sector employer in Namibia is the Government. The Wage and Salary Commission (1995) expressed ‘doubt as to whether many of the employees in the lower and middle salary bands have real jobs to do’. They suggest considerable rationalisation including by retrenchment.

2.4.2 In 1994 the labour force was estimated to consist of 544 000 people. Of these people, 205 000 (38%) had jobs in the formal economy, 37 000 (7%) were workers on commercial farms, 150 000 (28%) were subsistence farmers, and the rest (over 150 000 people) were essentially unemployed.

2.4.3 In 1996, the Central Statistics Office presented a similarly gloomy picture with the data of the 1993/94 National Household Income and Expenditure Survey: The combined rates of unemployment and underemployment (including subsistence farmers) were
estimated to be as high as 60 per cent of the labour force, with 263 000 out of 435 000 adults either unemployed or keen to do more work (and hence classified as under-employed). While open unemployment is higher in the urban areas, the more pervasive problem is that of underemployment in rural areas. This is so, because it is often disguised by subsistence farming, which rarely offers full employment.

2.4.4 According to a document on National Employment Policies, published by the Ministry of Labour in June 1997, the labour force increased by 64 000 between 1991 and 1994. During the same period, employment in the formal sector increased by 24 000 posts, leaving 40 000 additional people on the labour market seeking opportunities for work.

2.4.5 The same source took further note of the relatively low level of education as an important characteristic of the unemployed. While there still exists a lack of professional skills on the labour market, the population census estimated that 21% of the unemployed had no schooling, 39% only junior schooling and another 39% junior secondary education.

2.5 Extent of Poverty

2.5.1 In 1990 the World Bank stated that 5 per cent of the population received more than 70 per cent of GDP while the poorest 55 per cent of the people controlled only 3 per cent of GDP: "A conservative estimate of absolute poverty, based on an urban poverty line and rural vulnerability to food insecurity, suggests that at least two-thirds of the population are absolutely poor and that as many as three-quarters of all blacks are poor". The situation has changed little since.

2.5.2 The 'Namibia Poverty Profile' of 1995, prepared with the support of the Swedish International Development Agency (Sida), suggests that the groups most vulnerable to poverty are the young, the elderly and women. The geographic distribution of poverty is quite marked: most of the poor are in rural areas and most of them are in the north of the country. In addition, it is not yet clear what the effect of the HIV/AIDS epidemic is going to be in the long run, although the general expectation is that it will seriously undermine the income of many families.

2.5.3 It is clear that unemployment and poverty are widespread and serious. Remedial measures need to be massive, to stimulate or at least support economic growth, and should aim to redistribute the gains of such growth in order to reduce the extremely skewed income distribution in Namibia.
2.6 **Employment Constraints**

2.6.1 There are technological constraints on increasing employment since many manufacturing industries are capital intensive by their very nature. There is little choice in the type of technology which can be used because of technical or contractual constraints. The consequence is that if these industries are subject to policies which increase the cost of capital and lower the cost of labour, all that will happen is that they will be less profitable.

2.6.2 One way of increasing the number of jobs in the private sector is by reducing the cost of labour. This can be done in various ways. The most desirable way is through an increase in total factor productivity. The strategy needed to achieve this in the context of LBW is to improve both work techniques and the equipment which will be used on the job. Experience elsewhere has demonstrated that simple adjustments to, for example, the size of a spade or the length of a handle can make labour far more productive. In addition, training will also make a significant contribution to labour productivity and further help to reduce the cost of labour based works.

2.6.3 There are fiscal constraints as Government expenditure and the budget deficit must be reduced. To compound the problem revenue from the Customs Union can be expected to decline considerably with the growth in trade liberalisation. This fiscal realism leaves little scope for widespread job subsidies or tax incentives. Where Government funds are used to promote jobs in the private sector, this must be done in the most cost effective way.

2.7 **The Labour Environment**

2.7.1 The successful implementation of LBW policies necessitates, *inter alia*, that programmes embrace efficient management and control procedures and function within equitable, but realistic employment parameters. Experience in other countries has indicated that the success or otherwise of many programmes is particularly sensitive to conditions of employment. Frequently, low morale, absenteeism and decreasing productivity has also been attributed to inadequate conditions of employment such as low wages.

2.7.2 Namibia’s principal labour-related laws cover a wide array of enactments, the most important of which are the:

- Labour Act, 1992;
Social Security Act, 1994;
National Vocational Training Act, 1994;
Employee’s Compensation Act, 1941; and
Regulations Relating to the Health and Safety Employees at Work, 1997.

2.7.3 The Labour Act, 1992, constitutes the nucleus of Namibia’s work-related legislation and includes conditions of employment and collective matters. The statute is applicable to all employees in the country, although provision does exist for the granting of certain exemptions. The other labour-related laws are basically ancillary to the principal statute and focus on more defined areas of employment.

2.7.4 A further important measure currently in the legislative pipeline is the Affirmative Action (Employment) Bill which is due for promulgation shortly.

2.7.5 Namibia has a well-structured legislative framework dictating conduct in employment relations. Although prescriptive in various respects, the law provides for sufficient institutional flexibility to make feasible the kind of approaches needed in LBW programmes. Any deviations from the norm must, however, be handled sensitively through appropriate consultation and without compromising basic International Labour Standards.

2.7.6 Preparatory consultations on the potential for LBW held with stakeholders representing trade unions, employers’ organisations and community leaders indicated wide consensus regarding the urgency of effectively addressing unemployment in Namibia. While there was general recognition of Government’s responsibility towards society in this regard, there equally appeared to be little doubt that LBW can contribute meaningfully to job creation. Opinions differed, however, in respect of how LBW should be approached and which policy guidelines were expected to be most effective.

2.7.7 No illusions existed regarding the intractable nature of the twin problems of unemployment (including under-employment) and poverty. There was consensus that these will not, and probably cannot, be eradicated in the foreseeable future given the severe structural constraints burdening the country. Chief amongst the constraints mentioned were the low education level, high population growth and a vulnerable economy. Efforts such as LBW must therefore be realistically designed and publicised as
means to assist in reducing the problem, and not be proposed as solutions per se, which would create misleading, potentially demoralising, expectations amongst the populace.
3 EXPERIENCES IN LABOUR BASED WORKS

The affluence witnessed in almost all of the developed economies today had its humble beginnings in a culture of extensive use of labour in practically all spheres of economic activities. With the advent of the industrial revolution and the continued introduction of new technologies and mechanisation, coupled with high premiums on the use of labour, the practice has become a less attractive option for development in these economies. In developing economies, however, where poverty abounds and the need for basic development infrastructure has yet to be met - where on one hand labour is abundant and inexpensive while on the other, mechanisation is limited and costly, the use of labour continues to present one of the best viable and sustainable alternatives for development.

3.1 International Experiences

3.1.1 In realisation of the need to adopt development strategies that are commensurate with their specific circumstances, some developing countries mainly in Africa, Asia and Latin America, which previously embraced high technology produced by developed countries, are now diversifying in favour of labour based practices.

3.1.2 Common development objectives in these countries aim at reduction of poverty through, *inter alia*, provision of primary infrastructure which would in turn boost and sustain economic development. Besides agriculture, water supply and housing, provision of rural transportation infrastructure has commonly been singled out as a primary demand which also renders itself uniquely suitable for application of labour based methods. Studies on the impact of labour based programmes have been carried out by the International Labour Organisation (ILO) and the World Bank. These reveal that in the last three decades, substitution of labour for equipment has resulted in construction of low traffic-volume gravel roads of standards and costs comparable to those built capital intensively, while at the same time cost-effectively generating employment.

3.1.3 Other secondary benefits that have been associated with successful implementation of labour based programmes include:

- Retention of higher proportions of the capital investment within the local economies through remuneration to local skilled and unskilled workers;
• reduction of rural-to-urban migration as employment opportunities and resultant amenities become available in the rural areas;

• a sense of ownership of the infrastructure so created by the communities who also view themselves as co-partners in development with the Government due to their involvement;

• provision of safety nets against adverse incidents of poverty caused by natural calamities such as drought;

• better opportunity for small scale entrepreneurs to develop due to low initial capital requirements; and

• empowerment of women as equal employment opportunities are offered.

3.1.4 Labour based programmes have been implemented via two primary delivery mechanisms; force account and private sector involvement. The force account model has been the most widely used in many countries. Success of the model is dependent on the ability of the implementing agencies to overcome the inherent constraints of the public sector. It has been realised that involvement of the private sector presents a sustainable, more efficient and less cumbersome approach.

3.1.5 In the absence of suitable small scale local entrepreneurs in most countries, it has been found necessary to develop and empower SMEs to participate in LBW programmes. The initiative to develop the SMEs has mainly been the direct or indirect responsibility of governments.

3.1.6 With regard to costs, the following important issues are to be noted: The LBW methods are rendered cost effective by the manner of remuneration as workers are paid only for the actual work they complete. The wage levels are set in relation to the ruling market levels taking care not to interfere with the normal social economic activities so as to avoid creating dependencies. The relative cost ratios of labour based and equipment based methods varies among countries and is primarily governed by wage levels. Other factors affecting this ratio are the size of the projects, complexity and method of procurement adopted.

3.1.7 In the initial stages of the introduction of labour based methods, there is often a resistance by the practitioners to change. To ensure successful adoption, certain reforms
have been found necessary especially where such work is executed through force account. These include:

- Generation of Government commitment;
- modification of existing labour laws to make them conducive to labour based methods;
- adapting design standards to make them appropriate for labour based methods;
- training to ensure that high standards are maintained; and
- decentralisation and devolution of the functions within Government structures especially with regard to procurement.

3.1.8 Some developing countries have not adopted labour based technology due to factors that seem to favour equipment based methods. Although unsustainable, such factors include tied donor aid as well as subsidised and donated equipment. Furthermore, it is relatively easy to award a few large and costly equipment based contracts using conventional approaches which are common in developed economies.

3.1.9 While much has been done in provision and maintenance of roads, there are other labour based programmes that address housing, sanitation, water supply, agricultural and nature conservation activities. Different countries have adopted these programmes with emphasis where the most need occurs.

3.1.10 The concept of a co-ordinated broad application of LBW to cover as many sectors as possible within an economy, in order to realise maximum job creation benefits, does not seem to have been pursued. Country programmes are mainly focused on one or just a few sectors, usually acting independently of each other.

3.2 The Namibian Experience

3.2.1 The four national development goals set in the first National Development Plan were:

- Creation of employment;
- reduction of poverty;
- revival and sustenance of economic growth; and
• reduction of inequalities in income distribution.

3.2.2 In an endeavour to contribute to these goals, the Government, through the Ministry of Works, Transport and Communication, embarked on a LBW project in road construction. The project has since developed from a pilot scheme in 1992 to an expanded programme which is ensconced in the National Development Plan, with funding from both local and external sources.

3.2.3 Involvement of the local communities throughout the process of project identification, project implementation and maintenance has produced positive impact. According to social economic studies by the University of Namibia (1993/94) communities involved regard themselves as part of the Government development process and understand better their role as beneficiaries of these projects. They have benefited through the employment created in addition to the resultant road infrastructure.

3.2.4 Productivity related remuneration (as opposed to number of hours worked) was used. The level of payment was related to the rural labour market and Civil Service wages for the equivalent categories of workers. For economic reasons, labour based projects were exempted from minimum statutory wages for the formal construction industry in Namibia. Wages on the projects were negotiated between the workers and the private entrepreneurs.

3.2.5 What started as a force account operation has gradually shifted to include participation by the private sector. Small scale contractors have been trained in LBW. Procurement procedures that take due cognisance of the inadequacies of SMEs have been adopted so as to provide an environment for their growth and development.

3.2.6 The economic cost comparison (i.e. not only financial) between labour and equipment based works shows that labour based methods where applicable provide advantages over the equipment based methods such as stimulating local economies, and slowing rural-urban migration.

3.3 Potential of Labour Based Works in Namibia

3.3.1 No other similar major national effort has had as much impact in rural Namibia as the labour based road construction and maintenance programme. Due to the sparsity of the population in most of the country, benefits of labour based methods may not be fully realised through the roads sector alone. This policy is therefore aimed at enhancing
application of the labour based methods across all possible sectors of the economy, based on the experiences so far gained in the roads sector.

3.3.2 Efforts need to be made to identify and capture the full potential of the other sectors. With the necessary creation of awareness, little resistance to adapt to labour based methods is expected. Concentrating activities on provision of infrastructure alone may not have the desired results. Efforts need to be made to identify and capture the full potential of the other sectors.

3.3.3 Construction of canals and dams, trenching for piping and cables, crop husbandry, production of construction materials, small scale mining, fish farming, afforestation, nature conservation, bush clearing, landscaping, rural community sanitation and light manufacturing are some of the possibilities that could offer meaningful employment for more Namibians.

3.3.4 The World Bank in its technical paper on the preparation of a poverty reduction strategy for Namibia (1997) highlights LBW as an avenue that needs to be explored because of its potential to create an impact on poverty reduction.

3.4 Responses to the Green Paper

3.4.1 During the extensive public consultations following the dissemination of the Green Paper, key perceptions and opinions related to LBW were expressed. Cognisance of these is important for both formulation and implementation stages of labour based policy. A brief enumeration of the more significant aspects raised at the regional meetings appear in the box below:
 RESPONSES TO THE GREEN PAPER

(summary of responses; not necessarily majority view as these varied between Regions)

(i) **Non-exploitation:**

The danger and unacceptability of LBW leading to exploitation was an often repeated theme.

(ii) **Attitudes to work:**

Mention was made at all workshops of widespread dislike of blue collar work especially by persons who have acquired higher level school qualifications;

well orchestrated steps need to be taken to motivate and positively influence such negative attitudes and poor work ethics in general; and

alcoholism is a major problem in some regions which must be borne in mind when planning LBW projects.

(iii) **Productivity:**

Concerns about productivity/cost ratios were widely expressed;

acceptable productivity levels need to be formally established for LBW and must be maintained under proper supervision;

appropriate technology is essential for competitive LBW projects; and

a comprehensive recruiting and placement service needs to be put in place.

(iv) **Wages:**

Divergent views were expressed on the question of wages at the various workshops - it was, *inter alia*, maintained that:

Even relatively high wages may fail to attract people to blue-collar LBW;

workers should be willing to sacrifice wages for certain community projects;

wages are already too high in some instances rendering enterprises uncompetitive;

exemptions regarding minimum wages are necessary otherwise LBW will be too expensive to represent a viable option for the private sector;

fairly defined piecework payment is generally acceptable; and

wages can vary regionally but need to be jointly agreed upon and should not be exploitatively low.

(v) **Conditions of employment:**
Trade unions expressed strong opinions about the desirability to maintain conditions of employment and occupational health and safety standards for LBW within the parameters of the Labour Act, 1992; it was, however, also emphasised that negotiated exemptions in terms of section 114 of the Act were acceptable; and the point was raised from employers' perspective that paid leave, sick leave and social security benefits (as well as the administration of these) increased the costs of LBW projects by approximately 15%.

(vi) Employment contracts

Opinions on types of contracts suitable for LBW were varied: i.e., whether these should preferably be formal contracts or contracts of a more permanent nature should be the norm; and specific provision should be made for seasonal LBW.

(vii) Self-employment

The promotion of entrepreneurship, self-employment and self-worth through appropriate education, skills training, provision of support services and positive motivation should constitute an important objective of LBW policy.

(viii) Labour relations

Unsettled labour relations and strikes impact negatively on employment and could also be an impediment for LBW; a strong need therefore exists for bilateral agreements being reached involving consultations/negotiations with the respective workers, unions or communities; and ongoing communication between management and employees is vital for industrial stability and mechanisms for this should be included in the policy document.
4 POLICY ON CREATING AN ENABLING ENVIRONMENT

LBW will not develop in a vacuum. They can only maximise the number of jobs which can be created if they operate in an environment which is sympathetic to and enabling of LBW. Some of the more general features of an enabling environment include:

- **Policy coherence.** LBW should, as far as possible, form part of an integrated, holistic approach which minimises unintended consequences.

- **Realistic expectations.** The poverty and unemployment situation is serious and pervasive. However, an enabling environment must create realistic expectations of what a LBW programme can deliver.

- **Commitment by Government.** There needs to be a sustained commitment by Government of a magnitude and sufficient time scale to adequately address the problem.

- **Commitment by private sector.** Implementing LBW requires both a proactive, supportive role by the private sector as well as its commitment to reconcile labour intensive techniques with a past bias towards capital intensive methods.

In formulating more specific policy to create an enabling environment for LBW, Government has taken account of the widespread concerns, opinions and proposals expressed during the draft White Paper consultative process.

4.1 Institutional Support

4.1.1 Institutional support for LBW will be required for three primary reasons. Firstly, it will be necessary to ensure that the policy is accepted and adopted with true commitment for the benefit of all Namibians. This will eliminate misunderstanding between the implementing agencies and the recipient communities. Secondly, institutional support will be necessary to ensure that the policy gets implemented and that real benefits are realised. Finally, sustainability of the initiative has to be guaranteed for as long as unemployment problems remain unresolved.

4.1.2 Acceptance of the policy by Namibians will depend on how effectively awareness is created together with the level of political support it enjoys on an ongoing basis. The
leadership at all levels will therefore, be required to accord the programme full support. Trade unions and communities will need to be well informed of the objectives of the policy; thus enabling them to participate in planning and implementation as equal partners.

4.1.3 The key role players will be the implementing agencies in both the private and public sectors. The Government ministries and departments including those only remotely involved will be requested to render support to the policy. All levels of the construction and manufacturing industries are encouraged to seek special ways of contributing towards the success of the policy. Mining, manufacturing and commercial fishing concerns will be encouraged to consider modifying their methods in order to make real contributions to the objectives of the policy.

4.1.4 The success of a LBW policy is highly dependent on the support from appropriate institutional arrangements and those responsible for implementing LBW. A comprehensive training and skills development programme is required to ensure that officials and external service providers are conversant with aspects of LBW and are in a position to effect the necessary institutional arrangements.

4.1.5 There are many facets of LBW policy in Namibia which will require special attention if the full potential of such initiatives are to be realised. These include co-ordination, research and development, establishment of standards, vetting of projects, accreditation of training, close and continuous monitoring of achievements and creation of public awareness. Without special institutional support, these efforts together with the entire set of policy proposals and strategies will be fruitless. Well mandated institutions specifically devoted to the promotion of labour based programmes will not only ensure continuity, but also stimulate other development initiatives in the country.

4.1.6 Government policy on Institutional Support is that:

4.1.6.1 Government will support the formation of a statutory, representative organisation - the Namibian Labour Based Works Forum (LBWF). This body will be the hub of all activities regarding employment creation through LBW without removing the implementation responsibilities from the direct role players.

4.1.6.2 Government will require the stakeholders to formulate strategies to create awareness and to implement this policy within their competencies.
4.1.6.3 The various authorities responsible for provision and maintenance of infrastructure will be required to draw up strategies that will promote LBW.

4.1.6.4 Procurement procedures that take due cognisance of LBW policy will be included in Tender Regulations.

4.1.6.5 International links between Namibia and foreign LBW institutions will be fostered.

4.1.6.6 Government will embark upon a comprehensive training and skills development programme to ensure that senior officials and key external service providers are conversant with aspects of LBW and have the necessary skills to implement LBW policy.

4.2 Training and Skills Development

4.2.1 The development of skills is the key to successful implementation of LBW. It is recognised that there is currently very limited capacity both in Government and in the private sector to design and manage a large LBW programme. Therefore, in the short term, there may be a need to recruit appropriately experienced technical personnel (engineers and technicians) from outside Namibia. The profile of LBW technology in the curricula of the engineering technicians course at the Polytechnic of Namibia will need to be raised.

4.2.2 To successfully implement LBW, organisational, technical, managerial, commercial and administrative skills and competencies are required. These requirements need to be linked up with Government training programmes (such as vocational training centres), and tied in with an appropriate qualifications system. Community management needs, such as capacity building, also require attention.

4.2.3 The need for thorough preparatory and on-the-job training cannot be overemphasised. Furthermore in view of Namibia’s historical circumstances with regard to education and training, the success of this national policy would be greatly undermined if proper measures to transfer relevant skills are not carried out. Reduction of cost and improvement of quality are two additional challenges that must be addressed primarily through training. The training offered should enable motivated practitioners to perform and be prepared to take up higher responsibilities within the labour based programmes, in other sectors, or better still, become self employed.
4.2.4 It is imperative that training be planned, resourced and be adequately provided for in budgetary allocations. A training plan needs to consider the training required to transfer the necessary and appropriate skills to participants and the levels of existing capacity associated with various LBW programmes and as such should include: activity lists of all training items; schedules to show when the training of each activity should occur; the resources required in respect of each training activity and where such training will be carried out; budgets for training and the management structure required to ensure its successful implementation.

4.2.5 Separate generic structured training plans need to be developed for different LBWs programmes. Project specific structured training plans, based on the generic plans, should be developed prior to the implementation of specific projects. In general, only on-the-job training should be provided in the works contracts on infrastructure related projects.

4.2.6 Government policy on Training for LBW is that:

4.2.6.1 Suitable persons will be appointed to manage and co-ordinate training and be held accountable for achievement of training targets.

4.2.6.2 Sponsoring departments will ensure that training programmes are in place to support LBW.

4.2.6.3 Training will be project related but programme driven and will as far as possible be regionalised and managed by sponsoring departments or their agents in co-operation with employer bodies/trade associations and the LBWF.

4.2.6.4 Training needs for LBW will be determined jointly by Government, industry and trade unions where applicable and co-ordinated by the LBWF.

4.2.6.5 Training will be measured and implemented in terms of Structured Training Plans (human resource development strategies).

4.3 Labour

4.3.1 Creating a conducive labour environment encompasses a wide range of topics all of which are related to the human dimension of LBW, namely the labour force, both employed and unemployed. Appropriate policy on labour is crucial to the success of LBW
and should be sensitive to the complexities involved in labour relations and human resources issues.

4.3.2 Government policy on Labour is that:

4.3.2.1 Government is committed to prevent exploitation while encouraging the efficient and cost effective use of labour.

4.3.2.2 Existing legal conditions of employment and other statutory provisions on labour matters shall generally apply to employees in LBW.

4.3.2.3 There will be no labour related statutory amendments aimed exclusively at LBW. However, in the foreseeable future where deviations from legal conditions of employment are deemed necessary, recourse to exemptions will be encouraged and facilitated under the provisions of Section 114 of the Labour Act of 1992.

4.3.2.4 Employment contracts must be suitably flexible in areas not prescribed by law. Departures from accepted norms must be negotiated with workers or their representatives.

4.3.2.5 Wages should generally be linked to remuneration systems based on specific outputs.

4.3.2.6 Labour based works will be devised so as to result in the generation of additional employment as opposed to the mere displacement of jobs.

4.3.2.7 Management/employee consultative structures should be incorporated in LBW as far as is practicable.

4.4 Technologies

4.4.1 The choice of technology significantly influences the total number of employment opportunities generated in construction, manufacturing and other commercial activities. It can dictate the size and nature of an enterprise which may enter into a contract with Government to provide goods and/or services.

4.4.2 Small scale manufacturers may experience difficulty in meeting quality requirements as defined in Government specifications. Current practice is to define quality in terms of accepted criteria and to determine acceptance in terms of national or international
standards or testing methods, which have been framed around equipment based methods of manufacture by medium to large scale enterprises having the necessary technical expertise and testing facilities. Furthermore, test methods and procedures for quality assurance are generally written for scales of operation in which sufficient quantities for statistically based testing are manufactured and the cost of testing can be readily written off against the volume produced.

4.4.3 Government policy on Technologies is that:

4.4.3.1 Government will promote the use of technologies which have the potential to increase the number of employment opportunities generated per unit of expenditure; provided, however, that any cost premiums associated with such usage are modest.

4.4.3.2 Sponsoring ministries will review existing standards, without compromising end-user requirements, including test methods and acceptance criteria, and modify them, as necessary, to promote LBW.

4.4.3.3 Research into LBW technologies in Namibia will be encouraged.

4.4.3.4 The LBWF will co-ordinate research, the dissemination of information and technology transfer.

4.4.3.5 Tenders offered to foreign based firms may be required to include technology transfer and human resource development in order to ensure that Namibians derive maximum benefit from the resulting contracts.

4.5 Funding

4.5.1 Government budget is the starting point for interventions in favour of LBW objectives. A specific LBW funding strategy, is an important part of the LBW policy.

4.5.2 The main focus of the LBW funding strategy within Government will be to influence ministries to use labour based technologies. This will be done by identifying those parts of the budget which go to Ministries with heavy plant and equipment; those which use contract services and those which procure supplies. (Typical agencies are Transport, Works, Regional and Local Government and Housing and Water Affairs).

4.5.3 LBW funding relies on a number of strategies which will make the substitution of labour intensive techniques for equipment intensive techniques an economically viable option.
The constraints working against the selection of labour intensive techniques include: limited knowledge about such techniques; limited expertise in implementing such techniques; and capital project selection techniques, which rely purely on financial analysis and ignore the true economic costs and benefits.

4.5.4 LBW projects generate many economic benefits which are not captured by purely financial analysis. In order to ensure funding priorities take account of all the benefits of labour based projects, the budget decision-making processes will, in addition to a financial analysis, undertake an economic analysis.

4.5.6 Government policy on Funding is that:

4.5.6.1 The funding strategy will ensure that LBW are used in public spending. It will secure funds for training and/or community based projects and provide incentives for the private sector to adopt LBW.

4.5.6.2 The LBW programme will largely be funded within existing Government budget. Ministry’s budgets will, as part of the budget process, be subjected to review to ensure that the maximum and efficient use of LBW technologies is made. The responsibility will be with each ministry in consultation with the National Planning Commission and the LBWF.

4.5.6.3 There will be a gradual phasing in of economic evaluation in the budget making process with the initial focus being on capital projects.
5 POLICY ON LABOUR BASED WORKS DELIVERY

The delivery of LBW is about structuring economic activity to meet certain objectives. Such activity can be initiated by communities, the public sector, or the private sector. The public sector, in rendering services to its constituents, can either utilise its own personnel (i.e. force account) or procure good and services to do so (i.e. to out-source). The policy on delivery is, accordingly, divided into four sections: force account operations, public sector procurement, private sector and community based initiatives. Constraints exist in each sector in respect of finance, skills and experience in the implementation of a LBW policy.

However, it is imperative in the delivery of LBW that Government sets an example of best practice, encourages the private sector to play its part, engages in long term training and capacity building of its own personnel and reviews its budget allocations.

It is common cause that:

- The structure of the economy and the technical choices available to certain key sectors limits Government’s ability to prevail upon the private sector to absorb more labour;
- jobs in most key industries are determined by outside forces; (e.g. mining is governed by international commodity prices; fishing by fish stocks and quotas); and
- it is unlikely that the cost of labour will be permitted to be reduced through labour market deregulation.

The policy statements which follow are grouped together under the sector which is to initiate the implementation of the policy as funding for implementing the LBW in each of these sectors comes from a distinctly different source. The premise is made that LBW will:

- Not require extraordinary budgetary expenditure in respect of its implementation in the public sector although it is acknowledged that any cost premium, albeit marginal, will result in some reduction of services which Government renders;
- require modest direct funding in respect of its implementation in the private sector; and
require grant funding for its implementation by communities.

5.1 **Force Account Operations**

5.1.1 It is essential for Government to look critically at its own operations, both capital expenditure and maintenance, and determine where LBW approaches can be used. Changes in some areas may be encouraged through the planning and budget approval processes. In some instances it may be desirable to assess the employment aspects of proposed expenditure programmes before funding is approved.

5.1.2 **Government policy on Force Account Operations is that:**

5.1.2.1 Relevant Government ministries will be required to review their operations in order to optimise the application of labour based technology.

5.1.2.2 Labour will be substituted for capital intensive equipment where this is technically feasible, economically viable and will result in an increase in employment generated per unit of expenditure.

5.1.2.3 LBW technologies will be implemented where an appropriate level of quality (as opposed to best quality available) can be achieved, is economically viable when compared to conventional technologies and will result in an increase in employment generated per unit of expenditure.

5.1.2.4 Force account operations will utilise temporary or contract labour instead of expanding permanent establishments.

5.1.2.5 Force account works will be expanded when the total cost including materials, labour, plant, fuel, administration, technical support, supervision, and overheads is comparable with that which could be obtained by outsourcing the work to contractors / service providers using similar work methods, or manufacturing techniques.

5.1.2.6 Additional labour management required for implementing force account LBW will be engaged on a temporary or contract basis.

5.2 **Public Sector Procurement**

5.2.1 International studies have shown that procurement by public bodies can account for a significant percentage of a country’s Gross Domestic Product. Government can,
accordingly, use its powers of procurement to promote a variety of objectives in addition to the immediate objectives of procurement. Public sector procurement can also be used as an instrument of LBW policy to:

- Ensure that the foreign content in contracts involving goods, services and works is minimised;

- encourage the substitution of labour for capital intensive equipment;

- support the use of “labour friendly” technologies which utilise a higher degree of labour input than is the case for conventional technologies, or which are well suited to implementation by small scale enterprises; and

- encourage and develop small scale enterprises to implement employment-intensive practices and labour friendly technologies.

5.2.2 The use of Targeted Procurement is intended to ensure that those who provide goods, services and works to public bodies will mobilise and structure their resources so as to meet certain socio-economic policy objectives in the performance of their contracts. This can be achieved through a combination of:

- The classification of contracts to facilitate participation by targeted groups;

- the use of resource specifications which enable socio-economic deliverables to be defined, measured, quantified, verified, and audited; and

- the use of a development objective/price mechanism (point scoring system) to adjudicate tenders.

5.2.3 Government policy on Public Sector Procurement is that:

5.2.3.1 Government will implement Targeted Procurement on goods, services and works contracts, and sub-national governments will be encouraged and assisted to do likewise.

5.2.3.2 Targets will be designed to facilitate one or more of the following:

- The development of small and medium enterprises (SMEs) owned and operated by Namibians;
• an increase in the volume of work available to the poor and the income of marginalised sectors of Namibian society; and

• an increase in employment generated per unit of expenditure.

5.2.3.3 The structuring of contracts where SMEs are targeted will be such that SMEs participation is maximised without compromising time, cost and quality. Large contracts will be unbundled and made accessible to SMEs through one or more of the following strategies:

• Breaking tenders down into smaller contracts;

• using resource specifications as a tool for unbundling contract to provide business opportunities for SMEs;

• requiring structured joint ventures between small and large firms and targeted and non-targeted firms; and

• setting up third party management support for SMEs.

5.2.3.4 The tendering process must be made accessible to SMEs and be free of unduly onerous requirements and conditions. Tender documentation should accordingly be easy to comprehend, user friendly, standardised and appropriate.

5.2.3.5 The deliberate use of SMEs will require that payment systems be streamlined to ensure prompt payment to contractors, suppliers and service providers. Contracts should include a specified period after which interest at bank overdraft rate will be automatically paid to suppliers/service providers/contractors in respect of overdue payments.

5.2.3.6 Projects involving works contracts which target marginalised communities should be completed on time, within budget and to the required quality, with the optimal transference skills and competencies to the targeted community and with the optimal amount of project funds being retained by the targeted community.

5.2.3.7 Constituents of identified, marginalised communities will be afforded an opportunity of making inputs to projects, the setting of targets and the choice
of delivery systems within the constraint of value for money, but will not be guaranteed employment.

5.2.3.8 A distinction will be made between targeting local labour, in order to stimulate local economies and certain social objectives, and increasing employment opportunities generated per unit of expenditure. Priority will be given to increasing employment opportunities generated per unit of expenditure on works projects where it is possible to substitute labour for plant.

5.2.3.9 Where the success of LBW programmes is dependent on timely award of contracts, authority to award tenders may be delegated to sponsoring departments.

5.2.3.10 Sponsoring ministries will be required to set LBW goals for every financial year and will monitor and report to the LBWF on the attainment of such goals at the end of each financial year.

5.3 Private Sector Initiatives

5.3.1 As Government-sponsored LBW cannot be expected, on their own, to address poverty and unemployment problems, attention must be given to labour usage in the private sector. Even small changes in labour usage within the private sector have the potential to generate substantial increases in the number of jobs available.

5.3.2 Government policy on Private Sector Initiatives is that:

5.3.2.1 Government will seek ways to assist any private sector initiatives which desire to embrace Targeted Procurement.

5.3.2.2 Government will target those sectors which have the greatest potential to generate significant growth in employment, in particular agriculture and tourism.

5.3.2.3 Government will mandate the LBWF to act as a catalyst for growth within those sectors in order to bring together local and international knowledge, systems and technologies, study the constraints on labour absorption, consider possible incentives, investigate market potential and identify ways to market products internationally.
5.4 **Community Based Initiatives**

5.4.1 There is scope for community-initiated approaches in which budget allocations are made available to communities in order that they may decide on their own priorities and implement projects themselves, with appropriate training and capacity building support. Benefits of such approaches include the development of community management, transfer of skills, the building and maintenance of assets which expressly satisfy community needs, and income generation through employment. Assets should preferably be production oriented, e.g. a small dam and irrigation system, thereby contributing to ongoing income generation and employment.

5.4.2 Such an approach should start on a small scale, in order to develop workable procedures, and expand at a rate commensurate with the development of the necessary support and supervision mechanisms. Ultimately, it will be limited only by the size of the budget allocation.

5.4.4 **Government policy on Community Based Initiatives is that:**

5.4.4.1 Community based initiatives will be implemented to support and stimulate rural economies on projects where the communities themselves own, manage and maintain the assets which are created.

5.4.4.2 Projects which qualify for funding should:

- Comply with programme objectives;
- be consistent with regional plans, where they exist;
- improve the welfare of communities;
- be needed, and supported, by a substantial majority of the community;
- produce assets which are technically sound while being implementable by the community; and
- be sustainable, in that the community is able to demonstrate its capacity to effectively utilise and maintain the assets produced.
5.4.4.3 Monitoring and evaluation procedures shall be put in place to progressively evaluate all project deliverables.

5.4.4.4 Funds will only be disbursed to communities who have in place financial control measures.

5.4.4.5 Government will require on projects which it funds, in whole or in part, that:

- Risk management plans be developed to minimise all risks pertaining to the project, including cost and time overruns;

- monitoring and evaluation procedures be put in place to progressively evaluate all project deliverables;

- communities take responsibility for the quality of the work except where third party management support or external contractors are involved;

- the roles, responsibilities, rights, risks and obligations of all parties be clearly and unambiguously defined at the outset; and

- consultants and service providers be appointed in consultation with the communities involved.
6. IMPLEMENTATION

6.1 In section 4.1.6.1 above (under Government policy on Institutional Support), reference is made to the formation of a statutory representative organisation, the Namibian Labour Based Works Forum (LBWF). The formation and effective operations of the organisation are considered to be of critical importance in view of the diversity of the sectors involved and the need to ensure that this employment creation initiative assumes the widespread dimension necessary for its impact and success. The overall purpose of the organisation will therefore be, to promote and act as the hub of all formal labour based activities in the implementation of this policy, without usurping the responsibilities of the role players.

6.2 In order to enable the LBWF to effectively execute its functions with regards to the LBW policy, it will be established and empowered to operate through and appropriate legislative framework.

6.3 Notwithstanding the legislative requirements regarding the establishment of the Forum, the policy in general can be implemented with immediate effect. The role players are therefore expected to commence its implementation without delay.

6.4 The LBWF will comprise a representative national Committee, a control Board and an executive Secretariat. Its varied functions will be largely funded through donor support and the necessary funding in this regard, up to year 2000, has been secured. The particulars of the Forum are contained in the Annexure to this White Paper.

6.5 The main functions of the NLBF will be to create awareness, offer advisory support, co-ordinate activities of the role players, promote research and development activities, establish appropriate standards and undertake all steps necessary to ensure the success of the LBW policy in Namibia.