

LAND SERVICE DELIVERY AND ECONOMIC DEVELOPMENT:
OPPORTUNITIES AND CHALLENGES IN THE MUNICIPALITY OF
OTJIWARONGO

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Abstract

The study is set out to investigate municipal service delivery at the town of Otjiwarongo more specifically with land service delivery and how it links to economic development with specific reference the nature and level of community participation, Staff, Councillors and stakeholders' understanding of their functions, roles and responsibilities as well as capacity required by the municipality to delivers quality services based on its mandate.

Over the past years, there has been an outcry from residents and potential investors for the municipality to provide land for residential and development purposes. This has put a strain on the local authority to keep up with the high demand for land given also an increased inflow of customers to the town. Land as a service delivered by Council also necessitates other services such as roads, refuse removal, market areas, sewerage and water amongst others in the new established townships. All indications therefore are that service delivery in general is a phenomenon that needs to be explored to provide understand of the deep rooted problem areas affecting municipalities. The expectation is that a municipality is mandated to deliver basic services such as land, water, sewerage reticulation and roads to mention just a few but there is no clarity as to how these services contribute to local economic development. This is exacerbated by the fact that those directly tasked to perform the functions of service delivery such as municipality officials do not have a clear link of their functions to local economic development. Following an extensive literature review, the study analyzed the facets of service

delivery with a major focus on land delivery as well as local economic development at local authority level and this was supported by the research design and methodology deployed that followed a qualitative approach utilizing a sample of 30. The questions used in the interview were guided but unstructured using the approach of an empirical survey and normative model construction to ensure effective evaluation of alternative responses as well as ensure that respondents gave own opinions on what was happening. Guided by a field study that involved extensive interviews with municipal officials and stakeholders, the findings were coded and interpreted into explainable outcomes, with the findings concluding that land delivery is a strong and major catalyst of local economic development alongside other municipal basic services.

Keywords: Local economic development, Otjiwarongo Municipality, Land service delivery, stakeholders, local government.

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I thank you all.

Agatha Mwet

Date: March 2012

DEDICATION

I would like to dedicate this thesis to my family for the support and understanding during the times that I was away from home for studies. To my children who inspired me to study. To my husband Edwin who was tremendously very supportive during my studies and filled up my absent gap at home. Finally to my parents for bringing me up and especially my late father who always inspired me to exhale in life but who sadly passed away shortly after I started working on this thesis.

DECLARATION

This thesis is my own original work carried out under the supervision and guidance of Prof. Ravinder Rena and has not been submitted elsewhere in fulfillment of the requirements of this or any other degree or diploma award.

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CERTIFICATE

I certify that the Master's full-thesis entitled "*Land Service Delivery and Economic Development: Opportunities and Challenges in the Municipality of Otjivarongo*" is the original research work of Ms. Agatha Mwet, Student ID: 201056585. This research was planned and carried out under my supervision for the award of Degree in Master of Business Administration (MBA) and this has not been submitted for the award of any degree in the past.

Place: Cape town

Date: 27 March 2013

[Prof. Ravinder Rena]

Supervisor

ACRONYMS

ALAN – Association for Local Authorities in Namibia

CENORED - Central North Electricity Distributor

ED – Economic development

LED – Local economic development

LEDA - Local Economic Development Agency

MRLGHRD – Ministry of Regional and Local Government and Housing and Rural
Development

NALAO – Namibia Association of Local Authority Officials

NDP - National Development Plan

NCCI – Namibia Chamber of Commerce and Industry

TIPEEG - Targeted Intervention Programme for Employment and Economic Growth

CHAPTER 1

INTRODUCTION

1.1. Orientation of the proposed study

Towns and cities are the hub of economic growth and development. Towns have emerged as a result of the process of development. As such local authorities as custodians of towns and cities play a pivotal role in championing growth and development through the various services that they deliver as per their mandate. Namibia is characterized by distorted socio-economic structures which are exacerbated by the former apartheid system that prevailed under the colonial era (Turok, 1992:28). Development of the economy is one of the crucial aspects of any locality in terms of existence, growth and sustainability. In Namibia, Economic development is perceived as a new concept although its descriptive factors have always prevailed and this phenomenon is the same among local government institutions. In the real sense economic development has always been there. It is also a fact that at local authority level economic development is considered as the responsibility of a single entity – the municipality. The thesis strives to find out what and how the local authorities’ mandate of service provision, in particular land delivery, fosters economic development. To validate and investigate these statements, literature on economic development, municipal service delivery and other relevant information were used while the outcome was made

possible through the findings of the study. The purpose of the thesis therefore was to find out the effect that land delivery as a service, has on economic development. This aim was also to prove that although land delivery is a preceding basic service (land has to be available first before other basic services such as water, roads etc. can be effected as well) in the process, it cannot be rendered in isolation and has to be complimented by other municipal services such as water, sewerage, roads, infrastructure.

At national level, the Government of the republic of Namibia has recently adopted a firmer and more direct support towards economic development. Namibia has a population of more than 2 Million. The adoption of the White Paper on Economic development introduced a new chapter for economic development focus in Namibia. The White Paper on Local and Regional Economic Development (LRED) of 2009 provides a framework for local and regional development. It recognizes the differences in localities and resources; and it therefore does not prescribe any action any action but provides a common approach and initiatives drawn from local and international LED practices. This implies that each town has a critical role to play to bring about economic development in its locality. At the tabling of the White Paper on Local Economic Development in Parliament on 12 April 2011, The Minister of Regional and Local Government, Housing and Rural Development (until December 2012) Jerry Ekandjo outlined how the focus of Local and Regional Economic Development in a specific area, should make use of local resources and local competitive advantages as well as participation of all stakeholders in the locality (New Era Newspaper. 15/04/2011, p.4). Apart from providing the hard-core basic services such as water, roads, sewerage etc.

local authorities are also responsible for ensuring a conducive environment whether directly or indirectly that amongst others assists to attract investors in order to create jobs. Prior to Government adapting the White Paper on Economic Development only few local authorities had employed focal persons to spearhead economic activities in their specific localities. The Municipality of Otjiwarongo employed an Economic Development Officer in 2004 to intensify its focus on service delivery through economic development.

The local level initiative is emphasized by the decentralization policy that was introduced by the Namibian Government to bring Government closer to the people and to encourage optimal utilization of local resources. This too requires that local authorities become key drivers of economic development within their localities with the huge expectation being on the delivery of municipal services. It has however, been evident that despite the expectation, efficient service delivery has not been smooth for most towns in Namibia.

The establishment of local authorities in Namibia is governed by the Local Authorities Act No. 23 of 1992 that was promulgated by the National Assembly in 1992. The Local Authority Act No. 23 of 1992 is aimed at providing the determination for purposes of local government, of local authority councils; the establishment of such local authority councils and to define the powers, duties and functions of local authority councils and to provide for incidental matters. Local authorities are categorized into different levels of towns such as, Part I Municipalities (Windhoek, Swakopmund and Walvisbay), Part II

Municipalities (Otjiwarongo and Tsumeb, etc), Town Councils (Okakarara and Katima Mulilo etc.) and Village Councils (Kamanjab and Aranos etc.). Village Councils and Town Councils are partially supported by Government, while the Part I and II Municipalities have to finance and sustain themselves apart from rare assistance towards infrastructure development that they might receive. The Municipality of Otjiwarongo is categorized as a Part II Municipality as elaborated in appendix 1 and as such does not receive a committed budget from Government but has to generate its own income through basic services such as rates and taxes, and land. Water does not yield much profit due to the fact that it is a basic service and it cannot be over charged. McLennan (2005) states that to improve service delivery, it is critical to ensure that a highly contested space is created where political leaders, municipal officials, citizens, interest groups and institutions are engaged in the decision making processes related to development and growth.

Roles and responsibilities of municipal councillors

In a municipal environment, Councillors play a vital role in providing leadership in all municipal service delivery programmes. The Local Authority Act 22 of 1992 provides provision for the establishment of a Council that will meet once a month to assess and scrutinize service delivery plans and reports. Municipal Councils are therefore responsible for meeting service delivery needs of the community by setting priorities that will meet the needs of the public in the area. Public and stakeholder involvement is also a crucial element in this regard especially in terms of budgeting and identifying

priority areas for service delivery, specifically land delivery. The Strategic Plan of Council is an example of an integrated plan at local level, while at national level in the case of Namibia, it will be the Namibia Development Plan (NDP). The Councillors' roles are determined by the position occupied such as Mayor or Chairperson of Management Committee and so on but in the case of the Municipality of Otjiwarongo, Councillors are each assigned roles in a specific area such as economic development, infrastructure, public health, administration, finance and social welfare. Craythorne (2003:100) defines the roles and responsibilities of councillors as entailing a wide range of activities, including representing local communities on municipal councils to ensure that municipalities have structured mechanisms of accountability to local communities and meeting the priority needs of the community through providing services, equitably and in a sustainable manner. Councillors are accountable to local communities in that they should report back to their electorate on decisions of council and report on the performance of the municipalities in terms of established indicators.

The business dictionary as retrieved online from <http://www.DictionaryBoss.com> defines economic development as progress in an economy, or the qualitative measure of this. It further states that economic development usually refers to the adoption of new technologies, transition from agriculture-based to industry-based economy, and general improvement in living standards. Economic development is likely to remain an important topic in Namibia given the Government's National Development Plan (NDP) – a developmental implementation plan that cascades to lower tier governments such as local authorities. The study will look at the link between land delivery as one of the

services of the municipality and economic development focusing on specifically on three areas namely role of municipality and stakeholders (participatory), the capacity that the municipality of Otjiwarongo requires to such a service and how it contributes to the improvement of locality and the livelihood of its residents.

1.2. Statement of Problem

Today Namibia is among the countries in the world with the biggest gap between the rich and the poor. High levels of poverty, insufficient economic growth and inappropriate wealth distribution are some of the critical problems facing towns of Namibia including Otjiwarongo. This situation is reflected in the current reality of towns in Namibia and it is up to Government to reverse this situation by means of various development initiatives. In this regard, greater pressure is exerted on Government to initiate ways of achieving greater economic growth and therefore a mandate has been given to local governments to play a fundamental role in achieving development. Development refers to change and growth in all aspects of the social as well as economic spheres with some measurable form of progress (Jaffee, 1998: 6).

Capacity to deliver quality services and economic development

The town of Otjiwarongo has not been able to provide new serviced extensions (land) since 2008. This has resulted in an increased demand for land for both housing and investment purposes.

Service delivery

In order to have an understanding of service delivery as rendered by the Municipality of Otjiwarongo the study adopted the theoretical framework illustrated below:



Figure 1: Municipal service delivery model

Service delivery at Otjiwarongo is provided by the Municipality of Otjiwarongo. Service delivery is a political issue which involves a complex relationship between stakeholder participation, power and authority which legitimizes the distribution of resources for development on behalf of Government. One of the municipality's most important task is to find out the needs of its citizens and how best to provide such services. In so doing the municipality must firstly determine what services it provides, who receives such a service and the quality of thereof. Secondly, the municipality should determine how a particular service such as land should be improved and to decide the priorities for expanding and improving services. McLennan (2007:6). Fundamental to this and to the fact that local authorities are mandated to facilitate and drive development of towns, the central question that is often asked is what does a public institution such as a municipality need to do to ensure quality delivery of land as a service to stimulate sustainable development? McLennan and Ngoma indicate that the key constraint in the implementation of development programmes through municipal services is lack of attention towards the required capacities of the local institution and that the key challenge is to empower the organization and the people who drive them to enable them to make proper decisions about local development. It is that which this thesis aims to investigate through analysis of the context in which land delivery as a key municipal service that incorporates other services is delivered. The thesis also analysed the available and limited capacities in terms of resources (human and capital) influencing the service delivery and sustainable economic development.

Economic Development

Prior to independence in 1990, economic development did not enjoy a lot of focus especially at national level. Even in local authority institutions less attention was paid to economic development in terms of initiatives and human capital to oversee such activities. Namibia's White Paper on Regional and Economic Development (2009) states that LED has a history of several decades in Africa with countries in the north of the continent viewing it as a 'market-led' initiative to market the country for investments while countries in southern Africa regard it as an approach to engage stakeholders, mobilisation, distribution, and effective use of resources. Namibia uses the later LED approach of the southern continent. Meyer-Stammer (2002) states that studies show that municipalities remain unclear on what Economic Development means, how to organize it and what to do in practical terms. Yet it is expected of municipalities to bring about and spearhead development through the services delivered to the public such as provision of land, water, roads, housing and many others without a dedicated budget from central Government. Coupled to the challenge of costliness of service delivery, is bureaucracy which is caused by the fact that Namibia inherited most of its policies of which most have not yet been amended and are sometimes not user friendly. Jack (2004:16) cautions against the risk involved in narrow focus on service delivery that could result in such services only benefiting those who are economically ready while excluding those in the poverty and economical stages as illustrated by figurebelow:-

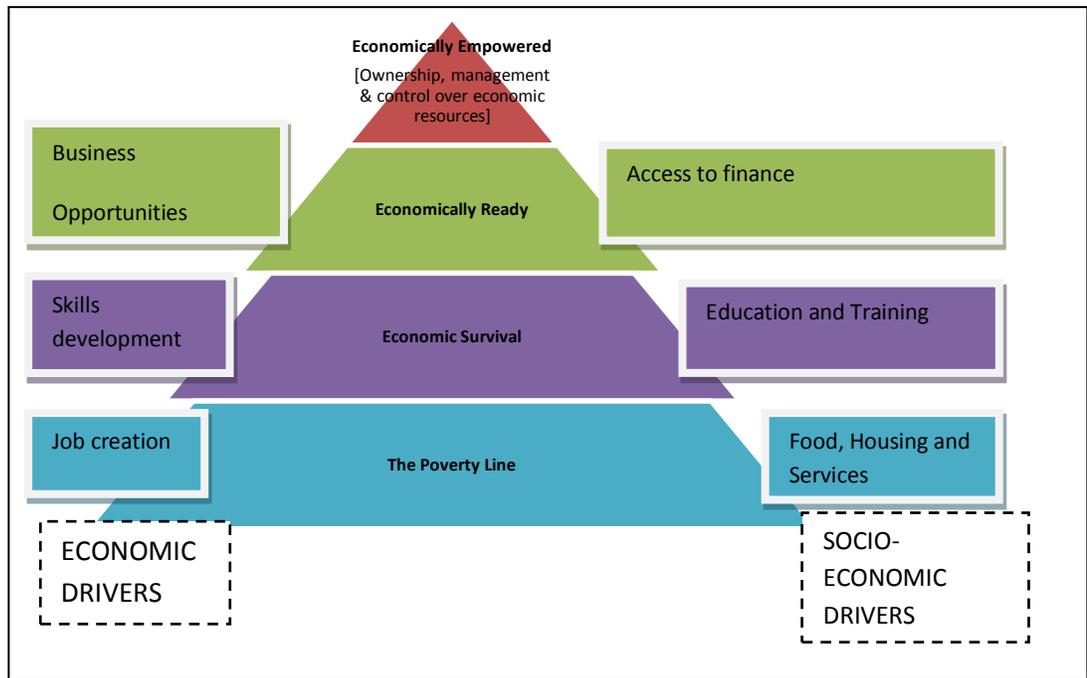


Figure 2: Sustainable Model of Economic Empowerment (Jack, 2004)

This model is fundamental in guiding LED initiatives that deliberately target the public and enable them to become more economically empowered and aids to represent a framework in determining appropriate types of strategies aimed at economic growth and development.

Locality development

Closely tied to service delivery and economic development is what is termed as locality development. Locality development could be termed as the outcome of provision of

service delivery and various dimensions and represents interrelated and continuous processes, necessary for the sustainable development of localities as explained below:

(i) Infrastructure – Land is considered more attractive to potential users if it has already been developed or if the development can be done at a lower cost (Helmsing, 2003). Readily availability of serviced land shortens the time between acquisition and operations and therefore basic services such as water, electricity, street lights, roads and sidewalks which are vital for quality-of-life services can also be provided timeously. In the town of Otjiwarongo the unavailability of serviced land for the past 2 years has created frustrations among the residents and investors.

(ii) Urban planning and design – An improved and well-planned locality contributes to economic performance and accessibility to services based on choice and affordability. Helmsing (2003) describes urban town planning also referred to as town-scaping as actions geared toward improving town/city central areas to make them more attractive for local communities and prospective investors. Otjiwarongo Municipality implements this through a City branding strategy. The entire area of the town is also zoned according to the town planning amendment scheme into specific areas such as Industrial, residential, general business, institutional and open-spaces. These zonings are in-turn located in demarcated areas of high, middle and low income areas. The quantity and level of basic services rendered in the three areas above differs and so does the rates charged. The service types rendered for some of the basic services at Otjiwarongo are stipulated as per Table 1:

Table 1: Levels of service delivery at Otjiwarongo

Service Type	<i>Level 1</i> <i>Basic</i>	<i>Level 2</i> <i>Intermediate</i>	<i>Level 3</i> <i>Full</i>
Water	Communal Stand-pipes	In-house running water	
Sewerage	Dry toilets	Water-borne toilets	
Roads	Graded	Gravel & Tar	Paved/tarred & kerbed
Storm-water Drainage	Earth lined open channel/Open channel lined	Piped systems	
Refuse	Communal points/skips	Individual bin for all refuse- Once a week removal	2 separate bins-weekly separate removals for garden and domestic refuse
Land	Partially service & High mast	Fully serviced but in some areas no tar or paving on streets & High mast instead of street lights	Fully serviced with all the necessary services

(iii) *Physical planning and development controls* – The facilitation of services and development in a local authority is guided by regulations and in case of the Municipality of Otjiwarongo the town planning amendment scheme and other regulations such as tariffs serve as a framework for implementation and control services rendered through land development. Helmsing (2003) states that it is necessary for local authorities to

uphold regulations and transparency to eliminate the opportunity for corruption. The Municipality of Otjiwarongo used to engage public input in the regulations that are aimed fostering control measures such as the town planning amendment scheme.

(iv) Participatory LED planning – Local convergence and inclusion of various actors that contribute to economic growth is vital for LED initiatives such as land service provision as it promotes a participatory approach.

Capacity building and potential to deliver services

A local authority as a mandated institution that must provide services has to ensure that it has the required capacity to provide such services. In so doing it is possible for a municipality to expand the delivery of services by improving their own ability to do through improvement of skills in order to be able to deliver services effectively and efficiently. Others forms of capacity are improved financial planning and better technical skills that would improve delivery of a particular municipal service such as land.

Municipal Service Partnerships

A Municipal service partnership (MSP) is an agreement between a municipality and a service provider. In terms of a MSP, the service provider undertakes to provide a particular service on behalf of the municipality. A service contract is a form of a MSP. A service contract is an agreement between a municipality and a service provider to provide a particular aspect of a municipal service on a short-term basis (not more than

two years). In such a case, the municipality provides the budget and monitors the performance of the service provider to ensure that the service provided is of a good quality and within allocated budget. The Municipality of Otjiwarongo has previously engaged in a service contract for refuse removal in the town whereby private contractors were invited through a tender process to remove refuse on behalf and according to the standards of the municipality. The danger and as per the experience of the municipality is that the service provider sometimes compromises on the standard of service to be offered because the public only complain directly to the municipality to whom they pay the tariff for refuse removal. On that ground, the MSP was stopped. However with constraints of capacity to service land, the Municipality is embarking upon MSP through engaging land developers to service the land on its behalf. The challenge would be whether the developers would be able to provide the service without compromising on the standard.

In order to address this plight, the Namibian Government set up the Local Economic Development Agency (LEDA) within the Ministry of Regional and Local Government, Housing and Rural Development. LEDA is still in its infancy stage after being established recently in 2011. Within the Municipality of Otjiwarongo the concept of economic development gained prominence in 2004/2005 when a division was created within the structure of the Municipality for this purpose. In principle economic development is an encompassing activity whose accomplishment requires cross-cutting inputs in case of an organization such as the Municipality of Otjiwarongo where service delivery involves the input of various departments and stakeholders such as the

MRLGHRD. However to what extent do the different departments and stakeholders understand their role in land delivery to achieve economic development in the town? Many a times, it occurs that employees work without knowing the value of service they are rendering to economic development in the town. Some employees in local authorities due to the departmental-type of structure in place, tend to work in isolation from other departments. Economic development should be regarded as a cross-cutting issue. For example in order for land to be alienated for investment purposes, the Economic Development officer will be the first to engage the prospective investor to ascertain the potential of the intended project, the Town Planner will engage in planning for the development of the land, the Public Relations Officer will sensitize the public on any information that it needs to know while the Engineer will manage the development process. The Finance section aids in costing the land. Therefore although the infrastructure and technical department might be the custodian of the service, its successful completion involves employees from other departments. Accessing resources to render the necessary basic services is another stumbling block for local authorities including the Municipality of Otjiwarongo. Given the fact that Part I and Part II municipalities do not receive a committed budget from Central Government, many local authorities including the Municipality of Otjiwarongo find it challenging to fund for servicing of land. This results in delay in making serviced land available to those who need it. This is despite the fact that availability of serviced land is a prerequisite before any other service can be applied. For example a locality cannot plan for roads, water or any other service without land on which such services should be applied. The study

therefore argues that for service delivery to impact positively on economic development, the constraints that impede on implementation of rendering services should be addressed by empowering the local authority and its drivers (Councillors, municipal staff and stakeholders) of decisions and local development. In so doing the thesis intends to bring to fore the relationship between land delivery as rendered by the municipality and economic development.

1.3. Objectives of the study and research questions

The main objectives of the study were to analyze the role that land delivery as a service contributes to economic development with specific reference to the Municipality of Otjiwarongo with the aim to:

- 1] To analyze how land as a service is delivered by the municipality of Otjiwarongo and how it links to economic development in the area
- 2] To analyze the participation of stakeholders in economic development through land delivery
- 3] To identify the challenges and factors affecting capacity of the municipality to deliver land and how this affects economic development as well as to make some possible recommendations.

The study intends to investigate and create an understanding how the service of land delivery and economic development influence each other by answering the following questions:

Do the services offered by the municipality of Otjiwarongo such as land have an effect on economic development?

What relationship exists between land and economic development?

Under what circumstances is land delivered by the municipality?

1.4 Significance of the study

For how indeed is economic development in a locality influenced by the basic municipal services rendered such as provision of serviced land? The World Bank according to Meyer-Stemmer and Hindson (2005) defines economic development as 'the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment creation with the aim of improving the quality of life for all. Mohr and Fourie (2004) define services as intangible commodities that are equivalent to economic goods. In economics both goods and services are intended to satisfy the needs of consumers and thus have economic utilities. The thesis drew from the above-mentioned definition in approaching the investigation. With reference to the aforementioned definition, local economic development is a critical aspect of any locality.

1.4.1 Definition of Key Concepts

This section defines some of the key concepts contained in this study.

Services – Services are intangible utilities such as provision of land, water, roads etc. rendered by public sector institutions to meet the needs of the locality and its residents.

Municipal Services – Municipal services refers to utility services rendered by a Local Authority to benefit its customers such as land, water, sewerage, roads, transport, housing, parks etc.

Development:

“..a positive social, economic and political change in a country or community” (Kotze, 1997: 1)

Economic development – Economic development generally refers to the sustained, concerted actions of policymakers and communities that promote the standard of living and economic health of a specific area. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness and other initiatives. It also generally refers not only to economic growth, but to changes in the ways in which goods and services are produced in a country as well as improvements in inhabitants’ quality of life.

Local Economic Development (LED)

“..a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all” (Nel & Rogerson, 2005: 4).

“..the process or strategy in which locally based individuals or organisations use resources to modify or expand local economic activity to the benefit of the majority in the local community” (Nel & Humphrys, 1999: 277).

“..the process in which local government and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector or with each other to create new jobs and stimulate economic activity in an economic area” (Zaaijer & Sara, 1993 in Nel & Rogerson, 2005:4).

Economic Growth - Economic growth is a phenomenon of market productivity and rise in Gross Domestic Product.

Sustainable development (SD) - is a pattern of growth in which resource use aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come.

Stakeholder - A person, group, or organization that has direct or indirect stake in an organization because it can affect or be affected by the organization's actions, objectives, and policies.

1.5 Limitation of study

It would have been ideal for this study to cover as many facets of the Local Authorities as possible considering that the towns are classified in four different levels of Cities or Part I Municipality, Part II Municipalities, Town Councils and Village Councils; and therefore would have been interesting to study how the different categories of towns implement economic development through municipal services such as land. The limitation was however due to the distance and cost to be covered to visit other towns in Namibia.

Another practical limitation of this study was the lack of literature or academic articles written on economic development at Otjiwarongo because this was the first time that such a study were undertaken at the town. Being a qualitative study, a sample representative of the population of the Municipality of Otjiwarongo and key external stakeholders, was instead used and this served as the basis of this study.

Another limitation was the fear from some stakeholders included in the sample to be exposed for fear that this might affect their work or status. The researcher being perceived or considered as a spy was another limitation as some respondents wanted to know why such a study was being done.

1.6. Outline of the Chapters

Chapter One – Introduction

Chapter One presents the background, objectives, research question and significance of the study on economic development in local authorities with specific focus on the municipal area of Otjiwarongo.

Chapter Two – Theoretical Background

The purpose of this chapter is to present the theoretical and ideological literature that was analyzed based on the focal areas of economic development as per this study which are local authority mandate of service delivery and the link of such services to economic development; Participatory and coordination of roles of different actors in economic development and Resources for economic development.

Chapter Three – Methodology

This chapter aims to provide an overview of the methodological approaches, research design, sample of 36 used, research instruments, data collection and research ethics applied in the study on analysis of economic development in local authority areas such as the municipal area of Otjiwarongo.

Chapter Four – Analysis and Discussion

This chapter provides the results from the research methods used namely interviews with municipal officials and stakeholders involved in economic development and critically

examines the findings in the light of the objectives and research question as outlined in the Chapter One (Introduction) and makes judgments as to what has been learnt through the study as per the description of economic development in this paper.

Chapter Five – Conclusion and Recommendations

In this chapter, summaries of the preceding chapters were briefly synthesized. Finally conclusions and recommendations regarding economic development in local authorities and mainly Otjiwarongo municipality based on the study were presented.

CHAPTER 2

THEORETICAL BACKGROUND

Service delivery provides the basis to support local economic development and continuous rapid growth of the local institutions in terms of infrastructure development while creating a favorable environment for investment, job creation, opportunities, improved service delivery, effective resources and a unison participatory economy-based approach for all. (Statement based on the summary of the following literature review chapter).

The above-mentioned statement provides a concise summary of key themes that have emerged from the literature that has been explored for this study and that is presented in this chapter. More often research does not exist in isolation but must build upon what has been done previously. The purpose of this literature analysis was to identify the existing knowledge-base and debates and consequently develop a meaningful and relevant research project. This implies reviewing of previous work on similar areas of study. Terre Blanche and Durrheim (2002) define a literature review as identification and analysis of literature related to the research project. The purpose of this chapter is to present the research, theory, concepts and ideology that exist with regard to how economic development is implemented and managed. The literature review that has been analyzed in this chapter covers a range of experiences and discussions based on the following:

- 1) Basic service mandate – Local authority/municipality mandate of delivery of basic services and the link of such services to economic development.
- 2) Participatory approach – exploring the participatory and coordination of service delivery roles by different actors towards economic development.
- 3) Resources for service delivery and economic development – Examining sources of resources needed for effective service delivery and economic development, adequacy or limitations and how such resources are channeled.

2.1. Economic development and growth

Although economic development is relatively a new concept in Namibia, the literature review that has been analyzed has provided a knowledgeable insight to the study. White (2002) with reference to literature review, states that knowledge of what's gone before will give you a 'state-of-art' background which will help to discuss the research proposal in its relevant context, together with any theoretical framework which may be involved. More so for the town of Otjiwarongo and the focus of this thesis in particular. The White Paper on economic Development in Namibia (2009) is geared towards enhancing greater global competitiveness in the country. It asserts that local governments have been established to de-concentrate and decentralize service delivery. It also asserts that it is at local level where opportunities are identified or harnessed while also recognizing the uniqueness of each town or locality. Economic development is one of the determinants of a locality. Meyer-Stammer and Hindson (2005) describe economic development as

the conditions that enable the continuous growth of the economy over time. This is also emphasized by Fox and Meyer (1996) who state that development is a process of improving the quality of human lives. The key terms of economic development of 1) participatory nature 2) collective resource utilization 3) enhancement of economic growth and employment creation and 4) improvement of quality of life (similar as in above) are coherent with the World Bank's definition that states that economic development is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment creation with the aim of improving the quality of life for all. (Meyer-Stemmer and Hindson, 2005).

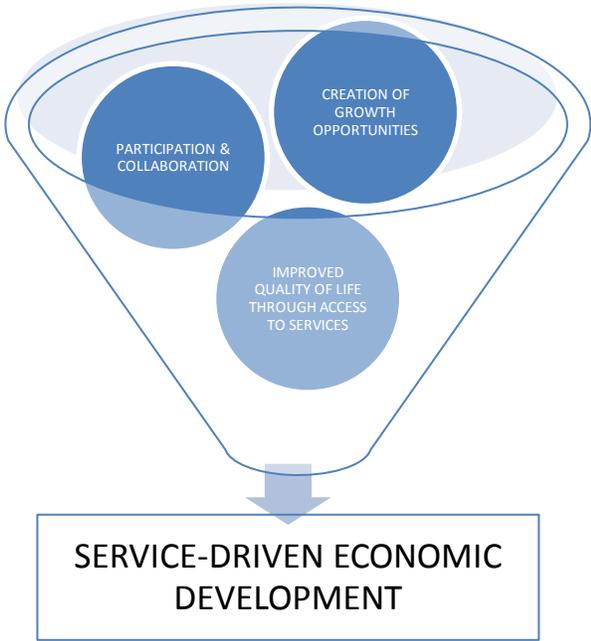


Figure 3: Definition of Service-driven Economic development

The study sought to understand how a local authority like the Municipality of Otjiwarongo implements economic development through land delivery amidst challenges such as limited resources to enable it to effectively carryout its mandate of service delivery to attract investments for job creation and promotion of coherence in participatory development by stakeholders involved.

At town level, the only literature review on economic development that could be found that supports measures of growth was the Economic Development Strategy (2007) and the Strategic Plan (2009-2013). The UNESCAP Issue Paper on Local Economic Development in a Globalizing World emphasizes the importance of strategies on LED stating that they should be designed to meet the specific needs of a locality. In its 2009-2013 Strategic Plan the Municipality of Otjiwarongo has as one of its core strategic themes; socio-economic development through poverty reduction, promoting small and medium enterprises (SMEs) and improving social well-being. In the study it was discovered that despite the existence of the Strategic Plan of the Municipality of Otjiwarongo, many staff members were not aware of any other forms of literature available to inform them or guide them to render effective service delivery.

At national level, notable literature especially in terms of working papers and publications on economic development is now available unlike prior to independence in 1990. Literature review triggers imagination and helps to set a study in a new and different light, much as you rely on already existing literature to inform your research. In Namibia, economic development started to pick momentum after independence when

Government started to focus on that aspect through the White Paper on Local and Economic Development and the Targeted Intervention for Employment and Economic Growth (TIPEEG) programme. The latter is aimed at funding local authorities for infrastructure and other utility service development. Prior to this, economic development was more an activity supported by donor agencies outside the continent.

2.2 Mandate to provide basic services

The local authority such as the Municipality of Otjiwarongo in the case of this thesis, has the authoritarian role in terms of overall well-being of the town by virtue of its status as the custodian of the local governance although this does not make it the sole responsible stakeholder. Leadership is a crucial element in local authority governance. Bovaird and Löffler (2009) state that the leader's role is to create and then manage, the tensions between the short and the long term, current performance and future ambition, restructuring and revitalization. At the Municipality of Otjiwarongo, 7 elected local authority councilors lead the political leadership while the Chief Executive Officer serves as the accounting officer and manages the day-to-day administrative affairs. Van Rensburg (2007) further defines leadership as the ability to create a compelling vision and set the path to achieving it. Fox and Meyer (1996) describe service delivery as the provision of public activities, benefits or satisfactions. This is also in line with Mohr and Fourie (2004) who state that services and goods satisfy wants and are therefore good and serve a purpose. According to the Local Authority Act 23 of 1992, all local authorities in Namibia are obliged to provide basic services and to facilitate growth and development

opportunities for the betterment of the livelihoods of its residents. This is enhanced by the Namibian Government's White Paper on Economic Development. Pratchett and Wilson (1996) state that the Government's model for local governments in the 1990s and the 21st century is that of an enabling authority. Here the task of local authorities lies in identifying requirements, setting priorities, determining standards of service and finding the best way to meet these standards and ensuring that they are met. Service delivery therefore becomes an important aspect of the mandate of local authorities.

2.3 Participatory approach

According to the White Paper on Economic Development in Namibia (2009), initiatives in terms of development in a locality rests on the active involvement of local people and the responsiveness of public and private actors. The White Paper (2009) does not prescribe any specific action or roles that must be done by local people but creates a common understanding of local economic development as a concept while also providing examples of initiatives which are drawn from local and international local economic development practices. This thinking is also supported by Pratchett and Wilson (1996) who define local governance as a term which seeks to capture the shift away from a system in which local authorities alone are key actors in their localities to one where decision-making authority and service provision is shared among a range of agencies. Ismael, Bayat and Meyer (1999) state that citizens are in the front line of receiving local policy outputs and thus should play a crucial role in policy-making

process. The reality though is the differences in expectations among the customers of the municipality. It was cited by Van Donk, Swilling, Pieterse and Parnell (2009) in a case study on the City of Johannesburg that concerns of worse-off household are around tariffs while well-off households are concerned about the quality of services.

2.4 Land delivery and economic development challenges

The economies of most local authorities in Namibia apart from the cities, is relatively small and under-developed or still in the process of being developed. This is evident considering the fact that development is on-going and changes as the environment around it also changes. In the case of Otjiwarongo the economy is relatively steady, with a mixture of business such as manufacturing industries, retail business, Small and Medium Enterprises and various quality of life facilities in areas of health, financial institutions and telecommunications. The rapid growth of the population however usually puts a strain on the services that have to be delivered by the municipality especially in low income areas which experiences a high rate of rural to urban migration. One of the major challenges in terms of service delivery is the provision of serviced land. This is due to the fact that it is too costly to service or develop land, while the factor of cost recovery results in either land being expensive or in consumers failing to pay for the service in order for the local authority to recover its cost. This is supported by Bösl et al (2007) who state that small and underdeveloped economies have virtually insurmountable problems to cross the threshold to economic development. A publication of the National Planning Commission (NPC) on an analysis of the economic challenges

of Namibia and how the donor community should assist, states redressing the tremendous inequality and improving the status of the large majority of the population in a legal and orderly manner in the medium and long-term, requires substantial resources. (NPC 2007).

2.5 Inherent challenges for Local authorities

The establishment of local authorities and subsequent classification into towns of different levels (Part One municipalities, Part Two municipalities, Towns and Villages) has brought along its own challenges. In Namibia the bigger municipalities (Part One and Two) do not receive a committed budget from central Government, meaning such municipalities are expected to carryout infrastructure development from income generated from municipal services which also cannot be over-charged. This is a burden on local authorities in Namibia because it implies that infrastructure development such as roads, water and sewerage reticulation that require huge funding to be implement started to slack or stagnant. This is worsened by the fact that in Namibia even basic services such as water and electricity are not free or subsidized completely. On the issue of staffing, the new structures of the municipality that are guided by the ration of not having more than 30 percent of spending on personnel salaries also has a negative effect on delivery of services. This is due to the fact that while towns continue to grow tremendously after independence due to the lifting of regulations that previously restricted movement from the homelands (Bantustans), the capacity for service delivery is restricted. The experienced staff also often leave and their expertise is not transferred

to those that come after them. This was also stated by Jackson and Hlahla (1999) who indicated that experienced members of staff have taken early retirement and staff and systems from other administrations have not combined successfully while issues of trust between old staff/councilors and new ones also affects implementation. Coupled to this is the interference of Councillors in administrative matters. Jackson and Hlahla (1999) further indicate that many new Councillors do not understand their roles and interfere in the professional duties of officials which leads to reduced productivity from officials.

In review of this chapter it can be stated that while providing the appropriate contextual, theoretical and background information, the literature review analyzed here confirms basic ideas and knowledge about the topic as well as identify gaps. Also of crucial importance to the study is that this literature review will identify contemporary and current thinking about the topic and provide specific details that can be used as evidence to support the entire or a particular idea of this study. Fink (2009) emphasized this when he stated that in conducting a research review, you systematically examine all sources and describe and justify what you have done thereby enabling someone else to reproduce your methods and to determine objectively whether to accept the results of the review.

The literature has reviewed that local authorities in Namibia have over the past 22 years of independence improved service delivery but there is still a lot that needs to be done such as to cross-subsidize certain services that are essential such as water. There is also a need to strengthen partnerships in local economic development. The literature review has indicated the importance of LED in empowering residents to be able to take active

participation in the development of their localities while also being able to pay their bills effectively. Municipal delivery service and subsequent economic development is challenged by inadequacies in resources such as staff, funding and machinery as well as lack of clarities in roles of politicians and stakeholders towards effective municipal governance.

The shift of tasks from central to local Government through the decentralization process without the necessary resources has put a strain on local authorities. This has pushed municipalities to a brink of failure to deliver services due to limited resources that cannot meet their strategic plans. Local authorities however being public institutions have to strive to manage their finances effectively as they have to be audited annually. This has become a priority for local authorities in line with improving service delivery.

Economic development is a process that continues to evolve as a locality passes through different stages of development and growth that might not necessarily be constant. From the study it also came out that the municipal town of Otjiwarongo has experienced economic development through various stages. These stages have been steady though at times unstable due to certain forces internal and external. Using Rostow's 5 stages of economic development model as reference, the outcome of the interviews indicate that the municipal town has passed through similar stages.

The Model of economic growth by US economist Walt Rostow (1960) suggests that all countries pass through a series of stages of development as their economies grow.

Rostow described the first stage of development as traditional society. This is defined as subsistence economy based mainly on subsistence activities with very limited technology or capital to process raw materials or develop services and industries. Otjiwarongo started as an agriculture area about more than 100 years ago. The condition for the second stage to take off is when the levels of technology within a country develop and the development of a transport system encourages trade. The town of Otjiwarongo served as a connecting point to other towns by railway line in the early years of its establishment. This led to the next stage of rapid growth of manufacturing industries, airports, roads, and railways are built, and growth poles emerge as investment increases. Stage four is termed the drive to maturity during which growth should be self-sustaining, having spread to all parts of the town, and leading to an increase in the number and types of industry. During this stage more complex transport systems and manufacturing expand as transport develops, rapid urbanization occurs, and traditional industries may decline. Rostow's final stage is the age of mass consumption, rapid expansion of tertiary industries occurs with sustained or decline in manufacturing. See figure 4 below:

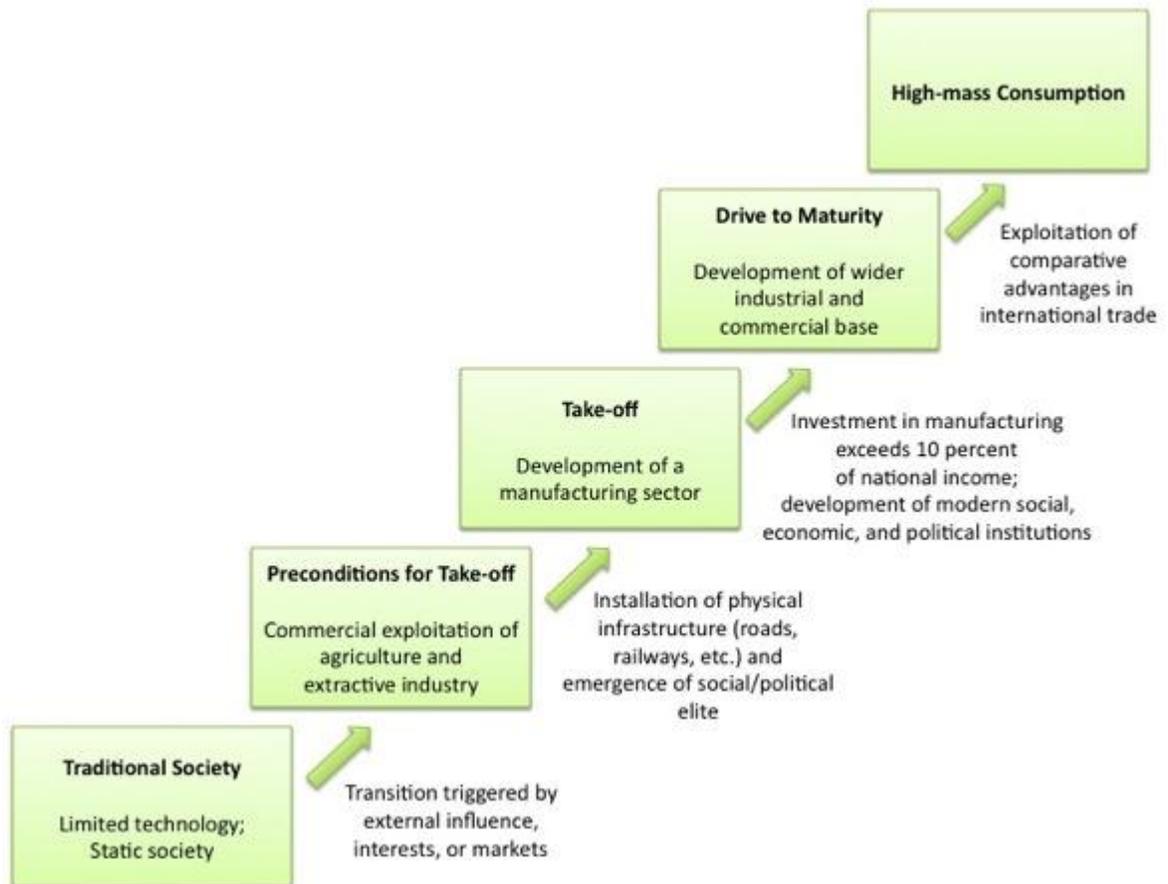


Figure 4: (Rostow's 5 stage economic development model)

The formulation of this thesis was guided by a research process supported by literature review with the hope that other people in future might revisit the work done. Given the fact that service delivery and economic development in local authorities are dynamic, the literature review used in this study serves as a critical factor of this research proposal.

CHAPTER 3

METHODOLOGY AND DESIGN

3.1. Research methodology and design

This chapter aims to provide an overview of the methodological approaches and research design applied in the study on analysis of the role of land delivery in fostering economic development in local authorities with specific focus on the municipality of Otjiwarongo. This study has adopted a case study approach. Case Study is defined as a method of enquiry designed to bring out the details of information from the viewpoint of the participant through the use of multiple sources of data to increase reliability (Tellis 1997:44). The Case Study was chosen to gather intimate knowledge about the conditions, thoughts, feelings, action and intentions of actors in a particular context. Research methodology and design provides the approaches and methods of research for the essence of the study to establish how land as a service delivered by the municipality of Otjiwarongo influences economic development at the town. Land delivery as a service is one of the critical but challenging task facing all local authorities in Namibia due to the high cost involved in servicing land and the ever increasing demand for it due to the fact that many towns are faced with rapid expansion. The methodology followed sought to equate the contribution and influence of land service delivery to economic development. The Research methodology of this study guides the accomplishment of the

end result by putting together the research design and research techniques according to the collected data. This is supported by Creswell (2003) who states that research methodology provides references, procedural rules for the evaluation of research claims and the validation of the knowledge gathered, while the research design functions as the research blue print. Cooper and schindler (1998) maintain that the determination of the research methodology is one of the crucial challenges which confront the researcher. This was evident in case of this thesis especially considering that service delivery and economic development are very contextual and specific to a locality. Coupled to this was the lack of prior research on a similar study on any of the Namibian local authorities. Thus it was also challenging in terms of choosing a methodology that would yield the desired results. In trying to explore the statement problem and answering the research question, the thesis investigated the underlying effects of land service delivery on economic development. It also investigated the process and limitations of land delivery and how that affects economic development in a local authority area. In trying to understand positive and negative factors to the development process at local authority level in terms of service delivery, the study also investigated remedies and turn-around strategies to pave way for smoother implementation of economic development through service delivery at local level.

3.2. Population and Sample

The research question as stated in Chapter One has influenced the determination of population and sample used in this study.

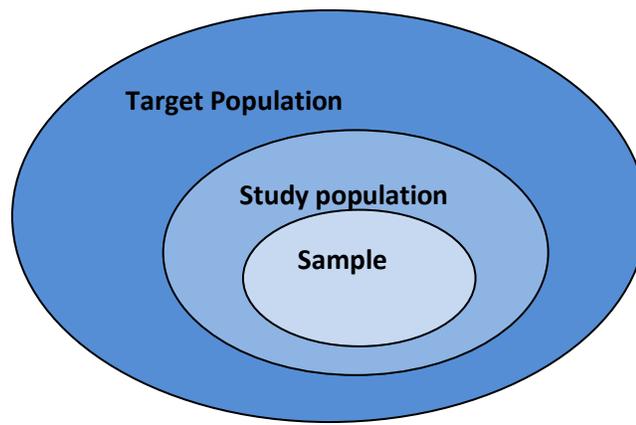


Figure 5: Study population and sample

The sample of the study was thirty-six (36) and was drawn from a population of 85.

Purposive Sampling

Purposive sampling is a process of selection of research subjects based on the researcher's judgment taking into consideration that the identified individuals should have common characteristics that make them suitable subjects of the study. According to Tellies (1997) purposive sampling is one of the major forms of non-probability sampling. In this study purposive or judgment sampling was used to select Thirty-six (36) respondents who all have knowledge of service delivery and economic development at the Municipality of Otjiwarongo. The 36 key participants were representatives of

municipal political Councillors (2) and 7 external key stakeholders that included the Ministry of Regional and Local Government and the general public/residents of the town. Councillors (Political leadership) consisted of the Chairpersons of Council (Mayor) and Management Committee (Management Committee Chairperson).

Otjiwarongo municipal staff (27), consisted of Strategic Executives (Senior Managers) of Finance; Infrastructure; Human Resources & Administration; Managers of Economic Development, Infrastructure, Human Resources & Administration, IT as well as Finance; Foremen, Supervisors and General workers of the two departments dealing with land delivery, namely Technical & Infrastructure and Community Services & Economic Development. The sample also included stakeholders such as the Directors of Planning and Housing (MRLGHRD), Chairperson of the Otjozondjupa NCCI branch, Presidents and Chief Executive Officers of ALAN and NALAO as well as customers who buy land or lease municipal land. A municipal customer is a beneficiary of a municipal service in a local authority area.

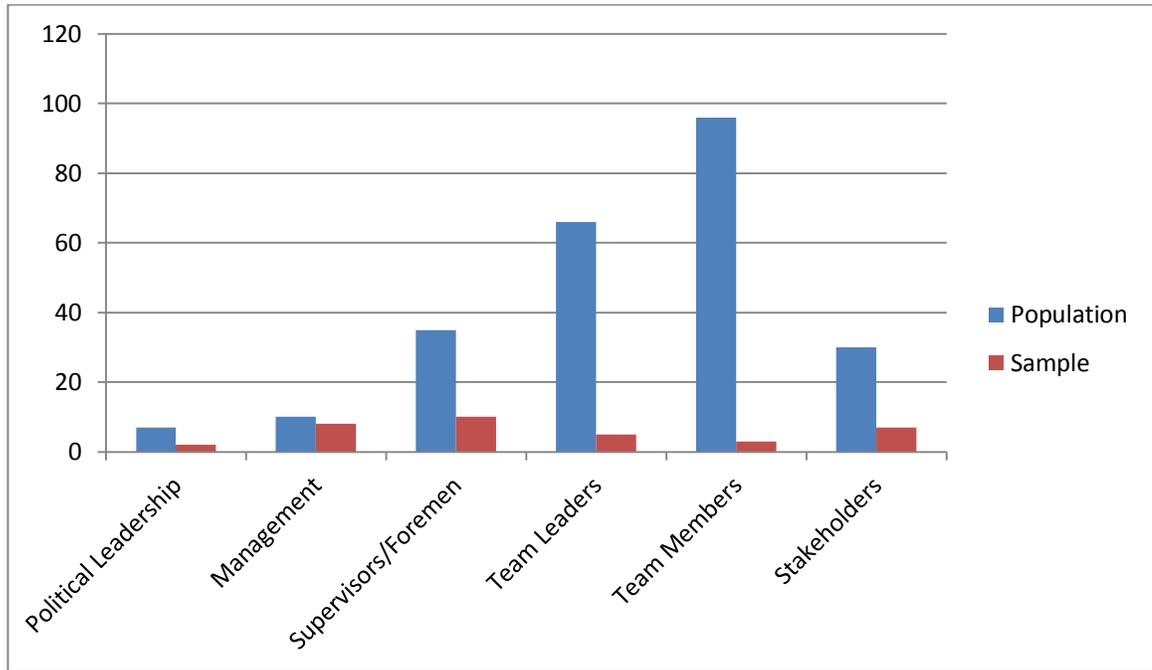


Figure 6: Population Vs. Sample

The objective to engage the employees of the municipality and the councillors was due to the fact that as key role players involved with the actual delivery and development of land, they would give this study the goals and purpose of the actual initiatives involved in the delivery of land and the circumstances under which it is developed. Also their involvement in the study was aimed at identifying issues and areas that required potential improvement. The stakeholders were involved because they have a potential role to play and therefore it was necessary to identify the specific role that they play.

Descriptive research Approach

The study looked at what the municipality was doing currently in terms of service delivery, specifically land delivery; what could be improved, challenges experienced and how these challenges can be addressed. In this regard it followed a descriptive research approach. Punch (2000) describes the purpose of descriptive research as the collection and summarization of information about the research problem and issues identified therein looking at the; who, what, when, where, why and how - factors of the study. Therefore the questions asked during the interview were descriptive in nature.

The methodology applied in this study was aided by the following:

3.2.1 Theoretical review

Literature search of available text was undertaken to get more information and identify varying developmental issues facing local authorities in general that has been produced already.

3.2.2 Empirical survey

The case study was on the Municipality of Otjiwarongo and therefore the survey was conducted on municipal staff and customers. The political leadership of the municipality included in the sample was the Mayor of the town who also serves as the Chairperson of Council as well as the Chairperson of the Management Committee. The aim was to establish how staff and Councillors understood how land as a service is developed, delivered and how it can contribute to economic development. The objective was also to

find out how the municipality funds resources for development of land, alienation, cost recovery and sustainability. In so doing the study also intended to identify challenges in land delivery and to come up with recommendations. The survey took form of guided interviews using a questionnaire that consisted of three sections. The first section of the interview which was tailor-made for municipality officials also included an exclusive a sub-section senior officials namely the Chief Executive Officers and Senior Managers (Heads of Departments). The second section of the guided questionnaire was for the key stakeholders while the third section was for the customers. The interview questions were formulated in such a way that information on occupational level, skills or qualification (independent variable) as well as institutional capacity, financial viability, public participation and decision making (dependent variable) could be obtained.

3.2.3 Normative model construction

A normative model was adopted in formulating the interview questions to ensure effective evaluation of alternative responses as well as ensure that respondents gave own opinions on what is happening and also suggested solutions on what ought to be done or how things ought to be done.

3.2.4 Data interpretation and analysis

The data interpretation and analysis consisted of:

- Determining outcomes of the literature review and the empirical survey according to the established criteria and transforming such data into codified form
- Interpreting the data obtained using diagrams, graphs and pie charts.

3.3 Sampling & Research introduction

The study focused on a qualitative approach. Therefore the sample size is not an important factor but rather establishment of observable patterns in the data is. Patton (1987) states that sample should be large enough to be credible, given the purpose of evaluation but small enough to permit adequate depth and detail for each case or unit in the sample. Miles and Huberman (1994) also re-affirm this by stating that the basis of selection of study settings and participants is centered on features and characteristics that will enable the researcher to gather in-depth information on the areas of research interest. Therefore the sampling in this study was purposeful and as such participants used were chosen with a purpose. In addition the sample size was primarily determined by what was available according to the realistic purpose of the research. Sample sizes need to be kept reasonably small in order to do justice to the rich evidence provided by qualitative studies and to make best use of the resources available for intensive research (Ritchie and Lewis, 2003).

3.4. Research instruments

The sample constituted of the following

Table: 2 - Interviewees

Department/Organization	Position/category	Number of participants
Otjiwarongo Municipality	Councillors	2
	CEO	1
	Strategic Executive (Head of Department)	3
	Manager	5
	Supervisor/Foreman	10
	Team Leader	5
	Team Member	3
NALAO	President	1
ALAN	CEO	1
MRLGHRD	Director	1
NCCI	Regional Chairperson	1
Residents/Customers		3

Source: Primary data

The interviews were conducted one-on-one on various days and mostly occurred in the work setting especially for the municipal staff. One telephonic interview was done with the participant of the MRLGHRD due to distance limitation as he works in another town.

3.5. Procedure/Data Collection

Data collecting is the use of methods of investigation to collect information in a systematic and professional fashion (Robson 1993:304). Data collection can take various

forms, including through interviews and questionnaires. This qualitative study relied on the data sources of face-to-face interviews, observations, questionnaires (guided) and documents.

The data handling followed the following steps:

3.5.1 Interviews

The interviews (face-to-face) were conducted in English and participants were interviewed in their working environment where it was necessary. Some interviews however took place outside work environment such as a restaurant to create a relaxing atmosphere. An unstructured approach was deemed as not feasible as this would easily de-rail the interview off track. The interviews were mostly directed at establishing what functions or work the participants perform in the municipality and how they understand their role as contributing to economic development. For the senior managers and CEO the interview also included strategic activities that contribute to development and how they are mainstreamed to the overall goals of the organization. Emphasis was placed on similarities and differences as the similar questions were posed to participants from the three different departments.

The researcher though known to some respondents had to introduce herself that the information being acquired was for study purposes. The interviews were recorded on permission from the respondent. Recording allows the researcher to check for accuracies in the wording of the statements from the transcribed notes especially when quoting respondents. However for those who felt intimidated by recording, notes were taken.

3.5.2 Documents

The importance of using documents is that of collaboration of evidence with what is in question (Tellis 1997:51). The documents on service delivery and economic development that could be acquired added value to the study. This also included policies, legislations and the Local Authority Act 22 of 1992

3.6. Data analysis

The analysis must treat evidence fairly and without bias in order to come up with trustworthy answers. Widely accepted analysis covers a set of basic rules and procedural steps stating how a case study should be carried out from start to finish but it is necessary to point out that analysis does not need to produce tight prescriptions as it is concerned with evidence and arguments (Robson 1993:375). The analysis of this study is based on that principle.

3.6.1 Transcribing

All the interviews were recorded with the prior permission of the interviewees. The researcher first had to explain the purpose of the interview and permission to be recorded. A letters of authorization from the academic institution as well as the municipality had to be shown to the interviewees were applicable. The transcribing was

done by the researcher herself. This action is supported by Miles and Huberman (1994) who cautions that the researcher needs to transcribe their own interview in order to familiarize oneself with the content. Although the transcribing process was extremely time-consuming it proved very valuable as the researcher was able to develop a high degree of familiarity with the interview content and was able to re-collect some of the issues and comments that interviewees made that had been omitted. The process of transcription provided a rich insight understanding of the phenomena under investigation even surpassing what the research had in mind before conducting the actual research.

For the stakeholders the way the questions were framed differed to suit the unique status of each targeted stakeholder. The Director of Planning and Infrastructure Development from the MRLGHRD was interviewed more on assistance that Government provides to local authorities and agenda that the line ministry is having on ensuring development according to the White Paper on Local Economic Development of 2009. The President of NALAO which is an association representing all municipal professionals in Namibia, was asked on challenges facing local authorities that have a direct effect on development and what the association's role was in addressing these issues. Likewise the Chairperson of the NCCI was interviewed on the role of the chamber as a stakeholder body representing business people in stimulating economic growth in the town. The researcher had to have prior knowledge of the topic and the fact that the researcher works for the municipality in the Department of Economic Development played a crucial role. As Miles and Huberman (1994) state that interviews can only be

constructive and fruitful should the interviewer have substantial prior knowledge of the topic of being investigated.

3.6.2 Coding

Coding follows after transcription and it facilitates later analysis of data and ensures both accuracy and relevancy of the analysis. The interview transcriptions firstly listed the research’s conceptual framework followed by the list of questions used. Codes were developed from each of these questions. SD referring to Service delivery effects, CSD to Challenges in service delivery and AP to opportunities to Addressing the problem. Two levels of coding were used; first to code remarks on reaction to ideas and issues raised and secondly descriptive codes allowing for categorization and summarization of the mentioned remarks. Apart from reducing the interview transcripts to manageable data the coding process allowed the researcher the opportunity for a thorough and closer understanding of the interview data.

Table: 3 Coding - Level coding

<i>CODE</i>	<i>SD</i> <i>(services delivered to ensure economic development in the town)</i>	<i>CSD</i> <i>(Challenges for service delivery)</i>	<i>AP</i> <i>(Addressing the problem)</i>
<i><u>Level One</u></i> <i>Conceptual issues</i>	Effect of services delivered on ensuring economic development in the town	Challenges: What is hampering the efforts being done?	What should be done to address the problems experienced?
<i><u>Level Two</u></i> <i>Questions</i>	What do you understand about municipal service delivery and	What challenges do you face in	What is not be done right

	economic development?	your work with reference to effectively contributing to economic development?	that should be done right in order to achieve economic development?
Is your department doing anything to contribute to economic development? <i>(probed on responsibilities, initiatives and actions)</i>			
How does your contribution link up to overall organization's goal? <i>(Probe awareness and usage of strategic themes as per the strategic plan; alignment of contribution to organizational vision/mission/objectives; output linked to what?)</i>			
What has been achieved by your department/division or municipality in terms of economic development and do you think the Municipality is doing more to bring about economic development?			
Where is the bulk of your income coming from and are you able to meet your needs with your budget?			
Do you receive subsidy or funding from Government or elsewhere for developmental needs?			
Who are the role players and are they effectively fulfilling their role in terms of economic development in the town?			

Source: Primary data

3.7. Research Ethics

Churchill (1995) defines ethics as moral principles and values that govern the way an individual or group conducts activities. Research designs should always reflect careful attention to the ethical issues embodied in a research project and this research was conducted within such considerations. The objective was to protect the rights of research participants. The interview questions were drafted in way that they did not infringe on the ethical welfare and rights of respondents. The respondents were informed of their right to privacy and that the interview will be dealt with extreme confidentiality as no respondent will be identified against their will. The questionnaires and interviews were all preceded by a confidentiality assurance clause ascertaining the participants that the entire research will be treated with absolute confidentiality. The principle of beneficence that requires that the research is designed in a way that it will be of benefit not only to the researcher but to other people as well was taken into consideration. In this context the research outcome will not only benefit the Municipality of Otjiwarongo but also other local authorities and other researchers. The objective of maintaining ethical principles was aimed at yielding a good research that can convince others of the value of the research study and also protect both the researcher and participants.

CHAPTER 4

ANALYSIS AND FINDINGS

This chapter provides the results from the research methods used namely interviews with municipal officials and stakeholders involved in economic development including residents. In so doing this chapter critically examines the findings in the light of the subject as outlined in the background, and makes judgments as to what has been learnt through the study as per the description of economic development as influenced by service delivery in this paper. According to this descriptive definition it involves of; 1) participatory nature 2) collective resource utilization 3) enhancement of economic growth and employment creation and 4) improvement of quality of life for all. (See 2. 1 for supporting literature).

The documents analyzed are relevant to this study as they provide the framework within which local economic development activities are undertaken. They also try to shed light on who bears responsibility for administering and managing the tasks of service delivery and how these contribute to economic development. The interviews identified experiences and perspectives about the processes of economic development in terms of efforts rendered by the Municipality, input/or lack of at stakeholder participation as well as resources thereof.

Table 4 - Coding remarks and responses

Question	Response	Coding
<ul style="list-style-type: none"> • What do you understand about economic development and factors influencing economic development? • Is your department/sector doing anything to contribute to economic development? <i>(probed on responsibilities, initiatives and actions)</i> • How does your contribution link up to overall organization's goal? <i>(Probed awareness and usage of strategic themes as per the strategic plan; alignment of contribution to organizational vision/mission/objectives; output linked to what?)</i> • What has been achieved by your department/division or municipality in terms of economic development and do you think the Municipality is doing more to bring about 	<p>All the Councillors, Top management, Managers, Supervisors understood that their work contributed in one way or another to development. One Manager (Chief of Emergency Services & Safety) stated that he only realized during the interview that his division plays a critical role to economic development. “..I just realize now that my functions are a critical and essential service and how much this contributes to economic development.” (Chief of Emergency Services-Municipality of Otjiwarongo)</p> <p>Most staff on the lower level Team Leaders and Team Members were just concerned about performing their day-to-day work and did not know that their input (service delivery) had much to do with economic development although they could mention a few notable developments done with their labour such as roads, refuse removal etc. The understanding however by the municipal staff and councilors was similar – as a fulfillment of the mandate of the municipality to provide basic services, ensure better living standards and infrastructure development for quality of life indicators.</p> <p>The Ministry regarded development at local level as a major contributing factor to national objectives and plans such as the National Development Plan and the nation's Vision 2030.</p>	SD

<p>economic development?</p> <ul style="list-style-type: none"> • Where is the bulk of your income coming from and are you able to meet your needs with your budget? • Do you receive subsidy or funding from Government or elsewhere for developmental needs? • Who are the role players and are they effectively fulfilling their role in terms of economic development in the town? 		
<p>What challenges do you face in your work with reference to effectively contributing to economic development?</p>	<p>The respondents from the municipality all cited a limitation of resources to enable them to carry out the work efficiently as the greatest challenge. Most cited old or lack of adequate equipment such as refuse removal trucks and a shortage of staff as examples.</p> <p>A respondent from the Human Resource Department stated that the restriction for local authorities from level or part II downwards that requires them to maintain the ratio of 30:70 in terms of staffing and operational budget creates a hindrance because as towns grows more people need to be employed. However in the case of Otjiwarongo and many others this cannot happen as most have reached the set percentage. The budgets of local authorities whether autonomous like Otjiwarongo is approved by the Government through the MRLGHRD.</p>	<p>CSD</p>
<p>What is not be done right that should be done right in order to achieve economic development?</p>	<p>Again here all the respondents felt funds should be readily available from central Government for activities such as land development, housing, roads, water</p>	<p>CSD</p>

	reticulation etc.	
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Source: Primary data

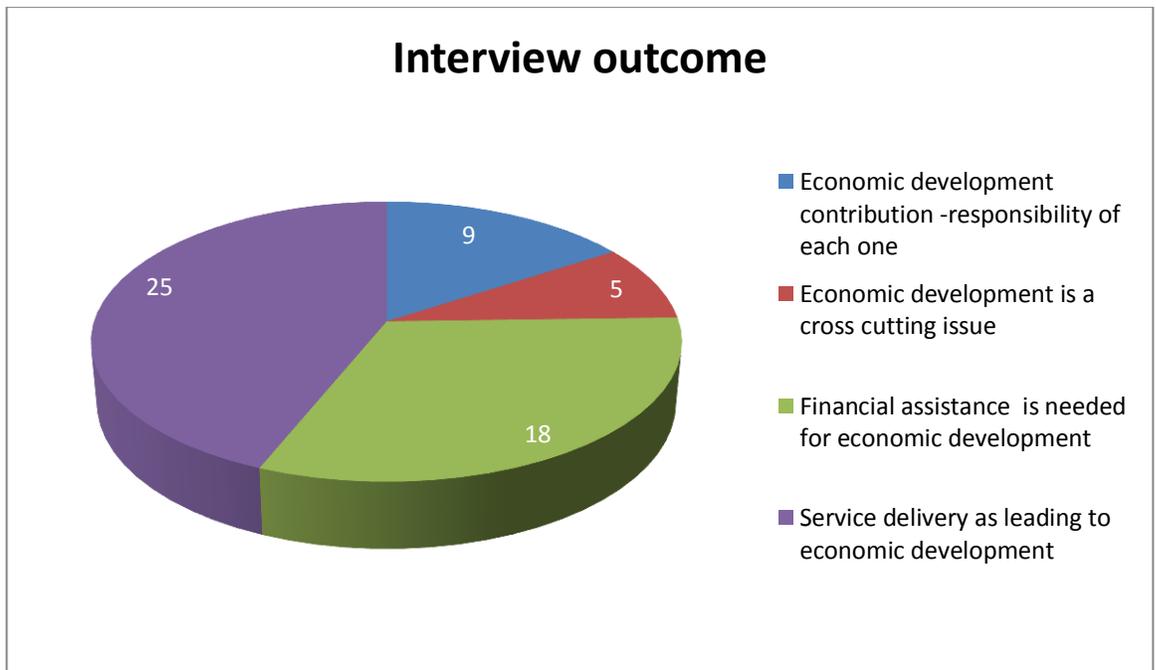


Figure 7: (Interview outcome)

Source: Primary data

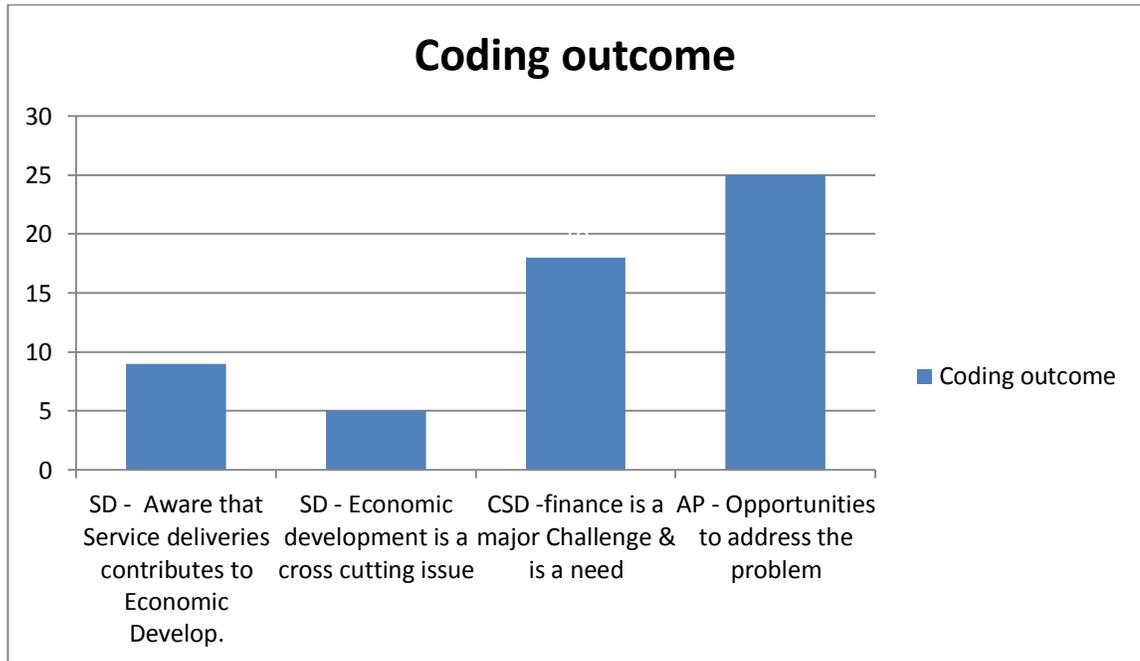


Figure 8: Coding outcome

Source: Primary data

These interviews also identified a range of views on past, present and future economic development options and results attained/or expected. The results from the interviews are presented according to the four topics listed and illustrated in figure 9:

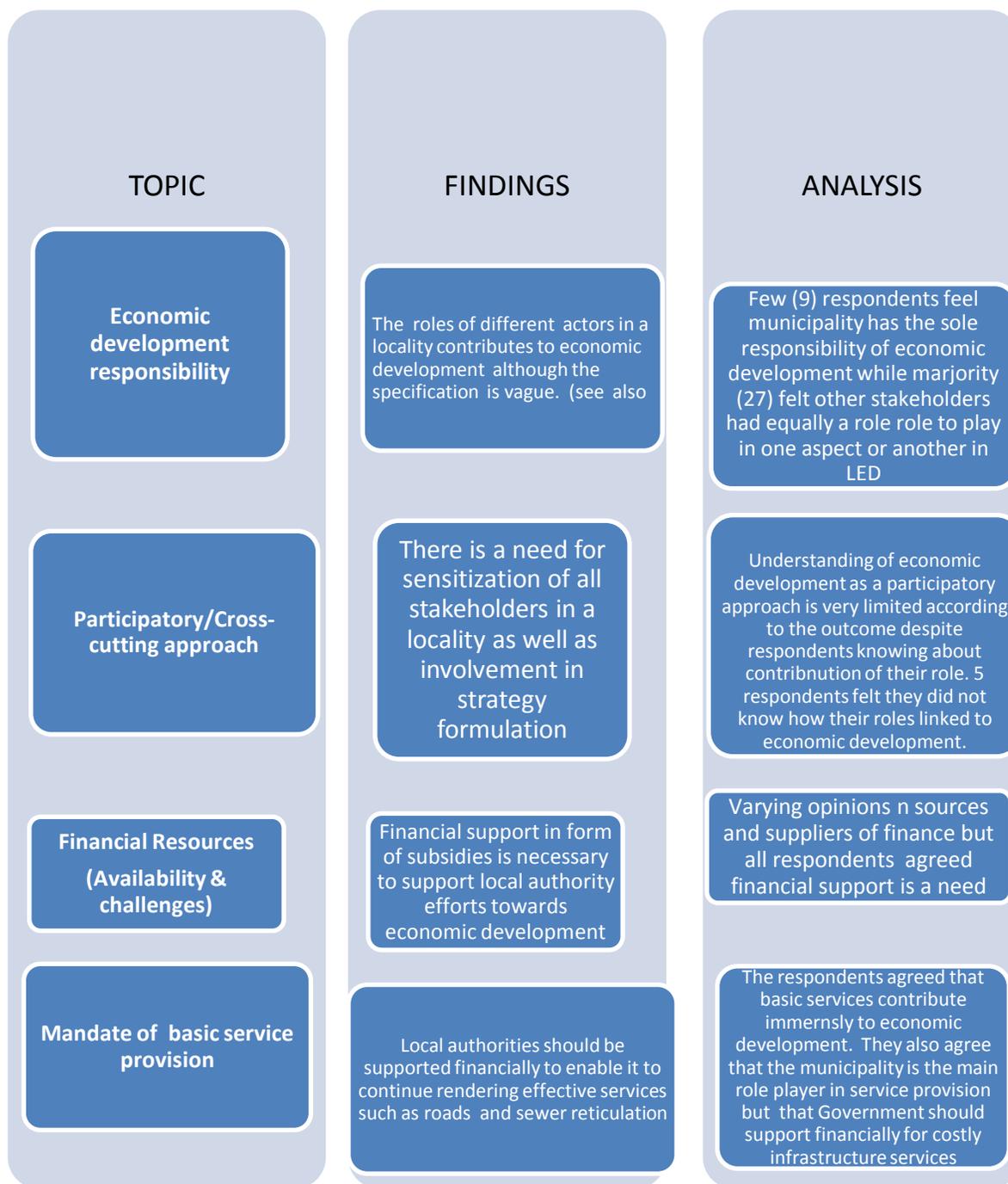


Figure 9: Summary of findings

4.1. Economic development

Economic development is a topic of major focus in the town of Otjiwarongo. It was agreed by the interviewees that economic development is associated with growth of the town and its strategic location. For example some respondents felt farm workers that are dismissed from neighboring farms were being dumped in Otjiwarongo, while the people migrating from rural areas and neighboring areas to Otjiwarongo in search of work contribute to the rapid increase in the population. These factors culminate to the town's 3.5 % annual population growth that in turns exerts an ever increasing need for economic development services. The views of the respondents on economic development were based on their own perception of the definition but for some it was as perceived economic development.

Table 5: Sample of quotes on respondents' comments on economic development

“The strategic location of Otjiwarongo as a central and connecting area to other parts of the country makes it a potential locality for economic development and growth. Creating a conducive environment to attract investments helps to create job opportunities. It has a rolling effect. If you create something the other one is coming up” (MRLGHRD)
“Only when we develop our town can we be on the right track towards economic development and the municipality must drive the process. We want jobs” (Resident)
“For me economic development is if I see jobs being created and proper roads as well as housing or markets. Otjiwarongo is on the right track but more can still be done”

4.2 Participatory/Cross-cutting approach

According to the descriptive definition of economic development in section 2.1 it is evident that it is not a one-man show. In the study the respondents gave varying opinions on the participatory approach with employees of the municipality indicating limited participation of stakeholders such as businesses, ministry and residents as a setback to economic development. They argued that stakeholders should assist the municipality by financing some activities or mere supporting the initiatives instead of sabotaging or working against such plans. They asserted that it is only through effective participation that achievement can be possible.

Table 6: Participatory approach comments

“Stakeholders including both businesses, residents and NGOs must come out of their comfort zones and join hands to contribute to economic development” (Stakeholder)
“Stakeholders playing an effective role in Otjiwarongo? To my opinion no, am not convinced because they sit on the sidelines criticizing instead of jumping on the bus to join the efforts of the municipality” (Employee)
“These businesses make a lot of money from us customers but how many of them plough back to our communities? Municipality cannot make it alone, we need to be part and parcel and give them ideas” (Resident)

4.3 Capacity (availability & challenges)

From the study it came out strong that financial assistance is an important component of economic development. The municipality respondents and other stakeholders such as NALAO stressed how without resources, development becomes impossible in terms of activities and services to be implemented.

Table 7: Capacity & resources (Finances, machinery, staff)

<p>“Currently we don’t get any outside funding for economic development and municipality budget alone will never be adequate” (municipal informant)</p>
<p>“Subsidy of Government to local authorities especially for basic services such as roads, water, sewerage reticulation and many more is essential because this ties in with national developmental goals” (municipal informant)</p>
<p>“Take servicing of land. Land is one of the important services that a municipality renders but for the past two or three years we have failed to deliver land to our people. Well it could be that the process of registering new extensions with Government takes long but we also as a municipality seem not to have finances to develop land. The best would be engage outside developers to enter into service contracts or public-private partnerships for them to develop the land on our behalf.” (Municipal informant)</p>
<p>“How are staff members recruited? Is it based on political affiliation to the majority party in Council or ruling party? Because if less attention is paid to whether the people hired have the necessary skills or not, the service rendered can be compromised.”</p>

(Resident)
“I don’t see this country effectively achieving vision 2030 without Government providing across the board subsidies to all local authorities including those at city level”
(NALAO president)

4.4 Mandate of basic-service provision

All the respondents indicated knowledge of the fact that the municipality had the mandate for provision of basic services such as water, roads, sewerage reticulation and provision of serviced land. However respondents in categories of residents and some lower level employees interviewed were not clear on the how these services are financed while in contrast the senior municipal officials, MRLGHRD, NALAO and Councillors indicated that resources are required for services to be effected and not only from the budget of the municipality.

Table 8: Mandate of basic-service provision

“We expect the municipality to provide us with land for us to build our houses in order for our lives to be improved” (resident)
“ Basic services add to proper infrastructure developments which in turn adds immensely to economic development to be realized” (Stakeholders)
“Yes it’s the municipality’s mandate to provide basic services, but consumers must also

pay for the services rendered to them so that better services can be implemented. It is a cycle of cost recovery actually” (Municipality)

Generally the study has indicated that Municipality of Otjiwarongo is trying its level best to render effective services that could also lead to economic development but is faced with challenges of capacity in terms of human and financial resources. Indeed the municipality has a critical role to play but more that of being a facilitator in partnership with other stakeholders. The expected support of the other stakeholders is in form of financial support, payment of municipal bills, participating in planning and creation of a conducive environment. Some municipality staff interviewed seemed to understand that their work is very instrumental in improving livelihoods and ensuring development. They also have an understanding that other stakeholders also have an equal role to contribute in this regard.

The other stakeholders such as the residents that are not from the municipality environment however had a slightly different opinion, suggesting that it is the municipality or Government’s responsibility to provide land and other services as well as job opportunities and to bring about development.

4.5. Municipality perspective in terms of difference tasks rendered

Another notable outcome of the interview was that some respondents from different departments were expressing individual or departmental views instead of unison approach. In the responses, expressions such as “I just do my job as per my job description” were given by some respondents on lower level. This could raise a question as to what extent the formulation of the structure of the municipality contributes to add value to achieving economic development or suppress it. It was also interesting to note that apart from the senior staff members and middle level, the lower level employees were unaware that although the structure is departmental, the functions are cross-cutting. Those who participated in the interview however later commented that they had now acquired insight on how important their contribution is to the organization. This is because whether they are employed to sweep the road, they are indeed contributing to the cleanliness and a conducive environment necessary to lure investors to the town. Some suggested that job inductions should involve awareness on cross-cutting and mainstreaming of activities.

Growth and sustainability

On the issues of sustainability, it was evident from the responses acquired that financial support was a must not only for the survival and growth of developments in town but for the realization of goals put forward at national (Vision 2030) and global level (Millennium Challenge Goals). The situation in Namibia is that only smaller towns

(Town Council and Villages) are partially assisted by Government. During the interview it came out strongly from respondents that Government needs to play an active role to financially support municipalities in coming up with economic activities such as markets or small and medium enterprise parks.

The informants all agreed to one issue which is that the town of Otjiwarongo and the municipality had great potential and competitive advantage such as:

- The central strategic location and status as the capital of the Otjozondjupa Region.
- Good infrastructure and quality of life indicators and being an economic hub for surrounding smaller towns in terms of services
- Tourism – Otjiwarongo is regarded as the only place in the world where an abundance of cheetah are still available

4.6. Conclusion of Chapter 4

Using Otjiwarongo as a case study proved very valuable though challenging because it was the first time that such a study was done in the town while no other town in Namibia has ever done such a study before. However it was an interesting study because of the opportunities and knowledge to improve service delivery, partnership and economic growth given that the town has potential due to its strategic location and it being a capital of the Otjozondjupa Region which makes it a town offering the best quality of

life indicators in the region,. This has made it an economic hub for other towns. Other untapped opportunities that were discovered as crucial partners to include were the private sector, residents and civil society who it was discovered from the study could become valuable partners in service delivery and economic development.

The findings in this chapter in relation to the research question indicate the close the relationship between land delivery and economic development. There is also an indication that the Municipality of Otjiwarongo much as it has opportunities for economic development, is challenged when it comes to efficient land delivery due to limited financial resources.

CHAPTER 5

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The findings of the study allow the research to conclude with assertion that local authorities have a critical role to play in economic development alongside other actors or stakeholders. This finding is in itself coupled with other findings such as that economic development is not only lip-service activity but requires workable plans and resources to be realized. The Namibian Government passed the White Paper on Local Economic Development in 2009, but has so far not come up with a legislation or Act for provision of financial assistance to municipalities. Recently Government came up with the Targeted Intervention Programme for Employment and Economic Growth (TIPEEG) which as yet is also not equally distributed to towns but as per priority of Government. According to the findings financial assistance for municipalities should be across the board because each town has unique problems.

A notable outcome of the study was that economic development within the Municipality area of Otjiwarongo is viewed as inclusive and as such follows growth diagnostic approach as depicted in Figure 10. An inclusive growth does not only generate economic

opportunities, but also ensures equal access to such growth by all members of a society. From the study it was evident that development through service delivery was intended to benefit all the stakeholders of the town; and to allow them to continue to have access to municipal basic services that come with land delivery. Growth is considered to be inclusive only when it allows all members of a society to participate in and benefit from the growth process on an equal basis regardless of their individual circumstances. This type of approach in development is anchored on three pillars: one is to create and expand economic opportunities through high and sustained growth; second is to broaden access to opportunities for all members of a society; and third is to ensure the minimum well-being of the population through the adequate provision of social safety nets, while governance and institutions are a cross-cutting issue (Figure 10).

A number of requirements need to be met in order to satisfy each of the three pillars of the inclusive growth strategy. Hence growth diagnostic studies attempt to diagnose the constraints that may be curtailing efforts in:

- (i) Generating high and sustained growth to create jobs and opportunities, and
- (ii) Making the growth inclusive.

The interview questions focused on growth diagnostic framework by diagnosing effects and constraints as to how they affect the various stages and how they limit the pace of poverty reduction and inclusiveness of the economic growth. The circle framework sums up the objective of service delivery through an institution such as the Municipality of

Otjiwarongo as that which aims to promote inclusive growth that ultimately leads to economic development and poverty reduction.

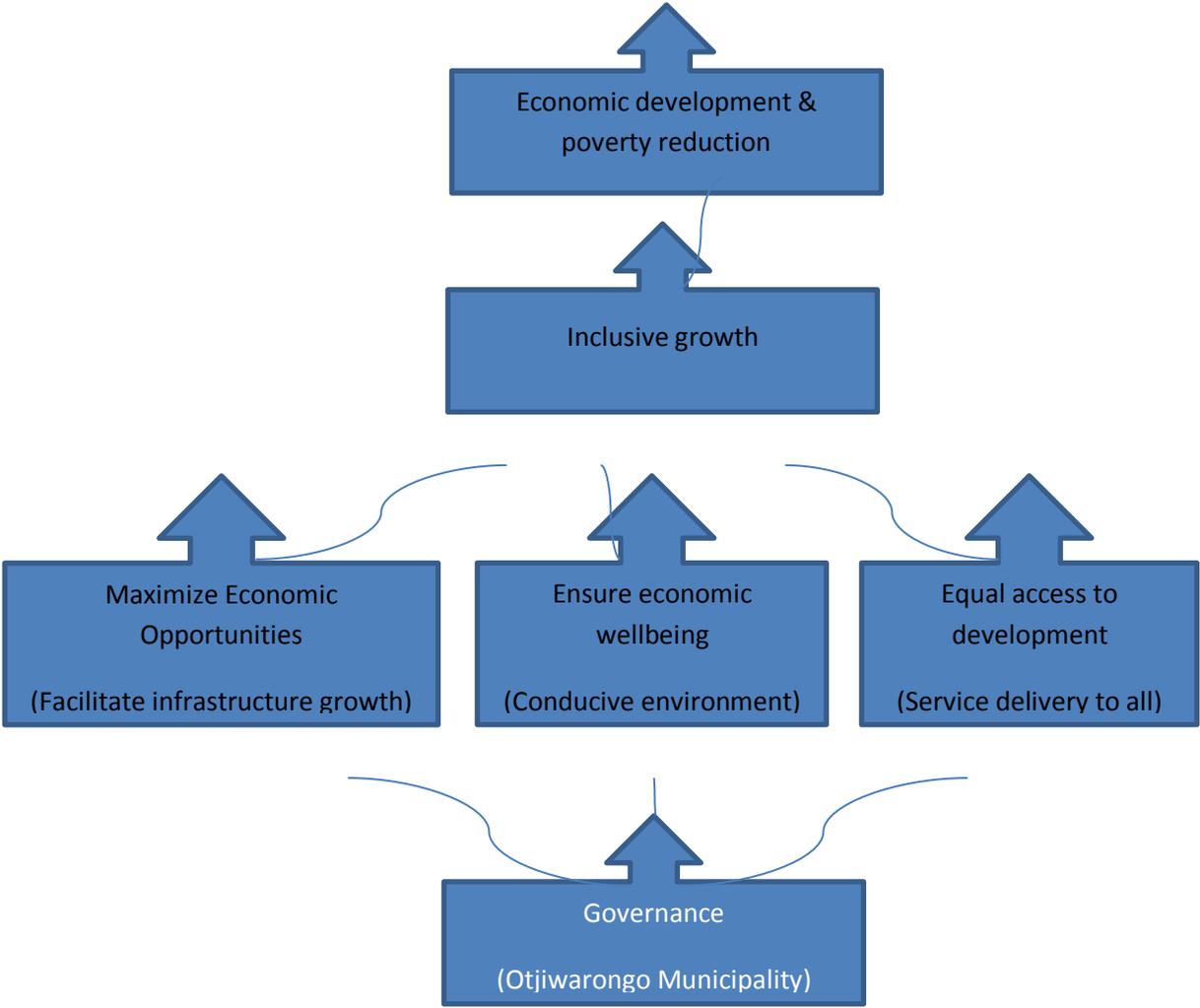


Figure 10: (Growth diagnostic framework model)

Forces within and beyond the municipal environment also have an effect on economic development as per the outcome of the study. For example during the economic crisis that hit the world around 2007/2008, Otjiwarongo also experienced a reduction in economic growth as businesses were forced to lay off workers and some even closed down. Inflation is another effect that in the case of Otjiwarongo is felt in areas of procurements for capital development as well as a reduced buying power that is necessary to support the businesses in town. Another external effect has been the recent pronouncement of Namibia as a middle economy which excludes it from receiving direct aid from developed countries in the world. The effect at Otjiwarongo has been the stoppage of funding from the Dutch Government that had been active in supporting social well-being programmes through the Dutch Association for Local Authorities and that was made possible through a twinning that the town has with the Dutch Municipality of Heusden.

It also came out strongly that activities should be mainstreamed to achieve the broader objective of the town and every role player should be sensitized on the goals to be achieved. In broad the findings show that economic development is encompassing and that every little effort that the municipality does contributes in one way or another to development. It was clear that there is a strong relationship between the services rendered by the municipality (and its stakeholders) and economic development; and that every stakeholder has role to play through the various activities done to bring about economic development.

Capacity

The study discovered that if a municipality lacked capacity it could partner with another town. Otjiwarongo municipality is already involved in these twinning arrangements but it is only benefiting mostly the other towns (smaller towns). A lot of smaller towns used to come and learn from the Municipality of Otjiwarongo through work attachments. In incidents where the Municipality lacks skills or capacity to render a specific service, service contracts can be entered into with interested parties to render to service on behalf of the municipality. Otjiwarongo in the past had a service contract on refuse removal. Currently it is looking at entering service contracts to develop land because servicing of land is very expensive and cannot be financed from the merger income collected from the residents through tariffs or rates.

5.2 Conclusion

This paper is not arguing that economic development is an insurmountable challenge. Instead this paper argues that despite being complex to achieve it can be possible if planning thereof is done effectively with all stakeholders. The inclusive planning is necessary because economic development has been identified in the study as a core requirement for the process of ensuring a great town to live in.

The findings from the municipality of Otjiwarongo are generally supportive of the key arguments identified in the international literature. Economic development is an on-going process driven by key principles of partnerships, collaboration, effective use of resources and quality of growth. However this research was more unique to analyzing economic development and its link to services provided by the municipality of Otjiwarongo. To this end this paper has found that there is a requirement for participation in planning for economic development with the municipality playing a leading role in facilitating the entire process. Through planning proactively for economic development activities the future needs of communities are more likely to be provided for. The municipality through its structures and relevant departments from where the sample was sourced led the facilitation and guiding process. However the collaboration from the various departments engaged in service delivery still needs to be improved for better results in future.

Through the research process, this paper has argued that there is scope for service delivery and economic development to improve the well-being and quality of life for people residing in Otjiwarongo. How this is facilitated and implemented is critical to the sense that the successful outcomes can be achieved through working together towards bringing about economic development and growth through service delivery such as timely provision of serviced land. The initial research questions were the role of service delivery on economic development and the capacity and roles of other stakeholders in

the process. From the definition of economic development however it came out that participation and involvement of stakeholders and all the people in the town is a critical aspect. Therefore this paper proposes an integrated approach to support service delivery as an integral catalyst to economic development.

According to the respondents of the Municipality, service delivery is often hampered by 'red-tape' – lengthy and unnecessary bureaucratic regulations. An example given was the process required to service land which takes up to One (1) year just to get a new residential area surveyed and registered before it is serviced. This causes delays in delivering land to needy residents and thus hampers economic development of the town.

It could be affirmed from the findings that although the municipality of Otjiwarongo serves as the main catalyst for development in the town, the role of stakeholders is also needed for the entire process to be effective. What each stakeholder does and how that contributes to economic development should be outlined and specified.

From the study it was also deduced that maximum participation required can be achieved if the Municipality of Otjiwarongo changed the traditional focus of rendering service without engaging the stakeholders to become active role players such as asking for their opinions on how certain problems around service delivery could be addressed. What was noted from the study was that although the Municipality holds regular meetings with the public only one (those who are not well off) sector of the community attend such meetings regularly while those that are well off. This implies that some are

left out from contributing actively to the debates around service delivery and economic development in the town.

Misconceptions and misunderstanding of roles and responsibilities of Councillors and municipal officials is something that could have serious negative effects to service delivery. It is important that there is a good relationship and respect among Councillors and officials so that residents are not denied of services because of misunderstandings.

The capacity to deliver services effectively, it was found, is also as a result that the municipality has to deal with aging machinery and old infrastructure that requires upgrading. The town's sewerage reticulation for example requires to be upgraded in order to accommodate additional new extensions of land that will be developed in future.

Critical areas that need to be addressed according to the study are cross-subsidization of municipal services, capacity (skilled staff and finances), Government subsidization on infrastructure development and active involvement of stakeholders. It was evident from the study that addressing such challenges would allow service delivery to contribute effectively to economic development. The two are linked the study deduced.

5.3 Recommendations

The objective of the study was also to come up with proposed recommendations as well.

5.3.1

The first recommendation is towards growth and development of local authorities and it is that Government should come up with an on-going programme to finance all local authorities especially for infrastructure development. The objective is to enable local authorities to render better services, for example if funding is given for sewerage reticulation to provide water-borne toilets, then the residents will access to proper sanitation and municipality can also be able charge sewer tariff. It can without doubt be concluded that municipalities or local authorities are critical role players for development at local and national level. This is evident from the findings and also from observation on the trend of development in various towns in Namibia, with the bigger and financially strong out-performing the smaller towns. Since independence Namibia has also seen towns or local authorities that have been re-graded from municipalities to town councils or villages so that Government can directly assist them until they are able to sustain themselves. A legislature in this regard would provide more weight to the realization of the White Paper on economic development (2009) that Government has already passed.

5.3.2

To uphold its mandate of provision of basic services, the municipality of Otjiwarongo needs to model its structure around effective mainstreaming of products and services across departments to ensure that employees are aware what their roles contribute to economic development and that residents access the services they require.

5.3.3

Stakeholders should be sensitized to adopt an approach of ‘one town one economic development process’ approach. It is recommended that the municipality of Otjiwarongo engages its private sector especially businesses to be actively involved as they contribute immensely to economic development and are the majority job providers in the town. This can be done through the establishment of business forums. An example that the municipality gave of business sector involvement is the establishment of a Trust Fund between the municipality of Otjiwarongo and the Okorusu Mine to benefit needy residents.

5.3.4

Land delivery is one of the basic services of the municipality. However this is a service that is affected by lengthy and bureaucratic procedures. This status quo results in towns such as Otjiwarongo experiencing a shortage of land due to the period required to apply for formalization of township areas. Government should with urgency re-consider to reduce ‘red-tape’ on the process to develop land for example that approximately takes one year six months currently. This would ensure that land as a basic service is speedily developed and investments for job creation are brought forth.

5.3.5

The public should be encouraged to attend open Council meetings so that they can have first-hand experience with how issues affecting the town are debated and how such issues can be addressed. The time that Council and public meetings are held should also be looked at to enable more public participation. For example moving such meetings to weekends instead of week-days.

5.3.6

There is a need for tailor-made curriculums for politicians and officials involved in municipal affairs. There is also a need for Councillors who are earmarked to be municipal councilors to undergo a certification tests before they are elected or sworn as Councillors. Councillors should be able to implement crucial actions while they must also be able to understand and analyze legislations such as the Local Authority Act 22 of 1992.

5.3.7

The final conclusion is that Government should put effective mechanism in place to ensure that local authorities in Namibia are subsidized. This would ensure that services delivered especially on subsidized services will be cheaper to the public. More important is that Government's own Vision 2030 depends on the progress from the grass-root level which is the towns.

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APPENDIX 1

Profile and Situational Analysis of Municipality of Otjiwarongo

1.1.Otjiwarongo -Municipal and Town Profile

Centrally located, 250 km north of Windhoek, 400 km east of Walvisbay and 500 km South of Ondangwa. Otjiwarongo is the regional capital of Otjozondjupa Region. Otjiwarongo as it is known today came into existence mainly because of the need to find a connection between Swakopmund, Windhoek and Tsumeb especially for the transportation of the copper ore that was abundant in the Otavi/Tsumeb area. The Germans wanted to establish a route to transport copper ore from Otavi/Tsumeb for shipment to Germany. The other reason for choosing Otjiwarongo was because of the water available at Waterberg Plateau Park. With enough water and fertile soils, Otjiwarongo was seen as the potential connecting point for the railway line between Otavi/Tsumeb, Outjo and Waterberg.

The name Otjiwarongo is derived from the Herero language and means beautiful place. According to the 2001 census Otjiwarongo has population of about 40 000 people and a population growth of about 3.5 % per annum. Its strategic location also makes it a connecting point for the main roads leading to the North, Central East and West of Namibia. Otjiwarongo is also known as the *Cheetah capital of the World* due to the abundant cheetah that found in the area. A few kilometers from Otjiwarongo is the Cheetah Foundation Farm, where distinct cheetah species are kept. At the heart of the

town of Otjiwarongo is the Crocodile farm. The operations include giving an opportunity to public and tourists to view crocodiles as well as selling its meat.

The Municipality of Otjiwarongo is the custodian of the town of Otjiwarongo in terms of local governance.

1.2 Local Governance

Local authorities are established as per the Local Authorities Act No. 23 of 1992. (*Refer to Chapter One 1.1.Orientation of the study*).

1.2.1. Local Authority Associations

Local authorities in Namibia are subject to two key associations that represent the major stakeholders of the fraternity.

1.2.1.1 Association of Local Authorities in Namibia

The Association of Local Authorities in Namibia (ALAN) is a company not having a share capital. As an association, ALAN represents Local Authority politicians. Vision - Effective and efficient local governance through improved quality services to the Namibian citizens. Mission Statement - To protect, safeguard and enhance the image, interests, rights and privileges of Local Authorities (Cities, Municipalities, Towns and Villages), including but not limited to advocacy, strengthening capacity of local authorities and providing representation.

The following are the key functions of ALAN:

- Act as a liaison between central Government and Local Authorities in all matters of common interest.
- Act on behalf of members in all matters which affect the interests of local authorities in Namibia.
- Promote the study of Local Governance for the mutual benefit of all members and development partners.
- To strive along constitutional lines for the promotion of all local communities to the status of independent local authorities with democratically elected councillors.
- To ensure full participation of women in local government.

1.2.1.2 Namibia Association of Local Authority Officials

The Namibia Association of Local Authority Officials (NALAO) is an association that represents employees of Local Authorities. NALAO strives to promote and nurture professionalism among local authority practitioners. Its Vision is to be a trendsetting organization in inspiring and sustaining excellence in local government while its Mission is to provide leadership and support to the municipal profession by creating platforms for learning and exchange, professional development, recognition and

advocacy. To ensure that its vision and mission are implemented, the Association of NALAO identified five specific goals as follows:

- To promote the professional expertise of our members
- To increase member attraction, sense of ownership and community
- To enhance the quality and scope of professional development
- To be an authoritative voice for the municipal professionals
- To enhance the operational and governance of the association

1.3. Municipality of Otjiwarongo

The Municipality of Otjiwarongo is the governing local institution of the town of Otjiwarongo.

1.1.3.1. Municipality and functions

The Municipality of Otjiwarongo is composed of four departments namely, Infrastructure and Technical; Finance; Community Services and Economic Development as well as Human Resources and Administration. The two departments that deal with core functions of service delivery are Infrastructure and Technical as well as Community Services and Economic Development while the others render auxiliary services.

Economic development in service delivery

From the previous chapter, we have already stated that economic development is an encompassing process that stems from various livelihood and locality improvements. A single activity or intervention on its own cannot be regarded as economic development but however may contribute to it. The municipality renders various services that together lead to economic development. The Municipality of Otjiwarongo provides basic services as a contributing factor to development. The provision of basic services is a core function of municipalities as per the mandate provided for in the Local Authorities Act No. 23 of 1992. The basic services provided are water, land, roads, sanitation, solid waste removal and land. Otjiwarongo does not have adequate water and therefore it buys water from the bulk supplier NAMWATER, purifies it and sells it to the public. Water as a basic commodity is not a profit making activity for the municipality. Provision of serviced land is another service provided by the municipality and is one of the most expensive activities for all municipalities alike. This is exacerbated by the process involved in not only in proclaiming land but accessing funds to service it.

Housing is another crucial component of the services rendered at municipal level, mainly prompted by the high rural-to-urban migration which has become a phenomenon in many towns today. Due to its strategic location and growth, the town of Otjiwarongo is affected by high influx of people coming in search of a better living and work conditions. Housing strategy as economic development component for improving

livelihoods is one of the components of the 5-year Strategic Plan for the Municipality of Otjiwarongo and has the following focal areas:

- To provide proper and affordable housing to residents,
- To enable residents to become house owners and effective contributors to the development of the town.

In order to ensure the above-mentioned components of the strategic plan, Otjiwarongo Municipality has embarked upon a process to formalize informal areas as well as to strategically plan the residential development in terms of affordability levels. Ensuring that residents live in a healthy and hygienic environment, the municipality invests in equipment and manpower.

Social Welfare

Namibia has one of the biggest disparities between the rich and the poor. The Municipality of Otjiwarongo is no exception to this phenomenon. The Municipality of Otjiwarongo therefore embarked upon programmes aimed at alleviating poverty and improving the living standards of the residents. Through its twinning partner Heusden Municipality in Holland it established the Otjiwarongo Multi-Purpose Help Centre that provides the following services:

- Day-care facilities and meals to Orphans and Vulnerable Children;

- Formula-milk nutrition feeding programme for babies born from HIV positive mothers who underwent the *Prevention of Mother To Child Transmission* treatment to prevent the transmission of the HIV virus from mother-to-child through breastfeeding;
- Home Based Care giving;
- Counseling;
- Support Group & Positive Living for infected & affected people i.e. HIV and AIDS, Cancer;
- Income Generating Projects;

In 2005 Namibian Municipalities [Otjiwarongo, Rundu and Gobabis] with twinning partnerships with towns in Holland together with the VNG International embarked upon a coordinated approach to respond to HIV and AIDS. Through this project, Otjiwarongo municipality is able to coordinate HIV/AIDS and other wellbeing activities in the town. This comes as a solution for lack of effective collaboration among many organizations involved in the field of HIV/AIDS. In 2007, the Otjiwarongo Multi-purpose Help Centre was nominated for best practice example among Dutch programmes in Africa at World Aids Day in Amsterdam, Holland.

Emergency services

Having a safe and crime-free environment is one of the leading factors in promoting economic growth through attraction of investors. The Emergency Services division in the municipality of Otjiwarongo includes a traffic section and fire brigade.

Revenue collection

The major objectives and focus of the Municipality of Otjiwarongo on finance is to increase the revenue base by creating measures for cost recovery through the following objectives:

- Affordable services at a cost recovery basis
- Attracting and promoting investment
- Alleviating poverty job through creation and skills enhancement for local residents
- Creating a crime free and safe environment

The establishment of Central North Electricity Distributor (CENORED) had a major impact on the budget process of the Municipality of Otjiwarongo, especially in terms of balancing operational activities and capital developments. As a break-even and way to recover all costs associated with the services rendered, the municipality adopted a cost recovery approach. The impact of this process was that certain tariffs had to increase substantially in order to recover costs that in the past used to be subsidized by electricity

prior to the establishment of CENORED. In order to minimize the impact on residents, the adjustment on tariffs is done in phases over future budget years.

Another subtle measure adopted by the municipality was the introduction of the pre-paid system that has a two-fold objective; to ensure an effective cost recovery measure and easy management of water usage.

The organizational structure of the Municipality of Otjiwarongo is typically service oriented with more employees on the lower level for carrying out operational work as per the mandate of local authorities to provide roads, water, sanitation and refuse removal amongst others.

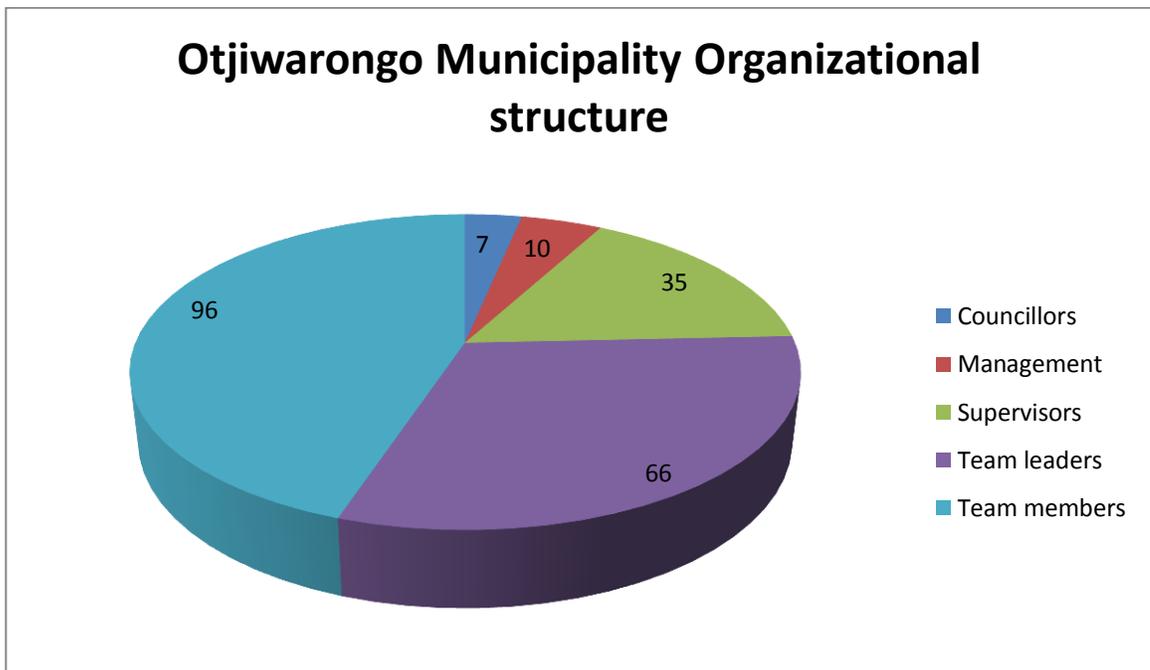


Figure 1 : (Organizational structure of Otjiwarongo Municipality)

Source: Primary data

1.3.1 Implementing Tool - Strategic Plan

Many local authorities have strategic plans that they use as a guide to implement activities. A strategic plan is a comprehensive document that covers all aspects of an organization's activities and programmes. It is a tool used to plan, implement and measure the outcome of the strategy. Therefore strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. In order to determine the direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue a particular course of action. Generally, strategic planning deals with at least one of three key questions:

- "What do we do?"
- "For whom do we do it?"
- "How do we excel?"

In many organizations, this is viewed as a process for determining where an organization is going over the next year or—more typically—3 to 5 years (long term), although some extend their vision to 20 years. When formulating the strategic plan Otjiwarongo Municipality answered four fundamental questions, namely:

- Where is our organization now?
- Where does our organization want to be?

- How will we get there, and
- How will we know we are there?

The strategic Plan of the Municipality of Otjiwarongo bears the theme - “to provide supportive socio-economic services for Otjiwarongo residents and visitors respectively. With a Vision Statement that reads “We commit to make Otjiwarongo a vibrant socio-economic power-house” it realigned its objectives in terms of developmental growth in the 2009-2013 Strategic Plan. The ultimate goal is to create a positive social impact through responsible resource mobilization.” It can be deduced from the strategic intent that the Municipality of Otjiwarongo places special focus on economic development. How effective it does that is one of the quests of this study.

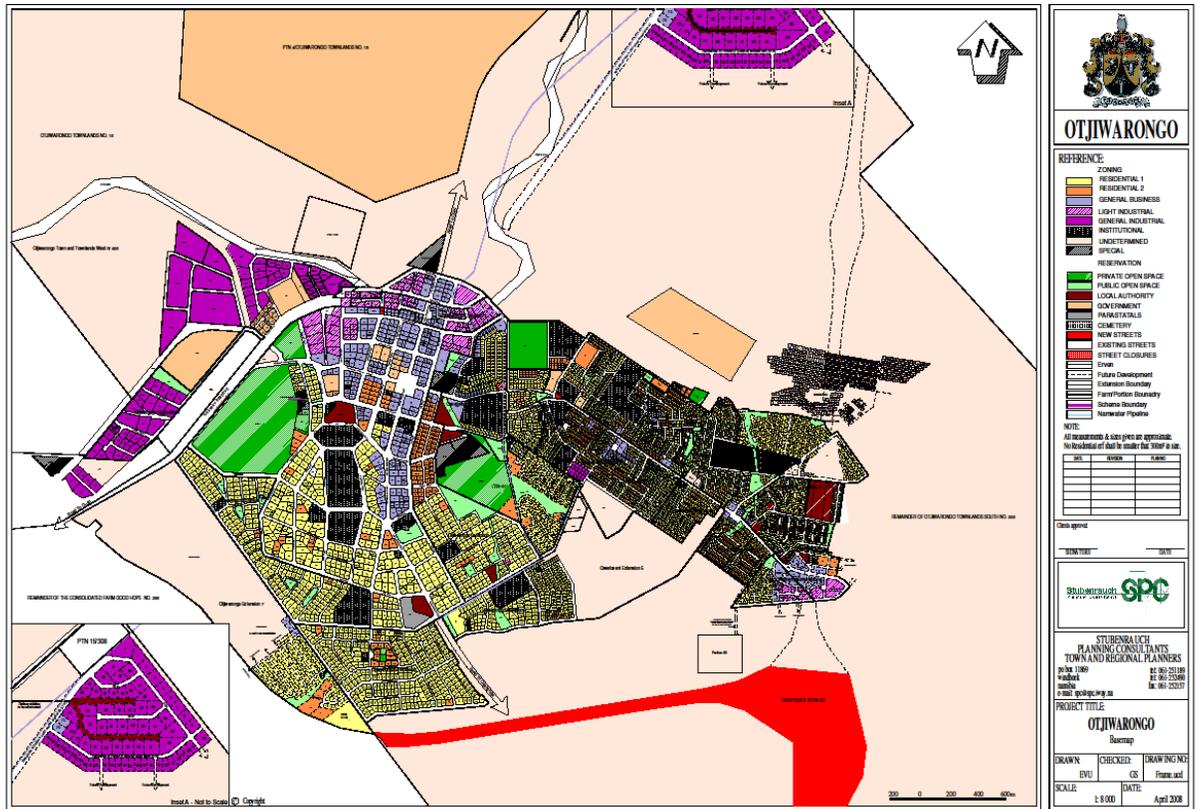


Figure 2: Town map of Otjiwarongo

APPENDIX 2

Request for authorization to interview workers of the Municipality of Otjiwarongo

*Letter of request for permission to gather information from staff of Otjiwarongo
Municipality*

TO : SE: ADMINISTRATION AND HUMAN RESOURCES

FM : A. MWETI-SE: COMMUNITY SERVICES

**SUBJECT : PERMISSION TO INTERVIEW STAFF MEMBERS FOR
THESIS – AN ANALYSIS OF THE ECONOMIC
DEVELOPMENT OF LOCAL AUTHORITIES IN
NAMIBIA: A CASE STUDY OF THE MUNICIPALITY OF
OTJIWARONGO**

DATE : 02 SEPTEMBER 2011

This memorandum serves to inform you that I am currently doing a thesis as part of my MBA entitled – *Role of local government institutions in economic development in Namibia: A case study of the Municipality of Otjiwarongo.*

As part of the thesis, I would like to interview twenty nine (29) staff members of the

Municipality including 2 Councillors as specified:

POSITION	NUMBER OF INTERVIEWEES
COUNCILLORS	2 (MAYOR AND CHAIRPERSON OF COUNCIL)
CEO	1
STRATEGIC EXECUTIVES	3
MANAGERS	5
SUPERVISORS & FOREMANS	10
TEAM LEADERS	5
TEAM MEMBERS	3

Interviews will be tailor-made for specific positions and ethical considerations of respect of person's rights, confidentiality and anonymity. For more information, kindly contact me.

AGATHA MWETI

APPENDIX 3

Guided questionnaire

1. MUNICIPALITY OFFICIALS

- What work are you doing in the Municipality of Otjiwarongo?
- What do you understand about economic development?

ECONOMIC DEVELOPMENT MAINSTREAMING AND INVOLVEMENT

- What are the sources or factors influencing economic development in the Municipality?
- Is your department doing anything to contribute to economic development?
(probe how responsibilities, initiatives and actions)
- How is your work contributing to economic development in the Municipality of Otjiwarongo? *(Probe on specific roles or activities)*
- How does your contribution link up to overall organization's goal? *(Probe awareness and usage of strategic themes as per the strategic plan; alignment of contribution to organizational vision/mission/objectives; output linked to what?)*
- What challenges or constraints do you face while contributing to economic development?

- What has been achieved by your department/division or municipality in terms of economic development?
- Do you think the Municipality is doing more to bring about economic development? What is your comment in this regard?

ADDITIONAL FOR CEO AND SENIOR MANAGERS (HEADS OF DEPARTMENTS)

- Do you receive any financial assistance to implement economic development from Central Government or any sector?
- Where is the bulk of your income coming from?
- Are you able to meet your needs with your budget?
- What are the setbacks or challenges? (*ask participant to elaborate specific challenges*)
- Who are your role players in ensuring economic development of (Either locally or externally)?

LOCAL AUTHORITY STAKEHOLDERS

2. GENERIC STAKEHOLDER

QUESTIONS

Name & Organization:

WARM UP

- What does your organization do?
- How do you understand economic development in the context of the Municipality of Otjiwarongo?

INTERVIEW

- What role do you play in economic development in the town?
- Are you or your organization involved in economic development in the town of Otjiwarongo?
- In which activities do you engage with the municipality of Otjiwarongo?

3. MINISTRY OF REGIONAL AND LOCAL GOVERNMENT, HOUSING AND RURAL DEVELOPMENT

(Any of the following: Permanent Secretary/Director of Planning or Deputy Director of the Local Economic Development Agency - LEDA)

- What support do you render to local authorities in terms of economic development?
- What challenges do you face in rendering support for economic development to local authorities such as the Municipality of Otjiwarongo?
- Are there any policies guiding the implementation of economic development and what do they entail?
- Any challenges experienced?
- What are your suggestions/comments/recommendations in regard to the role of local authorities in economic development?

4. CUSTOMERS/RESIDENTS

WARM UP/INTRO

- What do you understand about economic development?

INTERVIEW

- What role does the Municipality play or should play in economic development?
- How do you support the above-mentioned role?
- How do you contribute to economic development of the town?
- Any comments/suggestions/recommendations