

Letters to the Editor

Economic challenge

NAMIBIA, as a new country emerging from the remnants of apartheid and colonial exploitation, faces one of the most serious socio-economic development challenges yet. The century-long colonial era has resulted in an economic set-up today where about 5 per cent of the country's population own 70 per cent of the country's wealth - with the remaining 30 per cent of the country's wealth shared among the remaining 95 per cent of the population. From

any human perspective this is indeed a highly skewed and unequal wealth and income distribution system. Without doubt, the Namibian Government faces one of the most challenging tasks ever faced by a Government in Africa, and probably also in the world at large. This is the challenge of bringing onto the economic bandwagon the 95 per cent of the country's population - currently left to eke out a living in an economic limbo. This is probably the biggest challenge that the incumbent and probably that the next two govern-

ments in Namibia, will ever have to tackle. Already in 1991 Swapo declared in one of its main congress documents that "in fulfilling the purpose of uplifting the disadvantaged and impoverished sections of our people, redistribution of opportunities plays a key role. The most effective way in which redistribution of opportunities can be brought about is through economic growth. Economic growth creates resources which can lead to a snowball effect. Therefore, all efforts to achieve redistribution must be compatible with

the overall objective that growth must be promoted."

The issue therefore becomes clear that while inequalities exist, and while such imbalances need to be rectified with the swiftest speed, Namibia cannot afford to pursue the disastrous recipe of robbing Peter to pay Paul and still hope to maintain economic growth and equitable development. Once Peter is robbed and Paul paid, Peter, who is better placed to influence the mechanics which maintain the dynamism of the economy, may be less encouraged to commit his remaining resources and energy to keep the economy on track. Any redistribution measures that Govern-

ment might wish to take to rectify the economic imbalances currently plaguing Namibia's socio-economic strata must of necessity encourage both growth and development. By implication therefore, Namibia cannot use rock-eting tax rates or even lump sum transfers to redistribute wealth to the disadvantaged sectors of the Namibian population, nor can it use direct wealth transfers, by way of property confiscation say, from the haves to the have nots as doing so would be tantamount to 'slaughtering' the economy. The glaring inequalities, however, continue to stare us in the face and the issue exudes more fire with the ticking of each second.

What options can one then suggest? Difficult as it may be to give a satisfactory answer to this question, it is actually more than compelling that one must be found soon if peace, tranquility, reconciliation and social order are to continue to prevail in Namibia. The poverty epidemic here is coupled by the high unemployment rate in the country, with estimates of thirty to forty per cent of the total economically active population unable to find jobs. Two good points have been made by government since independence, the first being that Namibia should rigor-

ously attract direct foreign investment, and the second that Namibia should develop a strong manufacturing base. Neither of these options would necessarily reduce the income gap or work wonders to alleviate the unemployment and poverty problem. Foreign investment might be attracted but never in such volumes as we would require to restructure our economy.

To accommodate the presently unemployed and build up capacity for future inflows, the manufacturing sector would have to expand far beyond its present dismal five percent to cover 50 per cent in less than one year. Painful as it may be, Namibia does not have the resources to realise such a figure, and neither can foreign resources be attracted on such a scale.

I believe government should play a more active role if the ideal of narrowing the income gap is to be realised. Deregulating the transport industry and thereby subjecting it to competition is a good way to start, but deregulation on its own will not bring about the desired result - that of socio-economic restructuring. Therefore the government should also make available finances to new and important entrants to the industry. Such input should be made in the form of loans. Another sector to be targeted for

development is the small business sector. The quicker way to reduce the income gap, without jeopardising chances for big business investment is to focus on, and support, small business development in rural and peri-urban areas so as to up household incomes in those areas. These could be set up by small loans from a development bank. In my opinion small business development is a more realistic and effective way of addressing both the inequality and unemployment problems in Namibia. I suggest that the Government carry out research to determine what types of small business can, and should, be targeted for development.

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Man-friend wanted

HERE is a woman who would like to meet a man friend who is prepared to start the new year with new challenges and ideas.

I am an Aquarian who likes dancing and dining out, long distance driving to explore the countryside, watch cricket and go on fishing camps. The guy should be aged 40 and up.

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