

Jobs *from page 1*

take hard but important decisions; and in the process make the necessary sacrifices. Let us also agree that whilst addressing acute high unemployment in the short to medium term we should not forget about longer term reforms necessary for sustained employment creation, high growth and economic competitiveness.

What is it that then we should be doing and what are some of the obvious pitfalls that we should be avoiding in our quest towards creating sustainable high quality jobs for the majority of our citizens as envisaged under Vision 2030?

First and foremost, we must make deliberate efforts that are supported by all role players, including government, private enterprises, organized labour and civil society. It should be clear to all of us that Government alone cannot solve the unemployment problem. When the question is asked whether

we are likely to achieve V2030, the usual assumption is that the Government is either failing or has failed all together. Yes, the Government has certain responsibilities and obligations to fulfil; but so do all of us. Let us start to view the achievement of V2030 as our collective responsibility and not that of the Government alone. Out of necessity we will have to walk this difficult path together as partners to create the needed jobs for all our citizens; as partners who have everything to lose in equal measure if we do not succeed.

I am hoping that one of the tangible outcomes of this summit will be a joint declaration by all the concerned parties to the Namibian public that we are serious and committed to addressing unemployment by taking the necessary actions to deliver better results than we did before. Let us also agree that the declaration we will make will constitute a social contract with the citizens that we will not renege on. A contract that will require each of the contracting



Employees at one of the diamond cutting and polishing factories in Windhoek.

parties to no longer think about its own narrow interest. As a Government, our role should still be that of creating a conducive environment where private businesses find it profitable to invest in the local economy and thereby create more employment opportunities. In this role we are required to make more financial resources available to invest in the necessary eco-

omic infrastructure and to continuously embrace reforms that will make it easier for our firms to do business and becoming globally competitive.

Private sector businesses should recognize that while profit is their overall motive when investing, they also have an obligation to ensure that we build a society based on equal opportunity and the fair shar-

ing of economic benefits. In other words, the emphasis must move away from profitability alone to issues that are equally important for sustainability. This will require that businesses consider investing in ventures that might not have the potential for the highest return on investment but have the potential to unlock faster economic growth and human development. The organized labour must recognize that while they have the duty to protect workers from exploitation, they should not forget that they too have a responsibility to make it possible for more employment opportunities to be created. This will require that labour be prepared to make the necessary compromises required to create more jobs.

Second, and this is the essence of my intervention here today, for a long time we have spread our development resources very thinly. This was understandable due to the huge deficits that our democratically elected Government inherited in all social and economic areas. However, 20 years after independence we must ask the question if this approach is still delivering the results we are looking for. We are suggesting that we change our approach to economic development. More specifically, we are recommending that we increase our focus on a few areas with higher potential to generate faster economic growth and more job opportunities.

Our research shows that the areas with the highest employment creation and growth potential include agriculture, tourism and transports & logistics. We should also consider sanitation and the provision of low cost housing as these also have the potential to absorb huge quantities of unskilled labour, while at the same time contributing to additional GDP growth and other social objectives as envisaged under our common vision.

Our research also show that through targeted Government intervention in these sectors the long-run equilibrium growth rate of the economy will increase by some 3 percentage points, from an average of 4 percent to 7 percent, as envis-

aged under Vision 2030. In tandem with this, it is estimated that the unemployment rate would decline to about 12 percent in an interventionist scenario by 2030.

Let me now elaborate on some of the specific intervention measures and the projected impact on economic growth and employment creation.

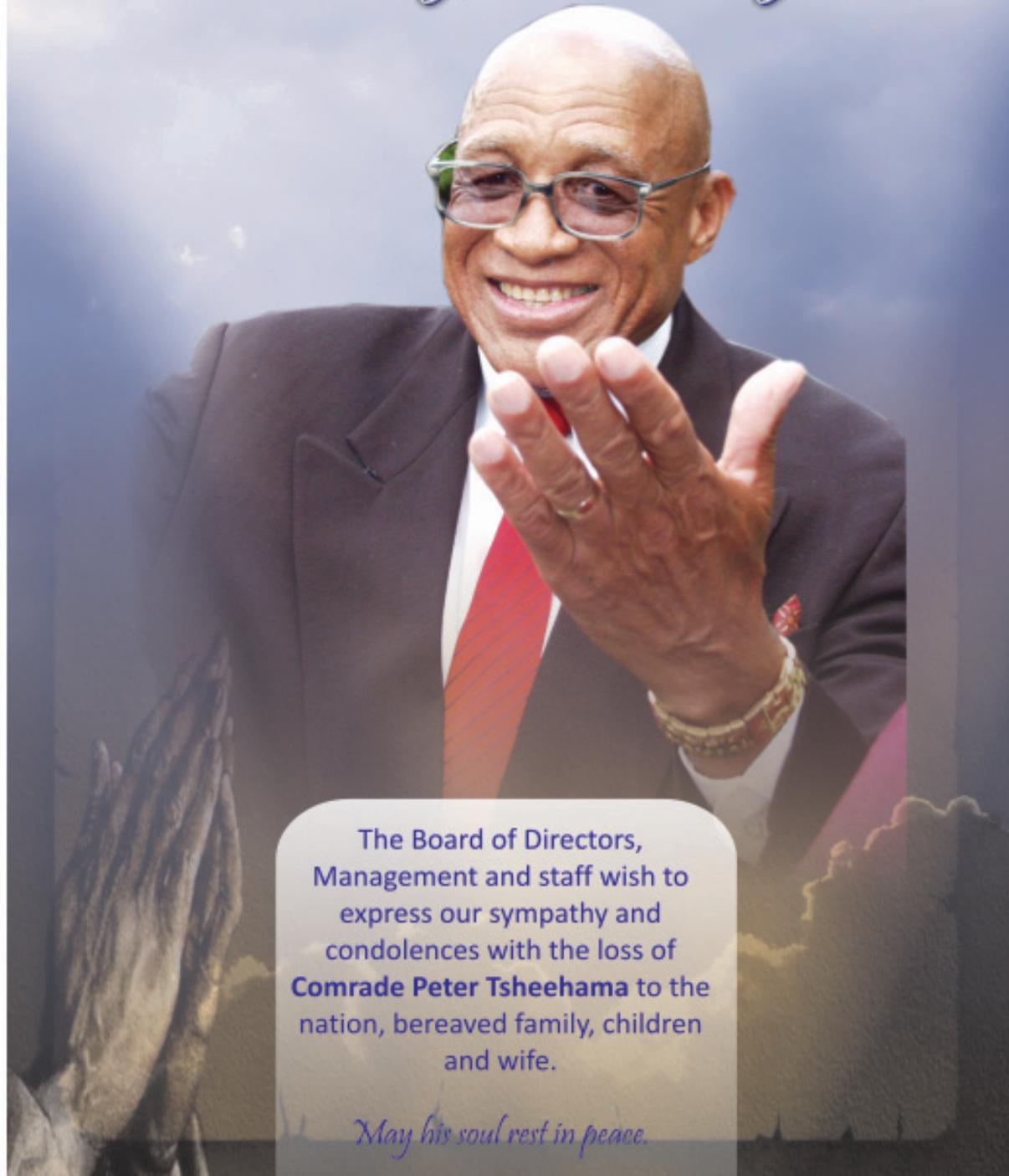
In agriculture the biggest near-term potential is in the live-stock sector. If certain key constraints to livestock production are effectively removed, it is estimated that the agricultural sector will create an additional average growth of 1.46 percent per annum during the next 10 years, while creating an additional 16 thousand direct and indirect jobs during the intervention period. Some of the key interventions to be undertaken include removal of bush encroachment or invader bush in commercial areas; effective disease control in northern communal areas; market access for agricultural produce; and property rights reform in communal areas.

In the tourism sector, it is noteworthy that for every 12 tourists that visit Namibia a permanent job is created. We should, therefore aim to double the number of tourist arrivals over the next 10 years. If this happens, and provided that other accompanying interventions are undertaken, the sector is expected to create an additional average growth of 1.46 percent per annum during this period while an additional 107 thousand direct and indirect jobs could be created during the same time. Some of the key interventions to be undertaken in this sector include a refocusing of our tourism strategy from catering for an exclusive small group of tourists due to environmental concern, to a blend of mass and niche tourism with a strong domestic tourism component; intensive marketing, air access, safety and skills development, and upgrade of infrastructure in certain "virgin" tourist areas.

Transport is another sector that should enjoy more attention during the next 5 years, because of its ability to grow and create sustainable jobs. According to the Bank of Namibia projections, if more attention is paid to the transport sector over the next 10 years real GDP growth would be 1.03 percent per annum higher than in a non-intervention scenario. Moreover, 39 thousand additional jobs would be created through this intervention. Specific interventions in this area include the expansion of the Port of Walvis Bay, road expansion and maintenance, and upgrade and expansion of our rail infrastructure. These interventions will be expensive but critical for our economic competitiveness, and it is envisaged that smart public private partnerships where possible will be part of the funding solution.

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in Loving Memory



The Board of Directors,
Management and staff wish to
express our sympathy and
condolences with the loss of
Comrade Peter Tsheehama to the
nation, bereaved family, children
and wife.

May his soul rest in peace.

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