



ENTREPRENEURSHIP IN NAMIBIA

How to develop entrepreneurship in Namibia

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ABSTRACT

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This thesis is an overview of Namibian history, entrepreneurship and the difficulties and problems faced by Small and Medium enterprises in Namibia. One of the main objectives of this thesis is to create a business guide. The theory part consists of the history and the culture of Namibia and how the culture and heritage directly affects Namibian people today. The practical part of the thesis will show my work diaries and research in Namibia. For three weeks I was gathering information on the materials that are provided for SMEs in the country and observing the current situation concerning entrepreneurship in Namibia and as a result I created a business guide for Namibian people. You will be able to view this guide in the attachments at the end of my thesis.

The idea for this thesis came from me and a project known as the “Partnership for local Democracy, Development and Social Innovation” (PDDSI). One of the main objectives of this thesis is to write the business guide that is in discussing above, which will be one of the main tasks for this project. The project has undertaken numerous surveys to support its goals and was in the stages of implementing its practical work. The business guide booklet will be given to new enterprise agencies and will be handed out nationwide to all Namibians; this will begin rolling out in the year 2011.

SMEs are facing many challenges in Namibia. Namibia is a young country and its long colonial era is one of the biggest reasons behind these challenges. These challenges and problems are evident in the matter of entrepreneurship as well. The economic situation is challenging, start-up money and loans are hard to get, illegal business is booming, there is no easy access to information, people’s attitudes are negative, and the nation is suffering from apathy. Nevertheless, Namibia is developing rapidly and it seems that Namibia is one of the few countries on the continent of Africa, which seems to have started to achieve the objectives of Vision 2030.

Entrepreneurs are Namibia’s future and the government should play a bigger role when it comes to developing and supporting entrepreneurship. Free information should be offered to everyone; this will create a great impact in people’s lives, attitudes and mindsets. The business guide booklet is going to be a solution for many problems which entrepreneurs are facing on a daily basis.

Key words: Namibia, entrepreneurship

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Tämä opinnäytetyö on kokonaisvaltainen katsaus Namibian historiaan ja yrittäjyyteen sekä haasteisiin, joita yrittäjät kohtaavat Namibiassa. Maan historian tunteminen auttaa ymmärtämään Namibian nykyistä talous – ja yrittäjyystilannetta. Opinnäytetyössäni nostan esille haasteita ja vaikeuksia, joita namibialainen yrittäjä kohtaa päivittäin sekä paneudun myös syihin ongelmien takana. Lopputuotoksena olen kirjoittanut namibialaisille yrityksen perustamisoppaan. Teoriaosuus rakentuu Namibian historiasta sekä kulttuurista. Kerron siirtomaavalta-ajan perinnöstä, joka vaikuttaa vielä tänäkin päivänä namibialaisiin. Esittelen myös työmatkani ja tutkimukseni Namibiassa. Kolmen viikon aikana keräsin kaiken materiaalin, jota jaetaan aloittaville yrittäjille ja havainnoin maan yrittäjyystilannetta. Käytännön osuus työssäni koostuu työpäiväkirjoistani ja tutkimuksestani Namibiassa. Kaiken tämän keräämäni tiedon pohjalta olen kirjoittanut yrityksen perustamisoppaan. Se löytyy liitteistä.

Idean opinnäytetyöhöni sain kansainvälisestä projektista nimeltä “Partnership for Local Democracy, Development and Social Innovation” (PDDSI). Projektin puitteissa on jo aiemmin tehty paljon tutkimuksia, jotka ovat tukeneet sille asetettuja tavoitteita. Yksi työn päätavoitteista oli kirjoittaa aloittavan yrittäjän opas tälle projektille. Aloittavan yrittäjän opasta tullaan jakamaan aluksi yrittäjyyskeskuksissa ja myöhemmin koko maan laajuisesti kaikille Namibialaisille, alkaen vuodesta 2011.

Pienet ja keskisuuret yrittäjät kohtaavat paljon ongelmia Namibiassa. Namibia on itsenäistynyt 20 vuotta sitten ja sen pitkä siirtomaavalta-aika on suurin syy ongelmiin. Se on jättänyt pysyvät jäljet maahan ja sen perintö elää yhä edelleen. Siirtomaavallasta johtuvat ongelmat voi nähdä myös yrittäjyydessä. Maan taloudellinen tilanne on huono, starttirahaa ja lainaa on vaikea saada, laitton yrittäjyys kukoistaa, tiedon saanti on vaikeaa, ihmisten yleinen mielentila on negatiivinen ja kansa kärsii apaattisuudesta. Kuitenkin Namibia kehittyy nopeasti, ja näyttää siltä, että Namibia on yksi harvoista maista Afrikan mantereella, joka on ruvennut saavuttamaan Vision 2030 tavoitteita.

Yrittäjät ovat Namibian tulevaisuus ja valtion tulisi ottaa suurempi rooli yrittäjyyden kehittämisessä ja tukemisessa. Tiedon tulisi olla kaikkien saatavilla ja ilmaista. Jo nämä seikat saisivat aikaan suuria muutoksia ihmisten elämässä ja asenteissa. Yrityksen perustamisopas antaa vastauksen moniin ongelmiin, joita yrittäjät kohtaavat päivittäin.

ABBREVIATIONS

| | |
|--------|---|
| AIDS | Acquired Immune Deficiency Syndrome |
| AU | African Union |
| BDS | Business development service |
| BIG | Basic Income Grant |
| GDP | Gross Domestic Product |
| HIV | Human Immunodeficiency Virus |
| IMLT | International Management and Leading Training |
| JCC | Joint Consultative Council |
| LaRRI | Labour Resource and Research Institute |
| NFLS | Namibian Labour Force Survey |
| NCCI | Namibia Chamber of Commerce and Industry |
| NDC | Namibian Development Corporation |
| NEPRU | Namibian Economic Policy Research Unit |
| NGO | Non-governmental organization |
| N\$ | Namibian Dollar |
| PLDDSI | Partnership for Local Democracy and Development and Social Innovation |
| SADC | Southern African Development Community |
| SME | Small and Medium enterprise |
| SMME | Small, Medium and Micro-enterprise |
| SWAPO | South West Africa People's Organization |
| UN | United Nations |
| UNPD | United Nations Development Program |

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1 INTRODUCTION

Namibia is facing many difficulties with its economy, because of the country's long colonial period; the country's economic situation is challenging, and the country lacks manufacturing almost completely. Entrepreneurship is one way for Namibian people to empower themselves. There are a number of studies and researches on Small and Medium Enterprises (SMEs) what problems and needs they have, but not that many studies have focused on the reasons behind the problems. Statistics and numbers will not help to solve the problems.

The main objective of this thesis is to become more familiar with the history of Namibia which still affects the country so greatly, to understand the current situation of entrepreneurship and the reasons behind it in Namibia, to study what kind of problems the new entrepreneurs face in Namibia, and to deepen the understanding of the culture and nation in Namibia in order to find out how we can support and help Namibians on their way to becoming entrepreneurs. One of the objectives for the thesis is to create a guidebook which will be offered at the enterprise agencies and nationwide for the Namibian people.

My personal learning objective is based on acquiring a deeper understanding of the Namibian country, its history and culture, because they are the reason behind the present economic situation of the country, and to understand where the need for help is coming from. By knowing the history we can provide solutions for changing the future. Personally I know how things are run in the country but I am interested in learning the deeper story behind it, because I believe it will be useful for me in future. In the future I am planning to continue in helping to develop the county and work in this specific field.

In short this thesis is an overview of Namibian history and by means of history getting a better understanding of the country's current economic situation. It is an overview of entrepreneurship and how the history has effected its economic and entrepreneurial situation. The result of the thesis will be a guide booklet "How to start your own business", for the Namibian people.

The theory part consists of the history and the culture of Namibia and how the culture and heritage directly affects Namibian people today. I will also introduce my work trip and research that I conducted in Namibia. The practical part of the thesis (starting from the heading) will show my work diaries and research in Namibia, from which I am deriving my information and sources I used while writing the business guide. And finally among the attachments you can find the guide itself.

The idea for this thesis came from me and a project called “Partnership for local Democracy, Development and Social Innovation” (PLDDSI). The project has been running about three years now and it has multiple objectives; one of the main objectives is to promote local economic development, job creation and diversification of economic activity in the Ondangwa and Keetmanshoop areas of Namibia. Local Economic Development Committees have been established in Ondangwa and Keetmanshoop. These new committees are focusing on ensuring intensive cooperation between the Town Council and business community in coordinating the effective and innovative Local Economic Development in their areas. (Lempo Namibia 2010.)

Currently the PLDDSI project is busy opening two enterprise agencies for people who are interested in establishing a business. These specific enterprise agencies work in almost the same way as Finnish enterprise agencies such as Ensimetri in the Pirkanmaa district. The agencies that will open in Namibia will be located in Ondangwa and Keetmanshoop. In Finland all the enterprise agencies give information and support services without charge, and they also have a guide called “Establishing your business in Finland”, which they hand out as well without charge. There are business supports providers also established in Namibia, but their services do not reach all Namibians. Public sector services are not effective and private sector services are not free. (Lempo Namibia 2010.)

The PDDSI project took me on board concerning the provision of better services for SMEs. In the PLDDSI project a need was recognized for a guide booklet for entrepreneurs. There is no collected information on how to start a business to which all Namibians regardless of their social class have easy access to. This guide booklet, which you can find among the attachments, will be a solution to that problem.

The thesis will allow a deeper understanding of the realities of being an entrepreneur in Namibia and the reasons behind the situation; while the booklet will help people in real life to start their own businesses. The guidebook is intended for all the Namibians who want to change their lives and take responsibility for the future on their way to becoming entrepreneurs. The guidebook is a tool when starting up on your own business and is designed to ease the daily life of an entrepreneur by providing the most important information and raising relevant points when starting up a business in Namibia. The guide book will be updated periodically if changes in the Namibian system will arise, because Namibia is developing and the regulations in the country change yearly. This thesis will also help other interested parties to understand more about Namibia and its current economic situation and entrepreneurship.

2 NAMIBIAN HISTORY

2.1 Namibia Facts

The Republic of Namibia, previously known as South West Africa, is a country in southern Africa whose western border is the Atlantic Ocean, and it shares land borders with Angola and Zambia to the north, Botswana to the east and South Africa to the south and east. Namibia is located in the southern hemisphere, so the warmest months are January and February. Much of the land is desert or semi-desert. It rains only few days a year and the rainy season is from December to February. Without the rain nature must survive more than 300 days a year, so in addition Namibia is characterized by almost continuous sunshine. (Wieneche-Janzen 2008, 210.)

The Republic of Namibia is a large, sparsely populated country. Namibia is the 31st largest country in the world and is two and a half times the size of Finland. The country is divided into 13 regions; the Caprivi, Kavango, Kunene, Omusati, Ohangwena, Oshana and Oshikoto regions in the north, the Omaheke, Otjozondjupa, Erongo, and Khomas regions in the central areas, and the Hardap and Karas regions in the south. (Republic of Namibia 2010.)

Namibia has a colorful history. It was ruled by Germany, and following the end of the First World War the newly formed League of Nations gave the mandate for governing Namibia to Britain. The mandate, which was to be managed by South Africa on behalf of Britain, came into effect in 1921 and was the beginning of South African control of Namibia. It recognized the South West African People's Organization (SWAPO) as the official representative of the Namibian people in 1973. Namibia, however, remained under South African administration during this time. Following internal violence, South Africa installed an interim administration in Namibia in 1985. Namibia gained its full independence from South Africa on 21st March 1990 following the Namibian War of Independence. (Wieneche-Janzen 2008, 212-213.) Namibia is a member state of the United Nations (UN), the Southern African Development Community (SADC), the African Union (AU), and the Commonwealth of Nations (Republic of Namibia, 2010).

Namibia has a population of 2.1 million people and a stable multiparty parliamentary democracy. It is the second least densely populated country in the world. The official language is English but the other recognized regional languages are Afrikaans, Oshiwambo and German. The currency used in the country is the Namibian Dollar (1 US Dollar = approx 7.37 Namibian Dollars). Its capital and largest city is Windhoek. Agriculture, herding, tourism and mining of gem diamonds, uranium, gold, silver and base metals form the backbone of Namibia's economy. Approximately half the population lives below the international poverty line, and the nation has suffered heavily from the effects of Human Immunodeficiency Virus (HIV) / Acquired immune deficiency syndrome (AIDS) with 15% of the adult population infected with HIV in 2007. (Pikkarainen 2004, 11.)

2.2 Why explore the history of Namibia?

A study of any societal issue, including research on one country's entrepreneurship, demands a view of the history and the characteristics it has given to the country, and also the history demands the present. Namibia as a rather newly independent country carries a strong memory of the past, as it was a colonized country and apartheid brought with it great restriction of the rights of the population based on race, ethnicity, class, gender, and language. Therefore, an overview of Namibia's history and deeper understanding of its history is needed. (Suonpää 2010, 3-5.)

When I studied the history I really saw the connections and influences between the history of Namibia and the country's present economic situation and the present situation of entrepreneurship there. History has left a strong mark and you can clearly see why racial, class and gender inequalities are still present today in Namibia. All these differences have a huge impact on entrepreneurship in Namibia and also have a strong impact on the economic situation and unemployment in the country. (Hardy 2007, 201.) I believe that by knowing the history one can change the future and help Namibia to develop its economics and entrepreneurship.

2.3 The early stages of Namibian history

Africa is the continent, which has the oldest human population, and where also the oldest stages of human history took place. Archeological finds from southern Namibia suggest that humans have been wandering the vast plains, dense bush and harsh desert of the county for around 45,000 years. (Hurskainen 1995, 24.) Scientists believe that people started moving away from the African continent, and that the human race subsequently different features, depending on where people were based on (Science in Africa 2010).

In Southern Africa the history of geographic specificity has had an important role. The physical variations in climate and soil in different parts of the region was affected to a large extent on where the first inhabitants settled, what kind of livelihood they were able to pursue, and where later the largest demographic focused. Namibia has many dry and desert areas that people could not inhabit in those times because surviving in those areas was too difficult and challenging. (Williams 2008, 162.)

Early missionary reports described the Nama tribes of Southern Namibia as highly organized communities and in some cases more than 1000 individuals could live in one community. They had large herds of cattle, sheep and goats, and were completely self-sufficient, producing all their own food and manufacturing the reed mats for their huts, as well as growing tobacco and dagga. The different Nama tribes co-existed peacefully, sharing and respecting each other's water and grazing rights. (Williams 2008, 355.) Later, when European immigrants arrived in Southern Africa, they became interested in the same districts as the original people, and competition for the same land areas eventually led to conflicts between the original population and the Europeans. (Kaikkonen 1989, 162.)

In South Africa, there was a group of Khoi and Basters living under the leadership of a man known as Jager Afrikaner. He was a ruler who terrorized people as the white people would terrorize any person of colour within the times of colonialism. When he died, his son Jonker Afrikaner led his people to Namibia and he establisher different Khoi communities there, leading the Khois and Namibian tribes in conflicts. Jonker

Afrikaner led many people into Namibia and he was the one who opened the doors for a number of other groups of Khoi and mixed Khoi/white who tribes who then migrated independently to Namibia. (A.E Afigbo 1986, 227.)

Up to the nineteenth century Namibia and other southern African countries continued to evolve their own cultural systems without much interference or stimulus from outside the continent. Namibia was developing on its own and like it was said all the tribes in the country were living sufficiently comfortable lives and had highly organized societies. During the nineteenth century however, African countries underwent a dramatic period of revolutionary change which is still continuing, which were introduced by Europeans. The first people who came from Europe to Southern parts of Africa were the Portuguese people. The Portuguese came to Africa on the search for rural materials. They established two small white communities in Angola and Mozambique and by this the Portuguese started contributing in two ways to African development. In the first place they were responsible for the introduction of a whole range of new crops which had their natural home in South America, and the second way in which the Portuguese influenced Africa was through the introduction of the Atlantic slave trade. The Atlantic slave trade changed the entire continent of Africa and its development. (A.E. Afigbo 1986, 29-31.)

First came the Portuguese then came the Dutch, the Danes, the French and the British. All of these countries transported millions of Africans across the Atlantic. Namibia was also involved in the slave trade and numerous of Namibians were shipped across the Atlantic to slavery. Nowhere do the statistics occur of how many slaves were transported across the Atlantic. Basil Davidson has estimated that during the slave trade centuries, Africa lost between 20 – 30 000 000 people, who mostly died before or during the voyage across the Atlantic. The proposed slaves were killed on their way to port or a slave ship during the voyage, and many Africans also were also lost their lives in the slave trade because of wars, cruelty, disease and hunger. It is also unknown of how many Namibians, former South West Africans, died in and were shipped across the Atlantic in the slave trade. (Kaikkonen 1989, 107.)

The Trans-Atlantic slave trade is one of the greatest crimes in all human history whether we think of the personal sufferings of the captives, their treatment on board the ships, the degradation and humiliation of the life to which they were doomed or the misery, loss of life and brutalization which it brought to the African communities from which the slaves were taken. It changed the whole continent, the countries and the mindset of the people of the countries. (A.E. Afigbo 1986, 30.)

2.4 Namibia becomes a colonial possession

Like it was claimed the first Europeans had appeared off the coast of Africa in the 15th century. The Industrial Revolution was already under way in Britain, and Europe would soon be looking to Africa as a source of raw materials and as a market for the goods produced by the new factories. Discoveries of the African continent by Portuguese and other early missionaries stated that Africa had a lot of the resources and raw materials. Also Africa was recognized as a new market place for Europeans goods. Soon all the European countries were in a race of ruling African countries and getting the most out of the countries they were ruling. (Williams 2008, 357.)

One way of ruling was religion. The missionaries preached against the slave trade, because European countries noticed that it was more profitable to trade with Africans in Africa than to export them elsewhere, and in this case Christian conversion seemed necessarily to imply the adoption of European tastes and a demand for European goods. Christianity's arrival in Namibia had a huge impact with the traditional African beliefs and lifestyles. Churches and schools preached against polygamy and polytheism: dances and many other special African cultural characteristics vanished, swallowed by Christianity. Despite this, the societies in Africa and in Namibia were optimistic towards the missionaries because they wanted to stop the slave trade and the missionaries were also giving the society the opportunity for education. Therefore many Namibians started to listen to the missionaries and started changing their belief system. Up north in the rural areas the missionaries became part of the society and were respected. (Kaikkonen 1989, 203.) This inevitably brought with it political consequences. European political authority gradually ex-tended itself until under the

influence of almost hysterical competition between the European powers, it culminated in the 'Scramble for Africa' which brought the vast preponderance of the continent under the control of European states. (A.E Afigbo 1986, 31.)

The earliest missionaries, from the London Mission Society, began to operate in Southern Namibia at the beginning of the 19th century and were soon joined by the German Rhenish and Finnish Lutheran Mission Societies (Williams 2008, 357). Soon in the 1870s, the German missionaries requested their government for military backup to help establish law and order in Namibia to support the Christian values. However, the German representatives arrived only in 1884, and this fundamentally changed the way in which Namibia was governed. Power shifted away from traditional leaders, into the hands of the German colonial administrators. Over the next 25 years vast tracts of Namaland and Herero land passed into the hands of the colonial government and individual settlers. (Carmichael 2006, 29.)

2.5 Nationalism rises

Little by little African people, including Namibians, started to resist colonial rulers. African populations of different ethnic groups started go against the colonial administration, and the mood became more pronounced as the number of failures of the foreign administration escalated into colonialism. High taxes, migration, urban unemployment and racial inequalities in relation to whites created situations in which individuals of African anti-colonial mood could erupt as strikes, or the failure to observe the commandments of the officials. African traders and producers started to feel the colonial system failures when they became dependent on foreigners to establish large companies. When urbanization and transport made improvements, the different regions of the population and ethnic groups could stay in contact and the dependence weakened. This laid the foundation for the African people to reunite and the colonial system wasn't able to integrate actions against these movements. Different ethnic background Africans started gathering together. At first, this was combined by primary education, which they obtained either from the missionaries or the colonial administration who operated a few schools. (Kaikkonen 1989, 202.)

African managers and other leaders - who were linked to the export economy like producers and traders, let their children go to European schools, because it was almost the only way to guarantee their own economic and social improvement in the colonial status of the system. Initially educated elite therefore tried primarily to run their own interests within the framework of colonial rule. This made the gap between the natives and the colonial rulers smaller. African people understood that by getting an education they can start fighting against the colonial administrations. (Kaikkonen 1989, 203.)

In Namibia self-government for the white population was granted by Germany in January 1909 and in the following month of February main towns such as Windhoek, Swakopmund, Keetmanshoop, Lüderitz, Okahandja and Tsumeb were granted the status of municipalities. After the First World War the newly formed League of the Nations gave the mandate for governing Namibia to Britain. Britain was the new ruler of Namibia, and in the mandate, which was to be managed by South Africa on behalf of Britain came in to effect in 1921. This brought to an end the brief period of German colonial rule and ushered in the beginning of 75 years of South African rule, which was to end only with independence in 1990. (Williams 2008, 364-365.)

2.6 Apartheid policy

Windhoek's current and highly urban city structure was born in Africa under the colonial administration. White areas were located downtown east and south. The apartheid regime and the black areas, set up by the administration, were located out of the city and were isolated. (Pikkarainen 2004, 91.)

The word apartheid stands for an official policy of racial segregation formerly practiced in the Republic of South Africa, involving political, legal, and economic discrimination against nonwhites. The policy was used in South Africa in the 1900s. The apartheid system was only born after the Second World War when nationalist party's rise to power. In this time, the gap between the natives and the colonial rulers was getting smaller every day. The colonial rulers noticed that they were losing their power in order to rule the country. In Namibia this meant that the blacks and coloreds were educating themselves and the nation was uniting itself. South Africa had long history of colonial

administration, forewords white rulers, and South Africa was ruling Namibia, so the white rulers came across bit scared. The colonial rulers had always rule by dividing the people. The apartheid system was also based on this, but now when the tribe members couldn't be separated anymore they claimed so called whites only – areas and places, to make seem whites more superior. Consequences of power to shift things like passport system was tightened, police force was boost, and for black people were built residential areas around the outer city. The policy of apartheid was based on the assumption that different ethnic groups do not get along with different ethnic groups because of their culture compatible. It was assumed that inter-ethnic interaction will lead to conflicts. (Pikkarainen 2004, 97-98.)

2.7 New Leaders

Disappearance of the colonial period in Africa marked a renewal of the State body, which was executed by a new mercantilist economic and raised a new ruling class in African societies (Kaikkonen 1986, 249). Despite the native nationalist opposition, the role model whom colonial rulers gave for the new African leaders was bad. The traders and the tribe leaders had provided themselves the rights to the western education, and because of this education, they decided that they are the only ones who qualified to play the role of new leaders. (Shillington 1997, 12-13.)

After the colonial rule, African countries' took the same foreign policy, which then led to the same goals. They wanted to get the world to respect the independence, integrity and unity of their countries increase the economic well-being of their countries by establishing favorable trade relations and cooperation between African - and European countries. This would then overcome all forms of domination on the African continent and would allow African countries to make their own contribution to peace and justice in the world. Kaikkonen (1989, 253) says that after the independence Namibia has claimed its rights and also has put lot of effort in order to develop the country.

Kaikkonen (1989, 253) also claims that most African countries have also embraced the principle of political neutrality for their guideline. In my opinion this is very true.

Namibia has been very neutral and has not gained any major contracts or selling its lands to the power countries like the United States of America. (Kaikkonen 1989, 253.)

Neutrality also has its own financial satisfaction. African countries have wanted to avoid economic dependence on developed countries. They have stressed, and pointed out that financial assistance shall not include obligations that bind them to rich developed countries. (Carmichael 2006, 47.)

2.8 Namibia's Independence

Since the Second World War, the South African occupation of Namibia was in defiance of a United Nations mandate. The black liberation movement of the South West Africa People's Organization (SWAPO) was formed in 1960 and initiated an armed struggle against the South African rule. All the members of SWAPO were native Namibians, and most of them were from a tribe called the Owambo tribe. Since 1976 the liberation force had been operating from Angola, but Angola had also some problems, it was in the throes of a civil war. In early 1988 however, a South African force was surrounded and facing defeat in southern Angola. At the same time, the South African government faced a simmering rebellion in the urban areas of South Africa itself. At least, they were forced to the negotiating table. In return for a phased Cuban withdrawal from Angola, the South Africans agreed to end their illegal occupation in Namibia. This led fairly quickly to free elections in Namibia in 1989, led to the independence of Namibia in 1990 with SWAPO as the ruling party. (Shillington 1997, 51; Carmichael 2006, 37; Hardy 2007, 205.)

At the same time as the Namibians were writing the first constitution, many other African countries were writing old constitutional changes to a new atmosphere that was fit to the new policies. Thus, Namibia was established as an open society, including the right to engage in political activity, to express their opinions and form associations. (Pikkarainen 2004, 11.) The Namibian Constitution is based on the universal declaration of human rights, after the repealing of the apartheid laws (Suonpää 2010, 34.)

3 AFTER THE INDEPENDENCE

Independence was one of the desired outcomes, after the phase of abhorrence and mistrust and 130 years of colonization, the Namibian Government took action to adopt the policy of National Reconciliation shortly after independence gained on 21st March 1990 in order to cultivate a national ethos in a society that has been stratified ethnically, racially and in gender terms for a long while. For decades, Namibia – one of the last colonies left in Africa – had been at the centre of innumerable debates in the United Nations and round upon round of international negotiations. (Shillington 1997, 45.)

Since the Independence the SWAPO government led by Sam Nujoma has pursued a policy of national reconciliation designed to heal the wounds of the 25 years of civil war and over a century of colonial rule. Strongly supported by the various UN agencies and major donors, the Namibian government has set about redressing the injustices of the past and rebuilding the economy which were so badly damaged by the war. The mining sector, which is by far the largest sector of the economy, has been further developed and significant growth has also occurred in both the fishing and tourist industries. (Carmichael 2006, 45-52.)

An additional and unnecessary distraction from the serious business of creating economic growth was the country's involvement in the conflict in the Democratic Republic of Congo to establish the now-assassinated Laurent Kabila. Despite the prime minister's explanations that Namibia was "fighting for the peace" and "going every inch" for negotiations to end the conflict, the real reasons behind Namibia's involvement remain somewhat murky and the real reason behind it remains unknown. (Williams 2008, 368.)

During the late 1990s and the first part of the new century, the Namibian economy has continued to grow, albeit slowly. The development of the Walvis Bay port, the completion of the Trans-Kalahari and Trans-Caprivi highways and the opening of the new road bridge across the river Zambezi between Namibia and Zambia demonstrates the government's commitment to international commerce and trade. The tourism sector

had been a bright beacon as the country has emerged as one of Africa's best-known secrets. Namibia is also an active member of the Southern African Development Community (SADC). (Williams 2008, 369.)

Since independence Namibia has enjoyed steady but unspectacular economic growth, but this has been checked by periods of drought and low world commodity prices. Per capita income in 2005 was estimated at US\$5200, which is considered fairly high compared to other African countries, but disguises the great inequality in income distribution as almost 35% of the population lives below the poverty line. Namibia has one of the most unequal income distributions in the world, with most of the productive ranch land lying in the hands of a minority of white farmers. (Hardy 2007, 207; Williams 2008, 369.)

3.1 The general atmosphere and the situation

According to the United Nations Development Program (UNDP 2009), Namibia still carries the title of the country with the highest levels of inequality in the world. The inequality that exists in Namibia is nothing unique on a global level, where the characters of Namibian structures seem to highlight an economic system that develops economic injustice based on the needs of rapacious capital. (Republic of Namibia, 2010.)

When economic inequalities are high, class inequalities can also be seen clearly. Class structures in Namibia are shaped basically along with socio-economic and ethnic sedimentation and therefore come to be along racial lines. When Namibia reached independence, the country was racked by inequality at all levels. The obvious ways of seeing the differences in everyday life are through the distribution of wealth, access to resources and the distribution of and receipt of services. According to the statistics of the World Bank (1991) the majority of black Namibians were given approximately US\$ 750 per year in the formal sector while those in the informal sector earned around US\$ 85 in a year. On the other hand, the income of the white population, accounting for only approximately 6- % of the population, was given at the same time as around US\$ 16, - 500 a year. Concrete figures from 1991 have proved, that the poorest rural household

spends, on average, about N\$ 104/ a month per -person, while a rich household consumed approximately N\$ 5-744 per person in a month. Statistics like these show the striking levels of inequality along ethnic and racial lines that still exist within Namibian society today. (Suonpää 2010, 5.)

One does not need to analyse these numbers in order to realise that the black majority population of Namibia are being economically dominated by the white minority, who actually represent only 6% of the country's total population. Hence it is important to remember that even though economic development is bringing change, it is not affecting the social development of Namibia with the same force. (Suonpää 2010, 5.)

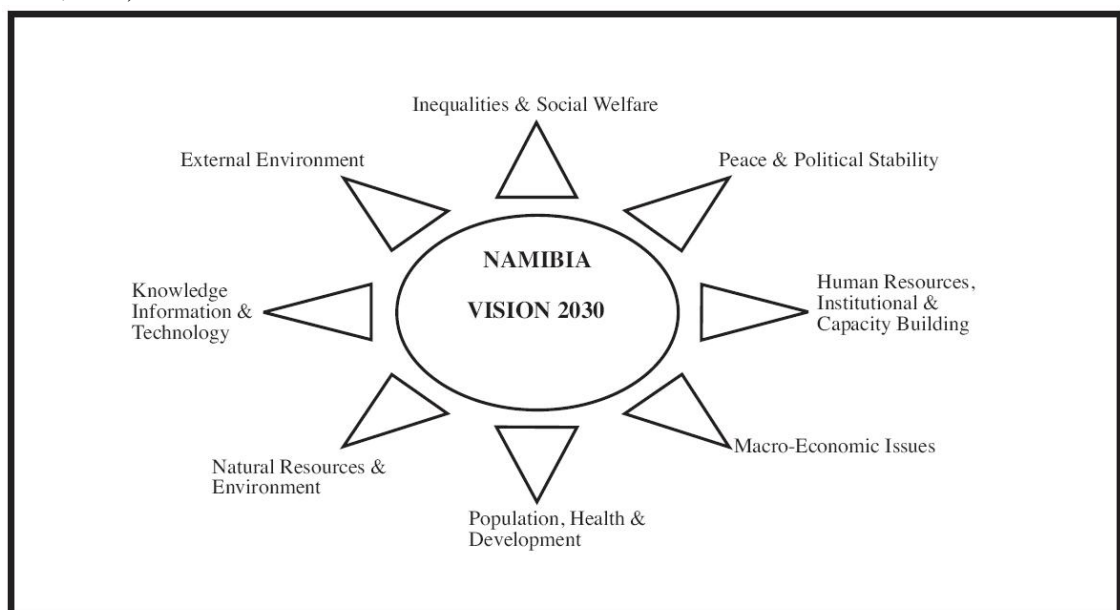
After independence many problems were revealed that would require state actions. The main goal is developing a country's economic growth, job creation, income inequality, removal, elimination of poverty. It is also important to invest in the standard of living and quality of life. A large number of children are causing problems for many women and families. Rapid increase in teenage rapes make many young people leave school. Migration in cities is strong, and it has become a challenge to increase employment opportunities and services to the uneven spatial distribution. Young people's problems are poverty, teenage rapes, unemployment, and drug and alcohol abuse. (Pikkarainen 2004, 123-124.)

3.2 Vision 2030

To reiterate what was said before the Namibian government is promoting nation-building, socio-economic development and unity as a future for the country within the democratic framework. Namibia seems to be a truly developing country in the true meaning of the term. In the last few years, Namibia has seen significant economic growth, and according to UNDP, Namibia seems to be one of the few African countries that is successfully maintaining its millennium goal. (The National Planning Commission 2010.)

Namibia's Vision 2030: “A *prosperous and industrialised Namibia developed by her human resources, enjoying peace, harmony and political stability*”, was launched by His Excellency President Sam Nujoma, in June 2004. Such a vision, according to the President, called for determined effort by all concerned to “concentrate on resolving, not just addressing, very important national problems” (picture 1). In practical terms, the call was for a comprehensive mission statement in all sectors of the economy and society objective situation analysis and imaginative as well as realistic projection in the future by the year 2030. Five-year development plans like the NDPI for the period of 1995-2000 came to an end almost ten years ago. Still the same objectives and missions are in the heart of the Vision 2030. (The National Planning Commission 2010.)

Supporting business development and entrepreneurship, and creating new jobs is aiming straight for the vision 2030. Besides all these development aspects, the challenge that is remaining within the nation is the bonding between different ethnic groups and languages in means of finding a common solution and marching forwards as a nation towards unity. The Government of Namibia is fighting against crime, corruption and violence against women and children and at the same time trying to support country’s economy. All in all, Namibia still struggles with problems that have their roots in the period of colonial power and even in the market driven economic policies. (Suonpää 2010, 3-4.)



Picture 1: Namibian Vision Objectives

3.3 Current economic situation

The biggest challenges facing Namibia today are to address poverty and unemployment, find a fair solution to the land debate and get to grips with the AIDS epidemic, which affects more than 45% of the population in some northern areas (Williams 2008, 369). At independence European colonial governments left Africa with a mounting economic crisis – the end-product of three-quarters of a century of colonial misrule. Africa's economies have been directed towards providing Europe with cheap raw materials. In return, Africa imported relatively expensive manufactured goods, such as cars, trucks, machinery, tools, utensils, clothing, and even processed food, from Europe. Throughout the colonial period there had been little or no attempt to develop the African economy into self-sufficiency. Even the 'terms of the trade' were determined outside Africa. The developed world of Europe and North America dictated the prices of Africa's raw material exports as well as the cost of Africa's manufactured imports. (Carmichael 2006, 63.)

South Africa administered Namibia pretty much as a fifth province until the end of the 1970s, therefore there was a little scope or incentive for the development of local manufacturing industry. Manufacturing contributes only about 5 percent to GDP and the sector employs fewer than 10,000 people. About half of these work in the food and beverage processing area. (Carmichael 2006, 56.)

Between 1990 and 1995 the economy grew at an average rate of 4.5% but a 3.2% population growth eroded many of the economic gains and meant that a majority of Namibians actually became poorer during this period. Today the trends have been reversed as the population growth is just less than 1% and inflation is put at 6.7%. Mining contributes 8% of GDP and provides about 50% of Namibia's foreign exchange earnings, while tourism and the fisheries sector have made significant contributions to recent growth and agricultural output remains more or less constant. However, these sectors have been unable to absorb the increase in the number of Namibians looking for work. However, with education and training high on the government's list of priorities and the all-round will to see the country prosper, Namibia's future is potentially bright. (Williams 2008, 369)

In reality, 5% of the population controls 72% of the economy and the United Nations Development Program's 2005 Human Development Report showed that 55% of the population lives on US\$2 per day. The net result is a continuing exodus of people from rural communities to urban centers, a trend that is taking its toll on traditional lifestyles and culture (Carmichael 2006, 53-54).

Measured by per capita gross domestic product, Namibia is the third wealthiest country in Southern Africa, after the republic of South Africa and Botswana. In African terms, Namibia is potentially rich given its small population – with valuable mineral resources, exceptionally rich fishing waters and a strong livestock farming industry. Namibia has two important harbours – Lüderitz, a fishing port to the south, and Walvis Bay, a deep water harbor in the centre of the coast – provide access from the sea. The telephone service permits direct dialing to over 150 countries and has some 80,000 subscribers. About 90 percent of the country is served by FM radio stations, with the Namibia Broadcasting Corporation offering programs in nine languages, including English and German. (Carmichael 2006, 52.)

3.4 Economics and politics

Economics and politics are said to go hand in hand, and this very true. Politics usually follow the economic situation and try to give guidelines and develop the country's economic situation. This is also worldwide phenomenon; politics usually follow up the world economic situation and many countries change their politics according to the world economic situation. People are demanding job opportunities and economic development from the chosen politicians. People usually chose those politicians who ensure that they will fight for the improvement of the economic situation and for those that promise the creation of more job opportunities. (Suonpää 2010, 4; Shillington 1997, 54.)

According to Suonpää's interviewees many Namibians saw some changes and progress after independence but the growth has regressed or stopped, at least from what they see in society. Especially according to businesspeople after independence the government changed some policy in order to reform some of the old colonial legacies but ended up

without fundamental changes in the socio-economic structures. For example the manufactures were encouraged through tax benefits and other pull factors, but still Namibia has been exporting mostly raw materials while importing a lot of goods in the country. (Suonpää 2010, 30.) Williams (2008, 368) notes that Namibia's neighboring country South Africa is strong in the manufacturing arena that fighting against its power is almost impossible. South Africa is one of the biggest importers to Namibia and Namibia is still largely dependent on South Africa for foodstuffs and manufactured products making this one of the weak links in the economy. (Williams 2008, 368.)

The Namibian government has regular debates and discussions on improving the economic situation. The respondents often express for financial support from the central government in different forms. Sometimes some optional ways to improve the financial situation were brought up – for example the Basic Income Grant (BIG). It is based on the same idea that is used in Finland. Proponents of the BIG say that activating people toward healthier after-independence economics by empowering people with a monthly cash grant (e.g. N\$100 per person) would make small businesses flourish. The opposite opinion argues that BIG would make people just dependent on the state grant. (Suonpää 2010, 31.)

The main problem that appeared in Suonpää's study (2010, 33-34) was that a very common opinion among the councils in Namibia is that people believe that the topics under the discussion do not change. They believe that it is 'only talk and no action', and that their attendance does not make any difference to everyday lives. The public seem also to think that promises made before the elections are forgotten afterwards. The citizens are used to the disappointments and they have stopped caring. People have mixed feelings of frustration, lack of faith and skepticism. All these put together seems to be the reason behind people's inactivity. (Suonpää 2010, 33-34.)

4 CULTURE

Namibians are a heterogeneous society of many cultures. The oldest inhabitants are hunter-gatherers, known as the San, who wandered through desert territories, are great storytellers and love music, mimicry and dance. Meanwhile the Herero and Nama tribes moved with the seasons to find good pasture in the south. Also the Herero and Nama tribes have a great oral tradition of poetry and prose and a natural talent for music. (Republic of Namibia – Namibian Culture 2010; Carmichael 2006, 63.)

People of Namibia are proud of their heritage and their tribes. Today most of the women carry their unique and traditional outfits with pride. The most striking feature of the traditional Owambo social system is that of matrilineal descent. The Herero are a pastoral cattle-breeding people, whose women wear Victorian-style dresses adapted from the wives of Rhenish missionaries. These gorgeous dresses with the horns can be seen in every street picture in almost every city in Namibia, and even more so in the heart of Namibia, Windhoek. The Himba women rub their bodies with a mixture of red ochre and fat, wear traditional body ornaments and garments, and have hairstyles that correspond to their age, sex and social status. These women can be seen selling their handcraft in the sidewalks in the cities. They are dressed in traditional cultural wear, and adorn their bodies with ornaments in order to attract tourists to buy their art. (Republic of Namibia – Namibian Culture 2010.)

Socially, Namibians enjoy a rock-solid sense of community thanks to the clan-based system. Members of your clan are people you can turn to in times of need. Conversely, if someone from your clan is in trouble you are obligated to help, whether that means providing food for someone who is hungry, caring for someone who is sick, or even the adoption of an orphaned child in some cases. Such an all-embracing social structure also means that the family nucleus is less important. Indeed many Namibian “families” will include innumerable aunts and uncles, some of whom might even be referred to as mother and father. Likewise cousins and siblings are interchangeable and in some rural areas men may have dozens of children, some of whom they might not even recognize. (Hardy 2007, 209.)

When I have been observing the Namibian people, I noticed that even though Namibians are very loving, social people, and all the different tribe members, the wide variety of different cultures and traditions, are living in Namibia hand in hand; there are some tensions between the people. Politics, inequality and different tribes create these tensions in the country. Namibia is a very young country; it is still struggling to attain cohesive identity, and the history weighs heavily on generations who grew up during the war for independence. Memories of those times are still vivid. As a result some formidable tensions endure between various social and racial groups. (Suonpää 2010, 55.) I have also observed, when living in Namibia, that color is still an issue. Black and white people are mixed, but on a national level, the white Germans in Namibia stick to themselves, and do not approach black people in terms of making friendships; it is the same with black people, even Namibia's ethnic groups are extremely varied in color.

On the whole, Namibians are conservative and God-fearing people (90% of the country is Christian) so modesty in dress and manner are important. Keeping up appearances extends to dressing well, behaving modestly (and respectfully to one's elders and social superiors), performing religious and social duties and fulfilling all essential family obligations. Education too is important and the motivation to get a good education is high. But getting an education is by no means easy for everyone and for families living in remote rural areas it often means that very young children must be sent to schools far away where they take up board in hostels. (Hardy 2007, 210.)

Most Namibians still live in homesteads in rural areas and live typical village lives. Villages tend to be family and clan-based and are presided over by an elected headman. For the majority of Namibians life is a struggle. Unemployment is unacceptably high and the economy remains dependent on the mining and fishing industries. (Hardy 2007, 210.) This is why many Namibians have left their villages and moved into the big cities to look for a job or education; thousands seek employment in industry, trade or administration in order to escape. Many return periodically to visit their families and villages, even though they have been sucked into the maelstrom of big city life. The urban city life is now common for a lot of Namibians. (Carmichael 2006, 64.)

4.1 People of Namibia

Namibia's population was estimated to be 2,040,000 million in the year 2006 and the current growth rate is 2.6 percent (World Health Organization). According to the 2001 Population Census the country has a relatively youthful population with 39% of the population under 15 years of age and only 7% over 60. Despite rapid urbanisation, Namibia is still a mainly rural society with 33% of the population living in urban areas. Mainly these urban areas are located in the north and down south of the country. (Republic of Namibia – Projected Current Population 2010.)

The population of Namibia comprises 11 major ethnic groups. The majority of people come from Owambo tribe (50%) with other ethnic groups making up a relatively small percentage of the population: Kvang'o (9%), Herero/Himba (7%), Damara (7%), Caprivian (4%), Nama (5%), Afrikaner and German (6%), Baster (6.5%), San (1%) and Tswana (0.5%). (Languages of Namibia 2010.)

Although Namibia is one of the world's least densely populated countries, its rich mix of ethnic groupings provides a wealth of social and cultural diversity. The indigenous people of Namibia, the Khoisan (comprised of San hunter-gatherers and Nama pastoralists), have inhabited the region from time immemorial. They were followed by Bantu-speaking herders, with the first Europeans trickling in during the 17th century. (Hardy 2007, 27.)

With Namibia's population, the largest challenge in recent years is the increase of the Acquired Immune Deficiency Syndrome (AIDS) and Human Immune Deficiency Virus (HIV). HIV infection has increased rapidly, as in other countries south of Sahara. It is believed that HIV / AIDS will slow the Namibian's demographic trends, the early 2000s decades to come. UN statistics show that life expectancy at birth will decline from 58.8 (in 1995) to 40.6 years (in 2005). AIDS will also impact the number of orphans which has already risen sharply. (Pikkarainen 2004, 124.)

4.2 Women in Namibia

Gender equality is an important matter for discussion through economic lenses and entrepreneurship, how relation to the traditional perception of women's role in the society and how the traditional way is affecting women's everyday life. (Hardy 2007, 212.) There are culturally based assumptions on the right norms and beliefs on how one should behave and on which the societies in the world are built. Norms exist everywhere, within households, workplaces, the community, and other institutional structures – and more importantly, the understanding is closely related to the cultural agenda. The culture norms also include gender norms and norms about, how women should behave and function, and it also points out where women belong. (Suonpää 2010, 6.) Women in Namibia have a low socio-economic status in the society. Stereotype- based gender thinking encompasses all levels of Namibian society, as gender roles are defined only narrow ways through the social institutions. (Pikkarainen 2004, 124.)

When it comes to entrepreneurship women are recognized in this area. They are hard workers and now when their social status is upgrading they have the needed motivation to become entrepreneurs. (Suonpää 2010, 7.) It is also good to remember, that Namibian women feature prominently in local and civic life and that many Namibian women took a heroic stance in the struggle for independence (Hardy 2007, 212). In my work journals, I state that the women are hard workers and usually they are doing twice as much work than men just to prove themselves. At my final report I also state that most men who are unemployment have alcohol problems and their spirit gets easily down. However, I pointed out that most women who are unemployment have a strong spirit and they are looking for ways to improve their and their children lives. In my studies I recognized, that it is crucial to empower the women and brighten up the entrepreneurial spirit in them. Most of the Namibian women have the qualities that are needed when becoming entrepreneurs. This is also one reason why I studied women separately. Also the PDDSI project is focusing on women in the year 2011.

Women in Namibia have a low socio-economic status in the society. The problem is known and the presidential office has a special Feminism Agency, which is powered to run women's rights in the country. Since independence the Namibian government has been committed to improving women's rights with bills like the Married Persons Equality Act (1996), which equalized property rights and gave women rights of custody over their children. (Hardy 2007, 212.) The country supports women's employment and independence, it must be remembered that because of the Namibian colonial period, the country herniated a very conservative patriarchal society and the law. For example when the country became independent, a married woman was in her husband's guardianship. Improvements are made, but old ideas and beliefs die slowly. (Pikkarainen 2004, 124.)

Where women's position in Namibia is concerned, the main areas where differences between men and women are still strong is the decision-making position and access to resources. Even the new generation pushes women to study and work, and it is still expected, that women should listen to their partners and the head of the family, and the decision maker in the family is the man. The role of Namibian women in family life includes being the primary provider of food and taking care of the household families and communities both in the urban and rural areas. Here, it is important to note, as stated by several respondents, that what the Western world often calls authorities does not mean the same in African context, where, besides the strong leadership position, the decision-making is based on consultation with others. When one thinks about the women in the household one sees that they are in the charge of the household, although the head of the house is clearly a man who often makes all the decisions by himself. (Suonpää 2010, 5-6.)

When it comes to working life, women have noticeably lower labour force participation rates than men, 48% compared to men's 62% and women are more likely to end up unemployed. The area where women most likely are to work is agriculture although one needs to keep in mind the big difference between rural and urban city areas. Other major working fields for women are private households, health and social work and the field of education. That said it is good to remember, that Namibia is offering education for all the people age of learners in the country, so national gender divisions in school enrolment are not striking. (Suonpää 2010, 6.)

4.3 Languages

One interesting point is the linguistic element in this thesis. The usage of language plays an important role when writing the "How to start your business in Namibia" – guide, like it is stated in my work journals and in my work trip's final report. At the workshop that was held in Windhoek during week 40, it came down to a conclusion that the community is the 'customer' of this guide, the community members are described as 'service users'. The 'customer' of the guide booklet is an average Namibian citizen, who is or is not educated, so it must be recognized that the customer may only speak ones original tribal language. (Suonpää 2010, 23-24.)

In Namibia, you can also still find the old tribe members speaking the first languages ever spoken on human history. Thousands of years ago Khoisan-languages may have been the ones dominated in large parts of Africa. Today, speakers of these languages can be mainly found in Namibia, South Africa and Botswana. At the present Namibia has two nomadic small groups; the Khoisan speaking people, known as the Bushmen or San and the Ovahimba people, figuratively known as the red people. (Hurskainen 1995, 230.)

English is the official language in Namibia. Even though Namibia is a relatively small population it is extraordinarily diverse in language and culture. More than 11 languages are originally from Namibia but with its cosmopolitan society, languages from around the world are spoken in Namibia. It is estimated that about 30 languages are spoken in Namibia and the Namibian Biodiversity Database claims that the number of individual

languages listed for Namibia is 28. Of those, all are living languages. People commonly speak two or three languages and more than 50% of the population speaks Oshiwambo (diagram 1). Usually in the urban areas black people speak their own unique tribe language, and also English and Afrikaans. The language Afrikaans comes from country's colonial history, the language of the previous South African occupiers is still widely spoken in Namibia. (Namibia Biodiversity Database, 2010.) European languages spoken in Namibia are German, Portuguese, Spanish and French (Republic of Namibia – Languages 2010).

Diagram 1: Main original languages in Namibia

According to the 2001 census figures the main original languages are:

| Language: | Spoke by % of households: |
|------------------|----------------------------------|
| Oshiwambo | 48% |
| Damara>Nama | 11% |
| Afrikaans | 11% |
| RuKwangali | 10% |
| Otjiherero | 8% |

5 SMALL AND MEDIUM ENTERPRISES TODAY

Namibia has always been rich in the amount of non - governmental organizations (NGO) in the country. Since independence Namibia has been fortunate to have many donors and supporters who have helped the country to develop and improve its working life, economy and employment. Countries like Germany, South Africa and Finland have had a significant role in supporting Namibia in many ways, and NGOs have been dependent on their support. Finland has supported Namibia in many ways and today's its focus has been on entrepreneurship among others. (GTZ & JCC 2008, 16.)

Like it was claimed earlier, there is very little industry in Namibia and the output of the country is low, which is why a large part of the goods are imported. The government of Namibia has had projects and plans for supporting the country's industrialization and developing production of certain goods. Majority of the SMEs in Namibia are operating in retail business and significantly small amount is producing. Most of the SMEs do not even have the option to start manufacturing because they are lacking on finance. (Pikkarainen 2004, 161.)

The SME sector contributes an estimated 12% towards gross domestic product (GDP) and employs about 20% of the country's workforce. However, the sector's contribution to the GDP on the whole is difficult to measure due to the informal nature of such businesses and the lack of a national SME database. It is also likely that the contribution to the GDP has increased significantly over the past few years as a result of SMEs having better access to finance, and the improvement policies and strategies by public and private sector entities focusing on SME development. (GTZ & JCC 2008, 1.)

Unemployment is one main reason why people become as entrepreneurs in Namibia. When there is no job, one has to employ him- or herself. There are a number of SMEs in Namibia, but the actual number is hard to evaluate because of insufficient information on informal SMEs. (Suonpää 2010, 16.) Herbert Jauch (2010, 2) had studied that many Namibians are forced to make ends meet in the informal economy. "Informal unemployment in the country is growing fast – not by choice, but as the result of the

formal economy's inability to create sufficient employment opportunities", he said. (Jo-Maré Duddy 2010, 2.)

For example informal businesses included vendors, who are selling food at the open markets. They cannot afford to have their own premises, register their company or pay the costs of a formal business. (City of Windhoek 2010.) It is illegal to do illegal business in Namibia but vendors are a known group of SMEs in Namibia and the government is not punishing them for doing what they do. Illegal business is a two-edged sword in my opinion in Namibia; one must make a living because the government do not give any support, but on the other hand by allowing the street vendor's do continue their trade, the government is allowing people to do illegal business and the country is not gaining any tax incomes. I believe that these tax incomes could be used to heal the economy.

SMEs have a significant role in reducing poverty and unemployment in the country, but at the moment SMEs cannot grow enough without support from outsiders. Since independence different and numerous support service providers have operated to support and develop SMEs in Namibia. At present there are various SME BDS providers in Namibia. Different institutions and organizations operate at different levels. Part of these institutions operate directly with SMEs, offering services in marketing, management, book-keeping, etc. (GTZ & JCC 2008, 7.) During my work trip observed and like I claim in my work journals that BDS providers are doing a good job but they are working separately, looking for their best interest and there is no unity among BDS providers.

5.1 Effects of Unemployment on Entrepreneurship

Unemployment is a national crisis in Namibia. In Namibia it is referred to as “Huge crisis of mass unemployment”. Namibia’s formal sector shed nearly 70 000 jobs between 1997 and 2008, while, at the same time, between 240 000 and 300 000 new job seekers flooded the labour market. Independent labour expert Herbert Jauch had studied that between 20 000 and 25 000 new job seekers enter the labour market every year. Herbert Jauch also reports that Namibians are not just without jobs because they lack the skills. About ten per cent of the university graduates share this predicament. (Jo-Maré Duddy 2010, 1-2.)

According to the latest Namibia Labour Force Survey (NLFS) 51.2 per cent of the country’s workforce in 2008 had no jobs. Unemployment among women reached 40.4 per cent in 1997. By 2008 the figure had jumped to 58.4 per cent. The crisis also involves the country’s youth. The statistics show that in 1997, 58 per cent of Namibians between 15 and 24 years of age were unemployed. Nearly a decade later, 75 per cent of the youth was stuck without work. However, it must be considered that the statistics are not totally reliable. (Jo-Maré Duddy 2010, 1.)

Jauch also provided information on the challenges facing the country’s SME section. Jauch pointed out that a study done by the Labour Recourse and Research Institute (LaRRI), found that SME workers did not join the sector by choice, but rather because there were no other employment options available. The LaRRI study showed that SME workers in 2002 on average earned less than N\$1 000 per month which is less than 100 € Women in the sector on average earned less than N\$500 and this less than 50 € “About 90 per cent of these workers were not covered by any pension scheme, medical aid or any other forms of insurance”, Jauch said. Most employees in Namibian SMEs fall into the category of the ‘working poor’ who struggles to meet even their basic needs despite being full-time employed (Jo-Maré Duddy 2010, 2.)

5.2 Problems which Small and Medium enterprises face in Namibia

It is a generally known opinion that SMEs in Namibia and all around the world need support of some kind when starting up their own business and that, SMEs have various needs. SMEs in Namibia face unique problems characterized by their country. SMEs in Namibia face different problems which indicate some fields where support would be needed. The problems are different according to what social class you belong but the main and most common problems are the same

According to the JCC & GTZ (2008, 36) research most (63%) of the SMEs interviewed had experienced problems with access to finance, and this also seems to be the main reason why some people do not become entrepreneurs and do not apply to start their own business. Most people do not receive funding to start their company and ones who are running their businesses are struggling to keep the bookkeeping in order. Another problem was lack of supplies which 52 per cent of the SMEs were concerned. Quite a few had problems also with capacity and finding skilled workforce, access to markets, profitability and costing issues, planning process management and organization. (JCC & GTZ 2008, 36.)

I was sent to Namibia by PLDDSI project to collect and do research of the information that is provided to people who are establishing their businesses in Namibia. My job description also included observing the general situation of the entrepreneurs and the problems that entrepreneurs face in Namibia. The following information was collected on my work trip to Namibia which occurred during the time period of 18.9 – 9.10.2010.

My work trip in Namibia lasted on three weeks but because I have been living in Namibia between years 2009 – 2010 March, I was apply to collect all the information and observe the situation based on my earlier knowledge. For the first two weeks I was gathering the information and observing entrepreneurship. I visited multiple governmental – and private organizations, companies, and banks, and I gathered all the information together that I received from them. I talked to several entrepreneurs about what kind of problems they are facing and what kind of information they are lacking.

On the last week of my work trip the PDDSI – projects project managers arrived to Namibia. We hold a workshop based on my information concerning the entrepreneurship and missing information. This workshop took place at the Namibia Chamber of Commerce (NCCI) and our Namibian delegate participated as well sharing their ideas and thoughts. All the information of my work trip can be found at my Work trips final report, which is attached to this thesis.

5.2.1 Finance

As it was introduced before the main problem that entrepreneurs face in Namibia is the access to finance and funding. Varieties of entrepreneurship courses and information sessions have been held in the past and are currently being held at the moment in Namibia. At the workshop that was held in Namibia I was told that people have participated in these courses with enthusiasm, have drawn their business plans, and have been developing their business ideas. All this has come to a quick ending, because people cannot get funding anywhere.

Start-up money and loans can be applied only from the banks, but the banks' terms and conditions are very steep. For an average Namibian citizen it is almost impossible to find financing. When I was doing my research for the materials, I found out when visiting the Development Bank of Namibia that government of Namibia did some new policies and gave large amount of money to help funding the SMEs. The money was given to Development bank of Namibia. Development Bank of Namibia handed out the money to First National Bank and Bank Windhoek. These three banks made also some new policies and action plans in terms of supporting the SMEs. They promised support and help up-coming entrepreneurs, but in reality this is doesn't concern lot of people, because of the strict rules they still have, when one is trying to apply a loan for ones business. Financial Terms includes 5 years of experience in that given work sector and 60 per cent of the loan must have guarantee. (Bank Windhoek 2010.)

Most of the Namibians do not have this guarantee, which is understandable, and it is noteworthy when comparing it to Finland; most of the Finnish people also do not have guarantees like this. This is why the country is in a firm belief that successful

entrepreneurs have made the illegal trade and illegal activities prior to starting your own business, so they have their own start-up money needed. This is very sad, but seems to be true in my experience. When I was talking to many currently legally self-started businessmen, they told me, that first they did illegally business for rising up the start-up money for their legal business. Some even admitted that they have been selling illegal goods or that they have been doing illegal trade.

5.2.2 **Illegal Business**

I discovered that "The greatest crisis" of unemployment in Namibia has also created a lot of illegal trade and business. Like I note in my work diaries Illegal trade and business is happening in daily basis. I also discovered that the state does not support the unemployed people and Namibians do not have a monthly basic security, which for example in Finland is being distributed from the government for its citizens. In Namibia illegal business is like a double-edged sword in my opinion; one must ensure its own survival by their own means, because one is not supported by the government.

Street vendors can be found throughout the country level, and they engage in a variety of small business forms, such as selling the kapana – meat on the markets or selling handicrafts along the street lines. When I was walking in the streets of Windhoek I noticed that there are more street vendors on the streets than earlier. The state does not intervene in the illegal business. Most of this level -"street entrepreneurs" do not even know how to legitimate the business. In reality, however, this level of business is not even self-worth for registering. Registration fees and legal business expenses are too high for "street entrepreneurs". In turn, one should raise awareness of the fact that for example the women in Katutura (the poor people residential area in Windhoek) who are selling the kapana - meat, could work together to establish a cooperative, hence to protect and increase their business.

In my observations illegal business "acceptance" of the state level also causes and promotes illegal businesses to grow. People do not want to pay taxes on small businesses. No one wants to register when everybody who is doing the same business

are not register. Therefore, illegal business operations make small legal businesses suffer, but I believe that currently invisible to the problems; will in the future be visible.

5.2.3 Taxation

The imposition of a poll tax was also the cause of great resentment among Africans. The tax was adopted in almost every African country throughout the colonial period. It had to be paid in cash by each adult man. The purpose of the poll tax was two-fold. It paid the cost of colonial administration by providing salaries for the European administration and the police force. The tax also served to force Africans into the cash economy. For centuries the common trade currencies of the African interior were lengths of cloth, cowrie shells, glass beads and copper ingots. (Shillington 1997, 16.)

In my studies I found out that the taxation in Namibia is not working correctly and the tax money is not used in terms of healing the country's economic situation. Many Namibians do not want to pay tax because they believe that their own people won't benefit from it. This seems to be the common reason not to pay taxes and is also one of the reasons why many people do not want to register their companies. The taxation is not useful for their business even though I discovered that there are some benefits like for example (VAT). This is not enough for people to want to register their company.

5.2.4 Business Support services

At the moment Namibia has many business support organizations for entrepreneurs. These services, however, have generally focused on existing businesses and entrepreneurs, for example, InWent and SMEs Compete only serve people who have been doing business successfully over a year. These companies only offer their service safter successfully operating your business over a year. I visited all of these service providers and they claimed that the reason behind this is the fact that they can get finances from the banks. Some banks support these private sectors business development services (BDS) by giving them money and in return these BDSs must give good results for banks so that the banks will support them in the future. They are so focused on the development of entrepreneurial activity, but do not provide services to

emerging entrepreneurs. The Institute for Management and Leadership Training (IMLT) provides services for emerging entrepreneurs, or people who are interested in entrepreneurship, but these services are not for free. So this scares some people. Services are also chargeable and are not providing long tendons of assistance and support. It is not surprising that according to the JCC & GTZ study some 92 per cent of 1030 SMEs interviewed indicated that they had not used any BDSs during the past 12 months. (JCC & GTZ 2008, 42.)

There are multiple reasons for why SMEs do not use BDS's but in Namibia I also found out that the biggest issue was trust: people do not trust the services providers and do not trust that the service that they are paying for is worth of their money. I noticed that most of these organizations have also marketed themselves poorly and they are often unknown by the public. Many of these organizations are also not run by Namibians, but for example are run by the Germans. The organizations are overshadowed by the organization's national stamp; for example, the German stamp. In my opinion Germany has done a great job in Namibia in recent years but the Namibians however, still have haunting memories of colonial period and the presence of the white Germans continue to raise negative feelings in the black and colored peoples of Namibia. I fully understand this sentiment, and when talking to the original inhabitants of Namibia, it is fully recognizable that in Katutura (former 'blacks only' residential area) only black people will live there, and not a single white person. So these unemployed persons are not willing or even able to seek help from these organizations, because they simply seem too far away for them, and also because they are run by white Germans.

While in the public sector the assistance is difficult to access. The public side of the services is very weak, and often these organizations structure is very complex. When I was visiting these public service offices I found myself lost and I did not receive any assistance or service. I spent hours looking for the right persons and information. When I found the right people I also discovered that half of public sector service-mindedness is very low. Public sector employees feel that they do not benefit from anything when helping others to become successful entrepreneurs, so access to sincere assistance is limited. The organizations have not pointed out particular persons whose responsibility is to help the people who are in need of help. Similarly, the staff is not trained.

Many organizations in the private and the public sector are threatened by the other service providers. They do not cooperate, but in turn, are fighting over "customers". This is not to defend its case, but in turn, further alienates services. Seems like that, especially in the private sector that they have completely forgotten why they are offering their services; they are supporting Namibian entrepreneurs. In short; for an ordinary citizen, it is difficult to get help and support in setting up a business.

5.2.5 Material provided for start-up businesses

Materials provided for SMEs can be found in the country, but finding them is a big job and will take time. Materials are also very difficult to understand, and they are not found in one place. I have to visit multiple organizations to collect the information for example taxation. Each organization offers a variety of materials, and one cannot find any comprehensive information. In Namibia I noticed that people who have the information and material are not willing to give this information, and it is not freely available to almost everyone. There are multiple reasons for this but for my point of view the biggest reason is the effect colonialism had effects on people's minds. When one has the right information and is giving out one feels a sense of superiority.

In examining the materials, I noticed that the materials are not built to the customer's perspective, and the customer is a common interest in entrepreneurship as a citizen of Namibia. Materials are often either too complicated or too simple, and contain outdated information. Some of the materials are also so difficult to understand and the language is really challenging even for an educated man or woman it is hard to read them, let alone the uneducated citizen.

Creating a guide that includes all the vital information in terms of supporting entrepreneurship in Namibia in my opinion is very important. For the first time in the history of Namibia, there is going to be a guide that is written in the customer's perspective, and which is distributed freely to all who want it. The guide will support Namibia towards its Vision 2030.

5.2.6 Inequality

Namibia is said to be one of the world's countries where there is the greatest inequality between people. This is very true, and in Namibia this can be proved on a daily basis by just walking on the streets of the different cities. The country's richest people are white people and poorest are the black and colored peoples. Although many black and colored people are living a good life, measured in financial terms, it is noted that in Namibia you cannot find any poor white people. Namibia's poor populations, living below the poverty line, are black and colored people. It should also be borne in mind that statistics show that the 6% white population is the country's richest population. Interesting to note is that the white population continues to live only in certain neighborhoods, and they never reside in the former "Blacks 'only' residential areas. (Suonpää 2010, 27.)

The great wave of African independence at the end of the 1950s and beginning of the 1960s swept over the continent without touching Namibia, although it clearly left traces behind in the minds of the country's black population. Yet where black Namibians managed to organize themselves to protest against their lack of political and civil rights, they were met with heavy-handed repression. At the time people were protesting against their forced resettlement to the new black-only township of Katutura, but their voices were not heard. Namibian people did not share the same rights in the history. (Carmichael 2006, 39.)

Political development was one thing, the establishment of an infrastructure in Namibia was entirely another. German administrations and South African mandatory government ruled by dividing the people. Yet despite their efforts to grab control of as much land in their territory as possible, the German and South Africans invested very little in Namibia's infrastructure. In the 1960s, for the first time since German rule, the country underwent a period of rapid development: roads, water and energy resources, telecommunications, agriculture, tourism and other areas reached a level which placed Namibia a cut above the average African state in terms of living conditions. In heavily-populated rural north, however, this process only affected marginal areas and was by and large limited to police zones. (Carmichael 2006, 37 – 40.)

The inequalities may also be seen clearly in the town structures all over Namibia from its capital city to the northern cities of the country. The socio-economic structure has created different housing areas, with diverse standards of living, and towns have their original city planning based on the apartheid lines. As one may see even today, the traditional structures have created segregated communities within the towns. When it comes to the town area, poorer people live in poorer and less central extensions, and not as much attention is paid to these in areas as it is to the richer areas. For example, the roads are often kept in better condition in more central areas and there are even electricity missing in the farer part of the city. The further you go from the city centre you notice that the more the road changes from asphalt to sand, and street lamps disappear. (Suonpää 2010, 27.)

Entrepreneurship is linked to education and professional experience. It cites that crucial business skills such as strategic planning, flexibility, proactive management and distinct customer orientation are positively linked to business performance. Hence, the lack of business skills that contributes towards poor performance and increases the probability of business failure can be deduced. The lacking of these skills is possibly the biggest issue when it comes to entrepreneurship. (GTZ & JCC 2008, 1.)

When exploring this issue in Namibia I noticed that whites still have for example their “own schools”, schools which are built by for example Germans, in the term that blacks are not prevented legally for entering these schools but which tuition fee is so high that most Namibians cannot afford it, only the country’s white and rich people are the only ones who are able to pay it. Whites usually favor these schools, so the white youth does not mingle with the blacks and coloreds. This brings up the colonial memories in the present.

More importantly, all the differences appear in people’s attitudes and way of speaking and differentiating between places, classes and ethnicities within the society. Inequality even occurs within the family. Like it was recognized earlier, men are the head of the family and women do not have that much of a saying against their husbands. (Suonpää 2010, 27.)

5.2.7 Attitudes

Behind many structural problems occur psychological factors that have been shaped by the attitudes of the people. One of these approaches includes the inactivity believing that certain people are getting things easier than others and even trying would only take resources without an outcome. This might be true as even discussed earlier, but at the same time the change is impossible to achieve if the entire population is carrying this same attitude of disbelief. (Suonpää 2010, 45.)

The passive approach to influencing the common good can be partly explained by the restricted rights that during apartheid most Namibian people had. The colonial power created a high dependency in the people, and people were waiting for the ruling power to give them something but only if they wanted to. This mentality still remains in Namibian society, as the atmosphere everywhere you go. People are mostly waiting for a chance from the authorities but not acting upon that chance with the measures needed. In other words, the attitude of 'wanting things but not wanting for work for them' is one of the biggest obstacles when it comes to changing people's mind-sets. (Suonpää 2010, 48.)

The deep-rooted inequality-based thinking is holding people back in several ways. It is still an influencing force: people are sometimes caught with an attitude of 'I cannot do this or that since I'm black'. The same pattern goes with gender or even with political standing. Changing the mind-set of the people is hard, especially when these kinds of attitudes remain also partly unconscious. After getting independence the majority of the people seem to be satisfied with the gained freedom and neglecting the responsibilities that came with the rights of democratic power. Therefore the challenge for making people let go from the past is the first major step towards active societies with participating people. Therefore a phrase that 'people are stuck on history is partly true and simultaneously that things are moving slowly because of that. On the contrary, the history should be seen as encouragement for the future: how the rights, which reflect the internationally agreed criteria, entitle the citizens to oppose and resist unjust decisions and laws and bring about the downfall of inequality. (Suonpää 2010, 48.)

Namibia's current economic situation of unemployment lends despair to be the predominant state of mind. Also, all the other problems that the poor are facing have led to general depression, and surrender to their current state. (Pikkarainen 2004, 161.) When I was talking to the poor people they seemed believe that the situation will not change during their lifetime, so they feel that it is not anything they could do now, but they were hopeful that their children would have a brighter future. This belief prevails, especially in middle-aged people who already have young children. Young people turn to hope and have faith in Namibia's future, and in their own future. The future lies on young people in Namibia. So it is crucial to invest in them and their attitudes.

I recognized in my observations that young people are ready to change the future and when talking with them, they seem to believe, that the change must come from them and the old government must be changed. They also know that Namibia lacks in innovation skills and new business culture must be awakened. But some of them say that there is nothing that they can do and they are just waiting for the government to do some power moves. These youngster mainly live in Katutura and are from the lower social group. This is an impact from the colonial era. The education system in Namibia is still so old fashioned that innovation and life skills are not taught in schools.

5.2.8 Apathy

The activity of the Namibian people seems to be in a so-called 'depressions phase' due to the following possible factors, which are simultaneously the challenging points; the historical aspect: after independence was gained, people had their hopes set high, and the reality after almost 20 years of independence is making people feel apathy due to the disappointment. (Suonpää 2010, 45.) The expectations were high and people were sure that when independence is gained things will change radically for the better. When this did not happen and the government was not able to answer these questions the nation's mood became negative. The functions of local democracy are good in theory, but the reality and how it touches the people is different and the general frustration and unhappiness create a passive community. (Carmichael 2006, 46-47.)

In essence, the function of the local authorities seems good on paper with all its functions and with all the given positions in order to serve the people. For example, forums provided for the community could be seen as a working way of letting people share their opinions and have a saying in the decision-making processes. Nonetheless, the voices heard speaking about inadequate structures cannot be silenced, since they are telling about the depression of the people's activity. Therefore, they need to be taken seriously as a big challenge. As for structures, it is possible to make them better, since there is a solid basis on which bolts and nuts need to be put in position or moved to a new place. (Suonpää 2010, 45.)

One of the explanations given as to why people are not interested in the decision-making processes is the small or non-existent impact they are having on democracy. Bad communication creates other problems when people are not aware in general about participatory governance issues. The communication is therefore one of the biggest practical challenges, one that is even relatively easily influenced. (Suonpää 2010, 45.)

Namibians may be described as characterized by apathy. The apathy can be explained partly as a result of high hopes after the gaining of independence and the reality of things over the almost 20 years of independence. According to several theories, all the processes of development have their ups and downs, and also phases of 'staying still' are common. (Suonpää, 2010, 45.) When people are not seeing concrete changes in their everyday life, a feeling of disbelief, depression and even apathy may be created. There are researches that claim that the apathy is to be blamed by colonial era. In the colonial era Namibian's were always told what to do, the leaders and administration led the country and its population did not have a much of a say. People were obeying the commandments. This did not create the surfer for Namibian people to be a part of the decision-making process. (Kaikkonen 1989, 224.)

In addition to boosting the community's spirit, more importantly the creation of a new mentality is a challenging factor that at the same time is an unavoidable process if one wants to see change. People's mind-sets need to be changed from those of apathy and public opinion must be made more positive. When it comes down to entrepreneurship

one cannot be passive towards ones business. One must see that being an entrepreneur is hard work and it needs sustainable work. (Suonpää 2010, 45.)

5.2.9 **Know your rights**

On Suonpää's research she found out that one of the biggest problems is that the people seem not to know their rights and therefore informing the people about their rights is a big challenge. Economic, social, cultural and also political and civic rights are influenced by intolerance and inequity at some levels, as the respondents stated. Because of peoples lack of interest they seem not to know their rights. It is must be considered that this is a common problem in Namibia. If two totally different regions in Namibia shows that people living their do not know their rights it must be a wider issue as well. People who do not know their civil rights do not also know what to claim. Knowing your rights and duties as a citizen of Namibia is important for an entrepreneur. One must know what rights and duties one has. It is also important to notice if one does not know ones rights the skill development must start by getting know the country's legal system. (Suonpää 2010, 39.)

5.2.10 Language barriers

Suonpää has made an interesting study based on the impact of languages in two different cities in Namibia; in the north Ondangwa and down south in Keetmanshoop. These cities are the exact cities where the Local Economic Development - project PLDDSI is taking place and where the enterprise agencies will be located. (Lempo Namibia 2010.) According to Suonpää (2010, 23), the different levels of describing things create challenges for the common basis of understanding. “The description of things and the assignments of meanings is connected to the linguistics, and in the Namibian context, language needs to be given more attention”, Suonpää claims in her research. During the research, it became apparent to Suonpää, that communication is usually done in local languages, but not forgetting English. The main opinion of the interviewees is that English as a formal language is good, as a common language for the country, but local languages need to be used to notify the masses as well. Therefore both English and local languages need to be used side by side so that all the people can be reached. (Suonpää 2010, 23.)

In the north in most of the rural areas the majority of the population speaks Oshiwambo, and children are taught in their ethnic language until the fourth year. Indigenous languages are included in the schools at primary level, but from the secondary level English is the basic teaching language. On the secondary level you can select the language in which teaching takes place; one can choose either an English school or an Afrikaans school. In all schools learning English and Afrikaans is compulsory. (Republic of Namibia – Languages 2010.) The importance of maintaining the local languages plays an important role when it comes to nurturing understanding and bringing the understanding to the people’s context, because the majority of the people speak and write their tribal language better than for example English. They also prefer their tribal languages as their mother tongues. Suonpää (2010, 23) also writes: “The majority of the people interviewed mentioned the importance of understanding concepts with their mother tongue and how this understanding differs in English”. (Suonpää 2010, 23-24.)

Language issues play a big role in areas, where there are several languages spoken within the community. Most of the information and government publications are in English, the language in those publications is hard to understand for an average Namibian citizen. The problem points out within the community and even among councilors, since not all of them can speak English fluently. It must be remembered that in Namibia there are different levels of understanding when it comes to different languages. One can speak for example Afrikaans but one cannot write it correctly. Therefore, language needs to be considered an important factor in discussion of how to bring the different levels of understanding onto the same stage. It is also relevant to note that not all words exist in all languages, and this might bring some difficulties in terms of translations, for example in the Oshiwambo language terms such as ‘democracy’ or ‘waste management’ does not occur. (Suonpää 2010, 25.)

Suonpää’s research is one of the researches were I based on my assumption that the guide must be written in different languages. I also observed that most of the BDS providers only give information in English and that the courses are provided in English. All the Namibians must be provided the same information and the information must be provided in multiple languages so that people can fully understand it.

6 SUMMARY

My job as a project worker for the PLDDSI project starting from July 2010 has focused entirely on developing entrepreneurship in Namibia. The PDDSI project has done numerous surveys and background work, and now is the time to start doing the practical work. The PDDSI project knew what kind of problems young entrepreneurs face in Namibia but my job was to point them out, and as a result to create a guide about how to start a business in Namibia. This guide points out all the main elements of starting a business and responds to the problems and needs that arise. The business guide removes confusion and simplifies lot of things to new business starters. My employer, PDDSI project, sent me on a business trip to Namibia during September and October.

I travelled to Namibia to collect materials and information that are provided to entrepreneurs and to observe the situation and the problems. I studied the history of Namibia and was in the field facing and observing the current situation and problems that concern SMEs. Based on this information the guide “How to start your business in Namibia” was written.

Namibia is facing many economic challenges and hence there are problems in entrepreneurship. In order to have a clear idea how to help Namibians become entrepreneurs we must one look at the country’s history. The history defines the reasons behind the problems. And by understanding these reasons one can start making the changes for the better.

Namibians had developed their country on their own terms before the 19th century. The colonial era started in the 19th century and during that era power Namibia faced many changes. Colonial power had a huge impact on Namibia’s economy. Namibia didn’t enjoy peace to develop on its own. When the European, more specifically German colonial rule began, they took advantage of Namibia’s raw materials and workforce only for their own use. During the colonial period Namibian industry didn’t develop much.

When the German colonial period came to an end, South Africa began to rule Namibia behalf on Britain. South Africa had already been further developed industrially, because it had acted as an important trading port and marketplace for many countries. During South Africa's rule Namibia once again failed to undergo any industrial development. This is reflected in the present economic situation in Namibia: the country has virtually no manufacturing of its own, and the country's raw materials are transported outside of the country for production. Namibia continues to produce what the country itself does not need and keeps buying the things it does need. When industry suffers, the whole country suffers; unemployment is at its peak and the country's poverty continues to increase.

South Africa introduced the apartheid policy to Namibia: they began to separate blacks, coloureds and whites. This policy distributed to the already culturally separated population. Whites were raised to a higher level and the blacks and coloureds were subjected to social classifications. Whites had their own areas, whilst the blacks were driven away from the center to their own residential areas. The apartheid policy stressed human inequality, and this was used as a new 'divine and rule' practice. By means of the isolation of people and dividing them against each other, the rulers secured their positions. Inequality is still visible in daily life and the people still feel the residue of this policy. It does not help that the whites are still the richest among the Namibian population, and in nominal terms, they still have their own residential regions. The 'divine and rule' policy also divided blacks from each others on a certain level. The different tribes were highlighted, as were different cultures and cultural differences.

The black liberation movement of the South West Africa People's Organization (SWAPO) was formed in 1960 and initiated an armed struggle against the South African rule. All the members of SWAPO were native Namibians. SWAPO suffered periodic South African raids and constant attacks from South Africa. The struggle for freedom, with the support of the United Nations (UN), led to the independence of Namibia in 1990 with SWAPO as the ruling party. Today SWAPO is still the ruling party, and it is acknowledged that in order to receive success you must be a SWAPO member. SWAPO and the government promised numerous changes and improvements in the economic situation. When they failed to live up those promises, the country's

morale suffered. Namibians had exaggeratedly high hopes - they were basically looking for a miracle - but for the government the challenge was too big, which is understandable. One must remember that the colonial powers ruled for centuries and today the country is only 20 years old.

After gaining independence, the majority of the people seem to be satisfied with the gained freedom thus acquired, though neglecting the responsibilities that came with the rights of democratic power. Therefore the challenge of making people let go of the past is the first major step towards an active society with the participation of the people. Therefore the phrase that 'people are stuck in history' is partly true and, moreover, things are moving slowly because of that.

The failure of politics has created indifference in the country. People are not interested in decision-making processes because their impact on democracy is small or non-existent. When people do not see concrete changes in their everyday life, a feeling of disbelief, depression or even apathy may be created. In the colonial era Namibians were always told what to do; the leaders and administration governed the country and its population didn't have a much of a say. People just obeyed the orders. In addition, people don't want to participate in politics because they have lost hope. This hopelessness can be seen today when people fail to come excited by new policies; they believe that the government won't bring about real change.

This is also reflected in the low level of entrepreneurship; people do not get excited about these new programmes and BSDs services because they feel that they don't have any real impact on their life. The government and banks are unable to give out large amounts of money to enable average citizens to get funding and business loans. One person told me that she is unwilling to attend any more training courses because she knows that she will still not be able to get a loan and open her own business.

The challenging economic situation is forcing people to become entrepreneurs. It is not people's choice to become entrepreneurs. This is an issue and a problem in itself, because it is known that entrepreneurs should possess that special entrepreneurial spirit

in order to succeed. If people believe that they are doing a job out of necessity, it is quite obvious that they won't succeed.

All the impacts of colonial power and the struggle for independence lead to one major issue in Namibia: the people's attitude. The attitude towards many things is wrong and there is a lot of negativity in the air. One widely held view is that certain people are getting things more easily than others, and that even trying to remedy this situation would be a waste of effort. This might be true, as discussed earlier, but at the same time change is impossible to achieve if all the population maintains this same lack of faith. One must believe in order to bring about change. Today in Namibia people sometimes take the view: 'I cannot do this or that because I'm black'. Such a negative attitude is a guarantee of failure.

At some level some Namibians also feel that they are not one united nation, because there are so many different cultures and many different languages in the country. English is the official language but, in addition, the country has multiple other languages as well. In the old days the language of politics was English, and this remains the case today. English is not, however, spoken by all citizens. In rural areas daily communication takes place in the local tribe language. This should be taken into account, and services should be provided in many languages. Different languages and cultures still divide the Namibian nation and create inequality in the country.

Inequality also occurs between men and women: from the Namibian colonial period, the country inherited a very conservative patriarchal society and legal framework. For example, when the country became independent, a married woman was in her husband's guardianship. Improvements have been made, but old ideas and beliefs die slowly. Women in Namibia have a low socio-economic status. Today the country supports women's employment and independence, but even today women do not have the same opportunities and rights as men.

In addition to boosting community spirit, more importantly the creation of a new mentality is a challenging yet unavoidable process if one wants to see change. People's mind-set need to be changed to break free of apathy; also, public opinion needs to be made more positive towards tolerance, gender, participation and other democracy-related issues. This must be made clear when helping people to become entrepreneurs. The correct attitude and drive must first be in place before a business starts up.

Despite all of this Namibia seems to be one of the only countries in the continent of Africa which is coping with the millennium goal and Vision 2030.

7 CONCLUSIONS & IMPROVEMENTS

There is much research about SMEs in Namibia and the problems SMEs are facing in Namibia. There is a lot of good work and researchers have provided valuable information and good activities regarding how to improve the SMEs' situation. Unfortunately these researches have remained theoretical, and only few actions have been taken. The practical work seems to be easy to forget. This thesis is made exactly for practical use; the theory and research part of this thesis aims to find out how to write an excellent business guide booklet for Namibians. The guide booklet will be illustrated by the Namibian artist Max Shiimi and will be edited by a Namibian publisher. The first batch will be tested by a group of SMEs in Ondangwa who are participating in a PLDDSI projects workshop. Starting from 2011 the booklet will be handed out to the public nationwide.

My business trip to Namibia answered to many questions and the business guide was easy to write on the basis of the materials thus collected. The main issues and problems that entrepreneurs face in Namibia are finance, bookkeeping, missing information, lack of support, illegal business, business support services, and materials provided for SMEs, inequality, language barriers, attitudes and nationwide apathy. The guide provides the missing information in one booklet that is supplied free information to the whole Namibian nation.

The three main issues, which Namibian entrepreneurs face, are finding the finance, lack of information and the attitude of Namibians. In Namibia finding the right kind of information when it comes to starting your own business is very difficult; the materials are not available for everyone and the information is not provided clearly. I was wondering why the information is so hard to get but then by looking at the country's history I discovered that it all based on the colonial era and the rulers at that time. Whoever possesses information feels more worthy. The guide must be simple and easy to read and it is free for everyone; anyone who wants one can get one. Also when training new workers of the enterprise agencies, the business support coaches, it must be taken into consideration that we must highlight the importance of free information.

Namibia's government should start supporting the SMEs more and start campaigning for people to register their businesses. The government should take action soon and realise that by getting people to register their companies they could increase the number of taxpayers and thus have more money to support upcoming businesses.

Like it was introduced finding finance is almost impossible for an average Namibian. When I visited all the banks in Namibia I found out that the banks are not ready to provide loans for business start up: they are too scared of losing their money and the government is not giving them any back-up. The guide explains how to apply a loan and what other sources of funding are available. The guide also reminds people of the security that banks need when making a loan, and all the different securities that banks approve. Unfortunately this will only raise the awareness of loans and funding but the government should also introduce new policies to provide funding for new entrepreneurs. Otherwise nothing will change and people will not be able to start their businesses. A change of government policy would also allow the banks to change their policies, and more money could be handed out to the people.

The employment situation in Namibia has forced many Namibians to becoming entrepreneurs. At this point it is a must, not a choice of career. That is why there are many entrepreneurs who do not have the necessary entrepreneur spirit and do not know much about business thinking. This has created attitude problems. The attitude problem can be solved by handing out free information and life skills training. The guide provides free information for everyone and is fair towards everyone who wants to read it. The up-coming enterprise agencies must provide business training and not to forget life skills training. Each customer must be look at as individual and ones needs must be served the way one needs. Innovative ways of learning and thinking business are also provided.

The free information in this booklet will help many people to take account of things that are often scantily regarded or forgotten. The guide booklet can be used as an aide-memoire for entrepreneurs and much essential information can be found in it. If information is not directly contained in the guide, there is advice regarding where to find it out.

During my business trip I noticed, for example, that many people don't take out insurance policies. In the guide I have listed all the insurance companies and policies that they provide so one can easily see how one can insure ones business. Information about taxation is very hard to find in Namibia and most people don't know anything this subjection. The guide provides basic information about taxation and also about how to pay tax in Namibia.

Namibia is a country of many languages. Multiple languages in the country have created language barriers between people and information. To break these barriers the business guide will be provided in three languages; English, Afrikaans and Oshiwambo, to ensure that almost all Namibians are able to read it. Namibia has many challenges ahead but things can be changed for the better step by step. We must remember that the country is still young; by comparison, it took 100 years for Finland to get where it is now. Namibia is getting plenty of support and, with the new generation, attitudes are also changing for the better. This business guide is a simple thing but will make an impact upon entrepreneurship in Namibia. Namibia's future looks bright and these are the critical years for Namibia to cope with the Vision 2030.

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9 ATTACHMENTS

Työmatkan loppuraportti

Työpäiväkirja

Onnistuneet tapaamiset

Hyödylliset materiaalit lista

How to Start Your own Business in Namibia?

TYÖMATKAN LOPPURAPORTTI

Partnership for Local Democracy, Development & Social Innovation – PLDDSI
20.9.2010 – 9.10.2010

Clarissa Rätty

15.10.2010



SISÄLLYSLUETTELO

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1 TAUSTAT

Roolini Partnership for Local Democracy, Development & Social Innovation (PLDDSI) projektissa on auttaa kehittämään yrittäjyyttä Namibiassa. Projektin ansioista Namibiaan avataan uusyrittäjä keskuksia. Uusyrittäjyyskeskukset tulevat avaamaan ovensa 2011 vuonna pohjois- Namibiassa Ongdanwassa ja etelä- Namibiassa Keetmanshoopissa. Keskukset tulevat olemaan toiminnaltaan hyvin samankaltaisia kuin Suomessa toimivat uusyrittäjäkeskukset.

Namibiassa tilanne on tällä hetkellä sama kuin Suomessa n. 15 vuotta sitten yrittäjien tukipalveluiden keskuudessa. Erilaisia yrittäjille suunnattuja palveluja löytyy maasta, mutta ne ovat hajaantuneita eivätkä tee yhteistyötä keskenään. Myös erilaisia materiaaleja yrittäjyyttä ja oman yrityksen perustamista koskien on olemassa. Materiaalit ovat hyvin eritasoisia, mutta yleistaso on kuitenkin erittäin huono. Palvelut ja materiaalit ovat myös vaikeasti saatavilla, joten oli tiedossa, että Namibiasta puuttuu yksi opas, joka vastaa aloittavien yrittäjien ongelmiin. Tämä opas tulee olemaan kaikkien saatavilla ja sitä tullaan jakamaan Namibian kansalaisille ilmaiseksi. Jokainen joka harkitsee yrittäjäksi lähtemistä voi tutustua yrittäjän arkeen Namibiassa oppaan avulla.

2 MATKAN TARKOITUS JA TAVOITTEET

Minun tehtäväni on kirjoittaa kyseisen ”Yritys opas” namibialaisille yrittäjyydestä kiinnostuneille ja aloittaville yrittäjille. Opas kulkee tällä hetkellä työnimellä: ”Starting Your Own Business in Namibia”. Oppaan kirjoittamista varten oli tärkeää kerätä kaikki materiaali ja palvelut, joita Namibiassa tällä hetkellä tarjotaan aloittaville yrittäjille.

Työmatkani tarkoitus oli siis kerätä kaikki Namibiassa jaettava materiaali aloittaville yrittäjille ja kartoittaa palvelut joita yrittäjille tarjotaan. Materiaalien keräämisen ohella tutkin ja havainnoin aloittavan yrittäjän ongelmia Namibiassa, joihin tämä opas pyrkii vastaamaan. Materiaalin keräämiseen minulle annettiin aikaa kaksi viikkoa, viikot 38 ja 39 syyskuussa vuonna 2010.

Materiaalien ollessa kasassa materiaalit analysoidaan, käydään huolellisesti läpi ja materiaaleista poimitaan kaikki oleellinen tieto jota tulevassa oppaassa voidaan hyödyntää. Myös havainnoimani aloittavan yrittäjän ongelmat ja haasteet tullaan ottamaan huomioon, kun opasta ruvetaan kirjoittamaan. Materiaalien ja havainnoimani informaation avulla voidaan onnistuneesti kirjoittaa paras mahdollinen opas namibialaiselle yrittäjälle.

Kahden viikon jälkeen, viikolla 40, Timo Palander, Erkki Ottela ja Kaj Heiniö matkustivat myös Namibiaan. Viimeisen viikon aikana pidimme Workshopin oppaan tiimoilla. Workshopiin minun lisäksi osallistui Erkki Ottela, Kaj Heiniö ja Namibialaiset kollegamme Mr. Josef Rooi ja Ms. Kandi Ihuhwa. Workshopin tarkoituksena oli esitellä kerätyt materiaalit ja havainnot, joita keräsin ja joihin törmäsin matkani aikana. Tutkimme materiaalit, jotka olin jo käynyt läpi Workshopia varten. Workshopin aikana rakensimme oppaan rungon ja yhdessä pohdimme mitä asioita oppaan tulee sisältää ja mitä asioita tulee painottaa. Omien havaintojeni lisäksi tässä suurta roolia näyttelivät meidän Namibialaiset kollegamme, jotka maan kansalaisina tiesivät ongelmat ja yrittäjän tarpeet erittäin yksityiskohtaisesti.

3 MATKAN YLEISKUVAUS

Yleisesti ottaen työmatkani sujui erittäin onnistuneesti. Namibia oli jo minulle ennestään tuttu maa, joten maassa toiminen ja tapojen tunteminen auttoivat matkan onnistumisessa. Kustannuksia pienentääkseni majoitun ystävättäreni Ms. Namenen asuntoon Klein Windhoekin ja Aviksen rajalle. Majoitus oli mukava ja ajoi asiaansa, majoituksesta ei myöskään tarvinnut maksaa vuokraa. Kyseisessä asunnossa asuin kaksi ensimmäistä viikkoa. Valitettavasti Ms. Namenen sukulainen menehtyi, joten asuntoa tarvittiin hautajaisten ajaksi sukulaisten käyttöön. Viimeiseksi viikoksi majoitut Erokseen ystävättäreni Ms. Laurenin asuntoon. Myös tämä asunto ajoi asiansa ja vuokraa ei tarvinnut maksaa. Molemmissa majapaikoissa minulle tarjottiin tarvitsemani työrauha.

Auto minulla oli vuokralla kaksi ensimmäistä viikkoa 21.9 – 5.10.2010. Auto helpotti työntekoani suuresti, koska joka päivä minä matkustin useampaan paikkaan ja Namibialaiseen tapaan jouduin siirtymään paikasta toiseen löytääkseni tarvitsemani tiedon tai tavatakseni oikean henkilön. Erinäisiin tapaamisiin mentäessä minulla oli myös aina paljon materiaaleja mukana, joten käveleminen tai takseilla liikkuminen olisi ollut hankalaa, varsinkin kun välimatkat olivat usein huomattavan pitkiä. Windhoekissa paikat ovat todella erillään toisistaan ja eri toimistojen välimatkat saattavat olla moniakkin kilometrejä. Auton vuokraaminen siis helpotti, nopeutti ja ennen kaikkea mahdollisti työni tekemisen. Palautin auton tiistaiamuna 5.10.2010. Viimeisellä viikolla en kokenut enää tarvitsemani autoa, koska tapaamiset ja eri tahojen vierailut oli hoidettu. Viimeisen viikon aikana matkani workshopiin taittui taksilla tai Kaj Heiniön kyydillä.

Tapaamisten solminen, eri tahojen kanssa, oli aika ajoin hyvin hankalaa. Vastaanotto minua kohtaan eri paikoissa oli hyvin vaihtelevaa. Suurin osa tapaamistani henkilöistä ja instituutioista, joissa vierailin, olivat kuitenkin innoissaan projektista ja mielellään halusivat palvella ja auttaa minua parhaansa mukaan. Oikeiden ihmiset kiinni saaminen ja tapaamisten järjestäminen oli vaikein tehtävä. Parhaaksi strategiaksi osoittautui paikalle meneminen ilman tapaamista. Tapaamisen järjestäminen puhelimitse tai

sähköpostitse oli haastavaa, koska ihmiset olivat aina kiireessä. Paikan päällä minulle kuitenkin aina löytyi aikaa.

Pienempien ja yksityisten organisaatioiden työntekijät tavoitin helposti sähköpostilla tai puhelinsoitolla ja tapaamisten järjestäminen oli helppoa. Julkisten organisaatioiden työntekijät ja palvelut olivat vaikeimmin tavoitettavissa, joten paikan päälle ilmaantuminen ilman tapaamista toimi näissä organisaatioissa parhaiten, vaikka samaan paikkaan saatoinkin joutua menemään tästä syystä useaan otteeseen. Julkisten organisaatioiden vaikea ja monimutkainen rakenne myös vaikeutti näissä asioimista.

3.1 Matkan seuranta

Ennen matkalle lähtöä lupasin kirjoittaa työmatkani aikana työpäiväkirjaa ja tilanneraporttia. Työpäiväkirjan lähetin kahdesti viikossa Timo Palanderille, Erkki Ottelalle ja Kaj Heiniölle kahden ensimmäisen viikon ajan. Työpäiväkirjasta kävi ilmi päiväkohtaisesti mitä töitä olen tehnyt, mitä materiaaleja olen kerännyt ja ketä olen tavannut. Tilanneraportin lähetin Timo Palanderille, Erkki Ottelalle ja Kaj Heiniölle kerran viikossa kahden ensimmäisen viikon ajan. Tilanneraportista kävi ilmi tiivistetysti ketä olen onnistunut viikon aikana tapaamaan ja ketä en ole tavannut ja missä organisaatioissa en ole vielä käynyt. Tilanneraportissa oli myös listattuna oppaalle hyödylliset materiaalit.

Työpäiväkirja ja Tilanneraportti löytyvät liitteistä. Tilanneraportti löytyy liitteistä nimellä ”Onnistuneet tapaamiset”.

4 KOKEMUKSET JA HAVAINNOT YRITTÄJYYDESTÄ NAMIBIASSA

4.1 Työttömyys

Namibiassa yleisesti ottaen työttömyys on hurjassa kasvussa ja joidenkin tilasto arvioiden mukaan yli 50 % namibialaisista on työttömiä. Työttömyys on ajanut ihmisiä epätoivoon ja alkoholi ongelmat ovat suuressa kasvussa varsinkin miesten keskuudessa. Työttömyys on luonut myös vähäosaisille kansalaisille epätoivon tunteen ja tästä syystä myös rikollisuus on kasvussa. Valtio ei ole onnistunut tarjoamaan kansalaisilleen tarpeeksi työpaikkoja. Monet Namibialaiset matkustavat pohjoisesta ja etelästä suuriin kaupunkeihin työn toivossa, varsinkin Windhoek maan pääkaupunkina, on suurin työnetsimisen kohde. Pohjoisesta ja etelästä tulleet ihmiset joutuvat usein pettymään, koska työtä ei ole tarjolla ja olemissa olevista työpaikoista käydään suurta taistelua.

Työttömyys usein mielletään kouluttamattomien kansalaisten ongelmaksi, mutta Namibiassa myös koulutetut ihmiset jäävät ilman työtä.

Namibian valtio ei tue työttömiä ja työttömyyskorvauksia esim. ei saa. Ihmiset ovat havahtuneet tähän koko maan laajuiseen ongelmaan ja työttömiä ihmisiä varten on perustettu erilaisia organisaatioita. Mm. Men on the side of the road – project tukee teiden varsilla olevia miehiä, jotka etsivät työtä. Namibiassa ja varsinkin Windhoekissa on teitä ja alueita, joille työttömät miehet ja jotkut naiset kerääntyvät odottamaan, että joku noutaa heidät töihin. Nämä työt kestävät yleensä muutamasta tunnista – päivään. Tämä on yleinen käytäntö, ja monet Namibialaiset hakevatkin näistä pisteistä työttömiä heille työskentelemään, esim. hoitamaan heidän puutarhansa. Yleinen maksu koko päivän työstä on noin 100 – 120 Namibian dollaria (10 – 12 euroa).

4.2 Laiton liiketoiminta

”Maan suurin kriisi” työttömyys Namibiassa on aiheuttanut myös paljon laitonta kauppaa ja yritystoimintaa. Laitonta kauppaa ja yritystoimintaa päivittäin. Valtio ei tue työttömiä eikä Namibiassa ole kuukausittaista perusturvaa, mitä esim. Suomessa jaetaan. Katukaupustelijoita löytyy koko maan laajuisesti ja he harjoittavat erilaisia pieniä liiketoiminta muotoja, esim. myyvät kapana –lihaa tai omia käsitöitään katujen varsilla. Valtio ei puutu laittomaan yritystoimintaan, koska Namibiassa tämä laitton

yritystoiminta on kuin kaksiteräinen miekka; Namibialaisten on turvattava oma selviytyminen omin keinoin, koska valtio ei tue kansalaisiaan. Suurin osa tämän tasoista ”katu yrittäjästä” ei edes tiedä kuinka liiketoiminnasta tehdään laillista. Tosi asia kuitenkin on, että tämän tason yrittäjien ei edes kannata rekisteröityä. Rekisteröinti maksut ja laillisen yritystoiminnan kulut ovat liian suuret ”katuyrittäjien” kuukausi ansioihin nähden. Puolestaan tietoutta tulisi herättää siitä, että esim. Katuturassa kapana - lihaa myyvät naiset voisivat yhdessä perustaa esim. osuuskunnan ja tätä kautta lisätä ja suojella liiketoimintaansa.

Laittomanliiketoiminta ”hyväksyminen” valtio tasolla aiheuttaa myös laittomienliiketoimintojen kasvamisen. Miksi kukaan haluaisi maksaa veroja pienestä liiketoiminnastaan, jos ei ole pakko? Ei kenenkään kannata lähteä rekisteröitymään, kun esim. oma naapuri tekee samaa liiketoimintaa, mutta pienemmillä kuluilla. Laittomanliiketoiminnan hyväksyminen aiheuttaa siis tällä hetkellä näkymättömiä ongelmia, joiden takia muun muassa myös rekisteröityneet pienet yrittäjät kärsivät. Tulevaisuudessa nämä nyt näkymättömät ongelmat tulevat näkymään.

4.3 Yrittäjien tukiverkostot

Namibiassa toimii monia yrittäjyyttä kehittäviä organisaatioita. Palvelut kuitenkin ovat keskittyneet yleisesti jo toimiville yrityksille ja yrittäjille esim. InWent ja SMEs Compete. Nämä yritykset tarjoavat palvelujaan vähintään vuoden toimiville yrittäjille. He ovat keskittyneet siten kehittämään yrittäjien toimintaa, mutta eivät tarjoa palveluita aloittaville yrittäjille. IMLT tarjoaa palveluita aloittaville yrittäjille tai yrittäjyydestä kiinnostuneille. Palvelut ovat kuitenkin maksullisia ja eivät ole tarjoa pitkä jänteistä apua/tukea.

Suurin osa näistä organisaatioista myös markkinoivat itseään huonosti ja ne ovat usein tuntemattomia. Monet näistä organisaatioista eivät myöskään ole Namibialaisia vaan esim. saksalaisia. Nämä organisaatiot eivät osaa asettua ruohon juuri tasolle missä suurimman ongelmat tällä hetkellä ovat. Näitä organisaatioita varjostaa myös organisaation ”maan leima”, esim. saksalainen leima. Saksa on tehnyt hienoa työtä Namibiassa viime vuosina, mutta Namibialaisia kummittelee kuitenkin siirtomaavalta ajan muistot. Valkoiset saksalaiset herättävät edelleen negatiivisia tunteita mustissa ja

värillisissä Namibialaisissa ja on erittäin ymmärrettävää, että esim. Katuturaassa (Namibian ”köyhien asuinalue”) elävä työtön kansalainen ei halua eikä edes osaa hakea apua näiltä organisaatioilta. Ne tuntuvat yksinkertaisesti liian kaukaisilta. Myös kaikki yksityisen sektorin palvelut ovat maksullisia ja aloittavalle yrittäjälle nämä maksut ovat liian suuria.

Julkisella puolella taas apu on vaikeasti saatavilla. Julkisen puolen palvelut ovat hyvin heikkoja ja usein näiden organisaatioiden rakenne on hyvin monimutkainen. Havaitsin myös, että julkisen puolen sektorilla palvelu alttius on vähäinen. Julkisen sektorin työntekijät kokevat, etteivät he hyödy mitään siitä, että auttavat muita tulemaan menestyviksi yrittäjiksi, joten vilpitön avunsaanti on vähäistä. Näissä organisaatioissa ei myöskään ole osoitettu ketään tiettyjä henkilöitä, jotka vastaavat avun ja palvelujen tarjoamisesta. Myöskään henkilökuntaa ei ole koulutettu.

Monet organisaatiot niin yksityisellä kuin julkisella puolella kokevat toisensa uhikseen. He eivät tee yhteistyötä vaan puolestaan taistelevat ”asiakkaistaan”. Tämä ei aja asiaansa vaan puolestaan loitontaa palveluja entisestään. Tuntuu, että varsinkin yksityisellä puolella on unohdettu kokonaan se pääasia miksi palveluja edes tarjotaan: Namibialaisten yrittäjien tukemiseksi.

Tavallisen kansalaisen on vaikea saada apua ja tukea yrityksen perustamiseen.

4.4 Materiaalit

Materiaaleja maasta löytyy, mutta niiden löytäminen on työn ja tuskan takana. Materiaalit ovat myös hyvin vaikeaselkoisia ja niitä ei löydy mistään keskitetysti. Jokainen organisaatio tarjoaa erilaisia materiaaleja ja mistään ei löydy kokonaisvaltaista tietoa. Helppoa materiaalien löytäminen ei ainakaan ole. Tietoa myös tahdotaan pantata ja sitä ei ole vapaasti saatavilla. Materiaalit ovat myös joko liian monimutkaisia tai sisältävät liian vähän ja vanhentunutta tietoa. Materiaaleja tutkiessani huomasin, että materiaaleja ei ole rakennettu asiakkaan näkökulmasta, ja asiakashan on tavallinen yrittäjyydestä kiinnostunut Namibian kansalainen. Osa materiaaleista on myös niin vaikeaselkoisia ja kieli on todella haastavaa, että edes koulutetun ihmisen on vaikea niitä lukea saati sitten kouluttamattoman kansalaisen. Oppaan luominen on elintärkeää

yrittäjyyden tukemisen kannalta Namibiassa. Ensikertaa Namibian historiassa tarjolla olisi opas joka on kirjoitettu asiakkaan näkökulmasta ja jota jaetaan vapaasti kaikille, jotka sitä haluavat. Opas tukee Namibiaa kohti heidän visiotaan 2030.

4.5 Rahoitus

Namibialaiset kollegamme tekivät hyvin selväksi, että jos emme pysty neuvomaan ihmisiä rahoituksen kanssa olemme yhtä kuin hyödyttömiä. Suurin ongelma mikä myös yrittäjiä Namibiassa kohtaa on rahoituksen saamisen hankaluus. Erilaisia yrittäjyys kursseja ja info tilaisuuksia on pidetty läpi aikojen. Ihmiset ovat osallistuneet näihin toivon pilke silmäkulmassaan, liiketoimintasuunnitelmia on hiottu ja omaa liiketoimintaa kehitelty. Kaikki saa kuitenkin nopean lopun, kun edes liiketoiminnan perustamisrahaa ei missään ole tarjolla.

Startti rahaa ja lainaa voi anoa ainoastaan pankeilta ja pankkien ehdot ovat hyvin jyrkkiä. Tavallisen aloittavan yrittäjän on melkein mahdotonta saada rahoitustukea. Monet pankit ovat saaneet rahaa Development Bank of Namibianilta. Valtio antoi rahaa Development Bank of Namibianille, jotta se jakaisi rahan muille pankeille, jotka tukevat yrittäjyyttä. Development Bank of Namibia jakoi rahan First National pankille ja Standard pankille. Nämä pankit lupaavat mainoksissaan tukea ja auttaa aloittavia yrittäjiä, mutta todellisuudessa rahaa ei heru. Rahoitusehtoihin mm. kuuluu 5 vuoden kokemus kyseiseltä alalta ja 60% takaus lainalle. Tällaiseen takaukseen esim. ei monikaan Namibialainen pysty. Huomattavaa on, että tähän on myös esim. Suomessa melkein mahdotonta. Siksi maassa vallitseekin vakaa usko, että menestyvät yrittäjät ovat tehneet laitonta kauppaa ja laittomuuksia ennen oman yrityksen perustamista, jotta he ovat saaneet oman yrityksen perustamiseen tarvittavat rahat. Tämä on hyvin surullista, mutta näyttää olevan totta. Monet tällä hetkellä laillisesti toimivat yrittäjät kertoivat minulle aloittaneensa liiketoiminnan laittomasti ja jotkut myös laittomia tavaroita myyden.

4.6 Eriarvoisuus

Namibian sanotaan olevan yksi maailman maista, jossa vallitsee suurin eriarvoisuus ihmisten välillä. Tämä on hyvin totta ja näkyy Namibialaisessa katukuvassa päivittäin. Maassa asuu rikas valkoinen väestö ja köyhä musta ja värillinen väestö. Vaikkakin

monet mustat ja värilliset ovat nostaneet päänsä ja tienavat hyvin ja elävät rahallisesti mitattuna hyvää elämää on huomattava, että maasta ei löydy yhtään köyhää valkoista asukasta. Namibian köyhä väestö, joka elää alle köyhyysrajan ovat mustia tai värillisiä. Myös tämän ovat merkille panneet maan mustat ja värilliset. Tämä on johtaa edelleen negatiivisiin asenteisiin mustien ja valkoisten välillä.

Namibiassa myös ihmisen elämän suurta roolia tulee näyttelämään se mihin luokkaan ihminen syntyy. Kaikilla ei ole samat lähtökohdat ja valtion ei pysty takaamaan jokaiselle samoja mahdollisuuksia. Nämä lähtökohdat koskevat asumista, elantoa ja koulutusta. Nämä siis myös näyttävät suurta roolia, kun puhutaan yrittäjyydestä. Parempaan luokkaan syntyneen ihmisen lähtökohdat ovat paremmat kuin alempaan syntyneen. Se perhe, joka pystyy takaamaan esim. lainan antaa mahdollisuuden ryhtyä yrittäjäksi. Kun taas synnyttään perheeseen, jolla tällaisia varoja ei ole. Suurin osa Namibialaisista perheistä ei esim. tähän lainan takaamiseen pysty.

Jokaisen on myös saatava syödäkseen päivittäin, jos kuuluu yhteiskunta luokkaan, jossa jo jokapäiväisen leivän tuominen pöytään on haaste, ei ole mitään väliä kuinka hyvä liike-idea sinulla saattaisi olla, tämän henkilön on uhrattava päivänsä leivän pöytään tuomiseen. Moni myöskään ei voi jättää päivätyötään, koska usein perheessä on vain yksi elättäjä. Tällaiseen yhteiskunta luokkaan kuuluvat myös usein katsovat, että yrittäjäksi lähtemisessä on liian suuri riski. Puolestaan ne, jotka kuuluvat parempaan yhteiskunta luokkaan ovat asemassa, jossa he voivat suunnitella omaa liiketoimintaansa huolehtimatta siitä saako perhe tänään syödäkseen. He usein myös pystyvät ja uskaltavat ottaa askeleen yrittäjäksi, koska usein he ovat turvattuja.

On myös muistettava, että tilastojen mukaan 6% maan valkoisesta väestöstä on maan rikas väestö. Nämä erot näkyvät sillä, että valkoiset eivät kulje julkisilla kulkuneuvoilla, linja-autoilla tai takseilla Namibiassa. Jos esim. taksissa istuu valkoinen henkilö, on hän usein turisti. Myös valkoinen väestö edelleen asuu ainoastaan tietyillä asuinalueilla, eivätkä he koskaan asu entisillä 'Blacks only' asuinalueilla.

4.7 Kieli muurit

Namibian pääkieli on englantia. Kuitenkin maassa puhutaan kymmeniä muita kieliä ja maan heimokielet ovat edelleen elossa. Paikalliset usein puhuvat englantia, afrikaansia ja mustat tämän lisäksi puhuvat myös omaa heimokieltään. Monet Namibialaiset, jotka eivät ole koulutettuja eivät puhu sujuvaa englantia. Koulut Namibiassa käydään englanniksi ja myös afrikaans on pakollinen opiskelukieli.

Maan useat kielet ovat Namibian yksi rikkauksista, mutta ne aiheuttavat myös monia haasteita ja ongelmia. Useat palvelut Namibiassa tarjotaan usein ainoastaan englanniksi. Tämä aiheuttaa sen, että kaikki eivät voi saada tiettyjä palveluita. Monet maan yrityksen perustamistukipalvelut ja kurssit ovat vain englanniksi. Myös maan poliittisena kielenä on englantia. Monien kielten ongelmallisuutta hyvin kuvastaa myös se, että kaikki valtion ja kuntien työntekijät eivät ymmärrä tai puhu sujuvaa englantia. Tästä syystä opas tullaan kirjoittamaan ensin englanniksi, mutta siitä se tullaan kääntämään Owamboksi, jota puhuu n. 50 % maan väestöstä sekä afrikaansiksi, jota valtaosa maan väestöstä myös puhuu. Näin voimme taata, että tavoitamme mahdollisimman monta Namibialaista ja että kieli ei tule olemaan este tiedon saannille.

4.8 Asenteet

Namibian talouden nykytilanteessa epätoivon työttömyydestä on hallitsevin mielentila. Myös kaikki muut ongelmat köyhien ovat johtaneet yleiseen masennukseen ja luovuttamiseen. Maan köyhät eivät usko, että tilanne tulee muuttumaan heidän elinaikanaan, joten he tuntevat ettei ole mitään mitä he voisivat asialla nyt tehdä. Tämä uskomus vallitsee varsinkin keski-ikäisten keskuudessa. Nuorilla puolestaan on toivoa ja uskoa Namibian tulevaisuuteen ja heidän omaan tulevaisuuteensa. Nuorissa lepääkin Namibian tulevaisuus, joten heihin ja heidän asenteisiin tulee panostaa.

5 TULOKSET

Matka onnistui erittäin hyvin ja pääsin tavoitteeseeni. Onnistuin keräämään valtavan määrän materiaaleja ja onnistuin tapaamaan hyvin erilaisia yrityksiä ja organisaatioita julkiselta puolelta aina yksityiseen. Onnistuin saamaan tarvittavan informaation oppaan kirjoittamista varten. Matkan aikana kävi myös hyvin selväksi millainen opas tulee rakentaa, minkä tyylinen oppaan tulee olla, missä sitä tulee tarjota ja mikä on Namibian tilanne yrittäjä tasolla.

Ilman keräämiäni materiaaleja oppaan kirjoittaminen olisi mahdotonta. Aloittavan yrityksen rekisteröinti, verotus, rahoitus ja yritysmuoto asiat selvisivät ainoastaan oikeissa paikoissa vierailemalla. Informaatioita ei esimerkiksi löydy Internetistä ollenkaan, joten informaation selvittäminen Suomesta käsin olisi ollut mahdotonta. Myös nykyisten tarjolla olevien materiaalien selvittäminen ja kerääminen oli tärkeää. Se vahvisti kaikki uskomme ja tietomme siitä, että oppaan kirjoittaminen on tärkeää. Kaikkia materiaaleja tarkastelemalla sai hyvän yleiskuvan tilanteen sekavuudesta. Materiaaleja tutkimalla pystyi myös helposti rajaamaan mitä tietoa ei tarvita ja mikä on Namibiassa yrityksen perustamisen kannalta tärkeää tietoa.

Nyt myös todella tiedämme millaisia palveluja uusyritys keskusten tulee tarjota asiakkailleen. Vierailtuani niin monissa yrityksissä, pankeissa ja organisaatioissa minulla on nyt myös laaja käsitys siitä mitä ja miten tulee yrittäjyyttä maassa kehittää ja miten voisimme yhtenäistää maassa tapahtuvaa toiminta. Myös verkoston rakentaminen ensi vuotta ajatellen on nyt helppoa, koska olen jo tehnyt sitä varten pohjatyötä vierailemalla kaikissa yrittäjiä koskevissa instituutioissa. Projekti on nyt tuttu monille ja se on herättänyt positiivista kiinnostusta hyvin monissa.

5.1 Toimenpiteet

Aloitin oppaan kirjoittamisen viimeisellä viikolla Namibiassa. Matkan jälkeen jatkan oppaan kirjoittamista ja työstämistä. Matkustin takaisin Suomeen kaikkien tärkeiden keräämiä materiaalien kanssa ja niitä hyväksi käyttäen kirjoitan opasta. Tein oppaalle aikataulun Namibiassa jota seuran Suomessa. Oppaan teksti sisältö valmistuu lokakuun loppuun mennessä. Marraskuussa opas kuvitetaan ja painetaan.

Jos apuani tai työpanostani tarvitaan myös muulla saralla olen valmis palvelemaan projektia parhaani mukaan.

6 OPPAAN VALMISTUMISEN AIKATAULU:

Ensimmäinen luonnos oppaan tekstistä tulee olemaan valmis viikon 41 lopulla. Tämän tekstin ja oppaan sisällön olen kirjoittanut yksin. Lähetän oppaan tekstin ensimmäisen version luettavaksi Mr. Josef Rooi ja Mrs. Kandi Ihuhwalle. Mr. Josef Rooi ja Mrs. Kandi Ihuhwa lukevat sen ja ehdottavat siihen tarvittavia muutoksia tai lisäyksiä.

Mr. Josef Rooi ja Mrs. Kandi Ihuhwa palauttavat version minulle takaisin muutoksineen ja korjaus ehdotuksineen viimeistään 22.10.2010. Minä aloitan saman tien tekemään tarvittavat muutokset ja korjaukset.

25.10.2010 oppaan uudempi versio on valmis ja se lähetetään taas luettavaksi eri tahoille. Tällöin oppaan lukee huomattavasti useampi taho. Taas versioita kommentoidaan ja muutokset tehdään.

Oppaan sisällön viimeistely tapahtuu viikolla 43.

Oppaan sisältö on valmis 29.10.2010.

7 LIITTEET

7.1 Työpäiväkirja

7.2 Vierailut

7.3 Hyödylliset materiaalit lista

7.1 Työpäiväkirja

Namibia

Partnership for Local Democracy, Development & Social Innovation – PLDDSI

20.9.2010 – 9.10.2010

Viikko 38.

Maanantai 20.9

- NCCI
- Palaveri Mrs. Johannan kanssa kello 09.00
 - o Olin sopinut palaverin Mr. Cleo Moonon kanssa aikaisemmin Suomesta käsin
 - o Mr. Cleo Moono olikin lähtenyt yllättävälle lomalle ja ohjeistanut Mrs. Johannan auttamaan minua parhaansa mukaan
 - o Mrs. Johannan kanssa kävimme läpi projektia ja hän antoi minulle uusia kontakteja joilta voisi löytyä SME – materiaalia
- Palaveri Mrs. Claudine Mouton kanssa → palaveri siirtyi keskiviikolle 22.9.2010
- InWent ja Remota Ltd
- Palaveri Mrs. Aune Tjiraren kanssa
 - o Mrs. Tjirare työskentelee InWent nimisessä organisaatiossa kouluttaja
 - o InWent kouluttaa ja tukee SME – yrittäjiä
 - o Mrs. Tjirare antoi projektin projektipäällikön yhteystiedot (Mrs. Kauna Jonas)
 - o Sovin tapaamisen Mrs. Kauna Jonaksen kanssa keskiviikolle 22.9.2010
- Auto asia
 - o Mr. Kabufan oli tarkoitus vuokrata minulle auto
 - o Selvisi ettei auto ole vakuutettu, lupasi vakuuttaa auton ja sen jälkeen hänestä ei enää kuulunut
 - o Menin Thrifty Car Rental - autovuokraamoon Timon ja Projektin nimen avulla vuokraamosta löytyi pieni Hyundai – Zio
 - o Vuokra 185,87 Namibian dollaria / päivä
 - o Verollinen hinta 14 päivälle = 3 548, 50 Namibian dollaria
 - o Puhelimitse Erkki hyväksyi kyseisen auton vuokraamisen

Tiistai 21.9.2010

- Auton hakeminen aamulla Thrifty Car Rental – autovuokraamosta
- Polytechnic of Namibia
- 9.00 eteenpäin yrittäjyyteen tutustuminen
 - o Tapasin molemmat proLearning ohjelman (yrittäjyysyksikkö) tiimit
 - o Palaveri Mrs. Adella Mapangan kanssa
 - o Tapaaminen myös Mrs. Naeveran kanssa
 - o Tarkoitukseni oli myös mennä Polytechnicin yhteydessä toimivaan Innovation Business Centeriin
 - o Innovation Business Center oli kuitenkin kiinni → siirtyy huomiseksi iltopäivälle
- Soitin Mr. Eckard Scheelbergille ja pidimme puhelin palaverin, koska hän oli lähdessä ulkomaille huomenna ja palaa matkaltaan vasta lokakuun puolessa välissä
- CTPD – The centre for training and projects development Ltd.
 - o Kävin keskuksessa yllättäen, koska minulle kerrottiin siitä vieraillessani Polytechnicilla
 - o Ms. Norma Uazengisa kertoi minulle keskuksen toiminnasta ja antoi minulle materiaalin joka on kursseista kiinnostuneille
 - o Keskus tukee yrittäjyyttä ja yrittäjiä
 - o Keskus tarjoaa maksullisia esim. laskennan kursseja

Keskiviikko 22.9

- InWent Capacity Building International, Germany
- 9.00 Tapaaminen Mrs. Kauna Jonas
 - o Mrs. Kauna Jonas kertoi minulle keskuksen toiminnasta ja tavoitteista
 - o Ohjeisti minut ottamaan yhteyttä Horst Heimstaediin – hänellä mielenkiintoisia projekteja menossa, tehnyt myös SME tutkimuksia Namibiassa

- SMEs Compete
- 11.00 Tapaaminen Mrs. Claudine Mouton kanssa
 - o Kävimme läpi keskuksen toimintaa ja tarkoitusta
 - o Ei halunnut antaa minulle heidän materiaalejaan
 - o Mrs. Mouton selvittää kollegaltaan voiko antaa minulle keskuksen materiaaleja joilla asiakkaita palvellaan
 - o Kertoi minulle projektista nimeltä: Men on the side of the Road – project
 - Toimii mm. myös Etelä-Afrikassa
 - Antoi kontakti tiedot
- Innovation Business Center
 - o 12.30 Tapaaminen Mr. Leonard Imenen kanssa
 - o Kävimme läpi keskuksen toiminnan ja asiakaskunnan
 - o Hän lähetti minulle s-postiin kaikki materiaalit millä keskus palvelee asiakkaitaan
 - o Ensi viikolla vielä tapaaminen keskuksen johtajan kanssa
- Auto Kajlle ja Erkille
 - o Mrs. Jacinta ei ollut paikalla
 - o Huomenna (torstaina) kello 8.00
- IMLT
- 14.30 Tapaaminen Mrs. Bernice A. Karumban kanssa
 - o Institute for Management and Leadership Training – Keskus
 - o Palvelee aloittavia yrittäjiä – kolme ohjelmaa, palvelut ovat maksullisia asiakkaille
 - o Kävimme minulle jo tutun keskuksen toiminnan läpi
 - o Antoi minulle materiaaleja joita antavat aloittaville yrittäjille

Torstai 23.9

- City of Windhoek
- Tapaaminen Mrs. Claudius Kaveruan kanssa
 - o Kävin kahdessa toimistossa jossa minulle kerrottiin miten City of Windhoek auttaa yrittäjiksi aikovia
 - o Heillä ei ollut paljon mitään palveluita tai materiaaleja yrittäjiksi aikoville tai yrittäjille
 - o Lopulta käskivät vain mennä Ministry of Trade and Industryn päätoimistolle, jonne olin muutenkin jo matkalla seuraavaksi

- Ministry of Trade and Industry
 - Kävin läpi kaikki osastot/keskukset jotka auttavat yrittäjiä
 - SME development department
 - International trade
 - Trade Mark
 - Investment Centre
 - Company Registration
 - Tiedon saaminen oli vaikeaa
 - Palveluista kerrottiin, mutta materiaaleja ei haluttu antaa tai ei tiedetty missä ne olivat
 - Loppujen lopuksi onnistuin saamaan kasaan materiaalit
 - Yrityksen rekisteröinti paperit ostetaan Waltons Stationery nimisestä kaupasta

- Development Bank of Namibia
- Tapaaminen Mrs. Aune Ipingen kanssa
 - Sain kaiken materiaalin mitä Development Bank of Namibia tarjoaa aloittaville yrittäjille ja yrityksille
 - Keskittyvät lähinnä ”isoihin” yrityksiin ja isoihin projekteihin

- Bank of Windhoek
 - Henkilökunta oli kokouksessa
 - Sain Mr. Joseph Khasebin yhteystiedot
 - Soitin ennen sulkemisaikaa vielä ja juttelin Mr. Khasebin kanssa, hän osoittautui vääräksi henkilöksi
 - Pyysi palaamaan huomenna ja kysymään Mr. Hans Sauaria

- NedBank
 - Menin paikalle 16.00 jälkeen ja henkilökunta oli jo lopettanut työt tältä päivältä
 - Huomenna lounasajan jälkeen voin tavata oikeat henkilöt, jotka voivat auttaa minua

Perjantai 24.9

- Suomen Suurlähetystö
- Tapaaminen Janne Sykön kanssa
 - o Suomen suurlähetystön tiloissa kello 9.00
 - o Kävimme läpi projektia ja sen vaiheita, muita yhteistyöprojekteja ja suurlähetystön toimintaa
 - o Janne kertoi minulle kaiken mitä itse tietää yrityksen perustamisesta Namibiassa
 - o Kävimme läpi myös muiden suurlähetystöjen projektit – Janne kertoi, että Saksan suurlähetystössä käyminen voisi olla ainoa mistä minulle on hyötyä
 - o Antoi materiaalia ja kertoi muutaman kirjakaupan mistä voisi löytyä materiaalia
 - o Kertoi muutaman paikan nettisivu osoitteet joista voisi löytyä materiaalia

- Perjantai oli tarkoitus olla ”pankki päivä”
 - o Perjantai kuitenkin osoittautui hyvin vaikeaksi päiväksi tavata oikeita henkilöitä
 - o Kävin kaikissa konttoreissa, mutta monet olivat lähteneet toimistolta ajoissa ja loput olivat kiinni kokouksissa
 - o Halu kertoa palveluista / tapaamisten järjestäminen oli takkuista
 - o Sain järjestettyä kuitenkin tapaamiset ensi viikolle
 - Bank of Windhoek – Mr. Hans Sauar (maanantaina)
 - Ned Bank - Mrs. Porchia (maanantaina)
 - Standard Bank – SME Center (maanantaina)
 - First National Bank – Mr. Ali tai Mr. Lesley Puriza (maanantaina)
 - Bank of Namibia – SME center (maanantaina)

- GTZ – German Development center
 - o Toimiston väki oli kokouksessa
 - o Sain Anna Lee nimisen naisen yhteystiedot
 - o Soitin Anna Leelle myöhemmin ja sovimme tapaamisen tiistaiamulle

- Soitin Horst Heimstaedtille
 - o Sovimme palaverin
 - 27.9 Maanantaina kello. 9.00
 - o Kauna Jonas InWentistä kertoi, että Horst on tehnyt tutkimuksen Namibialaisesta yrittäjyydestä
 - o Toivon saavani kopion tutkimuksesta

- Men on the Side of the road – project
 - o Janet Aston ei saanut yhteyttä → siirtyy ensi viikolle

Sunnuntai 26.9

- Työpäiväkirjan ja tilanneraportin kirjoittamista
- Jo hankittuihin materiaaleihin tutustumista
 - o Niiden lukemista ja muistiinpanojen tekemistä

- Ensi viikon suunnittelu ja työsuunnitelman päivittäminen

- Ensimmäisen viikon yleiskatsauksen kirjoittaminen
 - o Tiedon lähettäminen Suomeen
- Palaveri Mr. Horst Heimstaedtin kanssa
 - o On aloittanut projektin, jonka tarkoituksena on auttaa ”Katuturan ihmisiä” pääsemään jaloilleen, elämä valmennusta, ajattelun muuttamista, liiketoiminnan perustaminen
 - o Projekti on vasta idea vaiheessa
 - o Erittäin mielenkiintoinen projekti
 - o Tapaamme uudestaan tiistaina 28.9

- NedBank
 - o Menin Nedbankiin tapaamiseen, mutta Mrs. Porchia Timbo oli lähtenyt Windhoek Show - alueelle
 - o Soitan hänelle huomenna ja yritän sopia uuden tapaamisen
 - o Mrs. Porshia Timbo tulee olemaan koko viikon Windhoek Trade Fair alueella ja toimiston välillä

- Standard Bank
 - Menin iltapäivällä SME Centeriin, Corner post street Mall and Wernerlist minne minut oli aiemmin neuvottu toisesta Standard pankin toimistolta
 - Kyseiseissä toimistossa ei ollut SME Centeria ja sihteerit eivät tieneet missä se sijaitsee
 - Sain SME branchin työntekijöiden yhteystiedot
 - Yritin tavoittaa heidät mutta en saanut heitä kiinni

- First National Bank – FNB
 - Minulla oli taapaminen Mrs. Drienie Elliksen kanssa
 - Hän oli oikea henkilö joka vastaa pienistä ja keskisuurista yrittäjistä
 - (ei Mr. Ali tai Mr. Lesley Puriza)
 - Kävimme läpi FNB:n SME yksikön toiminnan
 - Tekevät yhteistyötä SME Competen kanssa
 - Valtion kanssa meneillään projekti nimeltä: Adult Skills Development Project
 - Tarjoaa pieniä lainoja ja seuraa alkavien yrittäjien toimintaa
 - Tekee yhteistyötä Development Bank of Namibian ja Bank Windhoekin kanssa
 - BizTalk – How to Start Your Business
 - Mrs. Drienie Ellis kertoi, että muut pankit paitsi FNB ja Bank Windhoek eivät tarjoa palveluja suoraan / heillä ei ole SME keskuksia

Tiistai 28.9

- Nedbank
- Soitin Nedbankiin ja tavoitin Mrs. Porchia Timbon
 - Mrs. Timbo kertoi ettei Nedbank ole keskittynyt SME tasoon ja heillä ei ole omaa yksikköä SME tason yrittäjille
 - Heiltä voi kuitenkin hakea lainaa yrityksen perustamiseen tai ylläpitämiseen
 - Ei ole tarjolle SME tasoille materiaaleja

- Men on the side of the road project
- Tapaaminen Mrs. Janet Astonin kanssa klo. 10.00
 - o Men on the side of the road project
 - o Mrs. Aston kertoi projektin tavoitteet
 - Tekevät “muurahaistason” työtä – auttavat miehiä saamaan töitä
 - Rekisteröivät heidät arkistoonsa ja tekevät koulutuksia
- Tapaaminen Mr. Horst Heimstaedin kanssa
 - o Kävimme läpi Mr. Heimstaedin projekti ideaa läpi tarkemmin
 - o Erittäin samanlainen projekti kyseessä mikä minulla on ollut mielessä
 - o Juttelimme ihmisten herättämisestä ja asenteiden muuttamisesta
 - Miten se onnistuu vai onko mahdotonta?
 - o Olemme yhteydessä projektin tiimoilla
- Joint Consultative Council - JCC
- Kävin Katuturassa sijaitsevassa toimistossa
 - o Juttelin Mr. Arnoldin kanssa
 - o Empowering the Future
 - Verkoston tarjoaja SME tason yrittäjille
 - Tarjoaa kumppanuuksia yksityisen ja julkisen sektorin välillä
 - Tekevät tutkimuksia
 - Järjestävät verkostoitumistilaisuuksia
 - o Heillä mielenkiintoinen tutkimus / opas
 - Market study on services provided to Small and Medium enterprises in Namibia

Keskiviikko 29.9

- Saksan suurlähetystö
 - o Minulla ei ollut tapaamisaikaa, koska en tiennyt nettisivujen perusteella keneen olla yhteydessä
 - o Paikalle päästyäni sain selville, että oikea henkilö on Mrs. Eggiars
 - o Mrs. Eggiars oli paikalla mutta hän oli hyvin kiireinen
 - o Hän kuitenkin kertoi, että on olemassa suurlähetystön teettämiä tutkimuksia koskien SME yrittäjiä Namibiassa

- Hän lupasi kysyä ylemmältä taholta saanko minä tutkimuksia tai mitä minulle voi yleensäkin antaa suurlähetystön puolesta
- Yhteys mrs. Eggiarseen huomenna → yritän järjestää tapaamisen
- Bank Windhoek
 - Pankin SME puolen ihmisiä oli erittäin vaikea tavoittaa
 - Loppujen lopuksi en koskaan tavannut Mr. Hans Saueria
 - SME keskuksessa minulle kuitenkin selvitetiin Bank Windhoekin toiminta koskien SME yrittäjiä
 - Development Bank of Namibia on antanut rahaa pienlainoja varten ja yrittäjien tukemiseen
 - Pankki ei auta yrityksen perustamis toimissa
 - SMEs compete tarjoaa palvelut ja valmennukset
 - Business Plan Outline on ainoa yrittäjä materiaali mitä heillä on
- Polytechnic of Namibia
 - Polytechnicilla on yrittäjyys luentoja
 - Polytechnicilla on Yrittäjyyden luennoitsija
 - Mr. Ndjavera
 - Yritin tavoittaa Mr. Ndjaveraa, jotta voisin saada hänen materiaalin mitä hän käyttää luennoillaan – huomenna uudestaan
 - Yrittäjyysluennot ovat yhteistyössä Plemjive Ltd:n kanssa, joka pitää opiskelijoille käytännön puolen yrittäjyys kurssista
 - Kurssi on pakollinen kaikille

Torstai 30.09

- NCCI
 - Kävin tapaamassa Mrs. Johannaa
 - Hän antoi minulle jo meillä olevan Business Toolkit – oppaan yrittäjille
 - Hän neuvoi minulle miten löydän Urban Trust of Namibian organisaation
- Urban Trust of Namibia - Aamu
 - Tapaaminen ensin Mrs. Sharon Kasandan (program co-ordinator, economic development) kanssa
 - Auttavat yrittäjiä ja yrittäjiksi haluavia verkostoitumaan ja pääsemään tutustumaan yrityksiin ja eri yritysten työntekijöihin

- Aloittivat juuri workshoppien pitämisen
- Workshopit ovat tarkoitettu yrittäjiksi aikoville
- Tekevät ja työskentelevät tiiviisti talous kehityksen sektorilla
- Yksi projekti esimerkki:
 - Open market Tsumeb
 - Avasivat paikan mihin ihmiset saivat ja pääsivät myymään tuotteitaan
- Auttavat ihmisiä verkostoitumistilaisuuksissa antamalla liikeideoita

- Urban Trust of Namibia - Iltapäivä
 - Mr. Felix työskentelee DED:lle ja toimii UTN:lle atk neuvonantajana
 - DED on saksalainen organisaatio joka auttaa eri organisaatioita Namibiassa tarjoamalla heille henkilökuntaa DED:n piikkiin
 - DED suunnittelee saman tyylistä projektia kuin meillä Rundun, Tsumebiin ja Walvisbayhin
 - Projekti vasta tutkinta vaiheessa
 - Haluaisivat oikein mielellään olla yhteydessä meihin
 - Tutkimus materiaalia löytyy osoitteista:
 - ippr.org.na
 - nepru.org.na

- Soitin Saksan suurlähetystöön moneen otteeseen päivän aikana
 - Mrs. Eggiars ei ollut tavoitettavissa koko päivänä

Perjantai 01.10

- National Planning Commission
 - Tapaaminen Mr. Ned Sibeyan kanssa
 - Kävimme läpi organisaation toiminnan
 - Toimivat poliittisella tasolla
 - Seuraavat mitä maassa tarvitaan, tekevät suunnitelmat ja projekti ehdotukset
 - Seuraavat Ministry of Trade and Industry toimintaa, kehitystä
 - Ministry of Trade and Industry tekevät fyysisen työn ja toteuttavat valitut projektit ja työt
 - Mr. Sibeyan kertoi että, pohjoisessa sijaitsee Fides Bank
 - Tarjoaa pieniä lainoja ja aloitus rahaa yrittäjille
 - Ilman takauksia
 - Saksalainen organisaatio

- JCC – Joint Consultative Council
 - o Kävin ostamassa Business Development Services in Namibia tutkimuksen

- Polytechnic of Namibia
 - o Kävin katsomassa onko Mr. Ndjavera paikalla → Ei ollut
 - o En saa puhelimitse häneen yhteyttä
 - o Tavoitin hänen kollegansa, jotka pitävät kursseja hänen rinnallaan
 - He kertoivat, että materiaalina toimii yrittäjyyden ABC kirja

- Urban Trust of Namibia
 - o Palaveri Mr. Benjamin kanssa
 - o Mr. Benjamin toimii kenttätyöntekijänä
 - o Kouluttaa ihmisiä yrittäjyydestä
 - Lähetti materiaalit minulle
 - o Kävimme läpi hänen näkökulmiaan yrittäjäksi ryhtymisestä, ajatusmaailmasta Namibiassa ja sitä miten hänen mielestään ihmisiä tulee lähestyä
 - o Kertoi minulle muutamasta muusta projektista josta on kuullut jotka myös haluavat auttaa kuntia
 - Skorpion Zinc – Mining Company
 - Koulutus ja liiketoiminnan kehittämistä
 - Ovat tutkineet Keetmanshoopin sopivuutta kunnaksi

Lauantai 02.10

- Palaveri Timo Palanderin, Erkki Ottelan ja Kaj Heiniön kanssa
- Lounaspalaveri kello 13.00 ja paikkana Cafe Zoo
 - o Kävimme läpi mitä olen saanut aikaan ja mitä haasteita kohtasin matkalla

Maanantai 4.10

- Workshop päivä NCCI tiloissa 9.30 – 17.30
 - o Paikalla Kaj Heiniö, Josef Rooi, Kandi Ihuhwa ja Clarissa Rätty
 - o Clarissa Rädyn keräämien materiaalien läpi käynti
 - o Oppaan tekemisen ja rakenteen suunnittelua

Tiistai 5.10

- Workshop päivä, Nice Ravintolan tiloissa 9.00 – 17.00
 - o Paikalla Kaj Heiniö, Erkki Ottela, Josef Rooi, Kandi Ihuhwa ja Clarissa Rätty
 - o Workshop oppaan suunnittelusta jatkui
 - o Valmis aikataulu oppaan valmistumiselle
 - o Kävimme läpi Ondagwan ja Keetmanshopin tilanteen
 - o Mietimme loppuvuoden toimintasuunnitelmia läpi

Keskiviikko 6.10

- Oppaan kirjoituksen aloittaminen

Torstai 7.10

- Oppaan kirjoitusta

Perjantai 8.10

- Oppaan kirjoitusta
- Jo kirjoitetun tekstin oikolukua

Lauantai 9.10

- Paluu Suomeen

7.2 Vierailut

Viikko 38.

- NCCI – Head Office
- SMEs Compete
- Polytechnic of Namibia - Entrepreneurship Center
- NBIC – Namibian Business Innovation Center
- Aune Tjirare – Remota Ltd. – InWent
- CTPD – The centre for training and projects development Ltd.
- InWent - Capacity Building International
- IMLT - Institute for Management and Leadership Training
- City of Windhoek
- Ministry of Trade and Industry

- Pankit:
 - Development Bank of Namibia
 - Bank of Windhoek
 - NedBank
 - Standard Bank
 - First National Bank
 - Bank of Namibia

- Suomen suurlähetystö
- GTZ – German Development center

Viikko 39.

- JCC – Joint Consultative Council
- GTZ
- Men on the side of the road – project
- InWent and Personal - Mr. Horst Heimstaedt
- Saksan suurlähetystö
- National Planning Commission – EU
- Urban Trust of Namibia
- Polytechnic of Namibia

- Pankit:
 - Bank of Windhoek
 - NedBank
 - Standard Bank
 - First National Bank
 - Bank of Namibia

En tavannut:

- Mr. Christian - NBIC
 - Minulla oli jo kaikki tarvittava materiaali heiltä

- Zurilea D Steenkamp – City of Windhoek
 - Minulla oli jo kaikki tarvittava materiaali heiltä

- Mrs. Anna – Lee - GTZ
 - Oli liian kiireinen tavatakseni minua
 - Ehdottivat viikon 40. loppua

- Mrs. Eggiars - Saksan Suurlähetystö
 - Oli aluksi liian kiireinen tavatakseni ja sitten häneen ei saanut enää yhteyttä

8 HYÖDYLLISET MATERIAALIT LISTA

Oppaalle hyödylliset materiaalit:

- IMLT – Steps
 - Creative idea generation
 - Market research
 - Business Planning
 - Business Preparation
 - Additional material

- City of Windhoek
 - Informal Trading Regulations

- Ministry of Trade and Industry
 - Doing business in Namibia
 - Namibia A Gem Worth Investing In
 - A Business and Investment guide for Namibia
 - Namibia Trade Directory
 - Who's Who of Namibia
 - SME Bulletin
 - Namibia's export Processing Zone
 - How to register a company in Namibia
 - Special Incentives in for Manufacturers and Exporters
 - Foreign Investment Act
 - Cost of Doing Business in Namibia
 - Investment opportunities

 - How to Register a business in Namibia
 - Business Plan Formulation

- JCC
 - Business Development Services in Namibia
 - Market study on services provided to Small and Medium Enterprises

- NBIC
 - Guide to Writing a business plan
 - Executive Summary
 - Market Analysis
 - Business Concept
 - Marketing and Sales forecast
 - Operational Plan
 - Startup Expenses and Capitalization
 - Financial Plan
 - Action Plan

- Development Bank of Namibia
 - Business Plan Guide

- Bank Windhoek
 - ESME finance

- First National Bank
 - Finance

Namibia 2010

How to Start Your own Business in Namibia?

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1 INTRODUCTION

Are you ready to take actions in your own life?

“If you are ready to change your life you are reading the right booklet.”

Namibia is facing lot of difficulties to empower its own people. Most Namibians are struggling to find a job at the moment. Starting your business can be a solution for you to empower yourself and in the future hopefully others. If you have ambition, drive and idea you can become an entrepreneur. You can do it just like everybody else.

Many today's largest businesses were started by ordinary men and women. They had an idea and passion to work towards their dreams. At first they didn't have huge amounts of money they started with small businesses without any factories. Later on the businesses started growing because of their hard work, persistence and strength. Most importantly they believed in themselves and their dreams.

There is no easy way to become a successful entrepreneur. The road is going to be long and bumpy but at the end you will find the great destination. Being a successful entrepreneur means obligations that you have to fulfill and also you need to keep the motivation high towards your business. If you believe that you have what it takes to becoming an entrepreneur then let us guide you to a fascinating adventure of the business world.

This booklet is a guide book to your journey as becoming an entrepreneur. A successful entrepreneur needs help when one is starting his journey and he is not afraid to admit that help is needed also during one's journey. The Booklet contains all the main information which a new entrepreneur needs to know. We want to help you and give you an easy start with your business.

- We hope to see you in one of our “start up offices”.

2 BE YOUR OWN MASTER – BE AN ENTREPRENEUR

Why do you want start your own business?

- Do you want to earn your own living?
- Do you want to earn extra money?
- You want to have a career?

Starting up your own business might be the solution for your problems but you must remember that starting up your own business is not quick money. Starting up your own business you cannot get rich quick. It takes lots of time and hard work. Many businesses due to fail because they are not focused on:

- Good money management
- Having enough time
- Having enough skills

Personal Skills

The best resource of an entrepreneur is his proficiency, which he gets through education and working experience. The better proficiency, the better success. Your personal skills will great your business. In business you need to have skills that you have had thru training, hobbies or thru your work experience, and an crystal clear idea and plan what do you want to achieve with the resources within.

It is important for the entrepreneur to be aware of his strengths and weaknesses and constantly strive to improve your weaknesses.

- Think about you strengths and weaknesses!
- How can you improve them?
- You must be ready to learn from your mistakes!

Within your business your business skills will grow all the time if your motivation is high and you have ambition. An entrepreneur tries one or multiple strategies and when succeed he continues to work on it. When failing an entrepreneur tries different strategies until he succeeds.

It usually helps if the entrepreneur knows the basics of marketing, is social and customer service minded. You must be accurate and hard working when it comes to practical work.

You must know what you want from your business.

- Plan
- Set goals
- Don't lose focus on the bigger picture

Planning

Almost everyone can succeed as a business owner if they plan the business proper. Entrepreneurship always requires money. Make up plans, prepare budgets and use expert advice. Take all possible expenses in account such as rents, insurances, pension insurances, equipment costs, capital interests, taxes and possible risks.

When your business idea has been tested and you have got an approving feedback, when the financial resources have been looked into and a potential business loan has been attended to, when a market analysis has been made and the marketing strategy is planned; and you are willing to exert yourself more than eight hours a day; You have reached the stage, when you can consider entrepreneurship and finally start up a business.

The purpose with this guide is to help you with the planning of your business and to contribute to a successful start.

3 BUSINESS IDEA

What is a Business Idea and the Evaluation of the Business Idea?

Business Idea → Evaluation of the idea → Starting up a Business

It is easier to make a decision of establishment, when you first analyse the usefulness of your business idea and make clear in what way you can make money from it. Apart from your own skill, a success requires a product or service, which a sufficient number of your clients think is useful and for which they are willing to pay the price you ask.

The Idea must

- Solve your Clients problem
- Be a fresh idea
- Be clear and realistic to you

→ People must afford to buy your product or service

Is your idea new or is it something that most of the people are doing already? You need to think are your services really needed. For example if in your area there are lot of people already selling food and alcohol it means that there is lot of competition. You will have to sell your food more lower prices and then the others will follow and lower their prices. So everyone will lose money and the business is not that profitable anymore.

Realistic

Is the idea really realistic to you? Although you might have a great idea it may be too difficult. The best business idea is something that you know very well and that won't cost you too much at the beginning of your business.

Business Plan

You start working on your business idea with business plan. Business plan helps you put your thoughts and ideas on the paper. It helps you to clarify the opportunities to establish this idea into a business. Business plan is written version of your business.

Business plan helps you and most of the finance opportunities / organisations want to see your business plan before helping you with finance. Without the business plan no-one can evaluate the profitability of the business, not even you. The business plan is a paper version of your business.

Business Idea is an idea that makes money and profit.

Look deeper in to your business idea – Business plan helps you to do it!

Products and services

- What are your products and services?
- What are the qualities of your products and services?
- How do they stand out from the already existing ones?
- What is the price compared to the outstanding market price?

Customers and Markets

- Who are your customers?
- Are there enough customers and interest in your product?
- How many products you have to sell that you are making profit?
- How can you achieve that selling?
- Have you considered the marketing costs?

The entrepreneur and the company

- Who is or who are the entrepreneurs?
- What kind of background do they have?
- What is the education level or the experience?
- Do they have experience running a company?

Business Plan is intend to your own and company's success!

- Look more information about Business plan on page

Reflect on

- What are your mental and physical resources?
- Which product or service can you produce using these resources?
- Is the product or service able to attract enough clients? - Be honest with yourself.

4 MANY WAYS OF ENTREPRENEURSHIP

New business idea

New business idea means product, service, invent or business concept. New business idea is always the most challenging one and it involves lot of risks because there are no companies or products in the markets that you can compare yourself to. This means that pricing, calculations and assessing predictions might be difficult. Also you have to put lot of input to get the product and company known but also in the other hand your company and product might get lot of media attention.

Existing business idea

This is the most common way to establish your own business. The business idea is already there but it might be that it doesn't exist in the market area that you are looking into or there might be more demand than supply. The idea can also be from outer lands and you want to provide it in your country. Usually already existing business idea is implemented in some new ways, more compete way that gives the business tools to survive.

Buying existing company

Sometimes you can find an established company that is on sale. Buying an established company involves it own risks but usually it gives easier ground to becoming an entrepreneur because the turnover and the customers already exists. The risks are mainly how trustable is the accounting and ownership changes. It is very important that when buying ones business that you use experts help to estimate how profitable that business really is.

Franchising

If you want to start your own business but you really don't have your own business idea then franchising might be a good choice for you. Franchising business is an agreement made by two individual companies. There the one who owns the franchising brand gives the rights to use that business idea to another company who pays for the right the use the business idea. Franchising gives the entrepreneur the ability to run a tried business. Franchising is a growth industry in Namibia and this trend is set to continue in coming years. Well known franchising chains are for example McDonalds, Kentucky's Fried Chicken (KFC), and Nando's.

Part time entrepreneur

Starting your own business as part time entrepreneur is possible in many fields of business. You can study or work for someone else at the same time. Part time entrepreneur's costs and the need for billing are much smaller than in full time business operator. Also the risks involved are much smaller. On the other hand it is obvious that running your business as a part time entrepreneur right side along your studies or other work your weekly work hours grows enormously. Starting up as a part time entrepreneur lowers the step to becoming a full time business operator.

Shares

Having / holding shares can be very close to running a business. It all depends on the fact how the responsibilities are divided within the share holders. Holding shares might come across when family companies share shares between the family members. Sometimes in a small company it is needed to commit key players, who have been working hard and long for the company, by sharing shares. Usually you become a share holder when multiple people starts their own company and they want to make sure together that the company will succeed. Sometimes also two working companies become one and sharing all the shares between the members make sure that the new company will succeed.

Freelance

As a freelancer you can be very much like an entrepreneur and independently. Officially freelancers are not classified as entrepreneurs. As a freelancer you can be working for multiple companies or organizations for example some reporters are freelancers.

5 MEMORY LIST OF A NEW ENTREPRENEUR

- Important things to remember and to look at on the way to becoming a business owner

Personal skills and experience

What are your personal skills? Are your personal skills and experience enough to start your own business? Do you have ambition and you don't give up easily? How does your family support you?

Business Idea?

What is your business idea? Plan it carefully. Use experts help and don't be afraid to ask questions. Remember that theory and practical work walk hand in hand.

Markets and Competition

Is there a market and where is this market? What is the competition situation and who are your competes? Does your idea bring something unique and freshness to the market?

Financing

How much money do you need to start your business? Where can you get your finance? How can you secure your finance?

Profitability

Can you sell enough? What is your cover? Who are your customers? Think about your expenditure and revenue, they must balance.

Selecting the business form

Having your own business always involves a risk. Are you ready to put your property on the line? Who are going to eat form this business? Are you alone? Are you having partners in your business? How are you going to share the work? Remember that taxation usually does have nothing to do with selecting your business form!

Accounting / Book keeping

How will I handle my book keeping? Who will help me with my book keeping? How much accounting services costs? Law sets requirement for book keeping and handling your own book keeping needs experience. Book keeping firms do cost but then you have time to focus on the main point: Your business.

Contracts

Why do you need agreements? What kind of agreements does your company need? Before signing anything find out what you are promising and does it serve your best interests? Always make legal documents about everything that has something to do with your company!

Insurances and Risks

What are the biggest risks in my business? What insurances are out there? Do my customers and clients require some kind of insurances when dealing with my company or services? Calculate your risks involved your business. Explore different insurances and ask quotations.

Your personal network

Don't be alone. Entrepreneur needs a network. Do you have friends who are entrepreneurs? Do you know experts who you can ask help when needed?

6 DIFFERENT STAGES WHEN STARTING YOUR OWN BUSINESS

Steps

Business idea – What – Who – How

Business Plan, financing, profit making, Profitability calculations

Financing

Choosing your business form:

- Sole proprietorship, Partnership, Close Corporation – CC, Proprietary company– PTY, Limited Company - LTD

Registration

Insurances

Book keeping

7 COMPANY FORMS OF BUSINESS

Before you start operating your business, you will need to decide on the best form of business ownership to suit your business needs. It is very important to choose the best form of business from the onset, the legal form which will best suit for your current and future business needs.

There is a variety of forms of business entity to choose from, and each one has different legal and tax implications.

Sole proprietorships

Partnerships

Closed Corporations (CC)

Private companies (PTY LTD)

There are many forms of companies:

- Sole proprietorship (one man business)

One person owns the business. This is the most common form of ownership for a small business. That person earns all the profits after costs and taxes are deducted. The disadvantage is that one person is liable for all the debts of the business. So if the business goes in to bankrupt the persons personal assets are on the line such as house and car might be taken to pay off debts. Also the income of the business is taxes as per tax rates of individuals.

Advantages:

- Easy to start up
- Freedom to make decisions as the owner wants
- Can be terminated easily, without any formalities
- Can be easily adapted to changing circumstances

Disadvantages:

- There is no limited liability protection as the business is not a separate legal entity.
- The risks in the business extend to personal as well as business assets. Therefore, personal assets, such as the owners' property can be lost if things go wrong.
- The business closes when the owner dies.
- The business usually remains small because of limited resources
- Can be difficult to raise finance

- Partnership

Sometimes it is needed to look for people with money or relevant skills to join you as partners in business. This form is called partnership. A partnership is regarded as being an association of individuals engaged in business. Partnership is formed when people or companies come together to make and share profits. At least two to twenty people can put their resources together to form a business and share the profit.

There are 3 types of partnerships:

- General / ordinary partners who are liable jointly and together for the debts of the partnership
- Anonymous (sleeping) partners who are not known to the public and are liable to other partners only for their pro-rata share of any debt or shortfall
- Communitarian partners who are purely a financial participant with restricted liability (similar to a shareholder in a private company). They share the profits and losses of the business, but their liability is restricted to a specified contribution or amount.

Advantages:

- Funding for the business might be easier to obtain, depending on the financial stability of the partners.
- All partners share liabilities and responsibilities
- Partners can bring financial input as well as skills and contacts as their contribution to the business.

Disadvantages:

- A partnership agreement outlining the partners' responsibilities and contribution to the business must be drawn up. It is advisable to have a written agreement.
- There is no limited liability, so each partner shares responsibility for the individual actions taken by any partner in the partnership.
- If partners leave the business, the partnership agreement needs to be amended.

- Close Corporation CC

It is a group of people whom all have limited liability (business can have between 1 and 10 members who are natural persons). This means that if the company goes bankrupt there is limited liability for the debts of the company. Members may have given personal guarantees for debts and finance. Shares and profits are shared among the people after costs and taxes are deducted. The business is managed by the members and tax is payable on the profits of the business.

Advantages

- Gives a business a separate legal identity, without the requirements of a private company
- Financial records need to be kept and annual financial statement must be verified by a qualified accountant, at least once a year, audited accounts do not have to be produced. This therefore saves costs

- Can be established by one person
- Family members can be shareholders
- Can own assets and enter into agreements.
- Can hold shares in a company
- There is a limited liability for debt on individuals as the closed corporation is regarded as a separate legal entity
- Dividends can be paid to members if all debts have been paid and there are dividends tax free

Disadvantages

- Can't be owned by a company or be a subsidiary of another CC.
- In some industries, is not possible to trade as a CC, for example if your business is a training provider which needs to be registered to offer a qualification with the Department of Education.

Private company

There are two types of companies, a company with share capital and a company with no share capital. A company with share capital can be divided into two different forms; A Private Company and A Public Company.

- Private Company - PTY

A proprietary company is a form that is either limited or unlimited. However, unlike a public company there are, depending on jurisdiction, restrictions on what they can and cannot do.

It must be registered with the Register of Companies, who will issue a certificate of incorporation. A proprietary company is identified by the use of the words Proprietary Limited or the abbreviation Pty Ltd after the company name. It must have a minimum of one shareholder and one director and it is liable for its own debts and cannot sue the shareholders for payment of these debts.

Advantages:

- Can have up to 50 shareholders
- Other companies can own shares in the business
- Directors are protected from individual liability
- Shares can be made available to staff and ownership is easily transferred
- Can be the best form of structure for a business which wants to grow to a substantial level and sell part of, or all of the business, or list on the stock exchange
- Financial statements do not have to be published to the public, as in the case of Public Companies

Disadvantages:

- More expensive to set up as this needs to be done through an accountant or a lawyer
- More complex structure is required, as the owners and management of the company needs to be seen as separate → Shareholders own the company and a Board of Directors must be appointed to run it
- Decision making can be slowed down by the structure as well as requiring meetings and the passing resolutions
- Financial statements have to be audited annually and this is a significant cost to a small business
- There are strict legal implications as to the conduct of company directors

- Public company - LTD

A public company can trade its shares to the general public. The word “Limited” (Ltd) follows the company name. This is a company form where a company is considered as a “legal person”. It is completely separate from the people who own it. All the loans that are taken are taken in the name of the company and not in your name. This protects personal belongings to be considered a part from the business. Limited company is requested by law to make its operations and accounts known to the public. Audited financial results have to be published because they are a public property. Before any major decisions such as mergers are made, cautionary noticed should be published to all shareholders. The public company also has the obligation to lodge certain returns with the registrar of companies on a regular basis – these returns include a full overview of the company and its activities – these must be lodged within legislated timeframes and using legislated formats.

8 LEGAL PERMISSIONS

Trade licenses:

For some types of business, you will require a trade license, which is issued by the local authority.

You will need a license if your business performs one of the following:

- Sale or supply of meals or perishable foodstuffs, e.g. a restaurant, food retailer, hawker, including transportation of foodstuffs
- Provision of certain types of health facilities or entertainment, e.g. saunas and massage parlours.

Notice: To obtain a trading license you will need to complete a L1 form, available from your local Authority!

Intellectual Property:

How to protect you ideas and business?

- Copyright
- Design
- Patent
- trademark
- The environment
- Product Liability / Standards

Access to Information

- Competitions Act
- Legal software
- Contracts

9 BUSINESS FORMS SUBJECT TO LICENSE

Regulations and Permits:

When determining what licenses and permits are required for your specific business, it is essential to determine what legal, state, and local authority requirements must be met. This information should be obtained very early in the research process to determine if a particular type of business is allowable in the area you are considering.

The following page contains a reference list of possible offices and their phone numbers that you can contact to obtain specific information on permits and regulations relating to your particular business.

- **Gambling Licence**
The Ministry of Environment and Tourism
Gambling and Casino Section
4th Floor, Capital Centre, Windhoek
Tel: 061 284 2112

- **Accommodation and Tour operating**
The Namibia Tourism Board
1 floor, Post Street Mall
Tel: 264 61 290 6000

- **Business Registration**
Ministry of Trade and Industry
Company Registration Office
Brendan Simbwaye Square
P/Bag 13340
Windhoek, Namibia
Tel: 061 283 7242

- Employee Compensation Tax
Social Security Commission
P.O Box
Windhoek, Namibia
- Ministry of Agriculture, Water and Forestry
Division of Agricultural Planning
P/bag 13184
Windhoek, Namibia
Tel: 061 208 7678
- Public Transportation Permit
Ministry of Works and Transport
Division of Transportation Regulations
P/Bag13341
Windhoek, Namibia
Tel: 061 208 8435
- SME Certificate
Ministry of Trade and Industry
Division Small Scale Industries
P/Bag 13340
Windhoek, Namibia
Tel: 061 283 7305
- Co-operatives
Ministry of Agriculture, Water and Forestry
Division of Cooperatives
P/bag 13184
Windhoek, Namibia
Tel: 061 208 7582

- VAT and Tax registration
Ministry of Finance
Inland Revenue
P/Bag 13185
Windhoek, Namibia
- Liquor License

10 REGISTRATION

Registration is very important step when starting your own business. The registration of your business happens at Trade and Industry (Windhoek, Namibia) on the second floor. On the second floor is the registration office. All the documents that are needed and are referred to below can be obtained from most major stationery retailers like Walton's stationery shop as well as from www.cipro.gov.za.

If you are not close Windhoek you can always buy the registration forms from the closest Walton's stationery shop and posted them at the Trade and Industry.

Why to register:

- You can apply finance and get funds for starting up your business
- You can expand your business
- You can do business with other companies

Step by Step:

Registering a CC

1. You will have to apply to register as a cc at the Registrar of Companies.
 - First apply for the name of the business on a form CK7
 - Application for Reservation of the name of a Name
 - The Registrar of Companies will check if the name you have been chosen for your business has already been registered by someone else. You should give several options for the name, in case your first choice is already been reserved.

Notice:

The CK7 application lasts for 2 months. If your required name has not been reserved in the 2 month time frame, you will need to complete CK9, which extends the application for one month!

2. You will receive a letter of confirmation of your name reservation
 - The name must be approved before the next step

3. After the Name is approved you lodge a CK1 – Closed Corporation Founding Statement
 - This gives you details of the:
 - Members of the CC
 - The nature of the business
 - Address is also included
 - Attachments needed to this form:
 - A copy of the letter from the Registrar of Companies with your approved business name
 - A letter of consent by your accounting officer, stating that he or she will be acting as such

Registering a Private Company

Registering a Private company is more complicated and expensive than registering a Closed Corporation and you will need to employ the services of a lawyer.

1. Registering the Company name
 - CM5 form for reservation of the company name
 - CM7 form will need to be completed in the time period for reservation needs to be extended

2. A Power of a Lawyer needs to be completed to give authorisation to your lawyer to act on your behalf

3. Fill out following forms:
 - CM22 – Complete in duplicate to give details of the registered and postal address
 - CM29 – Details of company director/s
 - CM1 – Certificate of incorporation
 - CM46 – Application for a certificate to commence business
 - CM47 – To be completed by each director, stating their share capital
 - CM31 – Consent to act as auditors by the auditing firm
 - CM44B and 44C – Articles of Association, which need to be certified by a notary

Notice: A Closed Corporation can be converted to a Private Company by completing the above forms!

Fees: A registration fee is levied by the Copyright and other relevant Authorities charged with the protection of intellectual property.

Cost of registering your business:

| Business type: | Documentation: | Fees: |
|--|-------------------------------|--|
| Close Corporation | Reservation name | 50,00 |
| | Application forms – CCI & CC8 | 50,00 |
| | Founding statement | 100,00 |
| | Entire registration process | 950 – 1 400 |
| Public / Private Limited Co. | Entire registration process | Fees differ according to size and number of shares |
| Sole proprietor, Partnership and Joint venture | Application forms – CM5 & CM8 | 30,00 |

11 TAXATION

You will have to pay tax on your profits after your costs and expenses. Keeping on top of all your tax obligations is an important challenge. Speak to a bookkeeper or a bookkeeping service for advice so that you know how much tax you need to pay and what amount you should set aside from your earnings to pay tax.

All tax returns have to be submitted on or before the due dates indicated below. Use the correct forms, completed without any omissions or mistakes and submit with the correct payment.

Every business has to register with the Commissioner of Inland Revenue for, Provisional Tax, Value Added Tax (VAT), Employee Tax, and Skills Development Levy (SDL) depending on the turnover of the business!

Direct Taxes:

- Income tax – this is paid by individuals, sole proprietors and partnerships
- Company tax – this is an annual tax paid on the income of Closed Corporations and Private Companies. The current tax rate is 35% of profit, 18% for manufacturing companies.

Indirect Taxes:

- Value added Tax (VAT) – the current rate is 15%
- Customs and Exercise Tax – this is payable on local production of commodities
- Stamp duties – this is a tax payable on some legal documents

Notice:

Owners of Sole Proprietorships and Partnerships do not have to submit separate tax returns for their business. They will need to declare their business income in their personal tax return as well as register as a provisional tax payer. A Closed Corporation and Private Company have to register as a tax payer in their own right.

A Tax Amnesty assists small business to become compliant. The Amnesty allows for small businesses, including taxi owners to join the mainstream economy and become registered for tax, without any penalty or punishment for tax not paid in previous years.

- The Inland Revenue Office can be contacted for more information!

Employee Tax – PAYE and SITE:

SITE – Standard Income Tax on employees is payable for all employers who earn under N\$ 60,000 per year

PAYE – Pay as You earn for all employee who earn in excess of N\$ 60,000 per year.

All employers have to deduct this tax, as a requirement of the Income Tax Act. You will need to complete a form EMP101 to register to pay employee tax to Inland Revenue, which will provide a tax table which indicates the amount to be deducted – either SITE or PAYE

Tip: Make sure you get a new tax table every year as these change on an annual basis!

Skills Development Levy (SDL):

In Namibia, the issues of skills development levies have still to be clarified as they are considered under Promotion of Access to Information concepts. However in South Africa, if the total remuneration paid to your employees exceeds R500, 000 per year; you will need to pay over Skills Development Levy, under the Skills Development Levies Act of 1999.

Paying Taxes:

All tax returns have to be submitted on or before the due dates indicated below. Use the correct forms, completed without any omissions or mistakes and submit with correct payment. You will see from below information that employee tax, SDL and Unemployment Insurance Fund - UIF can be submitted to Inland Revenue on one form – PAYE 5(b).

PAYE 4: Employee tax remittance returns (PAYE return)

PAYE 5(b): Reconciliation of tax deductions made and of stock certificates on hand.

- This return must be submitted on or before 30 March; always mention this file identification number in your correspondence and at interviews.

PATE 6: Return payment of provisional tax

- Return February and August

Form 6-0 / 00140C / C: Return of income: Individual (Salaries)

- This return must be submitted on or before 30 June every year

Form 6-0 / 0310: Income tax: Application for registration as tax payer.

- This form is for registration for income tax and company tax (provisional)

Form 6-01 / 0044: Registration of Employer in Namibia (PAYE Registration)

VAT 1 : Application for registration / voluntary registration / VAT import account

- Registration for VAT and Registration for VAT import

VAT 2: Registration for remittance of value added tax (Return)

VAT 19: Return for Remittance of Value Added Tax on imports (Returns)

Tips:

To calculate your Income Tax, you first need to determine your period of assessment. This is usually from 1st March to 28 February.

Annual Tax Returns has to be submitted to Inland Revenue on a PAYE 5(b) - form. Guidelines for completion are available from Inland Revenue.

You calculate the tax payable by looking at the net profit on your income Statement, 35% of this net profit is payable tax.

12 VAT

When your business buys products and services from another business, which is registered as a VAT vendor, a tax known as input VAT is levied by your supplier. Output tax is the VAT then levied when your business sells its products and services.

VAT is currently 15%

Under the Value Added TAX (VAT) Act if the turnover of your business exceeds N\$ 300,000 per year, or is likely to, you will need to register for VAT.

In Short:

You will charge Output VAT when you invoice your customers!

You can also claim Input VAT on the items that you purchase and run your business!

1. The difference between the Output VAT and the Input VAT must be paid over to Inland Revenue.

You are required to charge VAT on all goods and services you provide if your company turn over exceeds N\$300,000 per year. However you can deduct much of the VAT that you pay to your suppliers. If your turnover is more than 20,000, you can choose to register and pay VAT. When you become liable to pay VAT immediately register for VAT and speak to a bookkeeper or get a bookkeeping service to assist you.

Registration for VAT:

1. You will need to complete a VAT101 form
2. Submit the following documents to Inland Revenue:
 - A copy of your ID
 - Copy of your Company / CC registration certificate from the Registrar of Companies
 - Certified copy of the founding documents
 - Trading license (if applicable) e.g. a liquor or fishing license
 - Proof of business address (a copy of a municipal account)
 - A Business plan, signed contracts or sales projections indicating that your revenue is likely to be more than N\$ 300,000 per year
 - Latest bank statement (cancelled cheque letter from your bank confirming your bank details)
3. Once you have submitted your application for registration, you will receive a VAT registration certificate (VAT 103), indicating your VAT registration number
3. Put the VAT registration number on your invoices, as well as giving it to your suppliers, as this number needs to appear on the invoices that they give to you.

13 FINANCING

You need always start-up capital when starting your own business. Most people want and need financing to start up the business. Finance can be expensive. With finance calculations you plan how much start-up capital you need and how you are going to arrange that money. Usually start up capital is a loan from the bank or the share holders can provide you the capital. Apart from the finance form it is very important to think through the amount of money that is needed to start up the company. How much are you willing to invest if loosing the money or the property? Also less finance means you pay less interest if you have a bank loan and less finance means you will make higher profits.

When applying the bank finance there are several things to make sure you take a good look. The benefit of the bank finance is that you will retain ownership of your company. But you will need to pay interest and the bank needs security for the loan. When applying the bank loan you must have your business plan, you need to prove your chance of success; you need to prove your personal skills and you also need to provide security for the loan.

Getting the finance from the share holders can be an excellent idea. Many small businesses in Namibia start with the finance from the share holders. Usually the shareholders charge less interest or they don't need that much security for the capital. Remember that having a shareholder means that you will need to give a share of the business and of the profits. At the end you are also still responsible for a share of debts.

Which is the Types of Loans Offered by a bank?

Businesses and individuals apply for loans from banks for different purposes. The financial assistance provided by banks is grouped according to the purpose of the loan. In general banks provide the following types of loans:

- Long term Loans
- Medium term Loans
- Short term Loans
- Business Loans

Personal loans

The major source of private financing is direct bank loans. These are loans that are negotiated directly with a bank and the terms of the loan are based on the bank's requirements. The key to successfully obtaining a loan of this type is to be fully prepared before you ever even talk to a banker. This preparation includes writing a detailed and accurate business plan. A good business plan tells the banker you are fully prepared to enter into this business opportunity and will increase his faith in you and your ability to make a success of the business. It is estimated that 90% of all the prospective borrowers that come to a bank for a loan are not prepared. Since bankers do not have the time to do the research for the borrower, it is safest and easiest for them to say no.

The following is a list of suggestions to help increase your chances of getting a loan:

- Prepare the detailed business plan complete with financial statements.
- Pick a bank that has a reputation for making small business loans.
- Make an appointment to meet with the banker. Do not just walk in.
- Demonstrate your good character to the banker. This is one of the most crucial deciding factors.

- Know what type of loan you want and how much of a loan you will need.
- Be prepared to personally guarantee the loan or meet certain equity requirements.
- Be honest with the banker and answer all questions openly and honestly.

Personal Savings

Another widely used source of funds is the savings of the entrepreneur. These savings and those of other family members are a viable source of funds and show future creditors that the owners of the business are willing to personally stand behind their business. This type of faith is what banks and other creditors like to see before lending money to any small business operation.

Another advantage to financing a business through personal or family savings is the fact that it is less risky than bank financing and it is also less costly. Reducing risk and expenses early in the life of a business are two factors that help to insure the long run success of a business. For these reasons this financing option should be given every consideration.

Personal budgeting experience is another factor that bankers look for when they evaluate a person's loan potential. Those people who demonstrate that they can set up and follow a personal budget impress the banker as having the skill and experience necessary to develop and follow a budget for a business, which is a critical factor in the success or failure of a business.

Due to the fact that budgeting is such an important part of the business cycle, it is recommended that anyone considering opening a business should develop a personal budget simply because it is good experience and bankers are impressed with those people who have budgeting experience.

What type of collateral or security is required by the bank?

When you apply for a loan the bank does not just give you money because you have submitted an application and are in business. The bank belongs to some shareholders and has money deposited by individuals for safekeeping, withdrawing when they want to use it. This makes a bank have an obligation of protecting the interest of its shareholders and those that deposit their money. In order not to lose the money through granting loans, the banks ask for collateral or security. The security or collateral is used by the bank when you fail to pay back the loan. The bank will take over what you will have given them as collateral.

The types of collateral or security accepted by the bank are:

- Mortgage bonds (Houses etc)
- Notarial bonds (Machinery)
- Cessions (Life insurance, shares)
- Pledge (Savings book, gold coins)
- Guarantees (Individual or company)

14 DAILY CASH HANDLING

Business is all about the money and without taking care of your company's money matters you really can't have business.

Bank Activity

Your company needs at least one bank account where you can direct your incomes and outcomes. Bank is an important partner when it comes to money matters. Bank account is a must and you can open a bank account when establishing your business.

Banks give practical advices what documents you need to open your bank account and how to define who can use the account.

Compare different banks and choose your bank wisely. Different banks give different services and different prices. Find out what services you need and where you can get the best pricing suitable for your company. From your bank you can get personal assistance that helps you to use your account.

Book keeping!

It is crucial to be very careful with your money and do accurate book keeping. It is easier to start once on a proper way than later to cover up the mess that you might have caused. If you keep your records straight, you will be able to know what your income was last year, even yesterday. You will also know what your expenses were last year, and yesterday. This will tell you how much profit your business is making. With booking it is also important to remember that you will know how owns you money, how much, and when they will pay you.

If you do not keep records, you will not know how much your business is making. You may end up withdrawing too much money from the business causing it to have cash flow problems. Book keeping also enable you to detect cash shortages caused by mistakes or by dishonest employees.

For records to be of any use they should be accurate and neat. Every time money comes in to or goes out of the business you must record it.

Banks are more willing to give you loan if you have records how you use your money!

Keep your personal Money away from you business Money!

Keep an eye on you Cash flow!

Don't spend your businesses cash money!

How do the banks make their money?

The services provided by a commercial bank make it appear as banks are good Samaritans. How does the bank gain? Banks are run like any other profit making business. They make money thought receiving money in form of deposits and lending it out in form loans at a high interest. The bank makes the profit through the difference between interest earned through loans and the money they pay as interest to the account holders plus their overhead costs.

Managing your costs

Managing your costs is vital. If you don't provide for your costs and pay them your business will not succeed. You must keep a record of the following costs: Fixed costs, variable costs, salaries and staff and hidden costs.

Fixed cost – include loans

Fixed costs are the cost that you need to pay every month even if you don't do a lot of business. These costs include loan repayments, lease and service charges for your equipment, rent, water and electricity.

Variable costs

Variable costs are costs that different from to month according how much business you do. This type of costs normally includes raw materials for your business and supplies for your office.

Salaries and staff

Salaries and staff are often thought as fixed costs however these costs need to understand separately. When you do your financial planning you need to think about your own salary and the cost of your staff.

The salary that any staff member earns must include his or her take-home pay, pension fund and medical aid if applicable. Also remember the PAYE “pay-as-you-earn” deductions which you must pay to the Receiver of Revenue.

Hidden costs

The most in common hidden costs is the cost of banking. Transactions are made through banks at fee. Speak to your bank and ask the list of all costs.

15 INSURANCES

Insurances play in important role in company's life.

Getting the best information about the insurances is to do the same thing like you do with the banks. Go thru different insurance companies and find out what kind of services they give. Insurance companies also can advice you what kind of insurances your type of business needs.

Some small business owners view insurance as if it were some form of tax. They recognize that it is necessary but consider it burdensome. However, if used correctly, insurance can contribute to the overall success of your business by reducing the uncertainties under which you operate. It can also reduce employee turnover, improve your credit at the bank, make it easier to sell to customers on favorable terms and help keep your small business going in case an insured peril interrupts your normal business operations. The importance of good insurance management is too important to overlook. Taking insurance you can minimum the risks of your business. You can insurance your business, yourself and your family in case of emergency. This way you can safely focus on doing your business and someone will take care of you if accident happens. Therefore, it is essential that you discuss your insurance needs with an agent of your choice as early as possible.

Ask offers from different insurance companies and after that make the decision what insurances you need!

Insurance Checklist, these insurances are available:

- Fire Insurance
- Group Life Insurance Liability Business
- Life Insurance
- Automobile Insurance
- Group Health Insurance
- Workers Compensation Disability Insurance
- Business Interruption Insurance
- Retirement Insurance
- Crime Insurance
- Key Man Insurance
- Glass Insurance Marine &/or Inland Marine Rent Insurance
- Boiler & Machinery
- Employee Benefit Coverage
- Flood Insurance
- Aviation Insurance

For more information contact your' nearest Insurance Company:

- Old Mutual Namibia
- Sanlam Namibia
- Metropolitan Namibia

16 EMPLOYING YOUR FIRST EMPLOYEE

After you have built your business to a solid ground you can start increasing your business. This usually means employing your first employee. Employing your first employee is big step for you and you need to make sure that you hire the right people for the right job. Think about the qualities you need and take your time to find the right person to do it, a family member or a friend might not be the best one for the job.

New employees will need to get accustomed to the new environment and most likely they will need training on the job. You need to plan reasonable time for training and the new employee will probably not be the most productive during this time. Remember also to invest time and money in your first employees because they will be part of the reason of your success. The more you put effort and make them feel special the more they will work for you and they also want to see your business flourishing. So make sure that they understand that they are valuable to you and that they you are loyal to them. Also make sure that they understand their roles and job description.

The job specification:

- Location
- Working Hours
- Number of days leave
- Salary / Benefits
- Prospects

Registration with the department of Labour:

If you employ staff, it is legal requirements to register with the Ministry of Labour (MOL) for contribution to the Unemployment Insurance Fund (UIF), as well as to the Compensation Fund for Workman's Compensation.

- Unemployment Insurance Fund (UIF)

UIF was set up so that contributions are paid to a fund for qualifying employees who become unemployed, unable to work through illness or go on maternity leave.

All employees who earn less than a certain limit must contribute. The contribution is 2% of earnings, made up of 1% from the employee and 1% from the employer. This is paid monthly to the Department of Labour.

In order to register for UIF, you will need to complete a UIF form and then complete a monthly submission to DOL on a UF3 – form, by the 10th of each month. You will also need to complete a UIF record card, detailing all contributions, per employee. You can apply for the UIF record cards by completing a UF85 form.

- Social Security Commission

The Namibian Compensation for Occupational Injuries and Diseases Act requires employers to contribute to the Social Security Fund. This is to insure employees against accidents and illness which could result in death or disability.

An annual payment is made to Mol by the end of March each year. This payment cannot be re-claimed from employee. The amount payable varies industry to industry.

Things also to remember when employing your first employee:**Work contract**

Always remember to do a work contract. The contract must always be on writing. On the work contract you agreed on working hours, duration of employment, probation, work description and pay check. The contract can be indefinite duration or periodic. If it is periodic there must be a reason for it for example it is a project.

You also might want to think about hiring your employees by using probation. It means that you can give probation for the employee so you can see if he or she really fits in your company. Also the employee might feel that he or she doesn't fit for the company. Then you can just end up the trial period immediately and terminate the contract.

Your workers are titled to have their year holidays. On these holidays employer must pay wage.

The following are the main elements that you must have in your employment contracts by the la:

- The name and the address of your business
- The name and the ID number of your employee
- The position or a brief description of the work – the he or she is required to do.
- Place of work
- Date of commencement of employment
- Ordinary days and hours to be worked in a week – this should not exceed 45 hours in a week. If the worker works a 5 – day a week, a maximum of 9 hours a day can be worked.
- Salary – method of payment and frequency. You do not need to specify a date, but list weekly, fortnightly or monthly.
- Rate of pay for overtime – You cannot force your employees to work overtime, unless by consent.

Important to notice:

If employees work on Sundays or public holidays, you need to pay double time, unless a Sunday is a normal working day, you would need to pay time and a half. Any other overtime must be paid to work more than 10 hours overtime a week or more than 3 hours of overtime a day.

Leaves:

All employees are entitled to a minimum of 3 weeks paid leave per year; excluding the public holidays. Part-time employees are entitled to 1 days leave for every 17 days worked or 1 hours paid leave for every 17 hours worked.

You must ensure that your employees take all their leave within 6 months of the end of the annual leave cycle. You can state in the contract that the employee can only take leave at a time suitable for your business.

Sick Leave:

Employees who are sick or injured are entitled, during a 3 year cycle, to paid sick leave equal to the number of days he / she would have worked in a 6 week period.

Maternity Leave:

Female employees are entitled to have maternity leave. For example a female employee who has completed at least 12 months continuous service in the employment of an employer is entitled to at least four weeks' maternity leave before the expected date of her practitioner to be such expected date, and ending at least 8 weeks after the date of such confinement, so certified to be such date of confinement. The female employee is also entitled to her membership of a medical scheme or fund or a pension scheme or

other retirement scheme, they shall continue as if her period of employment was not interrupted during the period of maternity leave.

It is also good to remember that an employer cannot terminate any contract of employment where a female employee is not entitled to have maternity leave.

Duties:

Employees' duties:

- To enter and remain in service
- To maintain reasonable efficiency
- To further the employer's business interests
- To be respectful and obedient
- To refrain from misconduct
- Not to compete in his / her private capacity with the business of his / her employer

Employers' duties:

- To receive the worker into service and to retain him / her
- To pay the workers' wages
- To provide safe working conditions
- Not to expect the workers to do work inconsistent with his / her status
- To provide work for the worker

17 PRICING

Pricing is everything

It is very important that you do your pricing carefully and with thought because your client wants to find out very quickly all about your products and services, what they include and how much are they.

In almost every case a new entrepreneur recognizes pricing one of the most important competitive factors. And in many cases it is only seen as pricing competition and then you offer lower prices than your competitors.

So think carefully also different competitive factors. For example “Start up centre’s” staff will happily advice you on these matters. Remember that experience and quality are two different things. So ask yourself are your products worse than your competitions products? Is that the reason why you must sell them cheaper? If not you don’t have to put your pricing down. If you add extra value on your products you can even sell them on higher price. But think hard what this extra value is and why people would pay more for it!

Right price

When you have started your business with certain pricing it is more difficult for you to higher it than lower it. Also remember that your client can expect that there is some negotiate limits on your pricing. It is good that with some clients you can negotiate about your price.

Many prices

When pricing your products keep in mind that there are many prices. There are introductory offers, the contract price, pilot customers, fast subscriber's interest, large amount prices, and if you have some sales on time to time. Example for having many prices can be a restaurant that has lunch hours. On lunch hour certain products can be on sale.

Give your prices out. Hiding you prices will push your clients away.

Cover

Always make sure that you have calculated your products covers very accurate. Your product and service cover is very important. How much cover you can get form each product or service? Is your cover enough to maintain your running cost and paying your salary?

18 MARKETING AND SELLING

Marketing

Marketing is one of the most vital things for your business to survive. Marketing brings you customers and with marketing you can also keep on to your customers. You have to know what to say about your product or service, who to talk to and how to say things. You also have to know basic things about marketing.

The main idea is that your product or service gives benefit to your customer by marketing you telling this to people. Telling this is the whole content of your marketing.

You also have to know who your customers are. When knowing this you also know who to advertise your services. How to market depends on your product / services. When you are making big deals it is all about the personal selling and getting to know the customer. When you are making small deals to a big group of people then you need marketing.

Always when you are doing marketing think about how actually you are getting your money back. How is this marketing really going to affect and how many new deals is this marketing giving me? Marketing can be very expensive if you are not wise and you may not see the immediate results. A new company should always think wisely with marketing. Use more commonsense than money while doing marketing. Think about innovative ways to market and promote your services. Marketing don't have to be expensive!

Use your time and money wisely and do a marketing plan and a marketing budget for your company.

Marketing is a tool to sell your services.

Selling

Company makes an offer to possible client, client makes an order, company submit product and client pays for the company. This selling process is always different in different companies.

If your product has warranty period you might have to replace the product or give clients money back if they don't want a new product. You also can repair broken product. When client is complaining about your product or services you always have to take it seriously. Talk to your clients and ask them what improvements they may want to see. They will reward your interest towards them with more business. So ask your customers what they think about the products or the services so you can improve your work.

When you start, you will spend money and time on winning new customers. Once you get customers trust you and using your products or services, you don't have to spend that much money on getting them to use your service, shop or product. When you have a client it is very important to hold on to that client. All clients are important and should be treated well. When you are taking care of your clients it is sure that they will buy again. So remember to make time for your old customers because if you look at your earnings, you will find that ones who spend the most are the existing ones who keep coming back.

Getting new customers is way more expensive than keeping the old one! Old customers are gold for your business!

19 HOW TO WRITE YOUR BUSINESS PLAN

- Answer in all the Questions below

Information

- Name of the business (Trade Name)
- What type of business is it?
- Who are the owners of the business? (Full Name)
- What is the postal and physical address?
- What is the contact telephone number?
- Date when the plan was written

Introduction

- Is your business a sole proprietor, company, etc?
- Do you have license or permit to trade? (What is the license number? → Attach a copy of the license)
- Briefly describe the product or service you intend selling or manufacturing?
- Why do you intend to sell or manufacture this product or service?
- Where are you going to or where is the business located?
- What do you intend to achieve through this business? And how are you going to do it?

Description of activities to be undertaken

- Give a detailed description of products you are selling or going to sell? (Manufacture)
- Where are you going to buy the products, raw materials, equipment?
- How will you transport them?
- What types of skills are needed in the business?
- What type of skills do you have at the moment?
- Which are the skills you still need in the business?

Marketing plan

- Describe in details who are your customers?
 - o How many are they?
 - o Where are they located?
 - o Why will you or are you selling to them?

- Who are your competitors? (Provide names)
 - o Where are they located?
 - o What is it that they do better than you?
 - o What do you do better than they?

- What are you going to do so that your business can do better than your competitors?
- What are you going to do in-order to attract customers and to make people know that you business exists?

- How much do you think you are going to sell to your customers per month?

- How are you going to set-up the prices of your products? Will you start with the prices lower than your competitors? Will you sell at the price of your competitors? Why?

Managing your costs

- Are you going to make some investments during the period of the plan? If yes, list them down and their costs?
- Will you build or rent a building? At what cost?
- How many people are you or will you employ? What are their salaries?
- What is your own monthly salary?
- How much will you pay for the other running costs of the business?
- Draw the cash flow statement of the business!
- Draw the estimated profit and loss statement of the business!
- Determine your financial net worthy! (How much do you have)

Organisation

- How many people are you going to employ? When are you going to employ them?
- What will each one of them do in the business?
- Who will be responsible for managing the business? Why?
- Who will keep the records and book keeping of the business? Why?

Evaluation of the business

- How much profit or loss are you going to make? Is the situation acceptable to you? What can be done to make the situation better?
- Will your net worth enable to you to get a loan from the bank if you need one?
- Will you or are you providing a needed product or service?
- How is the business going to help the local community?
- What are the risks and problems you see with the business?
- How are you going to overcome them?

Do you think your business will succeed and Why?

Tip: Attach documents to strengthen the credibility of your business plan!

- In order to strengthen your business the creditability of your business plan it would be advisable to attach some of the following types of supporting documents:
 - o Curriculum Vitae (CV)
 - o Quotes
 - o Floor layout, plans or diagrams
 - o Lease agreements
 - o Bond documents
 - o Credit references, etc

20 IMPORTANT PLACES TO VISIT

Bank Windhoek - SME Section

Development Bank of Namibia

First National Bank - SME Section

Institute for Management and Leadership Training (IMLT)

Joint Consultative Council (JCC)

Polytechnic of Namibia –Innovation Business Centre

SME Compete

Urban Trust of Namibia

Local Authorities:

Ministry of Agriculture, Water and Rural Development

Ministry of Environment and Tourism

Ministry of Trade and Industry

Namibia Chambers of Commerce and Industry (NCCI)

Namibia Tourism Board