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**THE ECONOMIC DIPLOMACY OF A SMALL STATE: THE CASE
OF NAMIBIA**

by

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Submitted in accordance with the requirements for the Degree of

DOCTOR OF LITERATURE AND PHILOSOPHY

in the subject

INTERNATIONAL POLITICS

at the

UNIVERSITY OF SOUTH AFRICA

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March 2015

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I declare that '*The economic diplomacy of small state: the case of Namibia*' is my own work and that all the sources that I have used or quoted, have been indicated and acknowledged by means of complete references.

PEYA MUSHELENGA

DATE

DEDICATION

I dedicate this study to the memories of my late mother Elizabeth Nashilongo Mushelenga (née Shihepo) who passed away on 10 October 2013 while I was busy with the final chapters of this study, and my eldest sister Taimi Kamati (née Mushelenga) who passed away on 02 August 2014. Taimi was the language editor of the first chapters of this study.

ACKNOWLEDGEMENTS

This study would not have been completed without the support that I have received from a number of people. First and foremost, I would like to express my humble gratitude to my late beloved mother, Elizabeth Nashilongo Mushelenga (née Shihepo), who constantly gave me moral support to pursue my studies. My sincere thanks go to my late eldest sister, Taimi Kamati (née Mushelenga), who language-edited the first chapters of the study. My mother and sister have not lived to see the completion of this study, and for all good reasons, I dedicate this study to their memories.

My gratitude goes to my wife Eunike, a pillar of support in my life. I also acknowledge my son Panduleni, and daughter Pamwenatse, who played with me and provided the humour needed to ease the stress of the studies. I am grateful to André du Pisani and William (Bill) Lindeke, who made critical comments on the research proposal. Sadly, Bill has not lived to see the completion of the study. I shall for ever remain indebted to Jo-Ansie van Wyk for her constructive criticism, advice and continuous encouragement. Clive Napier made critiques that enabled me to make the necessary improvements on the thesis.

I am grateful to the staff of the Namibian Parliament Library, the National Library, the Namibia Chamber of Commerce and Industry, officials from the Ministries of Foreign Affairs, Trade and Industry and from Namibian embassies who provided me with the information that I needed in writing this thesis. I am further indebted to officials from the Bank of Namibia, University of Namibia, Namibia Tourism Board and the Ministry of Finance for providing me with statistical data used in this study. I would like to particularly single out Nelago Indongo, Anacy Mwanyangapo and Aloysius Tsheehama.

I would like to thank all individuals whom I have interviewed, whose names appear on annex 1. They provided valuable primary information that enriched this study. I remain indebted to President Hifikepunye Pohamba, who took a personal interest in my studies and constantly encouraged me. My gratitude further goes to former President Sam

Nujoma, for his moral support. Theo-Ben Gurirab inspired and nurtured my passion for diplomacy and international relations. Ndeutapo Amagulu provided me with his personal study materials on foreign policy. Sadly, he did not live to see the completion of the study.

I would like to thank my successive secretaries, Josephine Boois, Tashiya Shivoro and Selma Hailonga for arranging my appointments for the interviews conducted during the research. I am indebted to my drivers/protection officers, Warrant Officers, Immanuel Abed and Tonata Moongo, who took me around when I was carrying out the research.

Viviette Rittmann contributed to the language-editing of the thesis. I am most grateful to Professor Jairos Kangira who language-edited the final version of the thesis.

The economic diplomacy of a small state: The case of Namibia**By: Peya Mushelenga****Degree: Doctor of Literature and Philosophy****Subject: International Politics****Supervisor: Prof Jo-Ansie Van Wyk****Co-Supervisor: Prof Clive J Napier****Summary**

This study is about the economic diplomacy of Namibia, as a small state, for the period 1990 – 2015. Liberalism, as a theory of International Relations (IR) studies, is the adopted analytical framework. Namibia's economic diplomacy is anchored in the foreign policy principles enshrined in article 96 of her constitution, which advocate, *inter alia*, the maintenance of mutual beneficial relations. Namibia, further enacted laws and adopted policies that serve as domestic instruments of economic diplomacy. The stakeholders in Namibia's economic diplomacy include both state and non-state actors.

The study adopts a population of 8 million as the benchmark for small states, plus one of the following characteristics of small states: small size of the territory; low economy and the perception by the government leaders and nationals.

Namibia's bilateral economic diplomacy covers over one hundred countries. Her major trade partners, in terms of export trade and inward investments are Angola, Canada, China, Germany, The Netherlands, Spain, South Africa, Switzerland, The United Kingdom and the United States. Bilateral economic diplomacy is further pursued through the Export Processing Zone (EPZ) exports.

The Namibian Government pursues multilateral economic diplomacy with the European Union, as part of the Africa Caribbean Pacific states and with regional and international economic and trade organisations such as the Southern Africa Customs Union, the Southern Africa Development Community, the United Nations Conference in Trade and

Development and the World Trade Organisation. Namibia also adopts conference diplomacy as a form of multilateral economic diplomacy.

The study makes an epistemological contribution to the study of IR, that the world is constructed under the hierarchical order that constrains power-based relations and minimises conflicts in international trade. A minimal trend of pursuing interests is, however, observed. The study further makes an ontological contribution to the study of IR, that the behaviour of state and non-state actors are inclined to cooperation on the continuum of conflict and cooperation.

The study concludes that, contrary to the assumptions in small states literature, that small states have limitations of capacity and play an insignificant role in multilateralism, Namibia has skilled negotiators who have led negotiations in regional and international organisations.

Ten key terms:

Bilateral economic diplomacy; economic diplomacy; economic partnership agreements; foreign policy; liberalism; multilateral economic diplomacy; Namibia; small states diplomacy; trade partners; and international relations studies.

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LIST OF ABBREVIATIONS AND ACRONYMS

ACP	African, Caribbean and Pacific states
ADB	African Development Bank or Asian Development Bank
AGOA	Africa Growth and Opportunity Act
AIA	Angolan Industrial Association
ANC	African National Congress
ANINAM	Association of Nigerians in Namibia
ANSA	Angola, Namibia and South Africa
AST	Additional Sales Tax
ATF	Agricultural Trade Forum
BCIU	Business Council for International Understanding
BENEFIT	Benguela Environment Fisheries Interactions and Training
BLNS	Botswana, Lesotho, Namibia and Swaziland
BRICS	Brazil, Russia, India, China and South Africa
CAR	Central African Republic
CARIBCAN	Caribbean Basin Initiative and Canadian program
CCIA	Chamber of Commerce and Industry of Angola
CIF	The Construction Industries Federation of Namibia
CIFIC	China International Fair for Investment and Trade
CMEA	Council for Mutual Economic Assistance
CSCSD	Centre for the Study of the Chinese Southern Diaspora
CZI	Confederation of Zimbabwean Industry
DTA	Democratic Turnhalle Alliance
EBRD	European Bank for Reconstruction and Development
EAC	Eastern Africa Community
EC	European Commission
EEC	European Economic Community
EEZ	Exclusive Economic Zone
EIA	Environmental Impact Assessment
ENE	<i>Empresa Nacional de Eletricidade</i> (National Electricity Company)
EPAs	Economic Partnership Agreements
EPZ	Export Processing Zone
ESA	Eastern and Southern Africa
EU	European Union
FDI	Foreign Direct Investment
FILDA	<i>Feira Internacional de Luanda</i> (International Fair of Luanda)
FISIM	Financial services indirectly measured
FISHCOR	National Fishing Corporation of Namibia
G8	Group of 8 countries
G20	Group of 20 countries
G77	Group of 77 countries
GATT	General Agreements on Tariffs and Trade
GDP	Gross Domestic Product
GST	General Sales Tax
IBSA	India, Brazil, South Africa Dialogue Forum

IEPA	Interim Economic Partnership Agreement
IFIC	Iran Foreign Investments Company
IMF	International Monetary Fund
IPE	International Political Economy
IR	International Relations
ISA	International Students Association
LaRRI	Labour Resource and Research Institute (LaRRI)
LDC	Least Developed Country
Kg	Kilo-gram
KOMID	Korea Mining Development Trading Corporation
MA	Master of Arts
Meatco	Meat Corporation of Namibia
MERCOSUR	<i>Mercado Común der Sul</i> (Southern Common Market)
MFN	Most Favoured Nation
MNC	Multinational Corporations
MP	Member of Parliament
N\$	Namibia Dollar
NAM	Non-Aligned Movement
NamPower	Namibia Power Corporation
NamWater	Namibia Water Corporation
NATO	North Atlantic Treaty Organisation
NBC	Namibian Broadcasting Corporation
NCCI	Namibian Chamber of Commerce and Industry
NDP	National Development Plan
NEPAD	New Economic Partnership for Africa's Development
NGO	Non-Governmental Organisation
NPF	National Patriotic Front
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
NTB	Namibia Tourism Board
NTC	National Transitional Council
NUNW	National Union of Namibian workers
OAU	Organisation of African Unity
ODC	Off-shore Development Corporation
OECD	Organisation for Economic Cooperation and Development
OPC	Owambo People's Congress
OPO	Owambo People's Organisation
PfP	Partnership for Peace
Pidico	Projects Industrial Developments Investment Company
PJTC	Permanent Joint Technical Committee
PPP	Purchasing Power Parity
PSC	Peace and Security Council
RTR	Regional Trunk Road
SACU	Southern Africa Customs Union
SADC	Southern Africa Development Community
SADCC	Southern Africa Development Coordinating Conference
SFPI	South African Foreign Policy Initiative

SAID	Southern Africa International Dialogue
SANEC	South Africa Netherlands Chamber of Commerce
SAP	Structural Adjustment Programme
SAPP	Southern Africa Power Pool
SOE	State-Owned Enterprise
START	Strategic Arms Reduction Treaty
SWANU	South West Africa National Union
SWAPO	South West Africa People's Organisation
TBT	Technical Barriers to Trade
TIIEEG	Targeted Intervention Program for Employment and Economic Growth
TIPS	Trade and Industries Policy Strategies
TKC	Trans Kalahari Corridor
TNCs	Transnational corporations
TSE	Toronto Stock Exchange
UDF	United Democratic Front
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNGA	United Nations General Assembly
UNTAG	United Nations Transitional Assistance Group
UNESCO	United Nations Education, Scientific and Cultural Organisation
UNISA	University of South Africa
UNITA	<i>União Nacional pela Independência Total de Angola</i> (The Union for the Total Independence of Angola)
UNMISSET	United Nations Mission of Support in Timor Leste
UNSC	United Nations Security Council
UPS	United Parcel Services
US	United States (of America)
US\$	United States Dollar
USSR	Union of Soviet Socialist Republics
USV	<i>Ștefan cel Mare</i> University of Suceava
PPCS	Institute of Peace and Conflict Studies
WEF	World Economic Forum
WTO	World Trade Organisation
WWI	First World War
WWII	Second World War
ZAR	South African Rand
ZIZABONA	Zimbabwe, Zambia, Botswana and Namibia

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CHAPTER ONE

INTRODUCTION

1. Introduction

The Republic of Namibia (hereafter, Namibia) is a small developing state on the south western coast of Africa, with a population of approximately 2.1 million (National Planning Commission 2012a: 2). Independent only since 1990, as a small state, the country is particularly vulnerable to the negative forces of globalisation. In this regard, Namibia's Minister of Finance, Saara Kuugongelwa-Amadhila, stated in the Parliament that

Namibia is a small open economy. Global economic developments therefore, have a profound impact on our country's economy and fiscal policy (National Assembly 2008: 71).

In contrast, Namibia has been able to use the positive forces of globalisation to assert herself in the international political arena. The National Development Plan (NDP) 1 recognises that Namibia, a small country with an economy relying on international trade and support, will promote herself through relations that are fair and bring common benefits (National Planning Commission 1995: 55 – 56).

1.2 Namibia in the world economy

Namibia is a member of international organisations and institutions that deal with economic diplomacy and international trade. These include, *inter alia*, the Southern Africa Customs Union (SACU), the Southern Africa Development Community (SADC), the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organisation (WTO) (Ministry of Foreign Affairs 2005a: 25 – 30; Ministry of Foreign Affairs 2006: 25 – 28). It is through these organisations and institutions that Namibia participates in the world economy and pursues multilateral economic diplomacy. Namibia is further part of the Africa, Caribbean, Pacific (ACP) states which negotiate with the European Union (EU) for the Economic Partnership Agreements (EPAs).

Namibia's foreign policy was formulated against the global political economy that, according to Leysens & Thompson (2006: 69), is divided into five structures, namely, security, production, finance, knowledge and trade. Trade has motivated an integrated world economy and has, therefore, played a role in the relations among states.

Lee (2003: 9 – 10) states that Africa's economy has been subjected to neo-liberalism, with the International Monetary Fund (IMF) and the World Bank imposing Structural Adjustment Programmes (SAPs) to limit governments' intervention on economic affairs of states and the free movement of goods and services. The free movement of goods and services is one of the issues of concern raised by Angola, Namibia and South Africa in the EPA negotiations between the ACP and the EU. Addressing the 16th Session of the African, Caribbean and Pacific-European Union (ACP-EU) Joint Parliamentary Assembly, held in Port Moresby, Papua New Guinea, from 24 to 28 November 2008, in his capacity as Chairman of the Parliamentary Standing Committee on Economics, Natural Resources and Public Administration of the National Assembly of Namibia, the researcher of this study stated:

We are further concerned about the free movement of goods. This will negatively affect agricultural procedures in our countries, which are currently protected by a ban of wheat imports during the harvesting period. These protective measures are in accordance with the provisions under SACU agreements (Mushelenga 2008).¹

Namibia wants to protect her local producers against competition from imports during the season of harvesting. These measures, which are practised by other SACU member-states, ensure the growth of the local agronomic industry but also allows competition, since the ban on imports is only seasonal.

¹ This quote, though stated by the researcher, is used as it represents a policy position of the Namibian Parliament.

1.3 Conceptual clarification

It is important to define some of the concepts that are used in the study. Some of these concepts are old concepts but they may have different meaning within the context of this study. Others are relatively new concepts that this study introduces to IR studies.

1.3.1 Foreign policy

In modern times, where foreign policy encompasses both political and economic issues, it is defined as the amount of external relations carried out by independent actors in the international system (Hill 2003:3). Although the actors are usually states, non-state actors have gained prominent influence on foreign policy matters in modern times. In a foreign policy blueprint, a government sets the goals that it would like to achieve in international relations and employs the techniques to achieve these goals. Among the techniques that a government employs to achieve its goals is diplomacy, which involves negotiations, conflict resolutions and peaceful settlement of disputes (Schmidt et. al. 1991: 554).

Foreign policy is determined by the domestic and external environments. Among the domestic environment that determines the foreign policies are the geographic location, economy, populace and the leadership that manages the public affairs of the state. The external determinants are the political and economic dynamics in the region and emerging trends in the international political system (Du Pisani 2000: 298 – 299).

Adherents to Interdependence Theory argue that the foreign policies of states promote multilateralism, as states become entangled in a network of organisations, to augment their economic and security interests. These organisations comprise states with common interest, where they share information and strategise on solutions to their respective problems. Interdependence leads to multilateral organisations impacting on the development and essence of foreign policy (Karns & Mingst 1991: 454).

1.3.2 Foreign policy doctrine

A foreign policy doctrine is a strategic vision and belief, organised into thoughts or slogans, which foreign policy-makers pronounce as a guiding principle of their foreign policy conducts. It becomes a catch phrase that explains the dogma of the foreign policy of the leader concerned (Grigoriadis 2010: 4; Tierney 2012: 1).

There is a distinction between foreign policy doctrine and foreign policy practice. While foreign policy is a broader concept that refers to the rules, principles, strategies and guidelines of a state's external relations, foreign policy doctrine, is a component of foreign policy, as it is a philosophy of key foreign policy-makers that defines their vision within the broader foreign policy agenda and structure. Foreign policy practice refers to the culture, the forms and types of foreign policy making (Du Plessis 2006: 140). The practice of foreign policy can result from the influence of a foreign policy doctrine.

1.3.3 Economic diplomacy

Diplomacy, in general, is the manner in which a state conducts foreign policy matters (Du Pisani 2000: 299). Economic diplomacy refers to the techniques employed by states to promote economic development and prosperity in their foreign relations. It is a persuasive marketing strategy to attract investors to explore trade and investment opportunities. The objectives of economic diplomacy, as a technique, are to strengthen and expand economic relations between a state, other states and international institutions, to yield beneficial results in areas covering economic cooperation, tourism and investment (Ministry of Foreign Affairs 2004: 19; Institute of Foreign Affairs 2002: 11).

Liberalism, as a theory of IR studies, supports the essentials of economic diplomacy, as it is about mutual interdependence resulting from, *inter alia*, economic development and technology advancement. Liberalism's theory of interdependence suggests that cooperation between states brings mutual benefits and trade relations are in the interest of participants. It further acknowledges the fact that mutual dependence of two states may

not necessarily be equal in proportion. One state may have an edge over benefits derived from a relationship with another state (Goldstein 2003: 317 – 318).

1.3.4 Economic statecraft

This concept has its limitation, in terms of this study, as it limits actors to the state. It will, nevertheless, be used to discuss other states' economic diplomacies when making comparative analyses. Economic statecraft refers to the use of economic influence by a state to influence the behaviour of another state in order to achieve certain goals (Mastanduno 2001: 4; Wong 2005: 55).

Large states have used economic sanctions to influence the behaviour of smaller states. They also apply economic statecraft differently with regard to large states and economies. This proposition is confirmed by de Wilde d'Estmael (1997: 1, 11 – 12) who writes about the imposition of economic sanctions against the Third World states by the EU. The sanctions applied only to the territories controlled by the rebel movement, the *União Nacional pela Independência Total de Angola* (The Union for the Total Independence of Angola – UNITA) led by Jonas Savimbi. However, in 1995, the EU was reluctant to impose sanctions against Nigeria, a large power, following the execution of nine Ogoni human rights activists. Similarly, when the EU imposed sanctions against the Soviet Union, a superpower, after she imposed martial law in Poland, it took three months before the sanctions were implemented and these sanctions were merely 'symbolic' entailing the 'reduction on luxury goods coming from [the] USSR' (de Wilde d'Estmael 1997: 8).

While literature generally focuses on negative sanctions, states may also adopt positive sanctions. Baldwin (1971: 23) differentiates between the concepts of positive and negative sanctions, explaining that positive sanctions refer to rewards, while negative sanctions refer to threatened punishment. He states that the US government, for example, views its aid programmes as positive sanctions, where countries are encouraged to adopt behaviours in international relations in return for aid development assistance.

Baldwin (1971: 26 – 27) argues that while positive and negative sanctions differ in the form, but their behavioural consequences are the same because either a state is punished, or its reward is withheld.

Small states do not use statecraft in their foreign relations. This study will state alternative methods to the use of sanctions that small states in general and Namibia in particular apply pursuing economic diplomacy (see Chapters Two and Five).

1.3.5 Re-circling diplomacy

This study introduces the concept “re-circling diplomacy”, referring to revisiting a pre-independence diplomatic programme, in a post-independence period. As a contribution to IR studies, the concept “re-circling” is used by this study, instead of recycling. The term “recycling” could be confusing as it could mean the return of diplomacy to the same stage (Soanes & Stevenson 2004: 1203). However, pre-independence diplomacy was carried out by SWAPO but post-independence diplomacy was carried out by the Namibian Government, led by SWAPO Party.² Re-circling diplomacy, therefore, means that Namibia’s pre-independence diplomacy, spearheaded by SWAPO that was circulating among countries such as the Nordic countries, for example, was going in a circle, now as the Namibian government’s diplomacy. The concept can further be used referring to revitalising relations that exist in a given region during a different period in modern history, for example, the Cold War and post-Cold War periods. This is arguably so because the turning points in history could result in changing foreign policies in which states could possibly change allies and drift away from their old friends (Hill 2003: 11 – 15). In re-circling diplomacy, states’ bilateral relations are based on previous foundations. Arguably, these foundations would maintain or strengthen relations of old friends.

² For the pre-independence period, reference is made to SWAPO. For the post-independence period, reference is made to SWAPO Party, as SWAPO transformed itself from a liberation movement to a political party, governing Namibia.

1.3.6 Deep-pocket or cheque book diplomacy

Deep-pocket or cheque book diplomacy are terms used to refer to the use of economic resources by a country in return for diplomatic favours by another country. Deep-pocket refers to when an entity has a lot of money and resources through which it is able to sustain itself and enough to share with others. Deep-pocket diplomacy refers to the use of money and resources in diplomatic transactions in order to have strategic diplomatic influence over others. It is a broader concept which includes resource diplomacy, granting aid and the backing of private sector investment by the state to boost economic diplomacy (Ghoshal 2010: 1; Cheru & Obi 2009). Bathromew (2012: 2) contends that deep-pocket diplomacy has advantaged Chinese business influence in a number of countries ahead of the US because of the incentives extended to those countries. Accordingly, when a state has a deep pocket, not only is it able to use its resources to give grants to other states, but it can also use its resources to support its private businesspersons, to pursue trade and investment.

Deep-pocket or cheque book diplomacy is characterised by exerting influence to win the diplomatic support of one state by another using economic resources such as aid. Countries with strong economies apply deep-pocket or cheque book diplomacy to countries with weak economies. Small states generally are subject to cheque book diplomacy, as they are led to diplomatically align themselves with powerful states, resulting in the rendering of significant financial, material and other forms of support (Seib 2009: 11 – 12). Dobell (2007: 16) explains that cheque book diplomacy is an aid game used to buy diplomatic influence and this only happens when a country that uses this type of diplomacy has enough resources. Lack of resources results in an inability to spend on resources for the purpose of gaining diplomatic favours.

1.3.7 Developmental diplomacy

Developmental diplomacy is a type of diplomacy characterised by development assistance and humanitarian cooperation (Haşimi 2014: 1). Countries practise

developmental diplomacy by rendering donor assistance and providing priority to humanitarian assistance and development cooperation area. Developmental diplomacy is based on relations between developed states, as the donor states with developing states, as the beneficiaries. As part of developmental diplomacy, countries allocate funds for aid development programmes to beneficiaries. NGOs in donor countries are sometimes involved in developmental diplomacy programmes, as together with the government they identify economic and social policies and programmes (Saner 2006: 98).

The developmental diplomacy in a form of developmental assistance that Namibia receives will be discussed in Chapter Five in respect of French-Namibian and Chinese-Namibian economic diplomacy.

1.3.8 Public diplomacy

Public diplomacy refers to the use of media and public platforms, articulating foreign policy issues, targeting large audiences with a view to achieve a diplomatic goal (Mingst 2008: 114). Berridge (2010: 179) explains that public diplomacy is propaganda by diplomats and government officials working on foreign policy matters aimed at influencing domestic public opinion or a foreign public. He maintains that it is a form of white propaganda, where the true origin of such propaganda is known, as opposed to black propaganda, which has no traceable origin and characterised by falsified information.

Hamilton & Langhorne (2011: 235 – 236) state that the Ministries of Foreign Affairs use electronic communication, like websites, to portray a positive national image and reach out to investors. They further state that public diplomacy takes the form of news-briefing and national branding, sometimes using funded radio and television programmes, or paid advertisements in both print and electronic media.

Hamilton & Langhorne (2011: 235) propound that public diplomacy is not limited to government, but it also involves non-state actors like the non-governmental organisation

(NGOs). This is because influencing foreign public opinion does not only require governments, but those non-state actors who have a role to play as global actors.

1.4 A historical overview of Namibia's economic diplomacy

Foreign policy is a tool that a government uses to guide relations and interactions with other governments, international organisations and other entities in the global arena. It is, therefore, an outward approach of a country to the rest of the world. Foreign policy goals and objectives are achieved through the use of diplomacy. Diplomacy refers to the manner in which international relations are managed through the process of negotiations, bargaining, mediation and conflict resolutions (Landsberg 2004: 10 – 11). It is arguable that diplomacy is a decent and civilised norm of behaviour which embodies courteous dialogues.

Namibia has a pre-independence and post-independence economic diplomacy. Pre-independence economic diplomacy covers the period under German colonialism, from 1884 – 1915 and under South African colonialism, from 1915 – 1990.

During the period of South African colonialism, two nationalist movements, the South West Africa National Union (SWANU) and the South West Africa People's Organisation (SWAPO), were formed in 1959 and 1960, respectively, to fight for Namibia's independence. The formation of SWAPO was preceded by the Owambo People's Congress (OPC) in 1957, which became the Owambo People's Organisation (OPO) in 1959 and was renamed SWAPO in 1960 (Katjavivi 1988: 41; SWAPO 1981: 172).

Pre-independence economic diplomacy was based more on dependency, where the liberation movements did not trade with partners; rather, they lived on assistance from friendly countries. Meanwhile, as a colony of South Africa, the Namibian economy was dependent on South Africa and as a result, Namibia could not trade in the global market independently from South Africa.

Post-independence economic diplomacy departed from the colonial one. Du Pisani (2003: 17) states that Namibia's pursuance of economic diplomacy is based on the principle and goal of mutual benefits and interdependence, respectively.

1.5 Economic diplomacy as a foreign policy principle and objective

The Namibian foreign policy is entrenched in article 96 of the Namibian Constitution, which reads as follows:

The state shall endeavour to ensure that in its international relations it:

- (a) adopts and maintains a policy of non-alignment;
- (b) promotes international cooperation, peace and security;
- (c) creates and maintains just and mutually beneficial relations among nations;
- (d) fosters respect for international law and treaty obligations;
- (e) encourages the settlement of international disputes by peaceful means (Ministry of Information and Broadcasting 1990: 53).

The first three foreign policy principles have an impact on Namibia's economic diplomacy (as defined under conceptual clarification – see section 1.3.3). The non-alignment with either the East or West Bloc puts Namibia in good stead to maintain trade with countries from either bloc. The East and West Blocs were a division of the international community along the ideologies, with the pro-communist East Bloc led by the Union of Soviet Socialist Republics (USSR), while the pro-capitalist West Bloc was led by the United States (US). The promotion of international cooperation as a foreign policy objective arguably includes trade cooperation. The third principle of mutually beneficial relations is further elaborated in the NDP 1 as a foreign policy objective. Namibia adopts these foreign policy principles cognisant of the fact that the international economy has largely become competitive and interdependent (National Planning Commission 1995: 18). Namibia stands to benefit from this aspect of economic diplomacy, since in the context of interdependence, which is a theory of the neo-Liberalism perspective, states mutually benefit in, among others, areas of trade, finance, communication, environment and technology transfer (Viotti & Kauppi 1999: 215).

In addition to the foreign policy principles enshrined in the Namibian Constitution, the first Minister of Foreign Affairs, Theo-Ben Gurirab, informed Parliament about the five objectives set by his Ministry, namely to:

- Promote Namibia's security and territorial integrity and ensure the return of Walvis Bay and the off-shore islands of Namibia;
- Promote Namibia's national identity and counter any remnants of apartheid and colonialism;
- Promote Namibia's economic development and prosperity, by working to secure better terms of trade for Namibian commodities;
- Enhance peace in the region like the end of civil war in Angola and the transformation of South Africa into a non-racial and democratic state; and
- Promote world peace through an active role in the international organisations, like the UN, OAU and NAM (National Assembly 1991: 80 – 81).

In elaborating the third objective which relates to economic diplomacy, Minister Gurirab stated that the objective was aimed at seeking additional markets for Namibian commodities in Latin America, Asia and the Middle East. Namibia further wanted to attract finance and foreign investment and promote economic and industrial cooperation within SADC and Africa (National Assembly 1991: 80).

After one year of independence, in March 1991, the Government of Namibia produced a White Paper on National and Sectoral Policies, where, under the heading of foreign affairs it was stated that SWAPO, the ruling party, is committed to the equitable distribution of wealth both nationally and in the international arena, in the context of the north-south relations (National Assembly 1991: 80). The North refers to developed countries from America and Europe, while the South refers to developing and least developed (also referred to as Third World) refers to countries from Asia, Africa and Latin America and the Caribbean (Calvert 1986: 3 – 6; Van der Westhuisen 2006: 186).

In 2004, the White Paper of Foreign Policy and Diplomacy Management was tabled in the Parliament by the then Minister of Foreign Affairs, Hidipo Hamutenya. This is a policy document, outlining the principles and policies governing Namibia's foreign relations. The White Paper was adopted unanimously by the National Assembly on 15 July 2004 (National Assembly 2004b: 350). It is important to note that in Namibia, after

the White Paper has been adopted by Parliament, it becomes a policy document, but it does not necessarily mean that it will be followed by legislation.

Chapter Two of the White Paper discusses economic diplomacy. Emerging economic issues such as the rise of globalisation, increased trade, foreign direct investment and technology transfer pose a challenge to Namibia's foreign policy. Accordingly, Namibia's foreign policy should focus on achieving optimal benefits in these areas. Namibia's economic diplomacy, therefore, centres on attracting investment and promoting trade (Ministry of Foreign Affairs 2004: 17 – 19).

The White Paper sets out other factors that influence economic diplomacy. Investors are concerned about issues of the investment climate such as peace and stability, investment relations and policies and transport and communications infrastructure. The essence of economic diplomacy, therefore, lies in the ability to address these issues in an effective manner. Economic diplomacy further needs skilled actors to provide sufficient information to investors (Ministry of Foreign Affairs 2004: 19 – 20). The then Minister of Foreign Affairs, Hidipo Hamutenya, explaining the White Paper at a public lecture held at the University of Namibia in April 2004, stated that the tasks of diplomats include the promotion and enhancing of Namibia's image abroad. This is done to advance socio-economic, scientific and technological interests to ensure economic growth and development (Hamutenya 2004).

Addressing the conference of Heads of Missions, Minister Hamutenya informed the Namibian diplomats that they were required to be analytical of the environment in which they operated and they should become more involved in the conduct of economic diplomacy. The result of their active role on economic diplomacy would be discerned from the foreign investment output and expansion of the market access for the Namibian products (Hamutenya 2003).

1.6 Literature survey

Apart from the official sources cited earlier, there is limited academic literature on the foreign policy of Namibia, as there are only nine³ academic publications on Namibia's foreign policy which refer to economic diplomacy and its key elements. Most of the literature on economic diplomacy is found in the speeches of the President, Minister of Foreign Affairs, White Paper on Foreign Policy and Diplomacy Management, National Development Plan (NDP) 1, 2, 3 and 4, and Vision 2030.

Academic publications on Namibia's economic diplomacy are limited to nine sources, although there are some other publications with sections related to Namibia's economic diplomacy, but whose main focus is not necessarily on Namibia's economic diplomacy. Four were published by Andre Du Pisani, Professor of Political Science at the University of Namibia (Du Pisani 1992, 1994, 2000 and 2002). One is a dissertation for the Master of Arts (MA) degree at the University of South Africa (UNISA) which was written by the researcher of this study (Mushelenga 2008). One is a thesis for the MA degree at Rhodes University by Amadhila (2012). Two are publications by Robin Sherbourne, a Namibian economist (Sherbourne 2009 and 2013). The latest publication is the one that was edited by Bösl, Du Pisani and Zaire (2014). Du Pisani's publications predominantly deals with the same topic and, therefore, for the purpose of discussion in this section, reference will only be made to new insights that he contributed to the literature. Amadhila's MA thesis was reproduced into a book, the same year, but for the purpose of this study reference will be made to the thesis.

Meanwhile, some academic researches were carried out on the foreign policy of Namibia's neighbour and former colonial power, South Africa, within the first ten years after the first democratic election held in 1994. This resulted in literature sources like Landsberg (2004); McGowan, Cornelissen & Nel (2006) and Webber & Smith (2002).

Du Pisani (2000: 307) states that,

³ They were six, when this study commenced in 2010.

[E]conomic considerations weigh heavily in determining the thrust of Namibia's foreign policy...In an attempt to enhance trade and investment, the government has deputed commercial counsellors to its foreign missions in Bonn, London and Brussels. There are also trade representatives in Asia and the emerging markets in select Arab countries. At home, the Ministry of Foreign Affairs collaborates with that of Trade and Industry in the mounting of trade fairs.

Du Pisani's views are supported by Webber & Smith (2002: 18) who state that the traditional image of foreign policy, which depends on issues of national security has changed, giving way to new challenges in the foreign policy agenda focusing on economic priorities. The prominence of economic issues in foreign policy is typical of small states perspectives. It is stated that small states employ diplomatic and economic foreign policy instruments as opposed to military instruments (Hey 2003: 5).

Du Pisani's underscoring of the importance of economic consideration on foreign policy further corresponds to that of the first Minister of Foreign Affairs, Theo-Ben Gurirab, who stated in the Parliament in 1991 that,

By now, there is hardly an area that is not a subject of foreign policy. Areas which fell exclusively in the sphere of domestic politics in the broadest sense...are now just as much a subject of foreign policy...For Namibia, as for other developing states, economic policy objectives are now the focal point of foreign policy (National Assembly 1991: 84).

Mushelenga (2008: 80)⁴ states that although Namibia is a small state, she broadens her foreign policy scope to embrace economic diplomacy, which entails exploring new markets for Namibian commodities and enhancing opportunities for foreign direct investment. This is in accordance with the foreign policy objective spelt out by Theo-Ben Gurirab, namely "...[the promotion] of Namibia's economic development and prosperity, by working to secure better terms of trade for Namibian commodities" (National Assembly 1991: 80).

Amadhila (2012) discusses Namibia's foreign relations with China with regard to how non-state actors react to government policy. She concludes that Chinese aggressive

⁴ This literature by the author is cited, as it is an academic literature that deals with the same subject discussed by the thesis, namely foreign policy.

inward investments in the Namibian construction industry which has driven out Namibians out of business has contributed to negative perceptions from some quarters of the Namibian public about Namibia's foreign relations with China.

Amadhila (2012: 74 – 75) suggests that the Namibian government needs to adopt decisive measures to ensure compliance with Namibian laws by Chinese investors. In the current state of affairs, Chinese businesses remain unfairly competitive to local businesses.

The publication edited by Bösl and Du Pisani (2014) has chapters by different authors including the researcher of this study. In this publication, four other authors cited the researcher of this study's MA thesis stated above. Du Pisani (2014: 121) discusses the construction projects by Asian companies in Namibia, from China and Democratic People's Republic of Korea (DPRK). Hamutenya (2014:0 85) discusses the geographical, historical and political significance of Angola as a strategic trade partner for Namibia. Katjavivi (2014: 146 - 147) focuses on Namibia's relations with Germany, developmental diplomacy and levels of personal diplomacy. Lindeke (2014: 196 – 197) discusses the setbacks of Namibia's economic diplomacy with the US under the Africa Growth and Opportunity Act (AGOA), as it resulted in job losses after the closure of Ramatex textile factories in Namibia.

Blaauw (2014) observes that non-state actors are not accommodated in driving the regional integration agenda in the southern Africa region. He refers to the role of the Namibia Agricultural Trade Forum in the EPA negotiations (see Chapter Six).

Blaauw (2014: 406) acknowledges that in terms of regionalism in economic diplomacy within the southern Africa region, states play prominent roles. Since economic diplomacy embraces non-state actors, he advocates that there is a need to have domestic cooperation between states and non-state actors in pursuing economic diplomacy.

Hengari and Saunders (2014) contend that Namibia's relations with South Africa have been characterised by differences on regional policies during the presidential tenure of Presidents Nujoma and Mandela. They state that this reflects acrimonious relations, especially after Namibia's deployment of her armed forces in the DRC to assist government armed forces there, following the insurgence of rebels fighting the government of President Laurent Kabila (Hengari & Saunders 2014: 178).

Meanwhile, Hengari and Saunders (2014: 178) state that the relationship between Namibia and South Africa became close during the presidential tenure of Presidents Pohamba and Zuma. The two countries took similar stances on regional issues, like the suspension of the SADC Tribunal and congratulating President Mugabe following disputed elections in Zimbabwe.

Sherbourne (2013) discusses exports from various economic sectors like fisheries, mining and agriculture. These have a bearing on Namibia's economic diplomacy, as countries that trade with each other forge stronger ties.

White (2001: 391) states that new diplomatic trends witness intergovernmental (with governments only as members) and non-governmental (with private individuals and groups as members) entities sharing the international platform with states. Governments broaden the scope of their foreign policies to include the social and economic well-being of their respective citizens. White further emphasises that,

The agenda of the new diplomacy contained a number of new issues...diplomatic activity also began to focus more on economic, social and welfare issues related to material well-being. These became known as 'low politics' issues in contrast to the 'high politics' issues associated with the traditional diplomatic agenda (White 2001: 391).

The world economy presents an opportunity for states to have multiple channel communication systems characterised by formal and informal relations among government institutions, NGOs and MNCs. Keohane & Nye (1989: 243) term these relations as interstate, transgovernmental and transnational relations.

According to Leysens & Thompson (2006: 91), the WTO operates on the basis of 'comparative advantage', a theory which supposes that all states benefit from a free trade system in the world economy. This theory further advocates that states should allow the market to re-direct human, technological and capital resources, from one economic sector where there are constraints, to another sector where production for export will be more efficient. The shortage of products from the abandoned sector will be filled with imports from other countries.

The post-Cold War global economy has witnessed the emergence of globalisation. Globalisation refers to the increasing level of connectivity between different entities in the international system, resulting in economic, social and political activities from one place affecting other activities in another place (Smith, Baylis & Owens 2008: 8). In the world of globalisation, there are no closed economic units but economies are open to other societies' economies. Communication and technology are so advanced that people are able to observe issues in the world efficiently. Technological advancements expedite time and curtail distance which previously impacted on trade efficiency (Hoogvelt 2001:135).

With regard to the reduced role of the state in the economy, it is argued that industrial states have a control over their economies and are not bound by globalisation aspects as it is commonly believed (Rodrik 2000: 228; Scholte 2008: 465). Also underscoring the important role of the state, Strange (2003: 79) states,

The role of the state, working through financial and industrial policies, is something that the literature from business schools, with their eyes focused on the corporation at the receiving end of policy, has sometimes underplayed.

Slaughter (2008: 113), too, underscores the relevance of states in the international system when she states that a new world order has emerged, where states do not disappear. Instead, smaller units of a state-like agencies and departments liaise with their counterparts in other states and establish networks creating a transgovernmental order.

From the arguments of a number of writers cited above, there appears to be a general assertion that the global political economy cannot be managed exclusively by non-state actors. Thus, Strange (2003: 80) argues that the management of an international political economy is a combination of, among others, policies by the state and trends in the market.

1.7 Gaps in the existing literature on Namibia's economic diplomacy

There are some gaps in the existing literature on Namibia's economic diplomacy that need to be filled. Du Pisani concentrated mostly on multilateral economic diplomacy, which he said is guided by the belief that economic development depends on regional and international cooperation, as these present opportunities for common benefits (Du Pisani 2003: 16). Aspects of bilateral economic diplomacy are minimally discussed as they are limited to one or two paragraphs in the publications. Du Pisani only referred to a few instances of bilateral economic diplomacy like the Protective Investment Agreement signed between Namibia and Germany in 1993; the Protective Investment Agreement between Namibia and the US in 1995; the financial assistance rendered to Namibia by Germany and Sweden (Du Pisani 2000: 308) and Namibia's trade with South Africa (Du Pisani 1992: 61). Meanwhile, foreign investments in Namibia come from countries like Belgium, China, Germany, India, Israel, Malaysia, The Netherlands, Pakistan, South Africa, Spain, Russia, UK and US (Off-shore Development Company [ODC] 2008). These trade engagements form part of Namibia's economic diplomacy and need to be broadly discussed.

Although Du Pisani wrote about the interdependence of Namibia's economic diplomacy, he did not write about the role of non-state actors on the conduct of economic diplomacy. He made a mere reference to the role of non-state actors on foreign policy issues (Du Pisani 2003: 19). Saner & Yiu (2003: 3 – 4) state that non-state actors are gaining a greater influence in economic policy debates, organising and lobbying across national boundaries to make impacts on international economic policy-making. In Namibia, the Agricultural Trade Forum (ATF), for example, has on a number of occasions engaged

government policy-makers and the Parliamentary Standing Committee on Economics, Natural Resources and Public Administration to influence negotiations on the EPAs between the ACP countries and the EU (Hoffman 2013: interview).

The study by Mushelenga (2008) did not discuss the EPAs negotiations which have dominated the trade between EU member-states and ACP states. The discussion on the EPAs negotiations is important as this issue is among topical issues in international trade and essential issues of Namibia's economic diplomacy. Further, the study has also not discussed Namibia's economic diplomacy towards major trade partners like Angola, Canada, The Netherlands, South Africa, Spain, Switzerland, the United Kingdom (UK) and the US (Namibia Statistics Agency 2013a; Namibia Statistics Agency 2013b). It will be important to conduct an in-depth study on bilateral relations with these countries and the performance of trade relations with the US in particular during the economic recess.

The existing literature on Namibia's foreign policy does not discuss the role of the Investment Centre and the Off-Shore Development Corporation (ODC) in forging economic diplomacy. The Investment Centre and the ODC, under the auspices of the Ministry of Trade and Industry, are responsible for trade promotion (Ministry of Trade and Industry 2008). The promotion of trade and investment has gained prominence in economic diplomacy that Namibia will endeavour to engage in trade and investment promotion programmes that will improve her competitiveness in the regional and global markets as embodied in NDP 3 (National Planning Commission 2008a: 153 – 154).

1.8 Statement of the research problem

Namibia's independence came at the major turning point in the world history, namely at the end of the Cold War. The end of the Cold War changed the traditional foreign policy agenda of states. Shridharan (2002: 58) says that in the post-Cold war period the growing connection between foreign policy and economics became prevalent and states had to adjust themselves to intertwine their foreign policies with economic dynamics. The main question that the study concerns itself with is: How does a small state, such as Namibia,

formulate economic diplomacy policies and effectively negotiate favourable trade terms, against the assumptions of small states institutional capacity limits, to comprehend trade settings in the international system? The main thesis of this study is that Namibia pursues economic diplomacy which adheres to the foreign policy principle that says she will create and maintain just and mutually beneficial relations among nations. Accordingly, she does not allow herself to be subjected to manipulation and pressures in international trade.

Namibia is cognisant of the fact that non-state actors gained prominence in foreign policy-making. With the emerging markets of Asia and Latin America in the post-Cold War era, new players entered the world market and entities within the international political system adjusted themselves to forge links with new market opportunities. Leysens & Thompson (2006: 68) state that in the global political economy, the market and its actors are not easily restricted by states. There is a growing trend of interdependence where multinational corporations (MNC), business corporations and NGOs are increasingly becoming influential in economic diplomacy, to make an impact on international trade and investment.

Therefore, the objectives of this study are to:

- analyse the conceivable confrontations in pursuing economic diplomacy by a small state and how Namibia responds to these;
- examine the role of the foreign-policy makers and institutions. This will also look at the broader capacity (capital and idiosyncrasies') of the foreign policy agents and structures; and
- attempt to determine to what extent the objectives and goals of economic diplomacy as set in the NDP 1, NDP 2, NDP 3, NDP 4 and Vision 2030 have feasibly been realised, using the theoretical approaches to the study of IR, namely Liberalism and Realism.

In this study, Namibia's economic diplomacy is analysed within the framework of domestic, regional and international contexts. The first level of analysis is based on domestic factors, looking at the policies and regulations that are put in place to promote economic diplomacy and the role of policy-makers.

The second level of analysis focuses on the regional multilateral diplomacy in southern Africa. This analysis looks at regional economic institutions like SADC, SACU and their impact on Namibia's economic diplomacy.

The third level of analysis includes international multilateral economic diplomacy focusing on trade negotiations at the WTO and the EPAs. Leysens & Thompson (2006: 68) state that institutions like the WTO play a role in the coordination and regulation of trade for its member-states. In the second and third level of analysis, non-state actors have a role to play and influence the agenda of their country's economic diplomacy. The analysis is made in the context of the dynamics of a small state.

1.9 Analytical framework and research methodology

The study of IR includes theories which explain state actors and their behaviours in the world political and economic systems. They are discussed in this section in order to determine the IR theories that are applicable to Namibia's economic diplomacy.

1.9.1 Theoretical approaches to the International Political Economy and economic diplomacy

There is enough literature on the international political economy and economic diplomacy in general. This literature is used to make a comparative analysis in order to comprehend Namibia's economic diplomacy.

Academically, the debate on International Political Economy (IPE) is centred on Realism and Liberalism as theories of International Relations (IR) studies. But other theoretical approaches like Constructivism and Post-Structuralism emerged in IR studies.

1.9.1.1 Realism

Realism argues that states are constitutive actors in the international system to which all other actors are subordinate and can be ruined by states. Powerful states use sanctions as a threatening tool, leaving their enemies with the option of complying rather than facing sanctions (Krasner 1999: 188 – 189). Realism-inclined foreign policy objectives are aimed at preserving sovereignty, safeguarding economic welfare and ensuring national security. Instruments such as war, diplomacy and economic actions are used to achieve these objectives (Holsti 1988: 124 – 127, 220 – 229, 251 – 253, 272 – 273).

Realism assumptions are that the international system in which states exist is anarchical. There is no hierarchical authority and states therefore depend on the balance of power. In their actions, they are driven by the desire to pursue national interest. Realism views individuals as selfish political animals who are preoccupied with seeking power (Mingst 2008: 63 – 64).

Structural realists interpret the behaviours of states in terms of the international system structure. This means that they explain the world in terms of the circumstances that dictate the actions of the state (Heywood 2014: 76).

This perspective will not be applied to this study as it limits the actors on economic diplomacy to state-actors.

1.9.1.2 Constructivism

Constructivism is another theory in IR studies. At the core of social constructivism theory is how to identify and develop ideas and change world politics. Constructivists maintain

that ideas play a great role in human behaviour. These ideas and identities in IR are influenced by transnational networks and non-governmental organisations (Kegley & Blanton 1914: 42). The key actors in international relations, according to Constructivism, are individuals and collective identity. They maintain that the behaviour of the elites shape the behaviour of the state. State behaviour is further shaped by collective norms and social identity.

Constructivism avers that ideology and cultural values influence countries perception of the world and how they relate with each other (Rourke 2008: 31). It further argues that concepts like power and ethnicity are socially constructed concepts, through which people systematise their understanding of knowledge of IR (Burnell, Randall & Rakner 2011: 30).

Constructivism is sometimes referred to as Social Constructivism (Neo-Gramscians). The Neo-Gramscians are inclined to Realism, as they view the world economy as the embodiment of knowledge, ideas and institutions that serve the interests of dominant actors. The focus of this study is not on identities, but on the performance of economic diplomacy. Given this factor in addition to the dominant actors' perspective which is inclined to Realism, this study will not adopt Constructivism as its theoretical perspective.

1.9.1.3 Post-structuralism

Post-structuralism propounds that concepts and ideas in international relations are embedded in power relations context. A link between the system and power is created through using ideas. In other words, power is created by knowledge (Heywood 2014: 77). Post-structuralism states that knowledge is biased because it depends of the social perspective of the person analysing the events. Thus, knowledge reveals the interests and values to which an analyst is inclined (Jackson & Sørensen 2013: 234).

A post-structuralism approach questions the foundations of knowledge in the study of Political Science and suggests that the studies of political processes and institutions are not to be contextualised in terms of only ideas, but also the practice (Burnell et al. 2011: 30). It differs from the positivist's approach that says IR can be studied and explained better through empirical observation and reality. Post-Structuralism argues that empirical theory is a myth, as every theory is subjective, as long as it involves the study of human beings.

Post-structuralism made a critical examination of dominant theories in IR studies and came up with its own framework of analysis. It looks at what constitutes political identities in order to come up with the link between identity and foreign policy formulation (Jackson & Sørensen 2013: 238; Burnell et al. 2011: 30). Because of the focus on economic diplomacy, the study apply Liberalism rather than focusing on issues of knowledge biasness advocated by post-structuralism.

1.9.1.4 Marxism

Marxism is another traditional approach to IPE which developed the Dependency Theory. The Dependency Theory maintains that the world is divided between the rich and poor nations, where the rich work hard to keep the poor weak in order to continue exploiting them (Rourke 2008: 378 and Woods 2008: 250 – 251). This will not be applied to the study. Although a small state with a small economy, Namibia does not allow her exploitation by the rich countries of the world as it will be discussed in the study.

1.9.1.5 New theories

In years, new approaches to IPE emerged, such as Institutionalism, Political Economy and Institutionalism. Related to these approaches is Liberalism as a theory of IR studies; Liberalism considers the world economy as a base for inter-state cooperation. Political Economists, regard the world economy as characterised by competition among vested interests within different states.

1.9.2 Theoretical perspective of the study: Liberalism

Traditionally, international relations and foreign policy are centred on the power of states and, thus, war and conflicts. States have been important actors in the international political system. This assumption is based on a theory of IR studies called Realism. This theory was challenged by Liberalism which argues that states prefer cooperation to conflicts (Hill 2003: 98).

Liberalism, as a theoretical approach, argues that a number of actors, including state-owned enterprises (SOEs), MNCs, NGOs and private foundations, have a stake in international trade. These actors pursue incentives and opportunities for cooperation (Krasner 1999: 185). Liberalism theory contends that when one state possesses natural resources or production capacity over another state, trade relations between such two states will bring economic advantages to both states (O'Brien & Williams 2007: 19 – 20). Since both states stand to benefit positively from their market relations, this comparative advantage is referred to as a 'positive-sum', contrasting the 'zero-sum' game of the Mercantilist theory stated above.

Liberalism theory further sees the world economy as having the potential to integrate and allow free movements of goods. The role of governments is to ensure smooth and unrestricted operation of the markets. Open markets create a global economic system where there is equitable distribution of goods and services (Woods 2008: 250). Liberalism, as a theory of IR studies, departs from Mercantilism by maintaining that economics determines politics but further argues that politics and economics should be distinctly separated. National governments and international institutions should refrain from interfering with the allocation of resources by the markets (Mingst 2004: 238).

O'Brien and Williams (2007: 18) state that there are two views on the role of the state within the liberal perspective. Some Liberals feel that states have become borderless and their economies are increasingly integrating. They further feel that private individuals and

liberal institutions will dominate the global system. Other Liberals recognise the prominence of the state. This role is not fully tangible as it is intertwined in a network of interdependence and international organisations. There are times when governments take a lead on issues of international trade. The role of the state on economic matters should not be confused with assumptions of Mercantilism that it is necessary to create alliances and establish hegemony. Moreover, the Economic Liberalism theory recognises the role of the state in ensuring basic order, facilitating the free flow of trade and maximising economic interactions, among others (Mingst 2008: 249). Similar perspectives on the role of the state are argued in the globalisation theory as discussed below.

Liberalism, as a theory of IR studies, further develops into neo-Liberalism theory which emphasises interdependence. Interdependence is a perspective of neo-Liberalism which refers to a system of cooperation characterised by reciprocal relations between countries or between actors from different countries (Swatuk 1991: 62). According to interdependence, states forge relations or associations in which they accrue mutual benefits, protect each other from potential threats, guard against imposition of costs and constraints from outside, uphold international law and order and agree on areas of cooperation that are economically advantageous to all countries involved (Hill 2003: 175). Interdependence promotes cooperation among different entities in the areas of trade, finance, communication, environment and technology (Viotti & Kauppi 1999: 215).

Liberalism, as a theory of IR studies, further underscores the role of non-state actors in international relations, as illustrated by Vincent (2006: 164) who states,

Challenging realist theory's traditional focus on the state, liberal scholars have argued that non-state actors have a significant impact on questions of politics, morality and peace and that the surge in transnational activity witnessed in recent decades suggests that the state may not be the most important variable for explaining world events.

Non-state actors are institutions outside government structures, but can make impacts on international relations. Activities of some of these actors include the provision of goods and services, lobbying, consultancy and advisory services, stimulating public dialogue

and mobilisation of public opinion (Vincent 2006: 169). Viotti & Kauppi (1999: 215) state that Interdependence is concerned with multiple channels of communications in the relations among states. It is about mutual beneficial relations between states and other entities, such as MNCs, NGOs and SOEs.

Accordingly, this study will be analysed in terms of Liberalism as a theory of IR studies. Over the years, non-state actors have assumed the role in the conduct of foreign policy (Webber & Smith 2002: 12). In Namibia, too, while it is mostly the government that takes a lead on issues of international trade, a number of non-state actors become involved in economic diplomacy, especially through participation in the bilateral commissions for economic cooperation. The study will then look to the extent of the involvement of non-state actors in economic diplomacy in Namibia.

Meanwhile, orthodox liberalism's main assumption is *laissez-faire*, where trade is characterised by free movements goods and services. Its main proponent, Adam Smith, has been opposed to protectionism and based his perspectives on interdependence, where states produce what they are best at producing, resulting in absolute advantage. Ricardo further expands on orthodox liberalism, maintaining that while a state may not have absolute advantage, it can still produce what it is relatively best at, resulting in comparative advantage (Cohn 2008: 74).

Marx ([sa] 1: 4) states that market fundamentalism believes in the solution of economic problems through *laissez-faire* policies. Free trade provides opportunity to local businesses to benefit from market access, foreign direct investment partnerships and the capacity building necessary to grow their businesses. He cited the example of Eastern Caribbean states that are able to confront economic challenges because of the strength of their technical capacity which resulted from free trade arrangements. He argues that free trade agreements offer opportunities to governments to use them as motivation for promoting reforms.

Fauda (2012: 352) states that free trade further creates economic growth and more jobs are created as a result of specialisation in the production of goods and services where countries have a comparative advantage. He quotes Magee (1976)'s proposition that the benefits of free trade to a country outweighs the losses, unlike the protectionism that results in deadweight loss.

Meanwhile, Interventionist Liberals advocates for the state to intervene in the economy as a result of the North-South economic divide characterised by inequalities (Cohn 2008: 57). They advocate the removal of trade barriers by developed countries so that least developed countries can access the markets. Meanwhile, they propound that least developed states should be allowed to maintain some protectionism measures aimed at redistribution of wealth between the North and the South.

Fauda (2012: 352) discusses protectionism from a disadvantageous perspective. There is no country that can supply its market entirely from its products, and when it adopts protectionist measures, this may result in retaliation and for small states with a narrow scope of economy, a development in that direction will cause damage to its economy. Given the retaliatory nature of protectionism, small states cannot afford to maintain Mercantilism, as they need large markets to export their products; they will rather maintain a co-existence of Mercantilism and Liberalism theories-inclined policies. They ask for infant industry protection measures and argue that such measures are only aimed at growing their industries. This means that they have a time frame since they will be removed when the industry grows and their production is sufficient to compete with other players in the global market (Kegley & Blanton 2014: 379). The extent to which small states can adopt protectionism will therefore be discussed under EPA negotiations (see Chapter Six).

The advantage of using the Liberalism theory in the study on economic diplomacy is that, like economic diplomacy, Liberalism is both a political and economic concept. Mingst (2008: 60) writes about Political and Economic Liberalism as some of the key perspectives that influence Liberalism as a theory of IR studies. Liberalism discusses

political issues of peace, democracy and security, as well as economic issues such as interdependence and trade (Mingst 2008: 61 – 63, 251 – 253). With regard to economic diplomacy, Goldstein (2003: 317) states that it has an impact on political diplomacy, since states that trade for mutual benefits require each other's political cooperation. Multilaterally, the political cooperation of states has an impact on international trade. The Centre for International Governance Innovation (CIGI) (2008: 2), confirms that economic diplomacy (which is part of the overall foreign policy) is a political and economic concept when they assert that economic diplomacy has been used to influence political issues using foreign investments and trade.

The disadvantage of using the Liberalism theory is that when discussing the entire spectrum and framework of Namibia's economic diplomacy, there are elements that could cause confusion over the adopted theoretical framework. Strange (1992: 7) writes about states seeking to compete with others to have value-additions done at home. This aspect has an element of Realism which argues that states seek to maximise their economic potential versus other states (Mingst 2008: 261). Namibia's position in the EPA negotiations (see Chapter Six) calls for value-addition. The idea is for local manufacturers to maximise their economic potential like their trade partners. This, together with leading businesspersons' call for infant industry protection (see Chapter Four), should not be misunderstood to mean that there is an element of Realism in Namibia's economic diplomacy.

The study will, therefore, argue that Namibia's economic diplomacy is largely inclined to Liberalism as a theory of IR studies.

1.9.3 Research methodology

There are two major types of research methodologies, namely qualitative and quantitative. In this research, the qualitative research methodology will be applied. The qualitative research methodology is applicable to social science studies as it deals with human behaviours. It respects human beings as playing a central role in the world and

making a meaningful contribution to its system thereof, unlike the quantitative research methodology, whereby human behaviours are restricted by external law. In qualitative methodology, the science is based on reasoning, while the quantitative methodology explains science based on strict rules. The methods employed in qualitative research analyse issues qualitatively, with less emphasis on statistics, while the quantitative methods employ mathematical and statistical techniques (Sarantakos 2005: 41 – 42, 47).

The research techniques employed in this study include primary and secondary collection of data and other relevant information and interviews. Kothari (2004: 96 – 97) states that interviews have a number of advantages. Information in great depth is obtained through interviews. The interviewer is in control of the types of questions and who will answer them. In this way, the language of the questions is set according to the level of understanding of the interviewee, thereby avoiding misunderstandings. As qualitative methods include the subjective assessment of human behaviour and attitudes, the study uses interviews as techniques for carrying out research and observations.

Secondary data collection is another research technique (Kothari 2004: 111). In this case, the researcher should ensure the reliability of data by looking at who collected the data and the type of collection methods used. Moravesik (2012: 34) states that, in most cases, qualitative research uses secondary data collection methods. Techniques applied in quantitative research include surveys. Survey results are analysed to interpret statistical relations of the variables (Jick 1979: 603 – 604).

Mills (2008: 101) points out that qualitative research may use a comparative analysis, where data collected are compared and contrasted with other data. The data could be in the form of, among others, interviews. He propounds that such comparisons and contrasts are made to establish categorisation and regularities for observable phenomena. Comparison is further made to different societies, thereby understanding their behavioural aspects.

Types of quantitative research methodology include survey research and experimental research. Survey research enquires the characteristics of the subject matter, applying statistical analysis. They are adopted in descriptive studies and seek to describe and analyse existing or previously existing conditions. Quantitative researchers adopt this technique in field research and they adopt the experimental research in laboratories (Kothari 2004: 120 – 121). Respondents are randomly selected and the inquiry is carried out using close-ended questions, unlike qualitative research that uses open-ended questions.

The approach adopted to explain variables in quantitative research methodology is that of applied estimate average (Mahoney & Goetz 2006: 229). Comparing the approaches of the two research methods, Mahoney & Goetz state,

For instance, scholars from either tradition may start their research with a general question such as “What causes democracy?”...qualitative researchers will rephrase the research question as “What causes democracy in one or more particular cases?” Quantitative researchers will translate it differently: “What is the average causal effect of one or more independent variables on democracy?” average (Mahoney & Goetz 2006: 231).

Choy (2014: 101 – 102) states that quantitative research methodology has disadvantages, such as that there are no human beliefs and perceptions, or depth experience descriptions. People’s characteristics and beliefs cannot be reduced to statistical analysis.

Jick (1979: 603 – 604) explains the advantages of using a mixed qualitative and quantitative research methodologies. He states that generally, in areas where one research method is weak, the other method will be able to compensate. But, he underscores that it is the qualitative method that plays a prominent role, as it elicits data and suggests conclusions to which the quantitative method will ignore. In a recent publication on research methodologies, Choy (2014: 101) states that in order to achieve better results of a research undertaking, aspects of one method may be used to complement the other method applied in the study, but it is advisable that the two methods should be used as a mixed research methodology in a single research undertaking.

For this study, a qualitative research methodology has been adopted. This is a new topic of research and Lin and Loftis (2005: 2) advise that when little has been researched before on a subject matter, it is better to use one method of research and not a mixed research methodology. Further, Moravcsik (2012: 34) states that 70 percent of the research projects in international relations are carried out applying the qualitative research method, as the use of statistical analysis is not widely adopted in the study of Political Science. Accordingly, this study adopts the research methodology that is common in IR studies.

Between 2010 and 2013, structured and unstructured interviews were conducted with authoritative and influential high-level officials and foreign policy-makers, as well as stakeholders in Namibia's economic diplomacy. The list of interviewees is appended to this study as Appendix 1.

The interviews provided multiple viewpoints and a comparative analysis of information given by various interviewees was, therefore, made within the parameters of the qualitative research methodology (Babbie 2007: 296).

The researcher, being a Deputy Minister of Foreign Affairs since 2010, was able to access most of the envisaged interviewees and other government information on economic diplomacy. However, it was not possible to interview all envisaged interviewees as some repeatedly cancelled or postponed scheduled appointments.

The study adopts the Harvard referencing style that is prescribed in (i) the UNISA's research guide for masters and doctoral students by de Kock and Levey ([sa]) and (ii) the Technical requirements for quotations and referencing guide, also provided by UNISA.

1.10 Importance of the study

It has been stated earlier in this study that there is a limited number of academic literature on Namibia's foreign policy. There is a significant body of literature on the foreign

policy of small states and how they pursue economic diplomacy. Leifer (2000: 12 – 13, 25) wrote about a small state, Singapore, which has made strides in economic achievements and plays a diplomatic role in Asia. She has undergone economic transformation and survived the economic storms in the region. Hey (2003: 83), amongst others, explains how Luxembourg, despite being a small state, pursues a vigorous foreign policy. She compensates her foreign policy weakness of coercive instruments with attractive characteristics of a strong market and economic prosperity.

Namibia's independence came at a time of the changing context of international relations. Hill (2003: 11 – 14) states that the change in the international relations resulted from the end of the Cold War and thus resulted in the emergence of globalisation phenomenon. Globalisation brought new dimensions to trade relations because of the increased connectedness following the development of information technology. The year 2008 witnessed the onset of an economic recession in the US which eventually had a spill over effect on other countries in the world. It is significant to study how the challenging global environment caused by the economic recession, impacted on Namibia's economic diplomacy.

Webber & Smith (2002: 23) note that since the 1990s, foreign policy study approaches have witnessed the emergence of globalisation in international political economy covering issues of transnational production, exchange and communication. It is important to have a study focusing on these areas, such as Namibia's multilateral diplomacy and bilateral diplomacy through trade missions.

This study addresses economic diplomacy which is a component of the overall Namibian (a small state) foreign policy. Theories of small states argue that in small and developing states, institutions dealing with economic issues are largely involved in the execution of foreign policy than their counterparts in large states (East 1973: 574). In post-Cold War diplomacy a number of government institutions, especially, ministries dealing with economic issues have gained prominence in external relations of their countries. The Ministry of Foreign Affairs plays a leading coordinating function in this respect. Other

stakeholders in foreign policy come from outside government structures, like economic interest groups and non-governmental organisations (Barston 1997: 5). The study looks at the relevance of this assumption, by discussing key actors and the resources available to execute economic diplomacy. This study further looks at the domestic, regional and international sources of Namibia's economic diplomacy.

Namibia was colonised by South Africa from 1915 to 1990. South Africa was a non-democratic state featuring racially discriminating laws until 1994 when the first democratic elections were held. A number of writers such as Landsberg (2004); McGowan, Cornelissen & Nel (2006) and Webber & Smith (2002) have written about foreign policy broadly covering issues related to South Africa's economic diplomacy. This issues have been analysed and it is important that similar analysis should be made to Namibia which has historical ties with South Africa. It will be important to see how Namibia, as a small state, pursues economic diplomacy to attract trade and investment. There is a general shortage of literature on Namibia's foreign relations and economic diplomacy performance. This study will, therefore, contribute to the literature focusing on Namibia in the international political economy.

This study will have a strong element of originality since the researcher, as indicated earlier, is among Namibia's key foreign policy-makers, being the Deputy Minister of Foreign Affairs and has been exposed to the foreign policy-making process in other capacities (see appendix 2). The researcher, therefore, has insight on Namibia's economic diplomacy, having participated in a number of forums related to the making of foreign policy and economic diplomacy. Knowing that his involvement in Namibia's foreign policy may result in challenges of objectivity, the researcher has corrected this possibility and endeavours to maintain the study to be academic and objective. He distinguishes his roles of participant observation as a researcher on foreign policy and as a foreign policy-maker and clearly indicates these roles where applicable in the study.

A performance review of the role of Namibia's diplomatic missions to attract trade and investment and Namibia's performance in multilateral and bilateral economic diplomacy

will be made to look at the strengths and weaknesses of economic diplomacy. This will be useful to the foreign policy-makers to adopt policies that will improve the effectiveness of economic diplomacy. The review will also complement the envisaged review of the operations of diplomatic missions provided for in the NDP 3 (National Planning Commission 2008a: 273). In the present time of globalisation and economic recession, the study will be relevant to identify new strategies that should be employed to maximise optimal benefits from international trade.

The study further attempts to fill the gaps in the existing literature regarding the role of non-state actors on foreign policy-making. In this respect, interviews were conducted with businesspersons to gauge their input on Namibia's economic diplomacy and address the dynamics of collaboration between the government and the private sector in pursuing economic diplomacy.

Lastly, the economic diplomacy of developing states generally, and that of African states in particular, is a neglected area which this study intends to make some contribution towards.

1.11 Scope and limitations of the study

This study focuses on Namibia's post-independence foreign policy-making in the context of global trends of interdependence. It focuses on Namibia's pursuit of economic diplomacy in the southern Africa region and in the international economic system at large. The period under discussion covers economic diplomacy under the presidency of President Sam Nujoma (March 1990 - March 2005) and President Hifikepunye Pohamba (March 2005 - March 2015).

President Nujoma's first term of five years (1990 - 1995) was about setting the scene of economic diplomacy, mostly looking at western and first world countries. This was done through both bilateral and multilateral economic diplomacy, trade and investment, and foreign aid. His second term (1995 - 2000) and third term (2000 - 2005) added a new

dimension to diplomacy, embracing Asia, Latin America and the Third World countries. President Pohamba assumed the Presidency in 2005 and consolidated on the foreign policy built by his predecessor.

There is limited literature on Namibia's economic diplomacy, specifically, but there is literature on economic diplomacy in general. This literature will be used to analyse and evaluate Namibia's economic diplomacy in the context of foreign policy principles set in primary sources such as article 96 of the Constitution of the Republic of Namibia (Ministry of Information and Broadcasting 1990: 53) and the goals set in the White Paper on Foreign Policy and Diplomacy Management (Ministry of Foreign Affairs 2004), NDP 1 (National Planning Commission 1995a), NDP 2 (National Planning Commission 2002a), NDP 3 (National Planning Commission 2008a, 2008b), NDP 4 (National Planning Commission 2012b), and Vision 2030 (Office of the President 2004b).

1.12 Chapter outline

This study consists of seven chapters.

Chapter One provides the introductory chapter of the study. It gives the focus of the study and the analytical framework that will be applied. The chapter gives a historical overview of the Namibian foreign policy and clarified IR studies concepts that have been used in the study. Further, it spell out the significance of the study and the research methodologies that have been adopted.

In **Chapter Two**, the economic diplomacy of small states, the distinction between political and economic diplomacy are discussed. The chapter further discusses small states diplomacy, both as a challenge and an opportunity, discussing small states with both typical and atypical small states' foreign policies. The chapter states the typology of diplomacy that has been adopted in discussing Namibia's foreign policy

Chapter Three focuses on the evolution, content and practice of Namibia's economic diplomacy. The chapter also analyses how economic diplomacy as a theme in Namibia's foreign policy was developed by the foreign policy and economic diplomacy decision-makers. It analyses the economic diplomacy regimes such as the Export Processing Zone (EPZ) Act No. 9 of 1995⁵ (Government Gazette 1995) and how Namibia established trade missions. The chapter concludes with a preliminary assessment of achievements made in the formative years.

Chapter Four analyses key agents and structures pertaining to Namibia's economic diplomacy. It focuses on decision-makers in economic diplomacy during the term of former President Sam Nujoma (from 1990 to 2005) and the first and part of the second term of President Hifikepunye Pohamba (from 2005 to 2015). The chapter also analyses how key foreign policy-makers drive economic diplomacy and how the goals set at the initial development of Namibia's economic diplomacy were achieved. This means that the chapter will also look at the role of policy implementing structures especially from the Ministries of Foreign Affairs, Trade and Industry (including the Investment Centre) and other economic ministries. It will further include the role of SOEs and Namibian non-state actors in the country's economic diplomacy. The chapter then proceeds to analyse how President Pohamba built on the foundations laid by his predecessor. This will reveal whether there are new major dimensions in the pursuit of economic diplomacy during the presidential tenure of President Pohamba. The information in this chapter is analysed in terms of the agency-structure debate, showing whether leaders shaped the foreign policy agenda of government institutions or whether institutions shaped the foreign policy of the leaders.

Namibia's bilateral diplomacy is analysed in **Chapter Five**. The chapter also analyses Namibia's economic diplomacy within the context of major economic sectors and the importance of expanding economic diplomacy to various markets in the world. The study looks at the idiosyncratic (individuals and their personal characteristics) and capital

⁵ When cited the first time, the number and the date of promulgation of an Act will be provided. Thereafter, the short title of the Act will be used.

resources involved and the economic returns to Namibia arising from trade and investments. The chapter further discusses instances of challenges and setbacks in Namibia's economic diplomacy.

In **Chapter Six**, multilateral economic diplomacy is analysed. The chapter then proceeds to analyse Namibia's multilateral monetary, economic and trade relations and missions, looking at her membership of selected international trade institutions such as the WTO, and conference diplomacy such as the World Economic Forum and Smart Partnership dialogues. It also includes the country's regional (southern African) economic diplomacy and, thus, focuses on selected regional organisations such as SADC and SACU. This chapter also discusses the EPAs, trends in the global trade system and how Namibia responds to these.

Chapter Seven is the concluding chapter which makes an assessment of Namibia's economic diplomacy. The chapter summarises the findings and makes recommendations for improvements in Namibia's economic diplomatic policy and practice, and for further research.

1.13 Summary

There is a significant body of secondary literature on economic diplomacy discussing, among others, trends of economic liberalism and interdependence, globalisation and theories of the IPE. However, limited literature on Namibia's economic diplomacy is available.

The study of Namibia's economic diplomacy is relatively new as this subject has not previously been broadly researched. The study will attempt to contribute to the academic literature on the foreign policy and economic diplomacy of small states and the understanding of the behaviour of small states under the emerging trends of interdependence, globalisation and economic recession. This research on the evolution of Namibia's economic diplomacy examines the dynamics of economic diplomacy such as

the actors, regimes and international environment in an African and an international context.

IR studies are generally researched using the qualitative research methodology, which has advantages in respect of the techniques applied. Thus, this methodology has been adopted in this research.

The next chapter discusses small states in a broader context, outlining the nature, scope, limitations and opportunities of the smallness of states. The chapter will further make the epistemological and ontological contributions to the study of IR.

CHAPTER TWO

THE DIPLOMACY OF SMALL STATES: A CONCEPTUAL ANALYSIS

2.1 Introduction

The diplomacy of small states provides the study of IR, diplomacy and the practice of diplomacy with new directions and makes some epistemological and ontological contributions to the study of IR and diplomacy. Therefore, recent years have witnessed the emergence of the literature on small states' foreign relations and diplomacy. Writers such as Mohamed ([sa]) and Cooper & Shaw (2009) use the concept micro-states when referring to much smaller states whose populations fall under 1.5 million. At the formation of the UN in 1945, small states were not at the centre stage. Luxembourg was the only small state that joined the world body at its formation, followed by Iceland in 1960 (Mohamed [sa]: 4; Baldacchino 2009: 23). The emergence of more active small states acting together in international relations, individually and/or collectively, has raised interests in the study of such states.

The aim of this study is to analyse the economic diplomacy of Namibia as a small state. In order to achieve this, this chapter presents a conceptual analysis of the diplomacy of small states. It will address conceptual analysis as a useful research method, define the concept small states, analyse diplomacy as an instrument of foreign policy and apply it to the diplomacy of small states, analyse factors affecting the diplomacy of small states, identify opportunities for small states and outline the contribution of the study of small states to the study of diplomacy and IR. This chapter analyses inter-small state diplomatic relations, diplomatic relations with large states and diplomatic relations in regional and international organisations. The analysis focuses on how the smallness of a state can be a challenge and how small states can survive the limitations of their smallness. The chapter further analyses the economic diplomacy of small states, in respect of both bilateral and multilateral diplomacy. In order to achieve the purpose of this chapter, comparisons between small states are drawn in order to illustrate the unique features of small states diplomacy.

2.2 The importance of a conceptual analysis in the study

Researches result in the use of concepts that are fundamental to studies. Concepts have general meanings and there is a need to contextualise them within the framework of specific studies. Conceptual analysis, therefore, refers to breaking down the concept into a broader definition to give the reader a comprehensive understanding and broader picture of the study. Through conceptual analysis, readers get clarity and the purpose of specific concepts used.

Du Toit (2009: 428) states that a conceptual analysis is made by constructing a model of small states. This is a hypothetical situation where there should be a general consensus and no ambiguity regarding the application of the concept. When a model is created, the elements that make up the concept should be analysed. For example, the characteristics of small states are main focus of this study. Since the analysis of concepts brings a versatile outline of related and contrasting meanings, it is the submission of the researcher of this study that the next level of analysis should be to look at an integrated approach to the concept, comparing and contrasting the feature of small states, such as their geographical location in respect of isolation or proximity to larger states. When a definition is arrived at by broadly breaking down the aspects of the model, elements of small states and comparative analysis of small states geography, it will enable the researcher to discuss aspects of Namibia's economic diplomacy in the context of the stated model.

McGowan, Cornelissen & Nel (2006: 17) advocate the need for conceptual analysis arguing that it should not be assumed that every reader has the same idea as the writers. Accordingly, it is imperative that writers define the concepts that they use. Concepts play specific roles in studies. Du Toit (2009: 425) argues that,

Conceptual analysis is crucial for orienting oneself to one's chosen field of research...is an attempt to become conversant with the basic tools of thinking and understanding, namely language, terms ideas and concepts.

In applying theoretical approaches to the study, it is important to understand concepts, as there are similarities for example, in the assumptions of Liberalism and small states theories. For example, Liberalism as a theory of IR studies, propounds that states are inclined to multilateralism, as it provides a hierarchical authority that prevents anarchy in the international system. Small states theory also underscores multilateralism, maintaining that small states are inclined to joining international organisations; this provides them with collective security (McCraw 1994: 8; Mingst 2008: 202).

In this study, conceptual analysis is useful bearing in mind the scope of the research questions; it establishes the definition of the key concepts that are central to the study, like small state or economic diplomacy. Since there are various definitions of small states, it is important that a small state as a concept is defined in this chapter so that the study could be researched in the context of the definition given under conceptual analysis.

Du Toit (2009: 435) further underscores the importance of conceptual analysis when he writes,

So an important consequence of a successful conceptual analysis is that it sharpens our use of a concept, it leads to a normative definition of a concept and to suggestions about the use of concept that will clear up confusions and contradictions that may exist in the popular understanding of the concept ... [normative conceptual analysis] can be both critical and creative, pointing out to inconsistencies and disparities, but also suggesting alternative, new and innovative use of the concept.

In a conceptual analysis of small states in this study, the researcher attempts to come up with a new working definition of small states which is addressed below.

2.3 Small states: a definition

There is no definite definition of a small state. The variables that make up small states are evolving. However, there are characteristics that are generally accepted to define a small state. These are the size of a state's territory, the size of its population and a state's economic strengths or weakness, measured in terms of its Gross Domestic Product (GDP) (Prasad 2009: 44). Udovič ([sa]: 12) adds that how a state perceives itself also contributes

to the essentials of defining a small state. McCraw (1994: 7 – 8) says characteristics of small states must include a low level of participation in world affairs. He further states that their scope of foreign policy is narrow and that they are inclined to participate in regional and international organisations. Part of their foreign policy focuses on economic issues and they greatly support the international legal system.

Taymaz (2009: 3) says that during the 1960s, a population figure of 10 to 15 million was presented as an indicator that determined small states. By the 1990s, this figure dropped to 1.5 million, as the threshold that is used by institutions such as the World Bank and the Commonwealth Secretariat, as a definition of a small state, while some academics use a higher threshold of up to 5 million. Scholars such as Sweeney & Derdzinski (2010: 38) reveal that, in some cases, a figure of 17 million or less is applied in Europe. Although the Commonwealth uses a threshold of a population of 1.5 million, it includes in its category of small states, four countries whose population are above 1.5 million, namely Jamaica, Lesotho, Namibia and Papua New Guinea because they share many other characteristics of small states. These other characteristics that define small states are the territory size and GDP (Commonwealth & World Bank 2000: 3).

For the purpose of the discussion in this study, the determining factors for small states classification will be a combination of at least two factors that determine small states as discussed above. Accordingly, if a country has a large population but its territorial size is small and it has a low-income economy, such a country will be categorised as a small state. This means that this study has come up with a definition derived from a combination of the author's own defined population size, and in terms of other characteristics like economy, geography and own perceptions, definitions by the Commonwealth and World Bank and academics. The study sets the threshold of a population size at 8 million. In addition, the study also includes Cuba, Guinea, Haiti, Kenya, Madagascar, Malawi, Mozambique, Myanmar, Nepal, Niger, Rwanda, Somalia, Uganda and Zimbabwe. Despite the fact that these countries have respective populations of slightly over 8 million, they have other characteristics of small states in respect of

economic indicators and geographic size, both of which are lesser than those of Namibia. Accordingly, Table 1 below shows small states as per the definition of this study.

Table 1: Small states of the world

AFRICA	EUROPE	LATIN AMERICA AND THE CARRIBEAN	ASIA AND PACIFIC
Botswana	Bahrain	Antigua and Barbuda	Afghanistan
Benin	Bosnia and Herzegovina	The Bahamas	Armenia
Burundi	Croatia	Barbados	Bhutan
Cape Verde	Cyprus	Belize	Brunei
Central African Republic	Denmark	Costa Rica	Cooks Island*
Congo	Estonia	Cuba	Fiji
Comoros	Finland	Dominica Republic	Jordan
Djibouti	Georgia	Grenada	Kiribati
Equatorial Guinea	Iceland	Guyana	Kyrgyz Republic
Eritrea	Ireland	Honduras	Lao
Gabon	Kosovo	Jamaica	Lebanon
The Gambia	Lithuania	Nicaragua	Maldives
Ghana	Luxembourg	Panama	Marshall Islands
Guinea	Macedonia	Paraguay	Micronesia
Guinea-Bissau	Malta	St Kitts and Nevis	Mongolia
Lesotho	Moldova	St Lucia	Nauru
Liberia	Norway	St Vincent and the Grenadines	Nepal
Madagascar	Slovak Republic	Suriname	Niue
Malawi	Slovenia	Trinidad and Tobago	Oman
Mauritania	Switzerland	Uruguay	Papua New Guinea
Mauritius			Palau
Mozambique			Samoa
Namibia			Singapore
São Tomé and Príncipe			Solomon Islands
Seychelles			Tajikistan
Sierra Leone			Tonga
Swaziland			Turkmenistan
Somalia			United Arab Emirates
South Sudan			Qatar
Togo			Tuvalu
Zimbabwe			Timor-Leste
			Uzbekistan
			Vanuatu
			Vietnam
			Yemen

* A self-governing territory in association with New Zealand.

Sources: The Commonwealth (2000); Prasad (2009) and the World Bank (2012).

In Table 1, the characterisation of small states includes small islands, landlocked states and small states bordering with larger states. These will be discussed below to provide a synopsis of the impact of typical characteristics of small states on foreign policy.

When small states border with large states, they cannot pursue independent foreign policies, because of their susceptibility to dominance (Cooper & Momani 2011: 114). Nedelea (2009: 338) corroborates this proposition that it is customary for small states to be cautious with their foreign policies when they border large states. Accordingly, small states will endeavour to maintain friendly relations, in order to avoid being marginalised by larger states and expose their inferiority.

An example of small states bordering large neighbours in Table 1 above is Timor-Leste, a small state neighbouring a large state, Indonesia. Accordingly, Timor-Leste has been cautious towards offending her larger neighbour, Indonesia (Smith 2005: 16). Typical of a small state's foreign policy and diplomatic practice, Timor-Leste upheld a neutral foreign policy and became inclined to the notion of collective security. Although Timor-Leste has not concluded a formal military alliance with any large state, she has, nevertheless, welcomed the presence of Australian forces on her territory in the interest of collective security. Timor-Leste has been systematically postponing the end of the United Nations Mission of Support in Timor-Leste (UNMISET) mandate, so that she can justify the presence of the Australian forces as part of the international endeavours and her security. Australia made up 25 percent of the UN troops in Timor-Leste (Smith 2005: 28 – 29). UNMISET was established by the United Nations Security Council (UNSC) Resolution 1410 of 2002 to provide assistance to the administrative structures and ensure stability to Timor-Leste following her independence. The mandate was initially for 12 months (UN 2002).

Another small state bordering large states in Table 1 is Nepal. Dahal, Sainju, Lohani, Sharma & Parajuli (2008:17) state how Nepal, for example, is a country that is sandwiched between two large states, namely the People's Republic of China (hereafter China) and India. Nepal, therefore, has no other option than to maintain cordial relations

with her large neighbours. Bátorá (2005: 18), too, observes that, generally, one finds landlocked states bordering with large states with high income economies and, arguably, compelled to refrain from foreign policy behaviour and diplomatic practices that will offend such large neighbours.

In Southern Africa, small states like Botswana, Swaziland and Lesotho, cited in Table 1, are landlocked and depended on their large neighbours for their imports and exports (Bátorá 2005: 18). This places a limitation on their economic diplomacy, as their exports arguably depend on, amongst others, the quantity of volume of exports that their neighbours with ports can accommodate.

It is not always the case that landlocked small states avoid adopting foreign policies that offend their neighbours as stated by the literature [Bátorá 2005; Dahal et al. 2008]. Botswana, for example, pronounced herself against the legitimacy of the Government of Zimbabwe, following the 2008 presidential elections, a stance contrary to the one adopted by other SADC members, including, Namibia and South Africa, on whose ports Botswana's exports and imports depend. At the ACP-EU Joint Parliamentary Assembly Committee meetings held in Brussels in September 2008, SADC delegates called for the lifting of sanctions against Zimbabwe, but the representative of Botswana made a statement that Botswana held different views. This signifies atypical small state foreign policy pursuit.

Botswana was, furthermore, among the first countries to recognise the Government of the National Transitional Council (NTC) in Libya, after the overthrow of Muammar Gaddafi in 2011, a position different to that of her neighbours, Namibia and South Africa. The position of Namibia and South Africa was that NTC Government was not legitimate. Thus, at the AU's Peace and Security Council Meeting, held in Addis Ababa, in August 2011, chaired by President Zuma of South Africa, the Chairperson and the Namibian delegation, successfully persuaded the meeting, in refusing the Libyan Ambassador to the AU, Ali Abdallah Awidan, to attend the meeting. This was because Ambassador Awidan had written to the Chairperson of the AU Commission saying that he recognised the

Government of the NTC. Namibia and South Africa then maintained that the Ambassador could only attend the meeting if he represented the government under the Libyan leader, Muamar Gadaffi.⁶

Neighbouring large states have their own security disadvantages for smaller states. Pollard ([sa]: 2) states that in South American countries like Guyana and Belize – also cited in Table 1 – they face the threat of territorial claims by their larger neighbours, Venezuela and Guatemala. He asserts that these small countries cannot face their larger neighbours on their own and, therefore,

[They] are constrained to rely heavily for their national security on an appeal to the applicable rules of international law as a means of safeguarding their existence as sovereign states in the absence of capabilities to ensure their political independence and territorial integrity.

It is, therefore, arguable that small states' neighbourliness to large states sometimes creates a sense of insecurity, and it is not always that neighbouring large states brings a feeling of protection to a small state.

Some states are remotely located and such geographic locations of small states further impact on the cost of carrying out diplomacy. This arguably obliges small states to embrace their neighbours in pursuing economic diplomacy. Meanwhile, Bátorá (2005: 18) suggests that small states that are not landlocked, such as Norway, have some disadvantages regarding making their presence felt in international relations. Norway's geographical position isolates her from the larger part of the European continent and, even if she strives to work on her visibility, she is still only regarded as one of the Scandinavian states.

Small islands, especially those that are located in the Pacific Ocean, are remote from major trade centres in the world (Commonwealth & World Bank 2000: ii). The transportation of goods from major markets to small islands is, therefore, a burdensome exercise and this hampers the enhancement of economic diplomacy of these states. Commonwealth and World Bank (2000: 5) further points out that,

⁶ This information is obtained through participant observation, when the researcher was attending the meeting also in an official capacity.

For many small states, like those in the Pacific, high transport costs make it harder for them to turn to world markets to compensate for the drawbacks of the small size of their domestic markets. And small domestic markets combine with large distances from other markets to reduce competition and its spur to efficiency and innovation.

The difficulties of these small islands to access major world trade centres, arguably, make them vulnerable to partly depend on foreign assistance by larger economies which will then seek to influence the foreign policy of these small islands.

Contrary to the traditional perception, however, many small states have surprised the international community because of their independence from large neighbours and their ability to chart their own course (Hill 2003: 294). The international political system has witnessed the perseverance of a small state, such as the island state of Cuba, which has remained resilient in opposition to her larger neighbour, the US, despite the latter's decades of economic blockade against Cuba. Cuba retains trade relations with some other countries. For example, the European Parliament (2014) states that Cuba concluded trade agreements with 18 EU member-states, notwithstanding the fact that the EU adopted a common position in 1996 to restrict ties with Cuba, until the values of democracy and human rights are upheld. The EU is Cuba's second trade partner in terms of exports. In terms of Cuba's inward investments, the EU is the largest investor in the island country.

It is construed here that the small geography, population and economy, which as determining features of small states, also serve as dynamics which impact on their relations with large states, but with some states espousing behaviours that are traditionally associated with large states.

2.4 Middle powers and large states

Literature on emerging middle powers has been produced. These are states which, although small in economic and population terms, are influential in their respective regions and the international political system and global political economy at large (Cooper & Shaw 2009; O'Brien and Williams 2007; Rana 2007; Smith, Baylis & Owen 2008).

Bezglasnyy (2010: 17 – 18) writes that the concept of middle power is explained by classical scholars to consider a state's material possession in the international system. The state's population, territory and economic position and the extent to which a state demonstrates political power are the determining factors. There are no clear definitions, as many scholars maintain that middle powers are states whose characteristics are between that of small and large states. Bezglasnyy (2010: ii) developed a definition which says that middle powers are identified by three attributes, namely medium-sized material capabilities, perceiving multilateralism as the favourable way to maximise foreign policy interests and self-perception. This definition is adapted to this study and in addition, this study sets middle powers' population to be between 8 and 50 million. Countries discussed in this study, that are cited in the literature on middle power (Bezglasnyy 2010 and Cooper & Mo 2013) include Canada and The Netherlands, among others.

The definition of large states is determined by the four characteristics, namely geography, economic size, population and self-perception. Writing about large states in Africa, Otaway, Herbst & Mills (2004: 1) use the criteria of mass land areas and sizeable population, without giving figures for the population. There is no clear definition in the literature which can be used to classify states as large states. For example, Cooper & Mo (2013: 1, 8) classify the BRICS countries (Brazil, Russia, India, China and South Africa) as middle power but acknowledges that they have large economic markets. They further write about China and Germany as large powers with surplus economies. In Cooper, Antkiewicz & Shaw (2007: 675), South Africa is classified as a middle power. This study sets the population for large states to be at 50 million. It further classifies countries that are in the top ten list of the World Bank's (2013a) ranking of GDP purchasing power parity (PPP) as large states, provided that they have additional two characteristics of large states as stated above. This means that when a country has a combination of at least three of the four characteristics that determine the classification of a state, it will be classified as a large state. Accordingly, for the purpose of this study, countries like China and Germany are classified as large states. Although South Africa's population is above 50

million, she has been classified as a middle power in this study because, apart from geography, she does not possess the other two characteristics, self-perception as a large state and ranking in the top ten of the World Banks's GDP PPP.

2.5 Diplomacy as an instrument of foreign policy

Diplomacy refers to the technique that is used to explain, exercise and advocate a foreign policy of a given country. Barston (2006: 1) states, *inter alia*, that the methods of diplomacy include the exchange of views, correspondence, lobbying and talks, among others. The objective of diplomacy is to shape the foreign policy into a specific direction in order to advance a country's national interests.

Political diplomacy is about articulating policies with a view to winning political support from other countries or actors who matter on political issues locally and internationally. Political diplomacy is conducted through discussions, summits and consultations over issues of security, governance, democracy and related political developments. In the conduct of diplomacy, one party would endeavour to influence another, for example, a way of presenting its aspirations and articulating its position on an issue, with a view that the other party supports or adopts such a position.

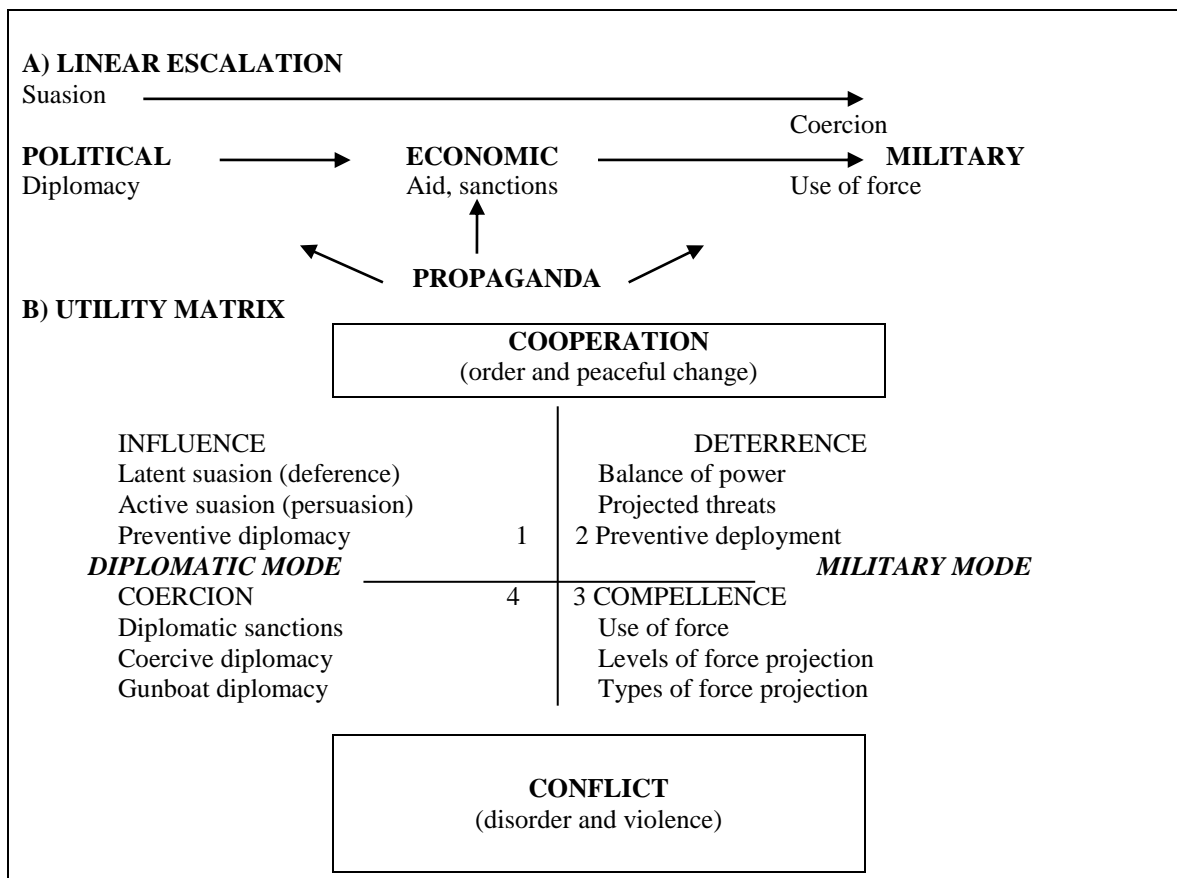
Figure 1 below is based on the typical diplomacy of large states which is inclined to Realism as a perspective of IR studies. This research supposes that small states whose foreign policies are largely based on Liberalism theory have diplomacy practices as instruments of their respective foreign policies which differ from the one propounded by Du Plessis (2006: 136). For small states, there is no linear escalation. When political diplomacy and economic diplomacy are unable to be used as diplomatic instruments, small states resort to specialised forms of diplomacy. This entails seeking alternative allies rather than imposing economic sanctions against their adversaries. For example, relations between the EU and Zimbabwe turned sour in the 2000s following the land reform programmes which resulted in many whites of European descent, losing their farms through expropriation by the Government of Zimbabwe. Subsequently, the EU

imposed sanctions against Zimbabwe. As a small state, Zimbabwe sought alternative diplomatic allies as a diplomatic instrument to send a message to her adversaries that she remains independent from them in continuing her relevance in the web of the world politics and economy. The Zimbabwean Government adopted the Look East Policy, embracing Asian states, such as Malaysia and China. In this respect, Youde (2007:4) observes that,

In essence, Mugabe uses the Look East Policy to reassert Zimbabwe's role on the international stage to gain greater prestige and legitimacy at home and abroad...This project... contributes to the growing literature on the use and deployment of state identity as a foreign-policy tool for states.

The diplomacy adopted by Zimbabwe in response to the EU's foreign policy towards Zimbabwe does not correspond to the linear escalation illustrated in the figure below.

Figure 1: Diplomacy as an instrument of foreign policy



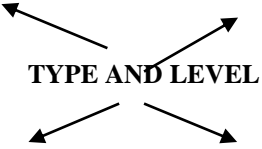
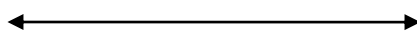
Adopted from: Du Plessis (2006: 136)

Small states, furthermore, do not use coercion, deterrence or compliance as it appears in Figure 1. They are inclined to use influence which is discussed in Chapter Six.

The conduct of economic diplomacy is the same as that of political diplomacy but the objectives of economic diplomacy are the advancement of a state's economic interests. Economic diplomacy is characterised by striving for gainful relations that bring economic returns. Barston (2006: 134) describes economic diplomacy as the process of aligning a state's commercial interests with its foreign policy. In economic diplomacy, country A, for example, will negotiate with country B on issues related to trade, investment, financial assistance or technological advancement from which it stands to benefit. The purpose is primarily for country A, in this exercise, to create economic opportunities for its citizen and grow its economy.

The actors in political diplomacy are predominantly government leaders and officials, with the Head of State, usually, assuming a leading role in diplomatic undertakings. Other role players are Ministers, senior government officials, heads of diplomatic missions, diplomatic and Foreign Service officials. As reflected in the typology by Du Plessis (2006: 140), in Table 2 below, these actors conduct diplomacy through high-level visits, among others. The practice of public diplomacy gives an opportunity to the wider members of the general public to have an impact on their respective countries' diplomacies. Under public diplomacy, leaders gauge public opinion and solicit the support of their people in order to pursue given external policies. Rourke (2008: 273) contends that leaders endeavour to create an image to the public, both at home and abroad, that enables the country to attain diplomatic success. Table 2 below outlines a typology of diplomacy that is used in the study.

Table 2: Typology of diplomacy

	FORM	
	Bilateral	Multilateral
Permanent	Resident mission in receiving state Diplomatic, consular and specialized representation such as attachés	Resident missions at inter-governmental organisations (IGO) such as the UN, EU and AU
	Inter-governmental (state – state / state - IGO / IGO – IGO)	
DURATION	 TYPE AND LEVEL	
Temporary	Inter-governmental (state – state / state - IGO / IGO – IGO)	
	High level and ministerial visits (by heads of government and state, ministers) Ad hoc personal diplomacy (at ministerial and trans-governmental level not involving diplomats)	Serial summits (Summits of the AU heads of state and government) Ad hoc summits and/or conferences Parliamentary diplomacy (UN General Assembly) Conference diplomacy on specific issues such as climate change and racism
	Non-governmental (at least one actor is non-governmental)	
	Bilateral	Multilateral
	 Multitrack and two-track diplomacy, involving non-governmental and transnational actors such as interest and pressure groups, multilateral corporations, NGOs, national liberation movements, terrorist groups)	

Adopted from: Du Plessis (2006: 140)

In economic diplomacy, it has become mandatory to include non-state actors as role players. Du Plessis (2006: 122), for example, recognising the role of MNCs, NGOs and multilateral organisations in foreign policy-making, states,

Foreign policy is no longer the exclusive prerogative of and targeted at states and governments but has moved beyond the ‘world of states’ to the mixed-actor environment of the multi-centric world.

Non-state actors are also reflected in Table 2. The mixed-actor environment, especially in the world economy, enables multinational institutions to emerge as one of the strong actors in the international economy. The role of multinational institutions in global trade could be discerned from the increasing foreign direct investment. National economies are

becoming integrated in four main areas such as trade, finance, production and a growing network of treaties and institutions (Sachs 2000: 218).

Generally, in the conduct of diplomacy, states are guided by norms of behaviour in the international political system. Norms are the standards and beliefs that countries uphold in their foreign relations. Norms emanate from International Law such as the UN Charter (Hill 2003: 178). Checkel (2008: 72) confirms this assumption and added that the social identities of foreign policy actors, too, determine the interests and goals of foreign policy and there is, thus, a causal link between norms, actors, identity and interests. The hypotheses are also part of the constructivists' approach to IR. The issue of International Law and interests is not reflected in Du Plessis' (2006: 136) figure on the instruments of diplomacy (see figure 1). Meanwhile, the assumption of Liberalism as a theory of IR studies is that the interests of a state are generally many (Mingst 2008: 72). This is arguably due to the fact that the plurality of actors results in those actors identifying a number of interests that the state should pursue.

According to Liberals, the identity of foreign policy actors is that they embrace cooperation (Mingst 2008: 63). The identity of small states inclines them to comply with International Law (Papadakis & Starr 1991: 428). Accordingly, small states' foreign policies conform to Liberalism, as a theory of IR studies, since International Law upholds values of justice, peace and cooperation, among others.

The assumption made on diplomacy, in this section, is that diplomacy, as an instrument of foreign policy, is aimed at achieving economic cooperation. Small states economic diplomacy, in particular, is inclined to Liberalism as a theory of IR studies as states endeavour for mutual beneficial relations without offending each other. Actors in small states diplomacy are cognisant of the limited capacity of their respective countries and they, therefore, generally embrace norms and behaviours conducive to sound economic partnership. Diplomacy as an instrument of foreign policy is interest-driven and, therefore, in pursuing economic diplomacy, a country will try to compete for economic prosperity advantage.

2.6 Nature and scope of small states

Proponents of Liberalism as a theory of IR studies have confidence in institutions such as the WTO as they maintain that international organisations serve to regulate the international market and ensure an efficient allocation of resources. Liberals want to see all states served justly in the international economic system and are disinclined to a different treatment of small and large states (Cohn 2008: 72). After all, international economic agreements and regimes serve the purpose of maintaining economic order that promotes cooperation (O'Brien and Williams 2007: 20). There should, thus, be no state that uses its economic and trade strengths to the detriment of other states.

The diplomatic instruments preferred by small states are those that are inclined to peaceful methods. Small states, generally, avoid conflicts largely because they lack the capabilities to force other states to behave, both in bilateral or multilateral relations. Consequently, the interests of small states also differ from those of large states. This is also because their resources are different; the goals of their diplomacy differ too. (Papadakis 1991: 420 – 423). Small states, therefore, uphold Liberalism-inclined diplomacy. Yet, their diplomacy also illustrates elements of Realism as these states, like large states, do strive to enhance their national interests.

The inclination of small states to join multilateral organisations arises from what Liberalism theory argues that is the desire of small states to be provided with security (Mowle 2003: 568). Kuchins & Zagorsky (1999: 10) share similar views. International organisations create a sense of collective security and they foster peaceful solutions to disputes. When small states join military alliances, it should not be seen in terms of Realism's perspectives, about the quest for power but it is more an effort, on the part of these countries, to boost their security. Such a trend corresponds to the theory of Liberalism's assertion that multilateral institutions guarantee national security.

However, the pursuing of economic diplomacy through multilateralism also has its own challenges. It is the proposition of Liberalism theory that in multilateral institutions, or any form of alliance, individual states should follow the positions of other states, even if such position is not necessarily its ultimate policy (Mowle 2003: 569).

It is a considered proposition of Liberalism's perspective of interdependence that states' behaviours are largely determined by a surrounding environment (Moravcsik 1997: 520 – 522). A state acts within the international political or economic system, taking into account the preferences of other states. Arguably, small states, surrounded by large states, would want to maintain interdependent economic diplomacy with their larger neighbours.

The susceptibility created by trade relations between large and small states is rejected by Liberalism as a theory of IR studies. This is illustrated by Nichols (2004: 746) who stresses the need to adhere to the Charter of the WTO. He states that when a country disadvantages another with regard to the benefits provided by a trade agreement, the aggrieved state should be assisted by the WTO to be restored to its gainful position. He criticises the inflexible dispute settlement system of the WTO that it is unlike its predecessor, the General Agreements on Tariffs and Trade (GATT) which allowed for panel decision negotiations and where an aggrieved member state can exercise its power to vote against the panel report. He concludes that in this respect, the current settlement system does not promote the values of Liberalism theory.

The imbalance in trade power relations between large and small states is discouraged by advocates of Liberalism theory. Cohn (2008: 74), for example, submits that even when one country enjoys pre-eminence over another, in terms of production means, the relationship between the two countries should, nevertheless, remain advantageous to both countries. This intrinsically points to the principle of the equality of states as sovereign entities. The dictating of trade terms by one trading partner to the other partner espouses virtues of Realism as a perspective of IR studies. Thus, Cohn (2008:74) further denounces unilateral trade policies and calls on the state to protect its citizens against such forms of biased trade patterns.

It has been stated earlier in this study that small states lean on multilateral diplomacy to achieve their goals. This section discusses that aspect and the vulnerability arising from the smallness of states, as well as how they, too, can turn their smallness into opportunities.

2.6.1 Small states diplomacy and multilateralism

Another way to overcome their limitations is that small states are inclined to practise multilateral diplomacy. Accordingly, Barston (2006: 215) states that,

Other small actors have sought security through a deliberate policy of joining as many regional and international organisations as possible, e.g. the Baltic States. The new central Asian states have joined, for example, both the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB), despite the dual membership clauses that limit duplicate economic benefits.

The above-mentioned scenario demonstrates how, in their search for economic development, small states pursue multilateral diplomacy with many international economic institutions to advance their financial and economic strengths. Small states further form alliances with other small states to address issues of common concern. For example, many small islands that face the threat of climate change effects come together to voice their concern against the emission of carbon dioxide in the atmosphere (Barston 2006: 215).

Some small states adopt associative diplomacy where they come together to speak with one voice on issues of common interests. Cooper & Momani (2011: 114) assert that when small countries voice their concerns at the UN as a group, for example as the Group of 77 (G-77), they attract the attention of the world community. East (1973: 56) and McCraw (1997: 7) state that large states have initiated international activity on a larger scale compared to small states and when they carry out activities; they do so through inter-governmental organisations.

Haughton (2010: 5) states that association with supra-national institutions give small states a sense of being part of economic integration. He further argues that these institutions provide prestige and security to small states. It is stated that Slovakia, for example, felt insecure outside the EU and her nationals did all they could to convince Europe that they were eligible for the EU membership. The Czech Republic felt that she had to shift from pro-Communist ideology to the West in a post-Cold War era. The suitable place to realise these aspirations was, accordingly, in the EU. This is because the EU provides not only political and military security, but also economic security to members. In this way, these states which as small states were previously aligned with the Soviet Union, are able to adapt to their international environment in the post-Cold War era. Ultimately, small and poor countries of Europe now belong to a strong monetary system (Haughton 2010: 23 – 24).

The economic diplomacy of small states is also characterised by alliances and coalitions when it comes to issues pertaining to trade negotiations. A number of small countries that depend on agriculture, for example, have formed an unofficial alliance in the WTO to address the issue of agricultural trade liberalisation, especially as it relates to the WTO's Doha Round of negotiations (O'Brien and Williams 2007: 161 – 162). This issue remains of particular interest to these small and developing states, as they experience the impact of an unlevelled field, with their developed partners who subsidise agricultural exports. Many small states such as Myanmar, Liberia, Somalia and the Central African Republic (CAR), have a high GDP share of more than 50 percent in the agricultural sector. Accordingly, they formed a multilateral coalition as an instrument of their economic diplomacy to advance their interests in global agricultural trade.

2.6.2 Distinct diplomatic behaviour and preference for multilateralism

The smallness of states has a bearing on their behaviour in the international political system. Small states are generally averse to conflicts. For many years Ireland, for example, had refused to join the North Atlantic Treaty Organisation (NATO) and to participate in the NATO's Partnership for Peace (PfP) programme (Sweeney &

Derdzinski 2010: 42 – 43). Another example is the reluctance of the Danish Parliament to join NATO. This could also be attributed to the notion advanced by Thapa (1997: 12) that, while alliances can work to the advantage of small states that they become equal partners with large states, they also create a dilemma for small states. Small states will subsequently be turned into enemies, since by defending state A against state B, as part of the alliance, a small state inevitably becomes an enemy of state B.

Denmark joined NATO in 1949 but she has been disinclined to the Alliance's support for nuclear weapons. Doeser (2010: 6 – 8) observes that during the period of 1982 to 1987, the opposition in the Danish Parliament forced the government to adopt a foreign policy that was incompatible with NATO policies. Since the Danish opposition held strong views against missile deployment, whenever NATO issued communiqués that supported the missile deployment, the Danish government included in such communiqués dissenting footnotes, expressing their country's opposition. Footnotes were further included in the NATO communiqués that supported the US Strategic Defence Initiatives. The purpose of such foreign policy behaviour was to keep nuclear weapons from the territory of Denmark both during the times of war and peace.

Hey (2003: 84) states that because of her smallness, Luxembourg, for example, depends on the EU to air her voice. Her leaders admit that, was it not because of multilateralism through the EU, Luxembourg could not persuasively articulate her interests in the WTO.

Apart from multilateralism, small states are also inclined to align themselves with great powers, in order to survive politically and economically. When The Gambia, for example, became isolated in the international community following a *coup d'etat* in 1994, she found an ally in a great power, Nigeria, and even defended Nigeria in the wake of international criticism, resulting from the killing of the Nigerian human rights activist, Ken Saro-Wiwa, in 1995. To advance his country's economic diplomacy, The Gambian leader, Jahya Jammeh, invited the Imam of Mecca to officiate at the opening of a mosque at the State House in 1995. The underlying reasons were that The Gambia wanted to

establish sound economic relations with oil-producing Arab countries (Saine 2003: 124 – 125).

As a precautionary measure to avoid conflicts, small states avoid offensive behaviours against large states. Brighi and Hill (2008: 128) maintain that such moderation on the part of small states' foreign policy behaviours keep such states away from international conflicts. They further argue that small states, who behave to the contrary, invite complications and are bound to fail in their foreign policy endeavours.

2.6.3 Dependence and limitations

The foreign policies of small states espouse dependency. Bernal (2012: 10) notes that China and Taiwan have used development aid to win support from small islands. For example, China constructed the US\$ 17 million cricket stadium and further promised \$122 million economic assistance to the Dominican Republic, when she changes her diplomatic recognition of Taiwan in favour of China. Other small states such as St Lucia, Grenada and Nauru adopted their respective foreign policies towards China and Taiwan, depending on where they stood to receive better aid.

When small states depend on large powers for the supply of goods, it compromises their independence and they are, therefore, bound to be cognisant of political implications arising from economic relations. Ultimately, small powers would accordingly be limited in their foreign policy formulation (Vital 1967: 57).

2.6.4 Scarcity of human resources

There is a problem of the scarcity of capable idiosyncratic resources among small states. Both Cross-Mike ([sa]: 4) and Nedelea (2009: 335) corroborate that this limitation impacts on small states' effectiveness and negotiating capacity. This is, however, required in economic diplomacy as the negotiating capacity is crucial in determining success. States must possess the capacity to influence the agenda of economic diplomacy

with other states and international organisations if they are to achieve the objectives of their economic diplomacy. Rashid (2005: 3) asserts this:

To pursue economic diplomacy presupposes that there must be a pool of skilled persons in the government and private sectors to understand and negotiate key economic and trade issues from national perspective. Economic diplomacy will fail if there is dearth of skilled persons who are able to negotiate from position (*sic*) of understanding and strength.

The pursuance of economic diplomacy by small states will arguably be constrained by the lack of skilled human capacity. This assertion will be applied in Chapter Three in respect of the first group of Commercial Counsellors who were sent to Namibia's diplomatic missions.

For states to be successful in economic diplomacy, it is claimed that they are required to have the capacity to gather and analyse economic and trade opportunities in other countries. Small states in Africa, in particular, have a high share of trade and are increasingly becoming integrated in the world economy (Dömeland & Sander 2007: 3 and 7). The demand for core competencies in the areas of trade marketing and negotiations is, therefore, apparent. Diplomats involved in economic diplomacy should have the ability to make sound judgements on foreign trade issues and be able to communicate with both business leaders and government leaders of their sending and receiving states. In the event of bilateral or multilateral disputes, they must possess the necessary diplomatic skills in order to negotiate for a gainful solution. Those that are involved in multilateral diplomacy should have the ability to pursue their respective countries' causes within international organisations. Accordingly, Dahal et al. (2008: 2) states,

Economic diplomacy is concerned with the prediction of outcomes of future trade regimes and therefore, it will need an understanding of market factors at work in a given global economic environment and in that process, a country will involve itself in making decisions in advancing economic interests.

The problem of limited human resources capacity has reduced small states to being more reactive than pro-active in the international political system. Large states such as the US, China and Brazil, among others, influence the rules and institutions that impact on the global economy. Arguably, this means that large states have a remarkable status in the international economic diplomacy (Woods 2008: 255; Zahariadis 1994: 648). Small

states further depend on foreign capital to boost their trade, where they are not net contributors but rather beneficiaries (Haughton 2010: 21 – 22).

The idiosyncratic sources of foreign policy and diplomacy are relevant to Liberalism as a theory of IR studies which propounds that the actions of individuals, whether leaders, private or masses matter in foreign policy-making (Mingst 2008: 159 – 160). This, arguably, includes bureaucratic individuals who formulate policies for the leaders. Thus, their exposure to issues as well as training is fundamental because of the stake that they have in the making of foreign policy being inherently allowed to make their contributions.

2.6.5 Preference for negotiations rather than conflicts

Liberalism as a perspective of IR studies is concerned with, amongst other concerns, the protection of others in the international political system and views the use of forces as mostly illegitimate. Liberalism is against aggression and the use of force by members of the international community (Mowle 2003: 568). Literature on small states supports this proposition of Liberalism theory which does not support the use of force (Papadakis 1991; Sweeney & Derdzinsk 2010; Brighi & Hill 2008; Russette 2010). The refusal of Ireland to join NATO, for example, and the reluctance of Denmark to support NATO's nuclear policies, as stated earlier in this section, arguably correspond to both Liberalism and perspectives on small states' foreign policy behaviour.

Papadakis & Starr (1991: 429) assert that it is imperative for small states to endeavour creating a good rapport with large states. It is in the similar context that the afore-said relations with oil-rich and powerful states such as Nigeria and Arab states were courted by The Gambia. Liberalism as a theory of IR studies argues that state cooperation arises from the convergence of values (Moravcsik 1997: 525 – 528). This means that when states share common values such as the similarity of assumption of power between The Gambia and Nigeria, then there arise an opportunity for cooperation between such states. By aligning with oil-rich countries which are economically stronger, The Gambia's

foreign policy behaviour confirms the relevance of the discourse of Abd Alaziz (2003: 11). He says that a great proponent of Liberalism theory, Robert O. Keohane, claims that the desire for prosperity is one of the considerations of states.

2.6.6 Limited use of economic statecraft

Economic statecraft is an instrument predominantly used by large states which have enough resources at their disposal (Mingst 2008: 114). It comes in a form of economic embargoes, or in a form of boycotts, where there will be no imports from the targeted states. Some states apply tariff discrimination measures to treat imports from the targeted state less favourably and others may freeze assets of the targeted state (Hill 2003: 149 – 151).

This instrument is not always employed by small states as they are inherently weak. Mingst (2008: 124 – 126) states that economic state-craft is a technique advocated by Realism. Liberalism as a theory of IR studies encompasses a broad range of instruments in which a state can exercise influence on others and, therefore, it advocates non-coercive measures. Small states do not have the capacity to use economic statecraft, as this requires both political and economic power which small states generally lack.

2.7 Factors affecting the diplomacy of small states

Taymaz (2009: 4) cites four factors that negatively impact on the economy of small states. These are the limited size of their national market, a limited domestic resources base, vulnerability and a limited scope for public policy. Arguably, these have an impact on the states' effectiveness in pursuing their economic diplomacy. A fifth factor, namely, identity (as a small state) can be added to this list of factors affecting the diplomacy of small states.

2.7.1 Identity

Identity in international relations is identified with, *inter alia*, Constructivism theory, which propounds that identities of states and political actors within the states are shaped by universal norms, in the international political system (Reus-Smit 2009: 220). Identities are further driven by interests of states. For example, states that are inclined to democracy will have their actors identify themselves with the promotion of democratic values in the international political system. The norms of behaviour of democratic states will dictate to individual actors how they should behave to enhance their power. Checkel (2008: 72 – 73) concurs with this when he says that identity and international relations are about how actors imagine the world as it ought to be and how they identify themselves and their states as who they are, what their interests are and how to achieve the interests within the framework of the norms as a determining factor for foreign policy behaviour.

Reus-Smith (2009: 220) discusses the three mechanisms through which the identity of a state and its actors can be shaped. In the first instance, actors are shaped by how they think they should act in the international political system and what measures they need to employ in order to attain their objectives. In the second instance, actors appeal to the conventions as norms of behaviour which justify their actions when they take a position on a specific issue. Third, the normative structure in the international political system in itself serves as a constraining factor to the behaviour of state actors. This means that the foreign policy behaviour of a state and its actors are constrained by accepted universal normative principles to which a state subscribes.

One of Liberalism theory's main proponents, Immanuel Kant, supposes that individuals have an obligation to follow moral law which is the International Law. Kant further argues that states come together and bind themselves to International Law, upholding the convention and treaties governing the international political system (Viotti & Kauppi 1999: 398 – 400).

2.7.2 Size of national market and a limited domestic resources base

The territorial size of a country determines the availability of resources. This also impacts on the capacity of available resources within the country's territory. Taymaz (2009:5) asserts that a limited resource base forces such a state to import goods when production and services are not locally available. This means another additional cost for cross-border transactions will be incurred.

Limited resources render small states unable to mitigate the effects of external shock. Meanwhile, large states mitigate the effects of external shocks, as Taymaz (2009: 6) opines:

Larger countries are better able to reduce the negative effects of imperfectly correlated external shocks to different sectors and regions. If a sector or region is negatively affected by a shock, larger countries can reallocate resources from other sectors / regions to the affected ones, or to move people from the affected sectors / regions to others. Small countries, of course, would not be able to apply these policies because of the lack of sectoral / regional diversification.

Small states often have limited economic diversifications which compel them to often rely on trade and tourism. Prasad (2009: 47 – 48) states that unlike large countries, small states need to work on business strategies that augment their economies of scale. Thus, export promotion becomes relevant to their economic diplomacy. Because of their membership in the ACP, small islands, except Maldives, which is not a member, have survived, thanks to the yields from foreign trade. Accordingly, in their foreign policy behaviours, small states will be mindful of the dependence of their economies on foreign trade – it should be noted that large states use economic sanctions as a diplomatic instrument against small states (see Figure 1) (Du Plessis 2006: 136).

2.7.3 Vulnerability

Small states also have limitations because of their vulnerability. This is discussed by Narlikar (2001: 135 – 136) who suggests three major causes for small states' vulnerability. The first is that they are bound to be part of the integrating economy. Schiff (2003: 3) also supports this assertion, when he says that small states become vulnerable

to trade balances, especially when it is larger states that are exporting to small states under non-competitive conditions. In such cases, large states will benefit from the removal of tariffs.

The second cause of small states' vulnerability results from the transformation of the international political system since the end of the Cold War. The presence of two great powers during the Cold War provided a balanced power broking, where small states could ally to one of the powers. In the post-Cold War system, the source of balance for small power's relevance had diminished (Narlikar 2001: 136).

The third cause of small states' vulnerability is the development of emerging economies. Emerging economies are countries with fast growing economies whose governments favour trade liberalisation policies and embrace free trade policies. These countries use these policies as engines for economic growth (Hoskisson *et. al.* 2000: 249). Countries such as India and Brazil, previously organised themselves alongside small states to bargain for better terms of trade in the international trade system. In recent years, the emerging economies have their own bloc such as the BRICS grouping. In this configuration, they prioritise their interests as described by Narlikar (2001: 136):

Today, there is a danger that as rising powers make their way into the club of Great Powers, they will no longer regard it as worthwhile to fight the cause of the smaller countries ... Small states now risk finding themselves friendless and alone.

Emerging economies are increasingly invited to attend meetings of stronger economic groups such as the Group of 20 (G20) and the Group of 8 (G8). There is a growing concern whether emerging economies attending such forums do so to pursue the cause of small states or their own cause. This means that small states are vulnerable in respect of the world economy integration (Narlikar 2001: 135 – 136).

The vulnerability of small states is further exacerbated by differences in their approaches to issues, especially when some countries maintain that negotiations are damaging the image and reputation of their benefactors. This is illustrated by, for example, the behaviour of some African states who received aid from the West during the meeting of

the AU PSC as stated above. Similar trends prevail during discussions on political situations in the ACP member states during the ACP-EU Joint Parliamentary Assembly sessions.

Environmental issues such as climate change, too, have an impact on the vulnerability of small states. With, for example, unpredictable rainfall patterns resulting from climate change, the agricultural production of small states is negatively affected. This assumption is supported by Cordina & Farrugia ([sa]: 7), who allude to the natural shocks on agricultural output. Moreover, islands states as small states are affected by rising sea-levels due to climate change. In some cases, predictions state that these island states will literally sink which will result in the loss of their territories, livelihoods, lives and their sovereignty. In an effort to counter these challenges, some small states in the Pacific Ocean have concluded cooperation agreements with their large neighbour Australia.

2.7.4 Limited scope of public policy

Due to their weak and moderate economies, small states tend to have a narrow scope in their international relations. This results from the fact that most of these states are not able to maintain many diplomatic establishments due to, *inter alia*, the cost of maintaining diplomatic establishments. The narrow scope of foreign policy further results from the size of the bureaucracy. Generally, small states have smaller diplomatic corps compared to large states. Sometimes they try to complement this limitation with external advisors. This has its own potential danger as relying on officials outside the establishment does not necessary ensure that decisions will be taken on the basis of sincerity and, therefore, informed basis. Papadakis & Starr (1991: 427) contend that under such circumstances, small states are unable to judge their environment accordingly and are bound to act slowly when responding to issues.

Capital and human resource constraints of small states arguably impact on the limited areas of focus and the efficiency of their foreign relations.

2.8 Limitations of small states' diplomacy

Large states often extend the horizons of their power and influence at the expense of smaller states to the extent that they threaten the security of small countries. This vulnerability, at the hands of large states, limits the decision options of small states. They have to weigh the consequences of their behaviour in the region and the international political system at large.

2.8.1 Attitudes of large states

Despite the advantages associated with multilateral economic diplomacy, it also poses some challenges to some small states. De Rosa (2000: 2) argues that Eastern Caribbean states, for example, face the threat of being marginalised in the global economy. These states lack massive production capacity and, therefore, rely mostly on imports. Due to their limited economic diversification, small states become subjected to unilateral trade liberalisation. Their production of commodities such as banana and coffee, is relatively costly and is only sustainable due to the concessions they receive from the EU as part of the ACP group. It is argued that should the EU decide to extend similar concessions to non-ACP countries, this will impose further strains of the trade of Caribbean states. Thus, De Rosa (2000:2), accordingly, emphasises,

The Eastern Caribbean states are accustomed to receiving trade preferences – extended by the major industrial countries (principally under the EU Lomé Convention, US Caribbean Basin Initiative, and Canadian CARIBCAN program), and extended by Caribbean countries to one another under the regional integration and economic cooperation arrangements that crisscross the Caribbean region. However, these trade preferences contribute to greater reliance on traditional exports, and, ironically, subject the Eastern Caribbean states to unwanted vulnerabilities.

Bátora (2005: 8) states that the international political economic system is inherently characterised by stereotyping of small states by large states. Some large states are uncompromising in their perceptions towards the capacity of small states. This means that even when they conduct economic diplomacy with small states, large states will always behave in a manner that they are negotiating from a position of strength versus a weak partner. Often, large states dictate terms of trade to their small partners and expect these partners to accept their proposals, without much questioning. This does not augur

well for the sovereignty of small states. They are, therefore, challenged to strive to overcome the belittling attitude of their large counterparts.

Qatar as a small state diverges from the stereotyping of small states. Cooper & Momani (2011: 114) state that Qatar is a small state, but it is a unique crossbreed diplomatic actor that focuses on diplomacy beyond the region. Her resilience amidst differences with large states and her visible presence in international relations will be discussed below.

2.8.2 Constraints in influencing the international agenda

While multilateral diplomacy provides security for small states, large states dominate the setting of the agenda of multilateral institutions. For example, the proportional representation of EU member-states in the European Parliament advantages large states over small states. Some Members of the European Parliament (MEP) from large states in institutions like the ACP-EU Joint Parliamentary Assembly, where the researcher of this study has been a member, tend to dominate discussions and behave typical of representatives of large states. However, one can convince these MEPs on an issue they can persuasively argue in one's favour. For example, they have argued in favour of small states in the EPA negotiations. This aspect will be analysed in detail in the next chapters.

Small states are often also constrained by public policy. They have no capability to influence terms of trade in the international economic system (Cordina & Farrugia [sa]: 7). Similarly, small states have no choice over the agenda of international economic relations, rather they are obliged to conform to those agendas set by large states. Instead of shaping the agenda of their environment, small states would rather adjust themselves to follow the direction of the environment in which they find themselves. This means that their input in making a difference in the international political system is minimal. Large and powerful states are, therefore, described as 'rule-makers' while weak ones are 'rule-takers' (Woods 2008: 255; Zahariadis 1994: 648).

2.8.3 Invisibility and weakness in the international political system

Small states are challenged to concentrate their limited resources in strategic areas where they can yield some advantages. Melissen (in Gregory 2006: 1 – 3) supports the assumption that small states, with limited resources, are challenged in their aspirations to be noticed for the accurate cause. Leaders want to use public diplomacy to influence the thinking of the public in the interests of the system. Public diplomacy serves the purpose of understanding attitudes and behaviours, requiring strategies that ensure convincing influence. The dialogue between the leader and the public at various levels is, therefore, crucial. It is, therefore, suggested, that through their public diplomacy, small states should endeavour to attract attention and create their own visibility in the international political system. They should improve media management so that their achievements in bilateral and multilateral diplomacy are known, both domestically and internationally.

The smallness of a state is often associated with diplomatic weakness. When the UNSC resolved to impose a no fly-zone on Libya in 2011 (United Nations 2011), for example, NATO forces went beyond the framework of UNSC Resolutions 1970 (2011) and 1973 (2011) and carried out air strikes on Libya. Most African states, including small states such as Namibia and Zimbabwe, among others, condemned the attacks maintaining that it was clearly a violation of the UNSC Resolutions 1970 (2011) and 1973 (2011), which authorised the imposition of a no-fly zone. At the meeting of the AU PSC, in Addis Ababa, held in April 2011 and 26 August 2011, African states voiced their concern. The position of the AU did not change the behaviour of NATO.

Qatar assumed a non-permanent seat of the UN Security Council from 2005 to 2007. She maintained her independence and pursued issues which some of her neighbours shied away from. During that time, there was a conflict between Israel and Lebanon. Arab countries that lean to the west, like Egypt, Jordan and Syria, conveniently remained quiet and did not speak out against the onslaught of Lebanon. Qatar used her UN Security Council membership, criticising Israel and castigating the UN Security Council for standing idle as the battle went on (Cooper & Momani 2011: 120).

2.9 Diplomatic opportunities for small states

Large states are conscious of their limitations; they are aware that they cannot always wield influence and patronise small states. This is propounded by Keohane (1971: 162) who points out that,

Possession of superior military or economic force cannot guarantee small-power compliance with big-power interests...lesser allies have not only been able to act independently; they have also been able to use alliances to influence American policy.

Keohane (1971: 167) states that the influence of small states on the foreign policy of a large state, such as the US, generally depends on a number of scenarios. Among them, domestic politics of a small state should be able to support its strategy to deal with large state. Arguably, therefore, influential persons and institutions in a society should be able to make a contribution to the foreign policy-making process.

2.9.1 Asserting the role of small states

Positive self-perception is important for small states. It boosts their zeal to make their presence known in the world system. The Singaporean Prime Minister, Lee Hsien Loong, stated in 2005 that his country was a relevant centre in Asian affairs, *albeit* a small power (Chowdhury 2010: 9). Singapore's foreign policy and diplomacy have been geared towards widening the web for her relations, in order to maintain close relations with large states and through such relations, play a meaningful role in the international political and economic system. This is contrary to the traditional perspective that small states have a narrow scope in world affairs.

In response to the G20's role in the international political and economic system, a small state, Singapore, organised other small states to address the concern of small states and safeguard their interests against flattening by large states. The process was started by her Foreign Minister, George Yeo, at the World Economic Forum (WEF) in Davos, Switzerland, in 2009. Subsequently, these small states established the Global Governance Group later called the 3G. Subsequent to that, the Singaporean Ambassador to the UN,

Vanu Menon, worked hard to win the cohesion of small states and expanded the 3G to 28 small states from South East Asia and the Pacific, Middle East, Africa and Europe. The 3G submitted a document entitled *Strengthening the Framework for G20 Engagement of Non-Members*, to the UN Secretary-General, Ban Ki-moon, where they called for a more transparent and consultative decision-making process within the G20 (Chowdhury 2010: 6 – 8).

Rana (2007: 122) confirms that Singapore is a small state that maintains assertiveness in its pursuit of diplomacy. Singapore's foreign policy advocates innovation adopts proactive diplomacy, thereby increasing her role in geopolitics. Singapore ensures that her smallness does not manifest weakness when dealing with large neighbours like Malaysia and Indonesia.

Small states are increasingly conscious of their importance in the management of public international affairs. At the Global Governance and Security Council Reform conference held in Italy in May 2011, small states called for a democratic and representative UN, one that espouses values of inclusiveness, accountability and transparency. The conference was convened by the President of the UN General Assembly, Joseph Deiss, who called for a considerate and inclusive reform, cautioning that if some stakeholders (the vociferous of which are small states) are not satisfied with the process, it will backfire on the UN, as an organisation. Deiss (2011) cautions that,

[T]he United Nations will lose its credibility. Our organization will be marginalized, and important issues will be discussed in other forums and groupings which are considered more efficient and more representative of the realities of the day.

Deiss wanted a consensus between large and small states in the UN reforms and accordingly underscored that the role of small states on international affairs could not be wished away. At the meeting, it stressed that the size of a country does not matter for the purpose of partaking in global governance, but what matters is equitable representation, taking into account geographic dimensions. Small countries of Eastern Europe, for example, maintain that the number of countries in this region has expanded in numbers over the past years and that they deserve a representation on the enlarged UNSC, at least

for a non-permanent member seat. It is a common cause that small states will adopt alternative strategies when they feel that their interests are not adequately addressed in a given forum.

2.9.2 Macro-economic stability

The smallness of a state does not necessarily results in an inability to perform well economically. In this case, Taymaz (2009: 2) argues,

Our analysis shows that small states may suffer from certain size-related disadvantages, but they could overcome most of these disadvantages by taking appropriate measures. Moreover, the empirical evidence suggests that small states, on average, do not perform worse than large states do, i.e., the size of the state/country does not matter for economic performance. There is no evidence to claim that the *de facto* independent states of the Caucasus could not establish viable economies because of their small size.

The smallness of a state can also favour its policy's efficiency. Vital (1967: 29 – 30) notes that against the background of a narrower scope of issues and a small number of bureaucracy, small states can focus fully on issues and come up with a coherent foreign policy.

Botswana and Mauritius are small African states which manifest good leadership and stable economies. These aspects create an enabling environment for institutions in these states to grow and advance (Rotberg 2008: 1). This view is collaborated by Dömeland & Sander (2007: 3 and 7) who add Seychelles and Gabon to Rotberg's list. They further argue that because of their ability to attract foreign direct investment (FDI), small states in Africa have diversified their export arrangements and are, thus, not susceptible to terms-of-trade shocks. They further state that if export services are to be considered, then the export diversification of The Gambia, for example, will be larger. The Gambia is a small state which exports tourism and financial services.

It could be argued that, if a small state has put in place road infrastructure for smooth transport of goods and services, this will also enhance its economic diplomacy. On the contrary, if a large state does not have an efficient road network, its economic activities

will remain hampered by transport inconveniences and cost. Goods that are produced will make detours before they reach a final destination, where they could be traded. The time spent on transportation of goods is relevant to the turnover of exports. The efficient system of transport ensures high economic returns.

There is an opportunity for small states' economic growth arising from the tourism sector, for example. Tourists from large states and economies spend money on holidays and conferences which create affluence in the small states that are being visited. Thus, Taymaz (2009: 7) states that income from the tourism industry fast tracks a country's economy considerably, in comparison with the economies of the Organisation for Economic Cooperation and Development (OECD) countries, for example.

2.9.3 Resilience of small states

Qatar departed from the Arab states' traditional relations with Israel and she started trade relations with Israel in 1996. While the Arab governments called for economic boycott of Israel, Qatar hosted the Israeli trade Minister at the fourth annual Middle East and North Africa Economic Summit held in Doha 1997 (Cooper & Momani 2011: 117 – 118).

Being a small state does not deter Qatar to differ with her neighbours. In 2006, she broke ranks with the Arab Leagues in support of Ban Ki-Moon, the South Korean candidate for the position of the UN Secretary General which was also contested by Prince Zeid from Jordan (Cooper & Momani 2011: 119). Qatar further sought to broker peace between Israeli and other Arab states. In 2003, the Qatari Minister of Foreign Affairs, Sheik Hamad met his Israeli counterpart, Silvan Shalom, in Paris, to discuss matters related to peace in the Middle East.

Cooper & Momani (2011: 23 – 24 and 118 – 119) argues that Qatar maintained a balanced diplomatic approach to the Israeli-Palestinian conflict. She used her regional influence to mediate between Israeli-Arab tensions. These tensions resulted from the Israeli occupation of the Palestinian territory of Gaza and the quest of the Palestinian

people to establishing their statehood. However, at the same time, Qatar remained committed and firm towards her support for the cause of Palestine. For example, when Israeli attacked Gaza in 2008 and 2009, Qatar asked the Israeli office to leave the country. While maintaining friendly relations with the US and Israeli, Qatar also maintained close relations with their enemies, Syria and Iran and she donated money to Hamas and Hezbollah, organisations that are enemies of Israel and classified as terrorist groups by the US.

2.10 The contribution of the study of small states to the study of diplomacy and International Relations

Epistemological questions in IR studies examine the knowledge of what we know and the ontological question refers to what is it that we are trying to explain, for example the inquiry of social actors in international relations (Devetak 2009: 163 – 168). It is further a critical look at the world order in which we contextualise knowledge in terms of the interests and the conditions relevant to ideological influence on IR studies.

Epistemology refers to the knowledge and truth about knowledge. Accordingly, epistemological questions fundamentally examine what is and how do people come to know about IR. Epistemological debates focus on the analysis of objective knowledge of facts, knowledge of goals and the knowledge of the social and political world (Burchill & Linklater 2009: 5). Epistemological contributions to IR studies thus look at how we understand the way the world is constructed (Shibasaki 2001: 160).

The epistemology of IR is discussed by, among others, rationalist theories such as Realism and Liberalism. Baldwin, in Smith (2000: 380), provides six areas in which Neo-realists and Neo-liberals differ in their views regarding the truth and knowledge about IR. He surmises that (i) neo-realists see anarchy as placing constraints on states, which is not the case with neo-liberals; (ii) Neo-liberals sees international cooperation as achievable, unlike neo-realists, who argue that it is hard to achieve and it further depends of state power; (iii) neo-liberalism advocates absolute gain, whereas neo-realists advocate relative

gain; (iv) while agreeing on the importance of security and economic issues, neo-realists focus on security, while neo-liberals focus on political issues; (v) neo-realists emphasise the capabilities of states, whereas neo-liberals emphasise the intentions of states; (vi) Neo-liberals emphasise the ability of institutions and regimes to manage anarchy, whereas neo-realists, feel that the capability of institutions and regimes in this respect are being over-emphasised.

Realism makes epistemological assumptions about power whereby the world is to be understood in the context of the underlying power factors and the interests of nation-states (Smith 1999: 48). Some positivists maintain that the knowledge of IR is based on reality and truth of history primarily through observation. This presupposition has, however, been criticised in IR studies. Wight (2006: 28) maintains that it is an error to assume that human cognition is an important element of truth and reality. Realism, too, does not subscribe to the causal relation between the social phenomena and the understanding of the world. Realists acknowledge that structural phenomena that cannot be directly observed are essential for explaining behaviours in IR (Marsh & Furlong 2010: 30). They, therefore, claim that the world does exist independently from our knowledge of it. It has been posited that while empirical knowledge is essential for knowledge, it is just an element relevant to knowledge but knowledge cannot entirely be dependent upon empiricism (Wight 2006: 35).

Scholars in IR argue that there can be no one theory of IR studies that explains the epistemology of IR study (Shibasaki 2011: 159). Scientific realism maintains that there should be no prioritisation of one method of inquiry to establish knowledge, but rather, a pluralistic approach should be employed in the inquiry (Kurki & Wight 2010: 26). This means that various methods of gathering data and information are welcome to establish knowledge and truth about IR. Thus, Realism uses both quantitative and qualitative data methods for causal relationships that are observable and, therefore, qualitative methods for causal relationships that are not observable (Marsh & Furlong 2010: 21).

Smith (2000: 375), however, maintains that the epistemological position of IR is that of positivism and it remains a dominant position with other epistemological assumptions taking a peripheral place. Positivism argues that the social world is open to the same analysis methods that are applied to the natural world. They further maintain that in analysing, these world values should be differentiated from facts so that knowledge is not influenced by normative outlook (Smit 2000: 383).

Epistemology under Liberalism as a theory of IR studies includes debates over factual questions. Liberals argue that the knowledge and establishment of truth requires that different propositions are advanced and then scrutinised. This creates divergent views of factual matters. Within the framework of these divergent views, the truth will be established. A great proponent of Liberalism theory, Immanuel Kant, has done great work on the epistemological foundations of Liberalism as a theory. Kant claims that the knowledge of the world stems from the human understanding (Wight 2006: 25).

Liberalism as a theory of IR studies has a neo-liberal perspective anchored in rationalism whereby knowledge is created by aligning the inquiry to the interests of the state or the dominant group (Hunter 2002: 129). This study makes an epistemological assumption that, accordingly, in respect of Institutional Liberalism theory knowledge will be created by explaining and understanding the ideological interests of dominant groups, which are the institutions, such as SACU, SADC or WTO, for example. These institutions manage anarchy in the international economic system. They bring in place regulations that address disagreements and conflicts in international trade.

Under neo-liberalism theory, epistemology concerns itself with who ought to know and how he ought to know (Hunter 2002: 129 – 130). It is maintained that anyone using scientific method objectively in gathering information has the right to know. Knowledge is created by addressing the problem question, by identifying variables and gathering data objectively that will be interpreted within the theoretical rubric which the researcher set to test. This study uses Namibia's trade data (see Tables 7 and 8) to create knowledge on Namibia's bilateral economic diplomacy and explain the data thereof (see Chapter Five).

Ontological explanations of IR focus on understanding the behaviour of the states and actors in the world (Burchill & Linklater 2009: 12). In ontological metaphysics, the prime component of analysis is an individual (Fierke 2010: 180).

Smith (2000: 380) argues that both Realism and Liberalism, as theories of IR studies, and as part of rationalism, share ontological similarities. Accordingly, four issues in which Neo-liberal and Neo-realists agree on the world are that: (i) they do not present the world as revolving around statecraft; (ii) states seek to maximise their values; (iii) states are primary actors in IR; and (iv) both theories move beyond the dichotomy between conflict and cooperation.

Realists make an ontological claim, that individuals, in the international system, are preoccupied with power (George 2007: 33). Philosophical Realism supposes that social objects in IR depends on persons that they do not exist independently (Wight 2006: 26). Accordingly, this interrelation makes the behaviour of individuals an important aspect of scientific enquiry.

Realism's ontological claim is that individuals are driven by power and security. The fundamental elements of the Realists' world are contextualised within the framework of striving for power (George 2007: 33). Neo-realists such as Kenneth Waltz treat states as individuals that are pre-occupied with self-interest and survival (Fierke 2010: 180).

Immanuel Kant, a proponent of Liberalism theory, makes an ontological claim that individuals in the international system do possess rational and moral judgements that incline them to justice (George 2007: 33). Liberals further argue that social structures in the international system cannot exist independently from actors within the system. Further, the agents in the structure have a clear mind of the activities that are governed by the social structure (Wight 2006: 53). Thus, when diplomats are engaged in trade negotiations, they would have a concept of what brings mutual benefits to their states. Mutual benefits create justice among trade partners, especially in respect of Liberalism

theory's proposition of absolute advantages as opposed to relative gains (Cohn 2008: 196; Burchill 2009: 67).

Neo-liberals maintain that individuals have ideas that are poised toward problem-solving (Fierke 2010: 180). Accordingly, they will embrace cooperation and will not always adopt deterrence, coercion and compellence as methods of diplomacy (see Figure 1).

The contribution that this study makes to IR studies is to discuss small states foreign policy behaviour within the framework of Liberalism as a theory of IR studies. Whilst it is acknowledged that there is equality of sovereignty, there exist hierarchical relations among small and large states that large states tend to dominate the interactions with small states, both in terms of bilateral and multilateral cooperation. Some small states have demonstrated qualities of large states by turning their smallness into opportunities with respect to asserting their role in international relations and adopting foreign policies, independent from influence by large states (see section 2.9 of this chapter).

Liberalism theory's perspective on small states diplomacy is that these states tend to embrace cooperation rather than conflicts. There are no aggressive or hegemonic intentions towards each other. They espouse multilateral diplomacy as this gives them a sense of security and it boosts the trends of cooperation which is vital for their growth in international trade. Non-state actors are allowed to participate in the direction of the flows of trade, both nationally and internationally (Tavora [sa]: 5 – 7).

This study is about economic diplomacy of Namibia as a small state. It is construed under this chapter that the determining factors of the smallness of a state are geography, population, economy and own perception of being small. A combination of three of these characters, namely the population size, economic capacity and perception by Namibian leaders, makes Namibia a small state, *albeit* geographically, she is larger than countries like Belgium, for example. Ordinarily, the smallness of states invariably impacts on their behaviour which includes avoiding tensions and differences with large states and leaning towards multilateralism, among others. This study will establish whether Namibia's co-

existence in the international political and economic system with large states espouse behavioural trends of small states or demonstrates some traits that are beyond small states diplomacy.

Globalisation is another theme IR studies focus in the recent years and it is relevant to this study. Its contribution to economic diplomacy is discussed by Williams (2007: 239), who writes about the three features of contemporary globalisation, namely the broadening and accelerating worldwide interconnectedness, the multifaceted nature of globalisation covering many spheres of political and socio-economic studies and the normative dimension that it brings to IR. Globalisation gives rise to the role of multilateral economic institutions in the integrated world economy.

The contribution of globalisation to normative IR studies is illustrated by trends to advocate justice, fairness and equity in the global trade system. These come mainly from globalisation critics. Stiglitz (2006: 82 – 83), for example, contends that there is a need to manage globalisation since the rules governing it are set by the developed countries for their own interests. Globalisation essentials such as agricultural products subsidies have been censured because of the unequal competitive edge that it has on the agricultural products from developing countries. This study will look at these issues in Chapter Six, when it discusses multilateral economic diplomacy, especially the EPAs negotiations and WTO.

Stiglitz (2006: 62) further posits that there are calls for trade liberalisation to ensure that developed countries' economies are opened up to exports from developing countries. This comes after inequalities resulting from free trade, whereby, developing countries had opened their economies to developed countries. However, it has been difficult for the products from developed countries to access the markets in developing countries as the latter remained with some obstacles in place, such as trade barriers.

Globalisation is better discussed by Liberalism as perspective of IR studies than by Realism. Williams (2007: 240) asserts that Liberalism theory recognises the role of

multilateral economic institutions on economic integration through the promotion of cooperation. They believe that these institutions were created to address the economic vulnerability of states and, therefore, they promote mutual benefits of member-states.

2.11 Summary

Economic diplomacy is a distinct form of diplomacy as its objectives and interests differ from other forms of diplomacy. Although all types of diplomacy involve a number of actors, the degree of influence by non-state actors on economic diplomacy is larger than the influence of non-state actors on political diplomacy. This is due to the fact that government leaders are more interested in shaping political diplomacy. Barston (2006: 9) states that Heads of State become involved in central foreign policy issues, enhancing their personal diplomacy, while overshadowing their Ministers of Foreign Affairs. This trend is, however, not prevalent in economic diplomacy, as this exercise is left more to the Ministers of Foreign Affairs and of Trade, their officials and a number of influential businesspersons.

The economic diplomacy of small states is subjected to challenges resulting from, amongst others, geographic location and economic abilities. They are, therefore, in most cases, likely to avoid alienating their neighbouring large states and calculate their behaviour in the international political and economic system. Unlike large states, small states do not use statecraft in their economic diplomacy. This is a trend observed only in respect of large states. It comes in a range of economic sanctions such as an embargo, where a ban on trade or exports to a targeted state is imposed. For example, the US had imposed embargoes against Cuba for many years which the US has now undertaken to lift.

Because of their inherent nature of avoiding conflicts, small states refrain from using statecraft except when acting in a group such as the EU, but they mostly employ such measures against other small states and unlikely against large states. Russette (2010: 105)

postulates that it is the contention of Liberalism theory that weaker states generally refrain from conflicts because of their vulnerability.

Many of the small states would rely on multilateral institutions such as WTO to address their trade grievances. This gives the economic diplomacy of small states a posture of Liberalism theory. Small states can, however, use this posture to their advantage, for example, by forming partnerships and coalitions in order to speak with one voice in trade negotiations. Large economies conduct a Realism-inclined economic diplomacy towards small economies, including threatening them with sanctions.

The smallness of state does not always mean vulnerability. Small states also use their smallness as opportunities, playing large powers against each other and allying with opposing large states as the dynamics of changing foreign policy unfolds. For example, when faced with threats of economic statecraft, small states can outsmart such a diplomatic predicament by aligning with a large economy to mitigate the disadvantages that arise from strained economic relations with another large economy which has turned into an adversary.

Some small states have macroeconomic stability that enables them to enhance economic diplomacy because of the attractive infrastructure that they have put in place. They further use tourism among other sectors to attract capital and promote FDIs.

Small countries maintain resilience, taking centre stage in international affairs and making their presence visible. Resilient small states further pursue independent foreign policies that are unfettered by large neighbours. Botswana and Qatar are examples of such small state that remain firm to their positions irrespective of the positions taken by other states in their respective regions.

Chapter Three discusses the evolution of Namibia's economic diplomacy during the country's formative years, from independence, against the background of this chapter's conceptual and theoretical framework. It will cover the foreign policy setting for

economic diplomacy in respect of agenda and purposes, the instruments of economic diplomacy, their advantages and disadvantages and the successes and failures of economic diplomacy.

CHAPTER THREE

THE FORMATIVE YEARS OF NAMIBIA'S ECONOMIC DIPLOMACY, 1990 TO 1995

3.1 Introduction

The foreign policy-making process of a pre-independent Namibia did not focus on economic diplomacy. Prior to independence, SWAPO, which had been recognised by the UNGA Resolution 31/152 (1976) as the “sole and authentic representative of the Namibian people” (United Nations 1976), did not have programmes related to forging diplomatic ties for economic reasons. However, since its formation in 1960, SWAPO, as a liberation movement fighting for Namibia's independence, established diplomatic relations with a number of countries and opened offices in countries including the USSR, the US, the UK, and France, who are Permanent Members of the UNSC. These relations were mainly to solicit political solidarity and campaign for material support to assist with waging the armed liberation struggle and further to garner diplomatic support to isolate South Africa within the international community (Gurirab 2010: interview).

The only element of economic diplomacy which featured during the pre-independence foreign policy-making process was during the conference that was convened by the Nordic countries in 1988, to discuss Namibia's independence. During this conference, Nordic countries discussed possible areas of cooperation with Namibia when she became independent (Gurirab 2010: interview). These areas were later to serve as the basis of Namibia's economic diplomacy with the Nordic countries and these are discussed below.

This chapter analyses the evolution of Namibia's economic diplomacy, starting from the country's independence on 21 March 1990 until 1995. This period is referred to as the ‘formative years’ of the country's early economic diplomacy. The year 1995 was chosen as that is when the term of the first government ended. The government term covers a period of five years. Chapters Four to Six will extend the period of the practice of Namibia's economic diplomacy to 2013. Where relevant, references to earlier examples

of SWAPO and South Africa's economic diplomacy will be made to contextualise the evolution of Namibia's early economic diplomacy. The chapter discusses the agenda setting and purposes of economic diplomacy, the introduction of economic diplomacy, the promotion of manufacturing industry and regional economic diplomacy and instruments of diplomacy, like legislation and policies. The chapter further analyses the evolution of Namibia's economic diplomacy in the context of the framework of the typology of Du Plessis (2006: 140) (see Chapter Two). These are permanent diplomatic forms by way of opening embassies and temporary forms such as high level visits, summits and conference diplomacy. Added to temporary diplomacy is a mode of diplomacy that Du Plessis (2006) did not state (see Figure 1), namely re-circling diplomacy. The chapter concludes with an assessment of the successes and failures of Namibia's early economic diplomacy.

3.2 Namibia's economic status at independence

Several aspects determined Namibia's economic status at independence. These include the smallness of its economy, the colonial-type nature of the economy, foreign debt, low development indicators and economic sanctions – the latter being a legacy of its dominance by apartheid South Africa.

The Namibian economy at independence in 1990 was described by the first post-independence Minister of Finance, Otto Herigel, as a siege economy with huge disparities where the colonial government neglected areas such as industrialisation, agriculture and food sufficiency (National Assembly 1991: 137). At independence, the economy was not diversified, but the GDP was largely generated by three main sectors - agriculture, mining and government (Sherbourne 2009: 14).

At independence Namibia was classified by the IMF and the World Bank as a lower middle income country. The economy has improved over the years and as of June 2010, she has been classified as an upper middle income country (Ministry of Finance 2015). Table 3 shows Namibia's indicators at independence and in the recent years. The purpose

is to indicate how the primary and secondary industries have performed since independence. The difference with one number in the total figure in a given sector is a result of the figure's round-off.

Table 3: Namibia's Gross Domestic Product by activity (1989-2011) (current prices – N\$ millions)

Industry	1990	1991	1992	1995	2010	2011
Agriculture and Forestry	500	601	402	872	3 360	3 770
Commercial	329	378	273	517	1 805	2 146
Subsistence	171	223	129	355	1 555	1 607
Fishing	154	224	291	491	2 539	2 709
Mining and Quarrying	1, 071	1, 085	1 079	1 058	6 882	8 659
Diamond mining	554	722	775	763	4 042	6 567
Other mining and quarrying	517	362	304	295	2 840	2 092
Primary industries	1, 724	1, 910	1 772	2 421	12 781	15 139
Manufacturing	750	786	975	1 461	10 582	11 034
Meat processing	77	100	112	123	181	189
Fish processing	146	99	197	390	60	548
Other food products and beverages	-	-	-	539	4 410	4 790
Other manufacturing	527	587	666	409	5 930	5 506
Electricity and water	138	136	207	260	2 077	2 509
Construction	146	153	228	360	2 712	3 229
Secondary industries	1, 034	1, 074	1 409	2 081	15 370	16 772
Wholesale and retail trade, repairs	492	550	680	1 077	9 711	10 538
Hotels and restaurants	78	96	123	217	1 467	1 593
Transport and communication	438	474	555	851	4 526	4 533
Finance, real estate, business services	771	888	1 077	1 555	10 625	11 881
Community, social and personal service activities	48	58	65	114	2 503	2 740
Producers of government services	1, 242	1, 574	1 987	2 780	17 729	19 418
Other producers	138	157	188	264	597	643
Tertiary industries	3, 207	3, 796	4 655	6 857	47 158	51 347
Less: FISIM (Financial services indirectly measured)	-	-		162	1 180	1 261
All industries at basic prices	5, 966	6, 780	7 856	11 251	74 130	81 996
Taxes less subsidies on products	578	637	840	1 455	7 006	8 846
GDP at market prices	6, 544	7, 417	8 696	12 706	81 136	90 842

Source: Ministry of Finance (2013)

While there has been a decrease in the primary industries in the first years of independence, largely due to a decline in mining, resulting from currency exchange fluctuations, there has been a growing increase in the secondary and tertiary industries. However, from 2010 to 2011 there has been stable increase in the primary industries.

Namibia inherited a substantial foreign debt from South Africa, which was regarded as her colonial government, amounting to ZAR 726.5 million (National Assembly 1990b: 205). Accordingly, the new government as the successor to the colonial administration had to assume responsibility of the said debt and the burden of sanctions of the colonial administration. Article 143 of the Namibian Constitution states that international agreements that existed by the date of independence shall remain in force until the National Assembly decides otherwise (Ministry of Information and Broadcasting 1990: 71). Therefore, economic agreements such as those relating to the sale of uranium to Japan and Karakul products to Europe, among others, continued unhindered after independence.

Since Namibia was under South Africa's colonial rule and South Africa was under economic sanctions from some quarters, the sanctions had a negative effect on a post-independent Namibia. It should be noted that the legal position of the mandated territories was that they were ruled as integral parts of the colonial power. This is embodied in Article 2 of the League of Nations which says,

There are territories, such as South-West Africa ... which, owing to... their geographical contiguity to the territory of the Mandatory and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory (League of Nations 1919).

Given that position of being administered as an integral part, the application of sanctions on colonial power included the administered territories. Therefore, the Government needed to campaign for the lifting of sanctions as that did not come automatically following Namibia's independence on 21 March 1990. Namibia's first Ambassador to the US, Tuliameni Kalomoh (2011: interview), stated that it was necessary to first have sanctions lifted in some federal states within the US such as California. The issue of the challenges on lifting sanctions against Namibia was confirmed by Minister Gurirab who informed the Parliament in 1991 that the Ministry was making efforts to address US sanctions against Namibia (National Assembly 1991: 90). Sanctions varied from country to country. They included a ban on imports on agricultural products, textiles and minerals such as steel, iron, coal and uranium. The impact was, however, severe as sanctions by the European Economic Community (EEC), the predecessor of the European Union

(EU), had reduced South Africa's exports by 27 percent, while the US reduced it by a third (Evenett 2002: 560, 572). It is against this background that Namibia's post-independence economic diplomacy took shape.

3.3 Independence and economic diplomacy

One of the first tasks of the new Namibian Government was to establish diplomatic, political and economic diplomatic relations. The SWAPO leadership recognised that there was a growing need to address trade and investments for an independent Namibia. In response to this, SWAPO hosted a pre-independence conference with international investors in London in 1989 where it spelt out its economic programme when it assumed power in Namibia. At the conference SWAPO rebutted the perception that independent Namibia would adopt an economic policy where the state controlled the means of production (Gurirab 2011: interview).

As independence was approaching, the then President-Elect of a future independent Namibia, Sam Nujoma, invited the United Nations Conference on Trade and Development (UNCTAD), to draft the Investment Code for Namibia. Therefore, immediately after independence, a consultative process driven by the then and current, Prime Minister Hage Geingob, ensued, with the involvement of the Minister of Trade and Industry, Ben Amathila, Attorney-General, Hartmut Ruppel and UNCTAD experts. The purpose was to craft a new commercial framework which instilled confidence among foreign investors (Gurirab 2011: interview). With the assistance of UNCTAD experts, the country's first post-independent investment law was drafted and passed into the Foreign Investment Act (No. 27 of 1990). The Act is discussed below.

It is typical of small states to rely on technical experts' assistance because of the challenges of limited human capital that small states are confronted with. It is also typical of states undergoing political transition as the South African case, amongst others, illustrates. Namibia's request for technical assistance from UNCTAD should not only be viewed in the context of small states' inclination to multilateral institutions, but also

because she had confidence in UN institutions resulting from a historical relationship of the UN's support of and solidarity with SWAPO and Namibia. Therefore, this section focuses on selected major aspects of the country's economic diplomacy immediately after independence as listed above (see section 3.1).

To attract FDIs and broaden the market for Namibian commodities, the Ministry of Trade and Industry issued 910 import permits valued at ZAR 624 million dollars within the first year of Namibia's independence. These permits exceeded the 799 permits valued at ZAR 147 million that were issued in the preceding year. Similarly, 53 export permits, valued at ZAR 992 million were issued, representing a remarkable improvement from 29 permits valued at ZAR 361 million issued in the previous year (National Assembly 1991: 138). By issuing these permits, the new Namibian state wanted to broaden its trade capacity to reach out to the outside market for Namibian commodities and bring to Namibia foreign commodities for use by Namibians. The fisheries sector has been added to the major sources of the economy with the introduction of total allowable catches in pilchard, hake, horse mackerel, juvenile horse mackerel fish species and crabs and rock lobster. There were new exports like grapes and further in 1994 Namibia negotiated 13 000 tons of beef quota export to the EU (Sherbourne 2009: 101). Export trade and inward investments will be discussed in Chapter Five.

3.3.1 Economic diplomacy as a new post-independence phase struggle

Following Namibia's independence, the then President, Sam Nujoma, stated that the first phase of SWAPO's political struggle had been completed and that the next phase of the post-liberation struggle entailed an economic struggle (Gurirab 2010: interview). President Nujoma underscored the importance of economic diplomacy for the newly independent state. One example of this occurred during his address to the first diplomatic training course for Foreign Service Officers that was held two months after independence in May 1990 (Office of the President 1999: 15). President Nujoma stated that among the primary objectives of any foreign policy is the promotion of economic and social progress through interactions with other states. He further stated that it was through the

efforts of diplomats that Namibia would yield benefits from international trade and investments.

Namibia's first post-independence Minister of Foreign Affairs, Theo-Ben Gurirab, shared similar sentiments. Accordingly, he stated in the Namibian Parliament,

[T]he traditional functions of foreign service (*sic*) have been broadened by the addition of new tasks in the past few decades. The world has become truly a global village, an ever inter-dependent world, in which economic issues plays, an exceedingly or crucial role than political or ideological preferences (National Assembly 1991: 84).

The new Namibian Government was cognisant of the fact that economic issues were at the fore of the foreign policy-making process and the conduct of diplomacy. It resolved to make economic policy objectives the 'focal point' of Namibia's diplomacy (National Assembly 1991: 84). The first Deputy Minister of Foreign Affairs, Netumbo Nandi-Ndaitwah, informed the Parliament when she introduced the Budget Vote of the Ministry of Foreign Affairs that her Ministry adopted its motto for the year 1992 to be "Diplomacy with a purpose, the economic development of Namibia". Explaining the rationale for the motto, Nandi-Ndaitwah explained:

[The motto] is an attempt at encapsulating our vision about the kind of diplomatic service, *i.e.* economic diplomacy we aspire to provide for our nation. Since its inception the Ministry of Foreign Affairs, has committed itself to practise economic diplomacy, and therefore, the principle preoccupation of our diplomacy is to increase mutually beneficial co-operation with the international community especially in the fields of investment, trade, tourism and development co-operation (National Assembly 1992: 33).

Nandi-Ndaitwah further stated that it was necessary to start advocating Namibia's economic diplomacy in order to focus on trade and investment and avoid becoming permanently dependent on foreign donor aid (Nandi-Ndaitwah 2011: interview). Since the pronouncement by Deputy Minister, Nandi-Ndaitwah, 'economic diplomacy' became a referral point and familiar phrase in Namibia's foreign policy discussions.

A few years later, Minister Gurirab informed the Namibian Parliament that the country's diplomats are required to solely concentrate on economic diplomacy (National Assembly 1994c: 136). Their tasks, according to Minister Gurirab, included improving Namibia's international trade and securing foreign investment as well as soft and free-interest loans.

The Minister also acknowledged that economic, financial and trade issues had moved to a prominent place in foreign policy-making. Though it was conceptualised during the formative years, economic diplomacy was given prominence by Minister Hamutenya during his brief stint of 19 months at the Ministry of Foreign Affairs, from 2002 to 2004 (see Chapter Five).

In the context of Table 2, discussing Du Plessis' (2006: 140) typology, Namibia too, conducted economic diplomacy in the form of bilateral and multilateral missions, through establishing permanent diplomatic establishments. The type is that of inter-governmental diplomacy by way of state-to-state or state-to-international governmental organisation relations.

Namibia's conduct on economic diplomacy corresponds to Liberalism as this theory supports mutual beneficial relations. This principle, which is central to Namibia's economic diplomacy, is underscored in article 96 of the Namibian Constitution (see Chapter One) and as further explained by Deputy Minister Nandi-Ndaitwah. Liberalism, as a theory of IR studies, propounds that in the course of conducting economic diplomacy there will be absolute advantages to both states, although it is also acknowledged that sometimes there will be comparative advantage, resulting from differences in labour, capital, natural resources and productivity among others (Cohn 2008: 196). The main issue, however, is that each of the two states engaged in bilateral economic diplomacy stands to benefit from the relations. This is the gist of Deputy Minister Nandi-Ndaitwah's remarks on economic diplomacy cited above.

3.3.2 Promotion of manufacturing industry

In line with the principle of mutual beneficial relations, Namibia encouraged investors not only to extract mineral resources, but also to assist with the development of Namibian industries. This is illustrated, amongst others, by former President Nujoma's address to the Afro-Belgo Chamber of Commerce in 1994. During his address, President Nujoma emphasised the need to link primary production investments with secondary productions

(Office of the President 1999a: 402). According to President Nujoma, the rationale for this link was that the Namibian Government wanted to broaden the base of employment to ensure that Namibians did not get employment in primary production sectors only while raw materials were exported and created employment in the secondary industries of the countries where investors came from. The Government wanted to ensure that secondary industries, too, were established in Namibia to create employment for Namibians. The Namibian Head of State asserted,

With regard to the fishing industry, my Government is encouraging those investors who want to establish fishing fleets or shore-based fish processing facilities in Namibia...I would like, therefore, to take advantage of this opportunity to personally extend an invitation to all Belgian investors to come and participate in Namibia's economic and industrial development and wealth creation for our mutual benefit (Office of the President 1999a: 403).

Another illustration of Namibia's focus on the development of the country's manufacturing sector is President Nujoma's remarks at the opening of the Wernhil Park Shopping Centre in Windhoek in August 1990. He urged the private sector to concentrate on the local manufacturing industry. He also stated that Namibia has large reserves of minerals and metals that could be refined and processed locally for the export market. The export of these products was important to the Namibian economy since it would produce a good balance of payments to the country. The business sector should, thus, endeavour to improve exports as opposed to the imports. Investment in the secondary industries grew from N\$ 1.03 billion in 1990 to N\$ 2.08 billion in 1995 (Ministry of Finance 2013). South Africa is a major investor in secondary industries. For example, in the banking sector, three out of the four major banks comes from South Africa and three out of four major insurance companies come from South Africa. Investment in the primary industries grew from N\$ 1.79 billion, in 1990, to N\$ 2.4 billion, in 1995 (Ministry of Finance 2013). The UK, Canada and Spain were the main investors in industrial manufacturing machinery.

The issue of mutual benefits is embodied in the assumptions of Liberalism, as a theory of IR. Burchill (2009: 65), amongst others, argues that mutual dependence created by commerce promotes interdependence. This discourages unnecessary hostile competitions

that trigger aggressive behaviour towards one another. Within the framework of mutual benefits, states prioritise on the spirit of cooperation. It is propounded that,

Mutual benefits arising out of cooperation are possible because states are not always pre-occupied with relative gains – hence the opportunities for constructing regimes around issues and area of common concern (Burchill 2009: 67).

The promotion of industrialisation to create employment that Namibian political leaders underscore is anchored in Liberalism as a theory of IR studies. Gilpin (2008: 238) argues that states need to address the economic expectations of their citizenry and employment is one of these. The development of local industries creates local employment since the processing of goods requires additional labour force. When raw materials are exported to be processed outside, then employment will favour the countries importing the raw materials.

The promotion of manufacturing industries is not unique to Namibia's economic diplomacy. There were similar trends in other small states in the southern Africa region. Dömeland & Sander (2007: 9), for example, state that in addition to Namibia, other countries such as Botswana, Lesotho, Mauritius and Swaziland had increased their manufacturing value and contributed to Africa's manufacturing exports.

Therefore, it is clear that two issues drove independent Namibia's economic diplomacy in its early years. One issue relates to ideology ('economic diplomacy as the second struggle'). The second issue is more practical, namely the development of the country's manufacturing sector. In order to achieve the objectives of its economic diplomacy, Namibia engaged with other actors at the regional and international level.

3.4 Regional economic diplomacy

In applying the typology of diplomacy, as outlined by Du Plessis (2006:140) (see Table 2), early independent Namibia's economic diplomacy agenda revealed characteristics and results primarily focused on the Southern Africa Development Coordinating Conference

(SADCC).⁷ This agenda took the form of inter-governmental relations of state-to-state relations type manifested through short-term diplomacy at the high level visits. This was confirmed by President Nujoma, who stated that when Namibia decided to open her first full diplomatic missions, her immediate neighbourhood was identified as the focus of her first missions (Nujoma 2001: interview). Thus, after the missions in Luanda (Angola) and Lusaka (Zambia) were opened in 1990, missions were opened in Gaborone (Botswana) and Harare (Zimbabwe) and later in Pretoria (South Africa), after the latter's first democratic elections were held in 1994.

Underscoring the importance of regional economic diplomacy, President Nujoma observed at the 10th Commemorative Summit of SADCC, in April 1990, barely a month after independence, that intra-regional trade in SADCC would enable the region to survive the unfavourable competition with South Africa and the region. He advocated that it was only through regional trade and economic cooperation that southern Africa could relate to the EEC, when it became a single market as it was envisaged at the time. President Nujoma further asserted that the region's natural resources should be utilised for the benefit of the region. To improve intra-regional trade, the region's transport infrastructure should be developed to improve the mobility of products in the region. President Nujoma, also stated, that he was disturbed by the fact that intra-SADCC trade represented less than 5 percent of the overall trade with SADCC member-states. He undertook that Namibia will explore possibilities to work out a formula that will increase intra-regional trade (Office of the President 1999a: 4).

President Nujoma also encouraged the Namibian private sector to focus on regional trade. When he opened the Wernhil Park Shopping Centre in August 1990 as mentioned earlier, he stated that the SADCC market had 80 million people; a sizeable consumer market for Namibian products, as Namibia only had a population of below two million at the time and it could not consume all that she produced (Office of the President 1999a: 34).

⁷ SADCC was the precursor to SADC as discussed below. The member-states of SADCC were Angola, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

In October 1990, the Windhoek Show Society held its 32nd annual Windhoek Agricultural and Industrial Show, its first in an independent Namibia. Historically, an annual showcase of Namibian products, economic opportunities and its economy, the 1990 Show presented an opportunity for intra-regional trade. Accordingly, President Nujoma commended the Windhoek Show Society for the role that it played in promoting intra-SADCC trade. He further expressed the hope that the Show would grow and expand in the future to become one of the catalysts of commercial relations in the SADCC region (Office of the President 1999a: 46).

Echoing the President's position on the importance of Namibia's neighbours to her economic growth and prosperity, Minister Gurirab stated in the Parliament,

Namibia has been seeking to forge closer regional links with its neighbours. The fact that ten Co-operation Agreements, were signed and a Permanent Joint Commissions of Cooperation, established with our neighbours, underscores the importance we attach to close co-operation in the region within the framework of SADCC (National Assembly 1990b: 205).

The Minister cited countries like Botswana, Zambia and Zimbabwe with whom Namibia had established Joint Commissions of Cooperation, as being crucial to strengthening economic relations among the region. It should be noted that by that time, there were no similar Joint Commissions that were established with countries outside the region. This means that priority, in terms of establishing Joint Commissions of Cooperation, was given to countries from the region.

During his first state visit to Botswana in September 1990, President Nujoma informed his Botswana counterpart, President Quett Masire, that Namibia wanted to increase trade relations with Botswana. Accordingly, the two countries should cooperate on the construction of the Trans-Kalahari Project which connects Namibia and Botswana by road. This would not only be utilised for the transport of goods between the two countries, but it would also boost intra-regional trade, as the project would be of use to other SADCC member-states. President Nujoma also suggested to his counterpart that Namibia and Botswana could cooperate on filling their respective quotas of beef export to the EEC. If one country was short in filling its quota, then the other would fill it

(Office of the President 1999a: 39; 41). Stressing the importance of transport in boosting trade, President Nujoma further stated,

[P]ossibilities exist in promoting joint tourism packages by improving transport and communication links amongst our countries. Transport and communication are vital because in their absence, trade and commercial relations cannot take place (Office of the President 1999a: 40).

President Nujoma talked about the harsh economic environment in the international market which poses a challenge to the region when he addressed the Zambian Agricultural Show, in Lusaka, Zambia, in August 1990. The Zambian Agricultural Show, like the annual Windhoek Agricultural and Industrial Show, is that country's economic showcase. Namibia wanted to see a strong and economic viable SADCC bloc. It was, thus, imperative that these countries cooperate economically and trade within the region (Office of the President 1999a: 32).

In May 1991, President Nujoma was a guest Speaker at the Zimbabwe International Trade Fair in Harare, Zimbabwe, which is similar in purpose to the Windhoek and Zambian shows. President Nujoma expressed his concern to his Zimbabwean counterpart, President Robert Mugabe, about attempts in the global market to suppress trade from developing countries in the form of introducing protectionist policies. In view of these restrictive trade measures, President Nujoma called for the two countries to reconsider their trade relations to improve their bilateral trade. He emphasised that it was important for Namibia and Zimbabwe to expedite the removal of trade barriers to ensure voluminous exchange of goods between the two countries. He also encouraged the Zimbabwean business community to engage their Namibian counterparts and trade with each other continuously, rather than waiting for the annual trade fair. Mindful of the foreign policy principle in article 96 of the Namibian Constitution, President Nujoma underscored the mutual beneficial nature of the trade relations between Namibia and Zimbabwe. He repeatedly referred to this principle and invited Zimbabwean businesses to explore business opportunities in Namibia and set up ventures with their Namibian counterparts for the mutual benefit of both countries (Office of the President 1999a: 94).

It is common for small states to be inclined to regional integration. Cross-Mike ([sa]: 5) states that the Caribbean states, for example, are bound together in their regional grouping by a common colonial past. Countries in the southern Africa region, too, have a shared colonial history. Many of the SADC member-states were British colonies. Namibia, too, was entrusted to Britain as a League of Nations, C-Mandate territory, after the First World War (WWI).⁸ Other C-Mandates included Papua New Guinea, Western Samoa and Nauru (Matz 2005: 73).

Regional economic diplomacy has advantages and disadvantages. Cross-Mike ([sa]: 5) cites the pooling of resources to address technical and financial resources as one of the advantages of regional economic diplomacy. SACU, in southern Africa, has been able to benefit member-states in this respect. Namibia's Minister of Finance, Saara Kuugongelwa-Amadhila, informed the Parliament, during her Budget Speech in 2006, that Namibia had yielded a favourable revenue collection, largely due to a windfall from SACU (National Assembly 2006: 55).

Namibia's foreign policy and economic diplomacy is not typical of a small state. In this respect, Gurirab (2011: interview) stated that the first Permanent Secretary of the Ministry of Foreign Affairs, Andreas Guibeb, often stated that the fact that Namibia is a small country did not mean that Namibians think small. She is, therefore, able to influence global issues. Accordingly, although she was a newly independent state, Namibia was able to make her presence felt in the region. Gurirab (2011: interview) further stated that at the SACU Summit, held in Maseru, Lesotho, in 1993, Namibia was the only country with the draft paper on the SACU structure, especially on revenue sharing. She was thus, influential in determining the formula used by the regional Union on revenue sharing.

Namibia has also played a role in changing the agenda of SADC. It was in Namibia that SADCC was transformed into the present day SADC in 1992 following the adoption of Windhoek Treaty. The agenda of SADC was largely political, focusing on the liberation

⁸ C-Mandates were colonies that were to be administered as integral parts of the mandatory powers.

of the region. With the transformation of SADC, its agenda focuses on regional economic integration (Gurirab (2011: interview).

Liberalism, as a theory of IR studies, favours regional trade as it argues that in a small group of states, with commonalities such as similar levels of earnings and development, it is easy to agree on issues. This is unlike in the case of a diversified large group in multilateral negotiations, for example. It was due to a growing interdependence among states in a given region that enhanced regionalism and, therefore, intra-regional trade. Liberalism theory further argues that regional trade makes up for the areas where the international trade regime, the WTO, has failed to address the concerns of states (Cohn 2008: 243). Liberalism theory asserts that regional integration fosters political cooperation, in addition to economic collaboration. For example, with the emergence of regional trade in the EU, nations that had otherwise been on periodical confrontation changed such tradition (Burchill 2009: 66).

3.5 Selected instance of re-circling diplomacy: the Nordic outreach

Whereas the previous section focused on regional economic diplomacy, this section provides a background as to what, among others, informed the post-independent agenda of Namibia's economic diplomacy. It presents a continuity of Namibia's pre-independence economic diplomacy.

Among the countries that pre-independent SWAPO enjoyed cordial relations with are the Nordic countries such as Norway, Sweden, Finland, Denmark and Iceland. These countries discerned the need to set the agenda for cooperating with an independent Namibia, in a number of economic fields such as agriculture, fisheries and energy. In 1988, these countries organised a meeting attended by the leadership of SWAPO in exile, and included businesspersons from Namibia, especially from the white community (Gurirab 2010: interview). This conference is the only instance of a conference on economic diplomacy in the pre-independence history of Namibia.

Following her independence, Namibia followed up on the cooperation agenda of the Nordic countries, by way of re-circling diplomacy. In applying a typology of Du Plessis (2006: 140) (see Table 2), Namibia's re-circling diplomacy took a form of bilateral relations, carried out through high level visits at the Head of State level. Between October and November 1993, President Nujoma visited Finland, Sweden, Denmark, Norway and Iceland. The inclusion of businesspersons in the delegation, to have discussions with their Nordic counterparts was, arguably, aimed at fostering trade relations. President Nujoma was, thus, spearheading economic diplomacy. During these meetings, he assured Nordic investors of Namibia's favourable investment legislation, efficiency of trade and good infrastructure (Office of the President 1999a: 329 – 336).

In Norway, President Nujoma pointed out that Norway and Namibia could jointly develop sustainable relations emanating from their cooperation in the processing industries in Namibia. The two countries could also explore opportunities for joint-ventures in other areas (Office of the President 1999a: 334). President Nujoma further underscored the importance of joint-ventures during his visit to Iceland when he announced the joint-venture between the government-owned Namibian fishing company, the National Fishing Corporation of Namibia (FISHCOR), and a privately-owned Icelandic company, Saeblom. The joint-venture resulted in the establishment of the privately-owned company, Seaflower White Fish Cooperation Limited.

The participation of Namibian businesspersons in important, high-level, bilateral discussions between Namibia and Nordic countries corresponds to Liberalism as a theory of IR studies. Its proponents suggest that a state cannot act unilaterally on foreign policy issues and it needs input from other stakeholders in the society and should, therefore, represent multiple sectors' interests (Viotti & Kauppi 1999: 202).

3.6 Domestic instruments of Namibia's economic diplomacy

During the formative years of its economic diplomacy, the Namibian Government adopted policies and laws to regulate decision-making and the practice of economic diplomacy. These, amongst others, included the:

- Promulgation of export-oriented laws such as the Foreign Investment Act and the EPZ Act, to regulate the conduct of economic diplomacy;
- Adoption of policies such as the *White Paper on National and Sectoral Policies (1991)* and the NDP 1 (1995); and e
- Establishment of diplomatic institutions and appointment of diplomatic specialists such as Commercial Counsellors and Honorary Consuls (ongoing).

While these domestic processes were underway, the country also engaged in various forms of economic diplomacy, such as bi- and multilateral economic and conference diplomacy. In this sense, Namibia, is another example of Robert Putnam's, so-called 'two level game', *i.e.* making foreign policy, practicing diplomacy whilst also aligning domestic institutions to support the country's foreign policy and diplomatic objectives, and *vice versa* (Putman 1999).

3.6.1 Investment and export-related legislation

The tabling of laws in Parliament provided an opportunity for legislators to debate economic diplomacy issues, thereby contributing to public debate on Namibia's trade and investment matters, *i.e.* economic diplomacy.

The Namibian Government passed the Foreign Investment Act in 1990. Motivating the Bill that resulted in the aforesaid Act in Parliament, the Minister of Trade and Industry, Ben Amathila, stated that the Act would provide an environment conducive for foreign investors, as it sought to address three main concerns. Firstly, the Government would not

nationalise foreign investors' investments. In the second instance, investors were guaranteed the privilege to repatriate the profits on their Namibian investments. Finally, when a dispute arose between an investor and the Namibian Government, an independent arbitrator would assist in the resolution of the dispute (National Assembly 1990c: 116).

Section 3 of the Foreign Investment Act that deals with the nature of business entities states:

No foreign national engaged in a business activity or intending to commence a business activity in Namibia, shall be required to provide for the participation of the Government or any Namibian as shareholder or as partner in such business, or for the transfer of such business to the Government or any Namibian: Provided, that it may be a condition of any licence or other authorisation to or any agreement with a foreign national, for the grant of rights over natural resources that the Government shall be entitled to or may acquire an interest in any enterprise to be formed for the exploitation of such rights (Government Gazette 1990).

Section 9 of the Act, which deals with the repatriation of profits states:

[T]he Bank of Namibia shall ensure that there is available for purchase by the holder of a Certificate, at the request of that holder, convertible foreign currency which the holder may use without any restriction -

- for the transfer out of Namibia of the profits of the enterprise or, where the enterprise is carried on as a branch operation by a company which is a foreign national, for the payment to the head office of the company of remittances out of funds representing the branch profits, after deduction or retention in either case of any tax due.
- where an investment to which a Certificate relates is an investment in a company, for the payment to shareholders or stockholders ordinarily resident outside Namibia of dividends out of the profits of the enterprise, after deduction of any tax due (Government Gazette 1990).

Foreign investments above US\$ 200 000 or more that contribute to Namibia's socio-economics will receive a Status Investment Certificate which entitles the holder access to foreign currency to finance the investments in Namibia. The Minister responsible for trade may further endorse on the Certificate that the holder can retain the foreign currency proceeds of the goods that they produce and are exported from Namibia. This means that they are exempted from the laws that require such proceeds to be brought back to Namibia. Minister Amathila, however, made it clear that privileges of investors, in return, had to meet certain obligations (National Assembly 1990c: 157, 161; National Assembly 1993b: 103).

During the debate on the Bill, opposition parliamentarian Eric Biwa of the United Democratic Front (UDF) hailed the Bill as ‘meticulously prepared’ (National Assembly 1990c: 129). He advised that for the Investment Centre, proposed in terms of the Bill, attention should be paid to its staffing, which should include professionals such as economists and engineers. He suggested that the Government should provide better incentives to investors who will invest and develop poor, rural communities. Biwa further called for special incentives to investors who invest in the manufacturing industry. This sector needed development since the previous colonial government deliberately did not help it to grow.

Following its establishment in 1990, the Ministry of Trade and Industry had two major departments, the Department of International Trade (which started as a Division) and the Department of Investment. The Department of International Trade’s mandate included international trade relations. The Department of Investment’s mandate was to attract DFIs to Namibia (Gurirab 2011: interview). Following the enactment of the Investment Act, the Department of Investment was reorganised and transformed into the Investment Centre, provided in the Act. The main functions of the Centre was to provide information to prospective investors about business opportunities that exist in Namibia. The Centre further coordinates and assesses investment proposals.

The enactment of the Foreign Investment Act enabled Namibian leaders to market Namibia as an ideal hub for foreign investment. When President Sam Nujoma visited Norway in 1993, he invited Norwegian businesspersons to invest in Namibia, informing them of the protection of foreign investments in terms of the Foreign Investment Act (Office of the President 1999a: 334 – 335). He informed Norwegians that in addition, the Government had maintained peace and stability, democratic governance and an encouraging market economy.

President Nujoma also alluded to the attractive investment legislation when he addressed the Afro-Belgo Chamber of Commerce in Belgium in 1994 (Office of the President 1999a: 402 – 403). He stressed that the Namibian Government was committed to

allowing the private sector to lead the process of growing the economy. The President also impressed upon the investors that the private sector was able to take up challenges of investments given the investment law which is ‘liberal, non-discriminatory and highly accommodating’ (Office of the President 1999a: 403).

In October 1994, the then Minister of Trade and Industry, Hidipo Hamutenya, tabled the Economic Processing Zone (EPZ) Bill in Parliament which was passed into the EPZ Act (No. 9 of 1995). The Act provides for the creation of EPZs. Motivating the Bill in Parliament, on behalf of the Minister of Trade and Industry, the then Minister of Fisheries and Marine Resources, Helmut Angula, stated that the purpose of the EPZ was, among others, to promote industrial and foreign direct investment, increase the export of manufactured goods and create employment (National Assembly 1994e: 263 – 264).

The definition of the EPZ is found in section 2 of the Act which states that the Minister may,

- establish in any area, or declare any area as, an export processing zone; and
- determine the location and extent, and define the physical characteristics or boundaries of an export processing zone ...
- An export processing ... may consist of a developed, partly developed or undeveloped area of land or may comprise a single-factory unit or a group of factory units (Government Gazette 1995).

In terms of the Act, EPZ companies manufacture goods for exports and such goods are exempted from the General Sales Tax (GST) and Additional Sales Tax (AST). Namibia’s Offshore Development Company (ODC) (2013) found out that Namibia’s EPZ features differ from the traditional EPZs in that they have restrictive fenced-in zones. In the case of Namibia, it has both the fenced-in zone and single factory enterprises, operating independently outside the demarcated area of the EPZ. To instil confidence in the markets, the management of the EPZ vests in the private sector. The Namibian Government established the ODC as a state-owned enterprise that advises the line Minister on EPZ matters. The ODC further approves applications for EPZ status. It promotes and markets the EPZ as an attractive regime for export-oriented industries (ODC 2008).

The ‘Founding Fathers’ of the Namibian Constitution included a clause that says Walvis Bay falls within the Namibian territory (Ministry of Information and Broadcasting 1990: 53). Walvis Bay was annexed and incorporated in the Cape Colony of South Africa in 1884 under the *Walvis Bay and St John’s River Territories Annexation Act No. 35 of 1884*. In 1922, South Africa transferred the enclave to Namibia, then South West Africa, by passing *the South West Africa Affairs Act, No. 24 of 1922* and treating it as an integral part of Namibia until 1977. In 1977, by *Proclamation R 202*, South Africa reversed the transfer of Walvis Bay to Namibia (Akweenda 1997: 303 – 313). The Walvis Bay enclave was finally re-integrated into Namibia on the evening of 28 February 1994.

While this was primarily an issue of sovereignty, it was also known that the Walvis Bay enclave would be significant to Namibia’s economic diplomacy. The Founding President, Sam Nujoma, stated:

The port of Walvis Bay was very important...Today the harbour of Walvis Bay is accommodating large cargo ships and even the Queen Passenger Line docks there. Walvis Bay is the only harbour that can accommodate larger cargo ships and passenger ships on the west coast of Africa, with the exception of Cape Town (Nujoma 2011: interview).

The Founding President said that it was in the mind of the Namibian leaders that projects such as the territorial reintegration of Walvis Bay into Namibia, should be pursued because of their significance to the Namibian economy. Namibia’s only EPZ, at the time of writing (March 2015), is found in Walvis Bay.

The passing of the aforesaid Foreign Investment Act, with favourable concessions for the foreign investors and convening the investors’ conference, soon after independence, arguably works for the speedy trade and investment development for a newly-independent state. It is common for small states to offer trade and investment incentives for FDI. Cohn (2008: 295) refers to the conciliatory approach of Least Developed Countries (LDCs), by welcoming investors and encouraging joint-venture partnerships with local entrepreneurs. Following her independence, Namibia obtained the “as if an LDC” status (Du Pisani 1992: 61). Accordingly, Namibian leaders advocate the promotion of partnerships as it will be discussed in the next sections.

Liberalism as a perspective of IR studies supports FDIs. It propounds that FDIs help with the development of the host because of the inflow of external capital and new technologies. These compensate, *inter alia*, foreign aid, tax revenue and insufficient savings in the local finance industry (Cohn 2008: 291 – 292). While Liberalism theory generally advocates limited state intervention in economic matters, one proponent, Burchill (2009: 79), acknowledges that governments have a role to play in formulating economic policies that attract foreign direct investment. In any case, the state will only play a minimal role since it would not want to scare away potential investors. Governments prioritise on efficiency and profits of investors to ensure their meaningful contribution to economic development (Burchill 2009: 80). Thus, as cited above, the Namibian Foreign Investment Act is considerate of the investors' profit aspect. It is for that reason that the act has provisions that ensure a fair resolution of the investors' grievances whenever they arise.

The independence of the private sector, in respect of EPZs, manifests an approach anchored in Liberalism theory which supposes that people have the ability to decide without interference from governments (Viotti & Kauppi 1999: 201). Liberalism theory's assumption argues in favour of individual businesspersons to be afforded an opportunity to determine the pursuance of their economic diplomacy.

3.6.2 Policies

In March 1991, the Namibian Government released the *White Paper on National and Sectoral Policies*. In the document, the Ministry of Foreign Affairs sets five objectives. The third objective states,

[T]o promote Namibia's prosperity by working to secure better terms of trade for Namibia's commodities (National Assembly 1991: 80).

It was stated earlier that Minister Gurirab said that to achieve the aforesaid objective, Namibia was exploring markets in Latin America, Asia and the Middle East (see Chapter One). The Government was also improving the country's ability to attract FDI and trade.

Economic and industrial cooperation in SADC, in particular, was of paramount importance to Namibia (National Assembly 1991: 80).

In 1995, the Namibian Government adopted the NDP 1, a strategic plan for the next five years. NDP 1 echoes the principles of foreign policy enshrined in article 96 of the Namibian Constitution which states that:

For a small country, whose economy relies on international trade and support, in an increasingly competitive and interdependent international economy, it is important that Namibia promotes itself through just and mutual beneficial relation with other countries (Ministry of Information and Broadcasting 1995: 18).

One of the objectives of the NDP 1 was that Namibia should play an influential role in the international arena that would yield the greatest benefits from its international economic relations. This, according to the NDP 1, was to be achieved through, *inter alia*, charging Namibian diplomatic missions with the task of promoting trade and investment (National Planning Commission 1995: 55). The aspirations of Namibia to play a greater role in international affairs, as stipulated in NDP 1, shows that the country did not want to be just a typical newly-independent and small state that had low participation in international affairs, as stated in small states literature (East 1973: 557; McCraw 1997: 7). Instead, Namibia wanted to contribute to the management of public international affairs. The new Namibian Government expressed this objective in its NDP 1, mindful of the limitations on small states influence on decisions pertaining to the international economy. But, as a state existing within the global trading system, Namibia was determined to rise beyond the level of a spectator who allows others to set the agenda for her.

The policy documents of the Namibian Government reflect the ambitions of a small state to excel in foreign trade. This affirms President Nujoma's stance that Namibia should focus on a new post-independence phase of economic struggle. Namibia was a small and new state that knew how others countries had established themselves in the global political economy. Thus, she wanted to embark upon the new phase of the economic diplomacy struggle. In order to keep up with the pace of others and achieve her objectives

of the new struggle, Namibia then set her focus on the large scope of trade and investment in the regional and international economy.

3.7 Specialised economic diplomacy: conference diplomacy

In the typology of diplomacy by Du Plessis (2006: 140) (see Table 2), it is stated that states adopt conference diplomacy as a form of multilateral diplomacy of the inter-governmental type. While small states participate in general conference diplomacy, Namibia has expressed a preference for specialised conference diplomacy. These conferences are not of a general nature, but focus exclusively on Namibia's economic diplomacy. For example, in February 1991, Namibia convened her first Private Investors Conference which was attended by investors from many parts of the world. The purpose of this presidential initiative was to encourage foreign investors to interact with their Namibian counterparts and explore opportunities for partnerships. The conference included visits for participants to the Namibian countryside, to appreciate how the local people lived in order to determine where and what type of business activities they could venture into. In his address to the conference, President Nujoma repeatedly reiterated the importance of partnerships. This boils down to the foreign policy principle of mutual beneficial relations. He did not want investors to just invest and repatriate their capital out of Namibia; rather, he wanted them to enter into partnerships with Namibians in order to develop the Namibian business sector and ensure that some capital accruing from such business ventures is retained in Namibia. The conference further presented an opportunity for discussing aspects relating to the Namibian business environment (Office of the President 1999a: 68).

Referring to the outcome of the Private Investors Conference, Minister Amathila reported to the Parliament that,

I am pleased to note that already our efforts seem to bear fruit, with the recent investment by Pescanova, ENERKOR and the interest shown by Citroes (National Assembly 1991: 146).⁹

⁹ These firms are respectively from Spain, the US and France.

In March 1993, Namibia convened the Conference on Mineral Investment in Namibia. The conference was a platform to showcase mining opportunities in Namibia. It promoted the mining climate investment available in the country and marketed Namibia's mining potentials to the outside world. Over 300 mining investors attended the conference. The conference was further attended by over 100 mining executives and financiers from major financial institutions such as the IMF and World Bank (National Assembly 1993a: 187; Office of the President 1999a: 269). Three months after the Conference, by June 1993, a major mining investor, Diamond Fields International, a Canadian company, listed on the Toronto Stock Exchange (TSE), invested in Namibia. It established a local company in Namibia, Diamond Field Resources, as its vehicle for mining activities in Namibia and purchased Angra Pequena Diamond Company, to mine diamonds offshore, near Lüderitz, a coastal town situated in the south of the country (Sherbourne 2009: 132).

Although specific conferences stated in this section were not repeated during the first term of the Government, investment related conferences continued to be held after 1995 (see Chapters Five and Six).

Conference diplomacy is ideal for the participation of non-state actors in diplomacy. These actors have the opportunity to participate in conferences and make contributions to conference outputs. Liberalism theory, especially its perspective of Pluralism, supports the inclusion of various stakeholders other than state bureaucrats in the making of foreign policy and, therefore, economic diplomacy (Mingst 2008: 127). The inclusion of businesspersons in government delegations and the participation of non-bureaucrats in trade and investment conferences, therefore, manifest a Liberal approach of Namibia's economic diplomacy.

3.8 Establishment of diplomatic actors and institutions

Newly-independent states often have to establish diplomatic institutions, *ab initio*, whilst complying with certain international legal obligations, as outlined earlier in this chapter.

Namibia is no exception in this regard. Once independent from South Africa and recognised as a sovereign state, Namibia's efforts to establish formal diplomatic ties occurred almost simultaneously with the establishment of domestic diplomatic institutions. Some of these domestic and international diplomatic efforts included the appointment of the Minister of Foreign Affairs, the establishment of a diplomatic training programme and formal diplomatic relations and the appointment of diplomatic representatives.

3.8.1 Specialised diplomatic training

Within the first two months of Namibia's independence, the Ministry of Foreign Affairs, hosted an internal diplomatic training programme in May of 1990. The training lasted for three months and was attended by political officers who included Directors, Deputy Directors and Desk Officers. The content of the course focused on general diplomatic practice, where participants were taught how to open diplomatic missions, write a *Note Verbale* and mission reports, among others. After the training, officers were sent to open the first diplomatic missions stated earlier in this study.

Officiating at the opening of the training programme, President Nujoma highlighted the importance of economic diplomacy and the importance of skilled Namibian diplomats to achieve the country's foreign policy objectives (Office of the President 1999a: 15). Commenting retrospectively on the training programme, Namibia's first Deputy Minister of Foreign Affairs, Netumbo-Nandi Ndaitwah, reiterated the importance of having diplomats skilled in the art of economic diplomacy in the country (Nandi-Ndaitwah 2011: interview).

Once posted abroad, Namibian diplomats commenced with the daunting task of promoting Namibia's investment opportunities. They first adopted wholesale economic diplomacy, where they sought all possible areas of trade, from which Namibia could benefit. Heads of Missions were told that their primary task was to ensure that they brought investment to Namibia. The areas covered generally were mining, fishing,

agriculture, land, tourism and manufacturing (Asheeke 2011: interview; Schimming-Chase 2011: interview).

3.8.2 Opening of embassies

Literature on small states' diplomacy explains that given limited resources, small states accredit their diplomats to more than one country and, thus, have non-resident ambassadors in many countries. They can also not cover all strategic multilateral economic centres, such as Brussels, which hosts the headquarters of the EU and Geneva, which hosts the headquarters of the WTO and so many ended up only having missions in Brussels (Negut & Gagea 2011: 34). Namibia's diplomacy adopted a similar form which established diplomatic missions accredited to a number of countries that had diplomatic and consular services and later expanded with the deployment of Commercial Counsellors. This added specialised functions to such missions.

President Nujoma informed the Namibian Parliament, in July 1990 that Namibia intended to open full diplomatic missions in several states (see Table 4). He reiterated that the primary purpose of these embassies were to secure investment, technology transfer and scientific expertise for Namibia. Similar remarks followed during the President's first New Year Message to the Namibian nation on 31 December 1990 when he highlighted the promotion of trade by diplomats as a fulfilment of Namibia's policy of developing the Namibian economy (Office of the President 1999a: 26, 58). The statements of the President have been firmly anchored in the country's foreign policy principle, that of striving for mutual beneficial relations (Ministry of Information and Broadcasting 1990: 53).

Table 4: Namibia's first post-independent diplomatic missions (1990)

CONTINENT	CITY	COUNTRY
Africa	Addis Ababa	Ethiopia
	Lagos	Nigeria
	Luanda	Angola
	Lusaka	Zambia
Europe	Bonn	Germany
	Brussels	Belgium
	London	UK
	Moscow	USSR
	Paris	France
	Stockholm	Sweden
America	Havana	Cuba
	New York	US
	Washington	US

Source: National Assembly (1991: 83 – 84).

Minister Gurirab explained to the Parliament the considerations that were taken into account when opening the first diplomatic missions. Some of the capitals selected as Namibia's first missions host international organisations. One reason was, therefore, the importance of multilateralism which is explained below. Another reason was economic consideration. The Minister explained that the events in some countries have impact on Namibia and that some capitals

[A]re important for the improvement of our material welfare, as we have major economic interests, such as trade, financial, investment, tourism and other economic services in those capitals. Others are important because there is potential for future economic opportunities (National Assembly 1991: 84).

The considerations for opening diplomatic missions listed in Table 4 above were both political and economic. Politically-motivated missions are those that hosted multilateral organisations such as the UN (New York) and the Organisation of African Unity (OAU) (Addis Ababa). The mission in Brussels, for example, was regarded as economically strategic to interacting with the rest of the European countries, especially where Namibia had not opened diplomatic missions (Gurirab 2010: interview; Nujoma 2011: interview).

The personnel of a typical Namibian embassy, at the time, included an Ambassador or High Commissioner (for missions in Commonwealth countries), Minister-Counsellor, Counsellor, First Secretary, Second Secretary and Third Secretary (Minister of Foreign Affairs 2010). Some missions had only Ambassadors with the next diplomatic official being the First Secretary. Minister-Counsellors and Counsellors were initially posted to missions in large powers, such as France, Nigeria, the UK, the US, USSR, and former SWAPO allies, such as Cuba, East Germany (later Germany), Sweden, Zambia, Zimbabwe. This was partly due to availability of the personnel as the positions of Minister-Counsellor and Counsellor were filled by Directors and Deputy Directors, respectively. The role of staff on economic diplomacy will be discussed in Chapter Four.

As inferred too, at the beginning of this section, the diplomatic missions, opened by Namibia, after independence, follow a trend of small states. Small states generally maintain few representations abroad. They include primarily neighbouring states, major trade partners and major world powers (Mohamed [sa]: 18). Limited diplomatic representation, arguably, disadvantages small states, as they conduct diplomacy with their large counterparts, through unilateral diplomatic representation (Cross-Mike [sa]: 20). This means that when a large state sends a resident diplomat to a small state and the latter is unable to reciprocate, the diplomatic relations of the two countries will be channelled through that representative of the large state. Unilateral diplomatic representation, arguably, favours the large state since diplomats invariably prioritise the interests of their sending states.

3.8.3 Commercial Counsellors and Honorary Consuls

From 1995 the Ministry of Trade and Industry appointed Commercial Counsellors to the Namibian embassies in Brussels, Bonn and Washington DC (Gurirab 2011: interview). Unlike other countries, Namibia does not have stand-alone trade missions. With limited resources, Namibia cannot employ teams of local staff such as secretaries, accountants, clerical officers and drivers for separate diplomatic and trade missions. For this reason, Commercial Counsellors are an integral part of diplomatic missions. The Namibian

diplomatic missions are, therefore, unique in that they combine political and economic diplomacy since political staff and Commercial Counsellors share the work.

Initially, the work of Commercial Counsellors faced some challenges. Namibia's first Ambassador to Germany, Nora Schimming-Chase (2011: interview), explained that at the beginning, most of the Commercial Counsellors were not trained as diplomats and this affected their performance. There was also no clearly formulated and published mandate, in respect to the roles and functions of Commercial Counsellors and how they related to other diplomatic officials at each embassy. As a result, all diplomatic officials at missions were involved in economic diplomacy. This unintended consequence contributed to the improvement of the country's economic diplomatic skills base. Despite these initial uncertainties, Commercial Counsellors soon became acquainted with their roles and functions.

For some missions the deployment of Commercial Counsellors brought a new dimension in the functioning and operation of the Missions. For the first time, the staff compliment of the respective Namibian diplomatic missions, included officials from outside the Ministry of Foreign Affairs. Commenting on this development, Namibia's first Commercial Counsellor to the Namibian mission in Washington DC, Paulo Shipoke (interview: 2011), observed that, although their mandate was not clearly defined as stated above, Commercial Counsellors were expected to promote trade and investment. He further stated that the Namibian Ambassador in Washington DC was very supportive of the Commercial Counsellor. Accordingly, Ambassador Kalomoh often took Commercial Counsellor Shipoke along when he was meeting members of the US business community, rather than taking the First Secretary who dealt with economic matters. This is an illustration of diplomatic specialisation (*i.e.* a preference for economic diplomacy) of the new Namibian government. One of the consequences of the appointment of Commercial Counsellors to the Washington Embassy in 1995 was that Namibia started to participate in international trade fairs in the US. One such example is the Detroit Trade Exhibitions (Detroit, US) in 1996.

Given their limited sources to have wider diplomatic representatives who promote trade relations, small states stand to benefit from the services of Honorary Consuls. Honorary Consuls are citizens of a receiving state, mostly from the business sector, who are appointed by the sending state (Berridge 2010: 127). For example, an Honorary Consul of Namibia in the US would be a US citizen. They are appointed to work for the sending state in promoting trade and investment between the sending and receiving state. They further serve to safeguard the welfare of the citizens of the sending state. These diplomatic officials are not paid by the sending state, but make use of their own funds to carry out their duties. They also assist in coordinating visits from Ministers from their sending states. Accordingly, states do not incur expenses by appointing Honorary Consuls, yet they benefit enormously from the services of these diplomatic officers. Honorary Consuls are useful actors on economic diplomacy, as they know the business environment of the receiving states.

Economic policies and, therefore, economic diplomacy of states are embedded in Liberalism as a theory of IR studies, which emphasises on cooperation among states (Cohn 2008: 71 – 72). It follows logic that diplomatic establishments serve the purpose of cooperation between various states and their agents aimed at strengthening economic ties, among others. Since these institutions are guided by the foreign policy principles of their respective states, it is arguable that Namibia's diplomatic establishments are Liberalism theory-oriented.

3.8.4 Budgetary allocations

One indicator of a state's commitment to a particular policy objective is the budget allocated to achieve the objective. A sizeable portion (about N\$ 3.4 million, representing 48 percent) of the first Budget Vote of the Ministry of Trade and Industry in 1990 was dedicated to trade activities covering international trade, commercial representation abroad and activities related to securing markets and business for Namibia (National Assembly 1990b: 137). Having taken outbound missions to secure markets in the EU, Asia and Latin America, by 1995 the budgetary allocations to international trade had

reduced to 13.5 percent of the total budget of the Ministry of Trade, although the figure remains almost the same (N\$ 3.3 million).

3.9 An assessment of Namibia's economic diplomacy during its formative years

This chapter will analyse Namibia's economic diplomacy during its formative years from 1990 to 1995. Earlier, reference was made to policies, presidential initiatives and diplomatic specialisation to attract investment to Namibia and stimulate Namibia's exports. These efforts produced some results for a newly-independent Namibia.

3.9.1 Establishment of diplomatic missions as well as bi- and multilateral trade agreements

Namibia established 13 diplomatic missions within the first three years of her independence. Apart from this, the then Minister of Foreign Affairs, Theo-Ben Gurirab, informed the Parliament in 1991 that within the first year of independence, Namibia had signed 156 agreements, out of which 61 were economic cooperation agreements. In addition, there were other agreements not specified in the number that dealt with Trade and Investment Promotion (National Assembly 1991: 86 – 87).¹⁰ The fact that over 40 percent of these agreements related to economic cooperation demonstrates that Namibian foreign policy decision-makers highly prioritised economic diplomacy in order to achieve the country's foreign policy and development objectives. Diplomatic establishments are discussed by Du Plessis (2006: 140) (see Table 2). He writes about a form of permanent bilateral relations signified by the presence of diplomatic establishments in the receiving state.

¹⁰ Available records of the Ministry of Foreign Affairs have only 91 agreements and further show that the economic cooperation and trade agreements signed during that period were with Cuba and Finland. The rest of the agreements were sectoral technical agreements, development cooperation agreements and agreements establishing diplomatic relations.

3.9.2 Creating a market for Namibian commodities, product diversification and increased exports

Soon after independence Namibia adopted a strategy to concentrate on marketing her products globally (Nujoma 2011: interview). In the first year of independence, the Ministry of Trade and Industry embarked upon a campaign for marketing Namibian commodities such as Karakul products, minerals, beer and beef to, amongst others, European markets (National Assembly 1991: 139). These efforts produced significant results in Namibia's formative years and beyond (see Table 5).

Table 5: Total export value (N\$ billions) (1989-2012)

Year	Total export values (N\$)
1989	N\$ 2 934 – 00
1990	N\$ 2 815 – 00
1991	N\$ 3 256 – 20
1992	N\$ 3 739 – 80
1993	N\$ 4 225 – 56
1994	N\$ 4 688 – 20
1995	N\$ 5 144 – 72
2011	N\$ 970 244
2012	N\$ 44 117 880

Sources: Bank of Namibia (1994) and Namibia Statistics Agency (2012)

Table 5 reflects the achievements and success of Namibian commodities. For example, the export earnings for manufactured products were valued at N\$ 474. 8 million in 1990 and by 1995 they had tripled to N\$ 1.45 billion. Diamond sales earnings were N\$ 849.0 million in 1990 and by 1995 they had doubled to N\$ 1.76 billion (Bank of Namibia 2013).

With the sanctions against Namibia as a South African colony having been lifted with the dawning of Namibia's independence, Namibia was able to enter the Eastern Europe market. Countries in Eastern Europe were historically adversaries of South Africa as a result of the polarity created by the Cold War politics. These countries further supported

SWAPO and the struggle for Namibia's independence from South African colonialism. The then Minister of Trade and Industry, Ben Amathila, informed the Parliament that soon after independence, the Namibian Brewery, which was the largest brewery in Namibia, won a contract to export the Namibian beer to Poland, amidst tough competition from other producers around the world (National Assembly 1991: 139).

With the opening of new markets, there has been remarkable increase in Namibia's exports. Apart from Karakul, minerals and beer, Namibia is also a major producer of beef. By 1990, Namibia exported beef predominantly to South Africa. Minister Amathila informed Parliament that Namibia could not afford to continue with the trend of exporting 80 percent of her beef to South Africa, but needed to look to the European markets in an effort to diversify the country's exports (National Assembly 1991: 139).

Namibia's accession to the Lomé Convention, membership of SADCC (and later SADC) and SACU further contributed to the creation of markets for Namibian commodities and increased exports. It was stated earlier in this chapter that Namibia also successfully lobbied for the status of 'as if' it was an LDC. This put exporters at ease because they did not have to meet the threshold required for their export products to the EEC member-states when Namibia experiences low production years.

In summary, from the time of independence to the end of the first term of the government, Namibia's total export increased with about 82 percent. This nearly doubled figure signifies a successful international trade on the part of Namibia. This is partly attributed to the opening of new markets in Eastern Europe which were previously not open to pre-independent Namibian goods. Namibia's international trade was further boosted by her accession to the Lomé Convention. The Lomé Convention is a multilateral treaty by which the EU gives preferential treatment to goods from ACP member-states that were colonies of EU member-states.

3.9.3 Attracting foreign investment to Namibia

One of the main objectives of economic diplomacy is to attract FDI. Namibia is no exception in this regard. Table 6 shows the Namibia's FDI in the first five years of independence.

Table 6: Foreign Direct Investment to Namibia (1990-1995) (N\$)

1990	1991	1992	1993	1994	1995
270 million	1.08 billion	1.06 billion	495 million	882 million	1.4 billion

Source: Ministry of Trade and Industry (2013)

The figures in Table 6 were achieved through various efforts. For example, Namibia appointed Commercial Counsellors and succeeded in attracting investors from both developed and developing countries. In the US, for example, Namibia was able to attract investors in the construction industry which resulted in American investments through a construction company, Hanover, which constructed houses in Ongwediva and Swakopmund (Kalomoh 2011: interview).

Namibia was also successful in attracting investors from another developed country, Germany. Namibia's first Ambassador to Germany, Hinyangerwa Asheeke (2011: interview), explained that Namibia's economic diplomacy with Germany was successful, especially in the tourism sector. While figures from the first five years are not available, as the Namibia Tourism Board only has statistics from the year 2002, the available statistics reveal that from 2002, Germany has always topped the list of tourists from European countries. For example, in 2010, German tourists accounted for the highest number of European tourists, recording 61 236 tourists in 2002 and 87 072 in 2010. Many of the tourist establishments in Namibia are owned and/or operated by Germans. This could also be attributed to the fact that the Namibian Embassy in Germany worked closely with the offices of the Namibia Tourism Board (NTB) and Air Namibia, Namibia's national carrier, which have offices in Germany.

Namibia's economic diplomacy with India, a developing country, also produced results. Subsequent to President Nujoma's state visit to India in 1992, an Indian company, the Mahindra Group, established a car assembly plant in Namibia. Inaugurating the plant, President Nujoma referred to the benefits to Namibia's FDI, such as employment creation, boosting the construction industry and technology transfer (Namibia 1999: 374).

The agenda of Namibia's economic diplomacy is not of a typical small state. East (1973: 557) and McCraw (1997: 7), for example, presuppose that small states have a limited foreign policy scope. Namibia's economic diplomacy, however, encompassed a wide range of issues within a short period. Namibia has covered a large market and attracted investors from various parts of the world stretching from America to Asia.

Liberalism theory, through its perspective of Pluralism, has broadened the agenda of international relations, encompassing economic issues (Viotti & Kauppi 1999: 200). The foreign policies of states in contemporary history cover a wide range of issues. Accordingly, Namibia places on its foreign policy agenda economic issues such as market access and attracting trade and investment. This makes her foreign policy and conduct of economic diplomacy to be Liberalism theory-inclined.

3.10 Challenges to early economic diplomacy

Namibia's economic diplomacy during the formative years did not only record successes. There were some challenges that resulted in poor performance and, in some instances, in controversial failures. Comparative studies reveal that new states have some challenges and controversies in foreign policy-making. Meidijainen (2009: 230 – 231), for example, writes that in the early years of the founding of Estonian diplomacy in 1917 when auditors requested reports on foreign relations expenditure, it caused embarrassments as there were irregularities in the form of unaccounted or unexplained use of funds.

3.10.1 Lost business opportunities due to attitudes and perceptions

Some of the early investment programmes and projects did not materialise. For example, Namibia's first High Commissioner to Nigeria, Ndeutapo Amagulu (interview: 2011), admits that a number of investments from Nigeria could not materialise as Namibian businesspersons appeared not to be keen on them. Consequently, these investments went to South Africa. The then President of the Association of Nigerians in Namibia (ANINAM), Emmanuel Obafemi Alamu Bajomo, said to the Nigerian Head of State, President Olusegun Obasanjo, during a state visit to Namibia in 2002,

We are not saying that we do not, now and then, have among us a few Nigerians that continue to project the country's image in bad light (Nigerian High Commission 2002: 28).

Reluctance from the side of the Namibian businesspersons could, therefore, arguably be attributed to negative perceptions about their Nigerian counterparts. The negative attitudes and their resultant loss of business opportunities for Namibia were confirmed by the then Minister of Foreign Affairs, Theo-Ben Gurirab, who informed the Parliament, in 1993, that when Michael Kennedy and his business delegation visited Namibia for prospective investments, they were told by local businesspersons that the Namibian market was too small. Michael Kennedy is the son of Robert F. Kennedy, the 64th US Attorney-General and brother of John F. Kennedy, the 35th President of the US. Local businesspersons even further suggested that the Kennedys should rather invest in South Africa. This also happened to investors from Malaysia and Italy (National Assembly 1994c: 209 – 210). Gurirab's assertion was confirmed by Asheeke (2011: interview), who stated that there was a negative attitude towards government initiated trade and investments in the early years. He maintained that some companies, especially those that are family-based, do not see the need to engage in investments that the government endeavour to campaign for. But, as Namibia's economic diplomacy evolved over the years, the private sector and the Government eventually worked together to attract trade and investment (see Chapter Four).

Namibia further faced numerous challenges in the process of establishing herself as a US' trade partner. In this instance, Namibia could not succeed in becoming a trade partner for

meat products. Namibia further tried to have her beer enter the American market, but American beer, in particular Budweiser, proved to be more popular among the consumers (Kalomoh 2011: interview). Despite the challenges, Namibia eventually succeeded in securing the US market for her products and the US became her major trading partner (see Chapter Five).

The process of deploying Commercial Counsellors to Namibia's diplomatic establishments took longer than expected. While the budget of the Ministry of Trade and Industry made provision for commercial representation in 1990 (National Assembly 1990b: 137), it was only in 1995 that Namibia deployed Commercial Counsellors. The absence of Commercial Counsellors meant that there was no dedicated focus on trade and investment in the embassies; this function was performed by officers who had other responsibilities, such as political diplomacy and consular matters.

Some of the failures were caused by the locations of the commercial representatives. Some countries have different political and commercial capitals. For example, Shipoke (2011: interview), argues that while the political capital of the US is Washington DC, the country's economic centres are in New York State, Texas and California. Commercial Counsellors reside in political capitals and operate directly from the embassies. Given the constraints of resources, which are common to small states in general, Namibia's Commercial Counsellors who are stationed at the embassies in political capitals have not always been able to travel to commercial capitals.

3.10.2 Lack of support for Honorary Consuls

There were instances when the Government did not make good use of the services of Honorary Consuls in pursuing economic diplomacy. Former Commercial Counsellor at the Namibian embassy in the US. Paulo Shipoke (2011: interview) observes that some Honorary Consuls worked hard in promoting trade and investment, but they did not receive enough support from the Namibian Government. This would include smooth

facilitation of their travels to sending states and providing them with the appropriate protocol courtesies when they visited.

Honorary Consuls facilitate trade and investment between the host countries and the countries that they represent. However, they work on a voluntary basis, in return of minimal diplomatic privileges. Therefore, if an Honorary Consul does not receive the necessary support, he or she might be reluctant to continue in that position, or he or she may neglect his or her diplomatic duties.

Since Liberalism as a theory of IR studies propounds the importance of economic matters, it is important that actors who promote economic diplomacy should be supported.

3.10.3 Controversial investment projects

Another failure of Namibia's early economic diplomacy is the fact that some promised investments have never materialised. For example, the Pidico (Projects Industrial Developments Investment Company) project which came to Namibia from Egypt promised that it would launch an EPZ which would have resulted in large-scale employment and agricultural projects. Pidico also promised to provide N\$ 100 million to establish a printing business in Namibia which would not only print Namibian school text books but also Zimbabwean school text books (*The Namibian* 3 (374) 1994: 1; Amupadhi 2004: 3). In the end none of the Pidico projects materialised.

While Pidico's owner, Mohamed Hassan, an Egyptian businessman, has claimed that he is a well-established businessman who is involved in other projects such as a N\$ 120 million project in Egypt's western desert, there has been media reports that Hassan is questionable as a credit worthy investor (*The Namibian* 3 (374) 1994: 1; *The Namibian* 12 November 2004). Accordingly, in 1993, during the Budget Debate in Parliament, when the issue of Pidico's failed investments was reported, Hans Eric Staby, a Member

of Parliament for the Official Opposition, the Democratic Turnhalle Alliance (DTA), stated,

There are, nevertheless, certain basic things which have to be established and assessed before the initial decisions concerning investment and concerning the important investment. Does the Ministry as a matter of policy consider it necessary to obtain information on the financial standing of investors...it may prove fruitful to obtain credit rating, for instance, in the case of less well-known operators (National Assembly 1994c: 201).

Staby argued that some of the projects were not economically viable. He said a project like Pidico, where an amount of N\$ 285 million was to be expended, should not have been announced as it had raised the expectations of the people.

When the opposition parties questioned the viability and credibility of the Pidico project in Parliament, the then Minister of Trade and Industry, Hidipo Hamutenya, was evasive and never addressed the substance of the questions. For example, Geoffrey Mwilima of the DTA asked about the environmental impact assessment (EIA) of the proposed agricultural projects of Pidico, but Minister Hamutenya said that the pro-DTA media had already propagated about Pidico being broke and it was ironic for the DTA parliamentarian to ask questions about a broke company (National Assembly 1994b: 323 – 324). When the allegations of Pidico's bribery involving him were made in Parliament, Minister Hamutenya refused to comment on the allegations. This invited interjection from the House after which he threatened, "Just repeat that nonsense outside this door and I will get you locked up immediately" (National Assembly 1994a: 369).

During the parliamentary debate on the EPZ Bill, Eric Biwa of the UDF cautioned against doing businesses with companies like Pidico when he stated,

Talking of the establishment of the EPZ's (*sic*) in Namibia reminds me of one of the first mistakes made by our government right at the outset. The Government made a bad start by trying to involve some dubious foreign investors in the development of the EPZ's (*sic*) in Namibia...And while on this score, I would like to know from the Minister what place the so-called Pidico company currently occupies in the setting up of the EPZ's (*sic*) in Namibia (National Assembly 1995a: 50).

Parliament provided a platform to lawmakers to effectively contribute to debates on issues of trade and investment, thereby making their contribution to economic diplomacy.

In summary, the controversial Pidico project reflects a failure in Namibia's economic diplomacy. The company had no credible history as an investor and its project in Namibia have not materialised. With the Minister of Trade being evasive in answering questions, it rendered the scheme dubious. Meanwhile, Parliament asserted its role as a co-author of economic diplomacy, an aspect that will be discussed in Chapter Four of this study.

3.11 Summary

From independence in 1990 to 1995 the status of the Namibian economy changed in that the economy became diversified. By 1995, Namibia, however, still had foreign debts inherited from the colonial government. These were written off two years later in 1997 (Sherbourne 2009: 12, 72).

With the dawning of Namibia's independence on 21 March 1990, the country's economic diplomacy started unfolding. Namibia's diplomacy was conducted by inexperienced diplomats, most of whom were freedom fighters barely a year previously. It was these officers who were charged by the President to pursue economic diplomacy as another phase of economic struggle. But by the end of the first term of the Government in 1995, these officers had grown into experienced diplomats. Furthermore, by that time diplomatic establishments were not only staffed by political officers, but also by Commercial Counsellors who were solely dealing with specialised diplomacy, *i.e.* trade matters.

Namibia's economic diplomacy during the formative years focused on the southern Africa region. By 1995, she had five diplomatic missions in Angola, Botswana, South Africa, Zambia and Zimbabwe, thereby fostering good neighbourliness. The mission in South Africa was opened after the first democratic elections in that country in 1994. Namibia further forged relationships with allies who had assisted Namibians in the struggle for liberation as well as other middle to superpowers in the international political and economic system. In pursuing economic diplomacy, the Namibian Government

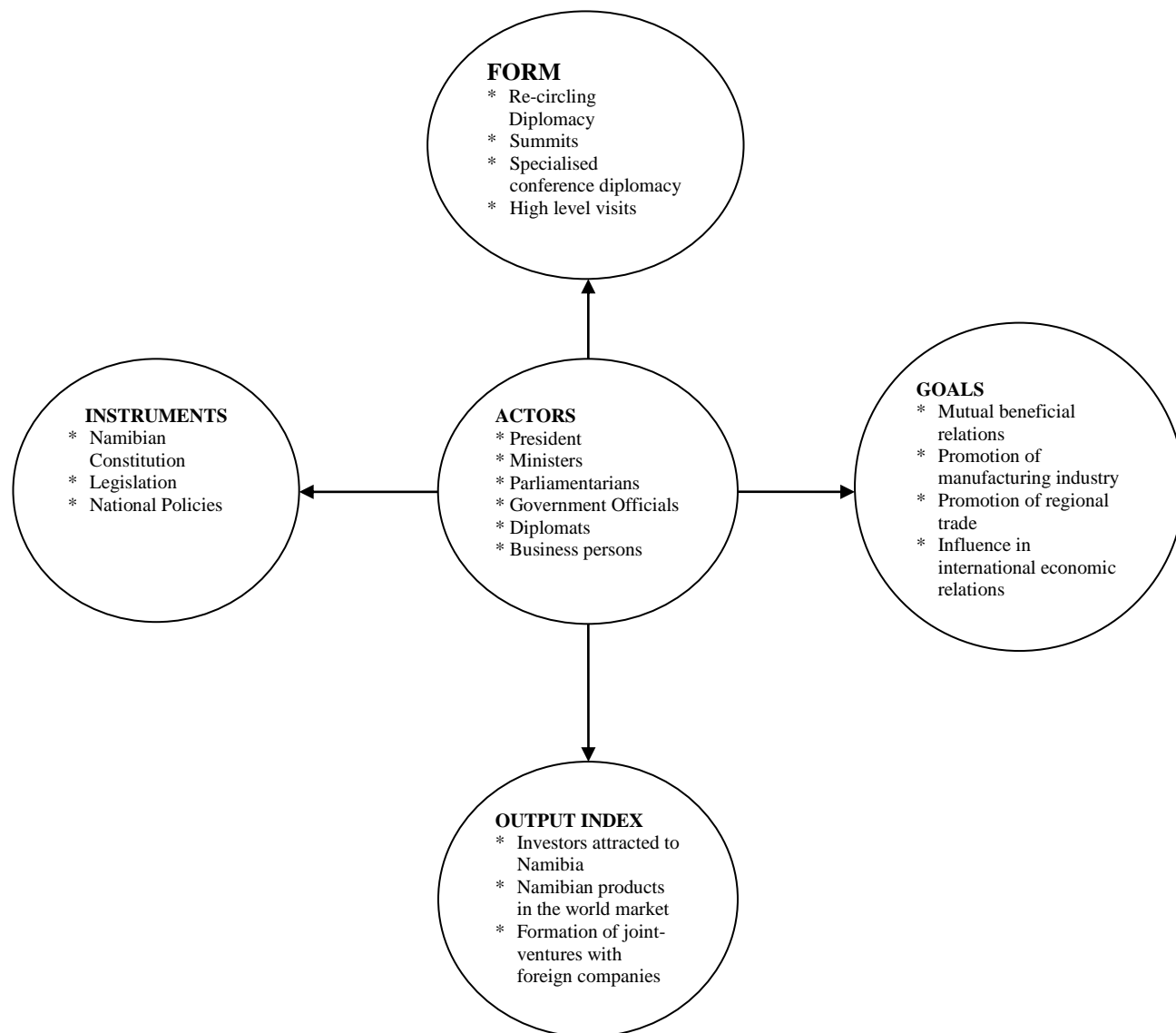
embraced the private sector in the making of economic diplomacy, providing opportunities for the Namibian entrepreneurs to have joint-ventures with their counterparts from other countries. The Government further included the private sector in government delegations to missions aimed at promoting economic relations (see Chapter Four).

The Government has put in place legislation and policies that are attractive to investors and do not place unnecessary burdens on them. By 1995 the Government had passed the Foreign Investment Act and EPZ Act as important pieces of legislation that regulate how to conduct economic diplomacy in respect to trade, investment and exports. These instruments present a favourable opportunity to foreign investors. For example, investors who contribute to the creation of manufacturing industries receive tax incentives through the creation of EPZs. By the end of its first term the Government had also adopted its first master policy document, the NDP 1. This is in addition to other policy documents, one example being the *White Paper on national and sectoral policies* which underscores economic diplomacy.

The Government further made use of conference and multilateral diplomacy methods as instruments of economic diplomacy. Mere hosting of conferences does not mean that a country has an effective tool for economic diplomacy. The measurement of conferences' successes is when they bear fruit. Namibia's conference diplomacy was effective because it attracted investors to invest in the Namibian fishing and diamond industries, for example.

In concluding this chapter, Figure 2 provides a graphic illustration of the elements of Namibia's economic diplomacy during the period 1990 to 1995.

Figure 2: Namibia's economic diplomacy during the formative years



Source: Researcher's own compilation

An adaptation of Du Plessis (2006) and Table 2, Figure 2 summarises the interconnectedness between the actors, goals, instruments, forms and outputs of the country's early economic diplomacy. Actors are placed at the centre as they are the primary drivers of economic diplomacy because they enact laws, formulate policies,

carry out short-term bilateral and multilateral diplomacy and set the goals for Namibia's diplomacy.

Namibia's evolving economic diplomacy is primarily based on mutual gainful relations, as embodied in the Namibian constitutional principles of foreign policy (Ministry of Information and Broadcasting 1990: 53). In this respect, Namibia wanted to ensure that her natural resources benefit the country through industrialisation, thereby creating jobs for Namibians. The President and Ministers advocated this approach.

Namibia's foreign policy and economic diplomacy was built on previous relations established by SWAPO as a liberation movement. These relations with the Nordic countries, for example, were renewed under a new framework of government to government relations and continued on the cooperation programmes which were decided upon prior to independence.

Although Namibia is a small country, the scope of her economic diplomacy is broader and covers a relatively larger market. With the end of the Cold War which brought trade opportunities in Eastern Europe, Namibia did not hesitate to extend her economic diplomacy to that region. Overall, the trade and investment activities that flowed to Namibia signify an achievement of her economic diplomacy, albeit there were also some instances of failed trade and investment ventures.

The period during which Namibia's economic diplomacy commenced, 1990, coincided with the end of the Cold War which marked political hostilities between the countries of the East and West Bloc. The end of the Cold War gave rise to the prominence of economic issues and this corresponds to the assumptions of Liberalism theory (Gilpin 2008: 239). Accordingly, the essence of Namibia's economic diplomacy, namely mutual benefits between partners and other trends in her economic diplomacy, such as multilateralism, are inclined to Liberalism as a theory of IR studies. Therefore, Namibia opened diplomatic missions in countries that were traditionally friends and erstwhile opponents.

Namibia also adopted specialised diplomacy during the formative years. The Commercial diplomats added value to the functioning of the Namibian embassies. They complemented the work of other diplomats and formed a strong team to pursue Namibia's economic diplomacy in their receiving states.

Namibia's formative years of economic diplomacy were also marked by challenges. As a small and new state with limited resources, Namibia had inexperienced diplomats and government leaders who could not always adopt calculated measures to win strategic investments. This resulted in investments opportunities being lost to other countries and further resulted in venturing into failed investments shrouded in controversies. Namibia further failed to extend the necessary support to the Honorary Consuls who are important for marketing Namibian products and bringing investors to Namibia.

Chapter Four, discusses the actors involved in the making of Namibia's economic diplomacy. These are state and non-state actors.

CHAPTER FOUR

ACTORS AND KEY STAKEHOLDERS IN THE PRACTICE OF NAMIBIA'S ECONOMIC DIPLOMACY

4.1 Introduction

A number of both state and non-state actors are involved in the foreign policy-making process and the conduct of diplomacy in general. The making of Namibia's foreign policy and the conduct of her economic diplomacy is no exception. Namibia's first Deputy Minister of Foreign Affairs, Netumbo Nandi-Ndaitwah (2011: interview), stated that the Ministry of Foreign Affairs does not hold monopoly over the pursuing of Namibia's economic diplomacy; this is a responsibility of all citizens. Thus, a number of government institutions and the private sector are involved in the practice of Namibia's economic diplomacy.

This chapter discusses actors in Namibia's economic diplomacy. They include the Presidency, the Ministry of Foreign Affairs, other government Ministries, the Parliament, regional governments, local authorities, public enterprises and the private sector. The private sector, in the context of Namibia, refers to the business sector and does not include the rest of the civil society like the media and NGOs, for example. Thus, the City of Windhoek's foreign policy that will be discussed below differentiates between the private sector and the civil society. This study focuses on the private sector because, although civil society is involved in foreign policy matters, in general, their involvement is on political diplomacy (see Mushelenga 2008: 226 – 228).

4.2 Constitutional provisions on foreign policy and diplomacy

Rourke (2008: 82) notes that state actors' role on foreign policy is determined by the type of government, the situation, the type of policy, the type of power given to the leaders and the capabilities of the leaders. The Namibian Constitution grants foreign policy-making powers to the Executive and Legislature. Article 32 empowers the President to negotiate agreements or delegate such power and appoint diplomatic representatives

(Ministry of Information and Broadcasting 1990: 23). Article 63 grants foreign relations powers to the Parliament in terms of ratifying bilateral agreements concluded between Namibia and other states and multilateral agreements to which Namibia should accede (Ministry of Information and Broadcasting 1990: 37).

The foreign policy principles in article 96 of the Namibian Constitution (Ministry of Information and Broadcasting 1990: 53), provide for the fostering of relations with countries in the world, to accrue benefits to Namibia and her friends. This requires public participation on matters of foreign policy. Secondly, Namibia is founded on the principles of democracy, where people should be allowed to freely participate and air their views on matters of public governance.

The capabilities of the Namibian Government leaders determine their involvement and strategies of economic diplomacy. Capabilities enable leaders to choose the agenda of the country's foreign relations and methods to be adopted in pursuing economic diplomacy. Rourke (2008: 82) submits that sometimes leaders have informal powers over foreign policy matters. Accordingly, in pursuing economic diplomacy the general public will look upon their leaders for direction. Leaders become the embodiment of the nation's foreign policy and they are expected to shape economic diplomacy programmes.

4.3 State actors and economic diplomacy

Foreign policy, in general, is largely, but not exclusively, the domain of state actors. Hill (2003: 56) observes that foreign policy is conducted at the highest level by the Head of Government, Minister of Foreign Affairs and other economic ministers who can collectively be referred to as the 'foreign policy executives'. Foreign policy issues evolve over time and some issues arise unexpectedly. It is, thus, important that a small group of executives are involved in the conduct of a country's foreign policy.

With regard to the pursuing of Namibia's economic diplomacy, these actors include the President as the Head of State, the Prime Minister, the Ministers of Foreign Affairs and

of Trade and Industry and their respective staff, other government Ministers and their staff, the Parliament, regional governments, local authorities and SOEs.

4.3.1 The President as an economic diplomacy actor

Barston (2006: 74 – 76) writes about the Heads of State and Government's involvement in the making of diplomacy through personal diplomacy. This is done through state visits and correspondence or through sending envoys. It is one form of diplomacy that plays an important role in forging cooperation and alliances. Du Plessis (2006: 140), too, in his typology of diplomacy (see Chapter Two) writes about this form of temporary diplomacy characterised by high level visits, among others.

4.3.1.1 President Nujoma and Namibia's economic diplomacy: initiatives, drives and strategies

The agency-structure debate on foreign policy discusses the role of individuals and structures on foreign policy and the influence that either of the two has on the other. The central question is whether the individuals' preferences and interests drive their conduct of foreign policy or whether their actions are shaped by the dynamics of the environment and institutions surrounding them (Brighi & Hill 2008: 119). President Nujoma has been an actor who steers the direction of institutions. He takes initiatives and drives economic diplomacy agenda rather than waiting for the structures to shape his initiatives. For example, in pursuing economic diplomacy with Malaysia, President Nujoma brought the Smart Partnership Dialogue concept to Namibia and, by extension, to the southern Africa region (see Chapter Six).

President Nujoma adopted personal diplomacy by visiting old friends and making new friends with the aim of attracting trade and investment to Namibia. Former Namibian High Commissioner to Nigeria and Malaysia, Ndeutapo Amagulu (2011: interview), affirms that President Nujoma has been an important role player in the making of Namibia's economic diplomacy (referred to in Chapters Three and Five). He describes

Nujoma as a powerful player whose office actively promoted trade and investment with foreign countries. Amagulu further states that during his presidency, President Nujoma established a good rapport with the Prime Minister of Malaysia, Mahathir bin Mohamad, which enhanced trade between the two countries. It was during their tenures of office that the Langkawi and Southern Africa International Dialogues were held (see Chapter Six). The dialogue, held in Namibia in 1998, was the second of its kind, the first being the one that was held in Malaysia in 1995 (Angolo 2012: interview). In terms of the typology by Du Plessis (2006: 140), President Nujoma's personal diplomacy was carried out in terms of temporary diplomacy by way of both inter-governmental high level visits and conference diplomacy on specific issues.

President Nujoma marketed Namibia as a viable trade and investment destination to businesspersons from other countries. He used instruments or platforms such as his state visits, addresses to trade fairs and investment conferences. He cited, among others, good infrastructure and incentives for manufactures as attractive means for doing business with Namibia (Office of the President 1999a: 67, 393, 462).

President Nujoma played an active role in driving for large economic projects. For example in May 1995, during his visit to South Africa, Namibia and South Africa underscored the changing nature of foreign policy from mere political to economic cooperation. Accordingly, the two countries discussed the need to cooperate on the energy sector by developing the Kudu Gas Fields in Namibia to ensure power self-sufficiency (*The Namibian* 5 (330) 1996: 1). Adequate energy capacity is required for major economic activities, especially in the mining and industry sectors. The Kudu Gas Project is, accordingly, essential for an increased manufacturing base in Namibia.

Maintaining important projects with large neighbours is a typical trend in small states' diplomacy. This is reflected in Kyrgyzstan's economic diplomacy with China, for example. China and Kyrgyzstan entered into joint partnership to develop the Kyrgyzstan-China gas pipeline, pumping gas from Turkmenistan to Kashi in China. These two

countries then agreed that their economic relationship would be based on the principles of equality and mutual benefits (Wu & Li: 2013: 1; *Global Times* 12 September 2013: 1).

It is typical for some small states leaders to exert much influence on the practice of diplomacy. Hey (2003: 131) states that The Gambian President, Yahya Abdul-Aziz Jemus Junkung Jammeh was a skilful and tenacious diplomat who worked for the acceptance of The Gambia as an important entity in international relations. Similarly, Luxembourg's Prime Minister Juncker was an active foreign policy-maker who has presided over foreign policy issues and served as the embodiment of his country's foreign relations (Hey 2003: 91).

President Nujoma's strategies have had an impact on Namibia's economic diplomacy. Namibia's first Minister of Foreign Affairs, Theo-Ben Gurirab (2010: interview), confirms that Namibia's economic diplomacy is founded on the philosophy of former President Nujoma who declared that following independence, Namibia faced another struggle for economic emancipation. Accordingly, when Minister Gurirab's deputy, Netumbo Nandi-Ndaitwah, declared in the Parliament that the Ministry of Foreign Affairs had set the motto for the year 1992 to be 'Diplomacy with a purpose, the economic development of Namibia' (see Chapter Three), the Ministry was defining what the President had in mind.

The strategies of President Nujoma had further an impact on Namibia's economic diplomacy as a small state. It opened Namibian goods to the world market (see Chapter Five). It further brought the Namibian private sector into the fold of the Smart Partnership Dialogues (see Chapter Six). Liberalism as a theory of IR studies recognises that the multi-centric world has institutions that are not part of the state establishments. Further, the theory maintains that economic cooperation will be forged for the mutual benefits of all partners (Jackson & Sorensen 2013: 104, 106).

4.3.1.2 The Nujoma Doctrine: Maintaining old friends and winning new ones

President Nujoma advocated that apart from the friends that Namibia had acquired through SWAPO during the period of liberation struggle, the post-independent Namibia required that Namibia should obtain new friends in order to realise economic prosperity. Although SWAPO did not have strong relations with the West Bloc countries in the context of Cold War politics, President Nujoma (2011: interview), deemed it necessary that Namibia should open an office in the EU capital, Brussels, in order to facilitate the entry of her products in the EU market.

Addressing Namibian diplomats at the first diplomatic trading in May 1990, President Nujoma stated that in their promotion of trade and investments, they should engage all countries of the world (Office of the President 1999: 15). The mentioning of “all countries” by President Nujoma underscores the importance of engaging both old and new friends. The founders of the Namibian state included in the Namibian Constitution, the foreign policy principle of maintaining non-alignment (Ministry of Informational and Broadcasting 1990: 52). This principle implored upon Namibia to relate to “all countries”. As stated within the research problem (see Chapter One), Namibia’s independence came during the end of the Cold War and the absence of bipolar international system required a new focus on foreign policy. With the new developments in world politics, it was ideal that President Nujoma adopted a principle to acquire many new friends for Namibia.

President Nujoma further believed that the friendship that had been built with SWAPO’s allies over the years was to be maintained and consolidated. It was for that reason that he carried out re-circling diplomacy (see Chapter Three and Figure 2). This was to consolidate long-standing relations with the Nordic countries in 1993. The press release issued by the Ministry of Foreign Affairs (1993) about the visit to the Nordic countries, confirmed President Nujoma’s doctrine on maintaining old friends, as the visit was aimed at thanking the Nordic countries for their role in the liberation struggle for Namibia and

to further forge economic relations between an independent Namibia and the Nordic countries.

The Frontline States and Nigeria were important role players who were involved in the process of negotiations that produced a roadmap for Namibia's independence.¹¹ President Nujoma was cognisant that reaching out to these old friends would strengthen economic relations in addition to political relations that had been built over the past years. Exchange state visits between President Nujoma and his Botswana counterpart, President Quett Masire, took place in 1990, within six months of Namibia's independence and at both occasions, President Nujoma spoke of the need to increase trade volumes between Namibia and Botswana (Office of the President 1990a: 40 – 41).

President Nujoma attended the Zambia Agricultural Show in 1990 and the Zimbabwe Trade Fair in 1991 where he promoted trade and investment and emphasised the need for economic cooperation and joint-venture partnerships between Namibia and the respective members of the Frontline States (Chapter Three). In 1992, President Nujoma invited President Ibrahim Babangida of Nigeria to pay a state visit to Namibia. During the visit, a Joint Commission on Economic, Scientific and Technical Cooperation, was inaugurated (*The Namibian* 2 (558) 1992: 2).

Relations with two members of the Frontline States, Tanzania and Mozambique in the context of Nujoma's economic diplomacy doctrine, are reflected by the high-level visits by the Prime Ministers of the two countries. Prime Minister Hage Geingob visited Mozambique in 1990 during which Namibia and Mozambique signed the General Agreement on Economic, Scientific, Technical and Cultural Cooperation. The Prime Minister of Mozambique, Mario Machungo, visited Namibia in 1994 and a Memorandum of Understanding in Fisheries Cooperation was signed (Office of the Prime Minister 1994). Namibia and Mozambique are coastal states with abundant marine resources and a

¹¹ The Frontline states were southern Africa countries, Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe

cooperation agreement in the fisheries sector stands to promote the development of their respective fisheries sector.

With regard to Tanzania, former President of Tanzania, Julius Njerere, was invited to visit Namibia in 1991, while Tanzanian Prime Minister, John Malecela, was invited to visit Namibia in 1992. Peer discussions reveal that the visits by the two Tanzanian leaders were, however, more about political than economic relations. Namibia's economic diplomacy with Angola, which was another member of the Frontline States, will be discussed in Chapter Five.

President Nujoma is a pragmatic foreign policy-maker who champions practical applications of his foreign policy doctrine. He did not pursue ideas unrealistically, leaving them to become sloganeering diplomacy. His pragmatism was not driven by the notion of self-interest for Namibia. It is embedded in the constitutional principle of non-alignment and mutual beneficial relations. He wanted Namibia to embrace friends that would contribute to her economic development and prosperity and avoid political and economic isolation.

The doctrine of maintaining old friends is embedded in solidarity and ideology. Ideology is beliefs and ideas that have been adopted to form the basis of economic, political or social philosophy (Olivier 2006: 170). President Nujoma wanted Namibia to maintain strong economic relations with old political allies. Namibian leaders generally speak about the Namibian independence being a result of international solidarity. While embracing new friends, President Nujoma did not want Namibia to break economic ties with old friends and political allies who helped to bring about Namibia's independence. This is different from small states of Eastern Europe, for example, which after the Cold War, broke ranks with Russia in favour of the US and joined NATO. To ensure the effective implementation of his doctrine, President Nujoma himself set an example by adopting forms of diplomacy (see Figure 2) that promoted new friendship and maintained longstanding relations.

The Nujoma doctrine is the opposite of the linear escalation in Figure 1 by Du Plessis (2006: 136) as it moves from political diplomacy to economic cooperation. The economic cooperation is not about aid which creates dependency, but trade and investments that are mutually beneficial. The output indexes of trade and investment (see Figure 2) that are reflected in Tables 7 and 8, reflect the Nujoma economic diplomacy doctrine of maintaining old friends and acquiring new ones (see further discussions in Chapter Five). The forms of diplomacy employed to implement the Nujoma Doctrine were both permanent and temporary diplomacy (see Table 2). This is illustrated by the opening of Namibian embassies and high level visits to countries from both the East and West blocs (see Chapters Three and Five).

Liberalism as a theory of IR studies supports Namibia's bilateral economic diplomacy with her old and new friends, which as discussed in the previous chapters, covers various fields such as agriculture, fisheries and transport, among others. Liberalism theory argues that commercial diplomacy ensures that interaction among states cut across a number of issues of mutual concerns. States will be able to accommodate each other's interests and work towards common goals for their respective developments. In their trade relations, states gain comparative advantages which they appreciate and, thus, avoid policies that will upset their mutual benefits (Doyle & Recchia 2011: 1436).

4.3.1.3 President Pohamba's personal diplomacy

In pursuing Namibia's economic diplomacy, President Pohamba used personal diplomacy described by Du Plessis (2006: 140) as a form of temporary diplomacy characterised by high level visits (see Table 2). He undertook 12 official and state visits to various countries, including six in SADC, namely Angola, Botswana, South Africa, Tanzania, Zambia and Zimbabwe. Other countries visited included Namibia's major trade partners, namely China, Germany and the US (Office of the President [sa]).

In conducting personal diplomacy, President Pohamba placed emphasises on joint-ventures and mutual beneficial relations, like his predecessor, President Nujoma. In April

2005, President Pohamba visited Zimbabwe, having been in office for less than a month. During his visit, he invited businesspersons from that country to enter into joint-ventures with their Namibian counterparts. During his visit to South Africa in May 2005, President Pohamba stressed the importance of the Kudu gas project, a joint-venture involving Namibian and South African power utilities, NamPower and Eskom, respectively (Office of the President [sa]: 18). As members of a common customs union, Namibian and South Africa are in a position to enhance industrialisation and economic diversification.

Both the NDP 2 and NDP 3, as instruments of diplomacy, underscore the importance of developing the Kudu Gas Fields (National Planning Commission 2002a; National Planning Commission 2008b: 53). Discussions on this major power generation continue and they were part of the bilateral talks between Namibia and South Africa during the Bi-National Commissions meeting that was held in November 2013.

During his visit to Angola at the end of April 2005, President Pohamba informed his Angolan counterpart that Namibia was open to cooperation on trade and investment, with Angola and called for the re-activation of the Joint Commission of Cooperation between Angola and Namibia which had been inactive for some years. The Joint Commissions were a type of a long-term form of diplomacy which this study added to Du Plessis's typology of diplomacy (see Chapter Two). Joint Commissions allow states to cooperate on various economic sectors to enhance trade and investment between them (Office of the President [sa]: 26).

On two occasions President Pohamba addressed the Business Council for International Understanding (BCIU) at the roundtable in Washington DC in 2005 and at the business dinner in New York in 2006. The BCIU is a business association for more than 170 major companies and was founded in 1955 by President Dwight Eisenhower of the US. At the roundtable dinner, President Pohamba marketed Walvis Bay as the ideal port where US goods could enter the southern African market. He stated,

Walvis Bay, Namibia's main harbour...with a modern infrastructure...makes Namibia the first port of call for potential investors in southern Africa. In fact, according to the Africa Competitiveness Report, which is compiled by the Harvard University, Walvis Bay is ranked as the number one port in Africa, in terms of cost and efficiency (Office of the President [sa]: 93).

President Pohamba further informed the US businesspersons that the port of Walvis Bay had maintained zero-theft, non-pilferage and non-violation of cargo for seven consecutive years. President Pohamba's promotion of the Walvis Bay harbour fulfils one of the objectives of the NDP 1 which states that government plans to promote Walvis Bay as the gateway for the southern Africa region (National Planning Commission 1995a: 255).

The issue of logistics as one of the economic priorities stated in the NDP 4 (National Planning Commission 2012b: 81) includes the fact that Namibia wants the port of Walvis Bay to become a preferred west coast port in the region and on the continent. Accordingly, Namibian diplomats will market the port as an ideal logistics and distribution port. The NDP 4 states that Namibia will maintain the efficiency of the Walvis Bay harbour where the loading and unloading of goods take place within 24 hours. The harbour has competitive advantage over other harbours in the SADC region for it takes two to five days to deliver goods to their respective destinations in the SADC region, Europe and America. Delivery of goods from other harbours in the region takes 14 days (National Planning Commission 2012b: 86).

President Pohamba's personal diplomacy further included consultations with his peers in the region on matters pertaining to international relations in order to adopt a common regional position when necessary. It is, therefore, arguable that in terms of the agency-structure debate in IR studies, the structures shaped President Pohamba's conduct of economic diplomacy.

While President Pohamba differed in approach and style from his predecessor, President Nujoma, in respect of conducting economic diplomacy, in essence the economic diplomacy messages by the two Presidents were similar. Both advocated joint-venture partnerships and industrialisation of the Namibian economy (see also Chapters Three and Five). These are among the major goals of Namibia's foreign policy (see Figure 2).

President Pohamba's personal diplomacy was characterised by cooperation, in the form of strengthening political diplomacy with economic relations. It did not adopt the linear escalation illustrated in Figure 1 adopted from Du Plessis (2006: 136).

President Nujoma and President Pohamba are both pioneers of the liberation struggle, who served in the leadership of SWAPO, as a liberation movement for close to 30 years and President Pohamba served in the Cabinet of President Nujoma for 15 years. Thus, President Pohamba, too, appreciated the importance of solidarity as an ideology in Namibia's foreign policy. This is what enabled him to create initiatives to reach out and invite old friends from the liberation struggle days, from Cuba, Tanzania and Liberia, for example, using a temporary form of diplomacy such as high-level visits illustrated in Table 2.

4.3.1.4 President Pohamba's economic diplomacy trends: continuity with improvements

The foreign policy making in general, and economic diplomacy in particular, under the presidential tenure of President Pohamba, were a continuity of the foundation laid by his predecessor, former President Nujoma. President Pohamba concurred with former President Nujoma's economic diplomacy doctrine of maintaining old friends and winning new ones. This was reflected in his statement at the commissioning of the Namibia's Heads of Missions to Austria, Botswana, Nigeria and the UN when he said,

I would like to underline the fact that international relations have become more complex, where the traditional divide of east-west and north-south has given way to new alliances among nations as each country pursues its political and economic interest....Namibian diplomats need to fully appreciate the new forces and realities that shape international relations and global trade today (Office of the President [sa]: 222).

President Pohamba placed emphasis on stronger economic ties, with countries that provided solidarity and support to Namibia during the liberation struggle. This is illustrated by the fact that Heads of State from these countries, who had never paid an official visit to Namibia before, were invited during President Pohamba's tenure. They included Presidents Denis Sasou Nguesso of Congo, Ellen Johnson Sirleaf of Liberia, Raul

Castro of Cuba and Macky Sall of Senegal. It was the first time that leaders from these countries paid official visits to Namibia. As for Cuba's former President, Fidel Castro, he had only ever made a stopover in Namibia for about one hour in 1997 on his way to the NAM Summit in South Africa, but has never paid an official visit to Namibia.

In emphasising the importance of economic diplomacy with old friends, new diplomatic missions were opened in Tanzania and Egypt during President Pohamba's first term of office. Tanzania is where the first SWAPO external office was opened while Egypt was where the first SWAPO guerrilla fighters were trained. President Pohamba's emphasis on economic cooperation with countries that supported Namibia during the struggle is also illustrated by his firm stance to defend the Chinese investors (see Chapter Five).

The opening of the embassies in Egypt and Tanzania fulfilled the targets of the NDP 3 (National Planning Commission 2008b: 156). These diplomatic establishments were opened within the period covered by NDP 3 (2008 – 2012).

A number of diplomatic missions were further opened during President Pohamba's second term of office. Recognising the importance of multilateral diplomacy, the representational office to the WTO (see Chapter Three) in Switzerland was upgraded to a fully-fledged diplomatic mission in 2010. In extending her presence in Asia, Namibia opened a diplomatic mission in Japan in 2010.

In 2014, Namibia opened diplomatic missions in the countries that provided material support during the liberation struggle, namely Congo (Brazzaville), Finland, Senegal and Ghana. Congo hosted a high school for Namibians at Loudima while Ghana enrolled Namibian students in her institutions of higher learning. SWAPO has a diplomatic mission in Senegal where Namibian learners were enrolled in high schools. Pre-independence relations with Finland have been described above (see Chapter Three).

President Pohamba recognised the importance of permanent forms of diplomacy (Table 2). Thus, under his presidential tenure, Namibian diplomatic missions were expanded. A

mission to the WTO was opened in Geneva and new bilateral missions opened, considering economic relations, like the missions in Egypt and Japan. Consulates were opened in neighbouring countries, for example in South Africa and in Angola, to take care of the business interests and social welfare of Namibians.

Immediately after assuming office in March 2005, President Pohamba urged Namibian Ministers, parliamentarians, government and SOEs officials to familiarise themselves with the SWAPO Elections Manifesto of 2004 in order to implement the plans and programmes that are set in the Manifesto. President Pohamba continued this message during his second presidential tenure. He argued that carrying out economic diplomacy was a collective responsibility of government leaders (Pohamba 2013: interview). These leaders should base their policy formulations and decisions on the Namibian Constitution, the NDP 1, 2 3, 4 and the SWAPO Election Manifesto of 2009.

President Pohamba's diplomatic trends are best illustrated in Figure 2. He placed emphasis on national policies as instruments of diplomacy. He further included as many actors as possible in the practice of economic diplomacy. He advocated diplomatic relations at inter-personal levels to ensure that Namibia maintains a significant influence in international relations.

4.3.1.5 The Pohamba Doctrine: Promoting people-to-people contacts

President Pohamba's doctrine advocated relations that are not included in the forms and types of the diplomacy by Du Plessis (2006: 140) (see Table 2). He implored upon Namibian diplomats to promote people-to-people contacts.

People-to-people contacts mean that the interactions between governments should not only be restricted to official engagements, but that it should include non-official relations and relations beyond the traditional political and economic inter-state relations. These are forms of inter-personal relations between the nationals of states that go beyond governmental relations, characterised by making friends at a personal level and inter-

cultural and sport relations. Berridge (2010: 114 – 115) argues that diplomats need to cultivate contacts with the ruling elite for the purpose of gaining influence. Such personal rapport with the ruling elite is a form of people-to-people contacts. It is arguable that with sound people-to-people relations, a better influence in the promotion of trade and investment and maintaining a successful economic diplomacy can be achieved.

At the commissioning of Namibia's Ambassador to Zimbabwe, Kakena Nangula, on 29 June 2005, President Pohamba urged her to promote, among others, people-to-people contacts between Namibia and Zimbabwe (Office of the President [sa]: 61). The President thereby introduced his doctrine on the occasion of his first commissioning of a Head of Mission since he assumed the office on 21 March 2005. President Pohamba repeated his doctrine of promoting people-to-people relations during the subsequent commissioning of Heads of Missions (Office of the President [sa]: 99, 223 and 331). During the commissioning of Hadino Hishongwa as High Commissioner to Botswana, President Pohamba underscored the importance of fraternal relations between the people of Namibia and of Botswana. He stated that Ambassador Hishongwa was tasked to further expand these relations to consolidate the bilateral relations between Namibia and Botswana (Office of the President [sa]: 369). This indicated how the President values the essence of people-to-people contacts in the strengthening of bilateral relations and inherently, the pursuing of economic diplomacy.

It is important to note that people-to-people contact is advocated in the White Paper on Foreign Policy and Diplomacy Management and Minister Hamutenya's address to diplomats (Ministry of Foreign Affairs 2004: 18; Hamutenya 2003). These two sources charge that diplomats should be able to track down corporate executives and create a good rapport with them, which will provide a great opportunity for discussing trade and investment matters.

People-to-people contacts correspond to the propositions of Liberalism as a theory of IR studies (Swatuk 1991: 62). This theory argues that actors from cooperating countries play a significant role in the promotion of interdependent relations between their states.

There is room for people, rather than bureaucrats, to make their contribution to the forging of foreign relations. Accordingly, President Pohamba's doctrine was, arguably, anchored in Liberalism as a theory of IR studies.

It was stated above that President Pohamba's doctrine was stated at the commissioning of Heads of Mission to Zimbabwe, for example. Ideologically, there is a firm stance by the rank and file of SWAPO Party that the people of Zimbabwe should be supported in their quest for land reform and against sanctions by the US and the EU. Both Namibians and Zimbabweans lost land to colonial settlers in the process of colonisation. Therefore, Namibia affirms her political support to Zimbabwe and maintains economic relations by working together on integrated energy projects. Further, cooperation between the Chamber of Commerce, of the two countries was promoted and will be discussed below. President Pohamba's doctrine, accordingly, embraces the liberation struggle ideology of solidarity with progressive people who support just causes like freedom and independence of the oppressed people.

Like his predecessor, President Pohamba's doctrine was aimed at building mutual beneficial relations. In his discussions with Ministers he called for the practical implementation of the bilateral agreements that Namibia signs with other countries. As a pragmatic leader, he asked to be informed meticulously about the benefits that Namibia would derive from specific relations with other states.

President Pohamba's stance on Namibia's economic diplomacy towards China will be discussed below (see Chapter Five); it was anchored in the ideology of solidarity. He kept reminding Namibians about the assistance that China provided to Namibia during the liberation struggle. The output index of China's relations with Namibia is illustrated in Table 8; China grew to become Namibia's third highest major trade partner in 2012.

People-to-people contact is another form of temporary diplomacy that has not been included in the typology of diplomacy by Du Plessis (2006: 140) (see Table 2). People-

to-people contacts are part of *ad hoc* personal diplomacy that involves trans-governmental and non-governmental relations at all levels including diplomats.

Liberalism theory's sociological perspective relates to the study between the relations of individuals. It propounds that individuals too plays an important role in the relations of states (Jackson & Sorensen 2013: 104 – 105). It is stated that relations between private individuals create a ground for cooperation between states. It is further asserted that cooperation built on relations between individuals tend to be greater than that of states. Pohamba's economic diplomacy doctrine corresponded to this assumption of Liberalism theory.

4.3.2 The Prime Minister

Article 36 of the Namibian Constitution states that the Prime Minister is the principal assistant to the President. The Prime Minister's duties are to coordinate the activities of Government Ministries (Ministry of Information and Broadcasting 1990: 26). Namibia's first Prime Minister, Hage Geingob, now the President of the Republic of Namibia with effect from 21 March 2015, was involved in the pursuit of Namibia's economic diplomacy. He led business delegations to other countries to promote trade and attract FDI to Namibia. He further hosted visiting Prime Ministers where he discussed issues of economic cooperation with them.

Within the first months of his second term as Prime Minister which started in December 2012, Prime Minister Geingob undertook a trade promotion mission to the US, accompanied by the Deputy Minister of Trade and Industry, Tjekero Tweya and 25 businesspersons. This was an opportunity for Namibian businesspersons to build partnership with their US counterparts. Addressing the Third Annual Palm Beach Strategic Forum in Florida, Prime Minister Geingob, informed the audience that Namibia maintains macro-economic policies and an enabling environment for trade and investment (Muraranganda 2013: 2).

An economic diplomacy drive by the Prime Minister depends on the holder of the office. The second Prime Minister, Theo-Ben Gurirab, who served in that position for less than three years, was not involved in trade promotion. Having been involved in economic diplomacy, when he was Minister of Foreign Affairs, Gurirab concentrated on domestic issues during his tenure.

The third Prime Minister, Nahas Angula, who served in that position from 21 March 2005 to 5 December 2012, was not involved in the pursuing of economic diplomacy or the making of foreign policy, in general. Prime Minister Angula's involvement in foreign relations matters was mostly when he was delegated to attend multilateral meetings on behalf of the President. He did not undertake trade promotion missions. Accordingly, during the premierships of Gurirab and Angula, there was a gap between the Office of the Prime Minister and the conduct of economic diplomacy. This changed when the first Prime Minister, Hage Geingob, succeeded Angula as the fourth Prime Minister. Geingob reactivated the role of the Prime Minister on the conduct of economic diplomacy as it was the case during his previous premiership tenure.

In September, 2013, Deputy Prime Minister, Marco Hausiku, led a delegation of about 60 Namibian businesspersons to the 17th China International Fair for Investment and Trade (CIFIT), held in Xiamen. He was accompanied by the Minister of Trade and Industry, Calle Schletwein as well as the researcher of this study in his capacity as Deputy Minister of Foreign Affairs. The Deputy Prime Minister encouraged businesspersons in his delegation to partner with their Chinese counterparts. He stated that the purpose of bringing businesspersons to the fair is to network and showcase trade and investment opportunities existing in Namibia (Hausiku 2013).

Liberalism as a theory of IR studies propounds that when acting on foreign policy matters, state officials act in accordance with the preferences of the subset of society. Once these preferences are defined and known, the directions of foreign policy will then be geared towards fulfilling their aspirations (Carlsnaes 2008: 94). It could be seen from the pursuing of economic diplomacy by the Prime Minister and Deputy Prime Minister

that the interests of the society, especially the business community, were taken into account. Accordingly, they pursue a Liberalism theory-oriented economic diplomacy.

4.3.3 The Ministry of Foreign Affairs

The Ministry of Foreign Affairs serves as the coordinating Ministry for Namibia's foreign relations. It facilitates inward and outward missions, including those that are related to trade and investment. The Minister of Foreign Affairs is the head of the Ministry, assisted by the Deputy Minister. These two political principals of the Ministry are responsible for formulating policies and driving them. They carry out such task with the support of the Ministry's staff both at the headquarters and at diplomatic missions. Namibia's first Ambassador to the US, Tuliameni Kalomoh (2011: interview), states that Namibia's economic diplomacy was primarily driven by the first Minister of Foreign Affairs, Theo-Ben Gurirab, both in terms of conceptualisation and practical implementation. For example, the White Paper on Foreign Policy and Diplomacy Management defines economic diplomacy to include, *inter alia*, issues of investment, market access, credit and technology transfer (Ministry of Foreign Affairs 2004: iii). This definition was conceptualised by Minister Gurirab when he delivered a public lecture on Namibia's foreign policy at the Superior Institute of International Relations and Diplomacy in Maputo, Mozambique, in 1998 (Gurirab 1998). The first Deputy Minister, Netumbo Nandi-Ndaitwah, publicised the economic diplomacy concept in the Parliament in 1992 (see Chapter Three).

Minister Hamutenya made a comprehensive contribution to the definition of the concept. Seven paragraphs in the White Paper on Foreign Policy and Economic Diplomacy are replicated word by word from Hamutenya's address to the Heads of Missions conference where he was explaining economic diplomacy. Four more paragraphs were also adopted from Hamutenya's speech, with minor changes only in terms of tenses or first/third persons references (Ministry of Foreign Affairs 2004: 1 – 20 and Hamutenya 2003).

Du Plessis' (2006: 140) typology of diplomacy which discusses forms, types and levels of

diplomacy espouse that states establish permanent diplomatic institutions such as resident missions in the receiving states. These missions have diplomatic, consular and specialised representation functions. Namibia's diplomacy, too, adopts a similar form that it established diplomatic missions that have diplomatic and consular services. The diplomatic missions later expanded with the deployment of Commercial Counsellors. This added specialised functions to such missions.

The most senior official at a Namibian diplomatic mission is the Ambassador or High Commissioner in case of missions in the Commonwealth member-states. The officials serving at the embassies from the Ministry of Foreign Affairs are stated in Chapter Three. Other embassy officials involved in economic diplomacy are mostly those holding the position of First Secretary responsible for economic affairs. This occurs particularly in missions where there are no positions of Commercial Counsellors. The First Secretary's duties, when responsible for economic affairs, are, amongst others, gathering and compiling information on trade and investment and reporting to the Ambassador. The Ambassador will assume responsibility for the processing of the information to the head office (Mushelenga 2008: 113 – 114).

As stated in Chapter Three, Namibia opened her first diplomatic missions in 1990. The first Ambassadors were commissioned on 20 May 1991 (National Assembly 1991b: 123). Minister Gurirab charged the first group of Namibian diplomats with the task to pursue economic diplomacy. He asserted that for the diplomats to be effective in pursuing economic diplomacy they needed to acquire skills in strategy and in executing their tasks effectively, they needed 'a quick mind of salesman and versatility of an entrepreneur' (National Assembly 1994: 136). His successor, Hidipo Hamutenya, gave prominence to economic diplomacy by regularly referring to the concept in his speeches, including addresses to diplomats (Hamutenya 2003; Hamutenya 2004). Hamutenya further tabled the White Paper on Foreign Policy and Diplomacy Practice which elaborated broadly on the concept of economic diplomacy (see Chapter One).

Former Namibia's Ambassador to Belgium and the EU, Dr Zed Ngavirue (2013: interview), underscores the importance of the Ministry of Foreign Affairs and its embassies when he states that some businesses in Namibia became successful because of the contacts made by the Government. Berridge (2010: 119) says that embassies are key players of economic diplomacy as they are involved in the promotion of exports and investments between their sending and receiving states. Diplomats gather information on markets in order to secure businesses for products from their sending states. Former NCCI President, Inge Zaamwani-Kamwi (2013: interview), states that Namibia's diplomatic missions are better placed to know the business environment and strategic business partners in the host countries. Therefore, together with the Ministry of Trade and Industry, the missions serve as a source of information to the Namibian business communities on business opportunities outside Namibia. Diplomats' expertise in knowing the business environment in host countries is further confirmed by Berridge (2010: 115 – 116).

Former President of NCCI, Martha Namundjebo-Tilahun (2013: interview), concurs with her predecessor on the role of Namibian diplomatic missions. She, however, added that not all diplomatic missions are of assistance to businesspersons. Some missions have not been helpful in providing the necessary information to the business community or have not been actively involved in making initiatives to promote business exchange visits. Her views are shared by the NCCI's Second Vice President, Vekuii Rukoro (2013: interview), who contends that there is a need to improve on the effectiveness of the diplomatic missions in the promotion of trade, particularly in fostering close economic relations between the Namibian private sector and their counterparts in the external markets.

There is, however, a need for the embassies to perform beyond just making contacts. Rukoro (2013: interview) asserts that economic diplomacy will not be successful if diplomatic missions do not produce researched papers, on the market analysis that points out to the threats and opportunities existing in external markets. This study concurs with his views; comprehensive papers will reduce the risk of wasting money and resources by undertaking fruitless outbound trade missions where there may not be trade and

investment potentialities. There is a problem with the in-depth analyses from the reports coming from diplomatic missions with a few exceptions. The Minister of Foreign Affairs and the researcher of this study, as Deputy Minister, have often raised this issue with members of the management and Heads of Missions.

Officials at embassies are involved in trade negotiations. This is particularly the case with the Namibian embassy in Brussels which has been involved in trade negotiations with the EU. The Ambassador forms part of the Namibian delegation to the EPA rounds of negotiations, both in Brussels and those that are held outside Brussels. Rana (2007: 125) writes about economic diplomacy of a small state Singapore, where Ambassadors play important roles in trade negotiations. Berridge (2010: 115) argues that while negotiations are led by officers from the capitals, the embassy officials still play an important role in the negotiations (Berridge 2010: 115). Embassy officials have important information about the attitude and interests of the counterpart negotiating team which negotiators from the headquarters do not have. The Ambassador and his staff are, therefore, better placed to advise negotiators from the capital on how to approach negotiations.

Hamutenya (2003) propounds that the performance of diplomats should be measured in terms of performance targets. In this respect, their representation should demonstrate results. He further maintains that they should be equipped with the necessary skills and information about trends at home in order to be able to market their sending countries.

The Namibian diplomatic missions are further involved in tourism promotion. The NDP 4 states that tourism investment and promotion should be driven and remains competitive (National Planning Commission 2012b: 92). The Namibian missions are better placed to promote tourism to Namibia. In 2012, the Namibia Wildlife Resorts (NWR), invited five diplomats from Namibian embassies in Austria, Belgium, France, Germany, and the UK and took them on a programme where they were introduced to NWR's tourism facilities in Namibia. This was to provide them with the necessary information needed to promote tourism.

4.3.4 The Ministry of Trade and Industry

Economic ministries play a role in the pursuing of economic diplomacy. The Ministry of Trade and Industry, in particular, plays an equally important role like the Ministry of Foreign Affairs.

The Ministry of Trade and Industry sends specialised diplomats, Commercial Counsellors abroad; these become an integral part of the Namibian diplomatic missions. Commercial Counsellors provide a synergy between the Ministries of Foreign Affairs and of Trade and Industry as they report to their sending Ministry through the Heads of Mission who supervise their work. Accordingly, both Ministries are kept abreast of trade and investment activities between Namibia and the host country where a Commercial Counsellor serves. Schimming-Chase (2011: interview) states that Commercial Counsellors have been playing pivotal roles in economic diplomacy, complementing the work of the Ambassador in engaging the business community.

Du Plessis (2006:140) writes in his typology of diplomacy (see Chapter Two) that opening resident missions with specialised diplomats is a permanent form of diplomacy that states maintain to facilitate their bilateral relations. This form of diplomacy is reflected in Namibia's economic diplomacy towards the US when a Commercial Counsellor was added to the staff complement of the Namibian embassy in the US (see Chapter Three). Shipoke (2011: interview) states that the Commercial Counsellor ensures Namibia's participation in trade fairs. Trade fairs are not mentioned in Du Plessis's typology and, accordingly, this study proposes that trade fairs should fall under the category of temporary form of diplomacy. They fall under the type of state-to-non-governmental multilateral relations. They are multilateral in the sense that participants in trade fairs come from more than one country and they include MNCs.

The Ministry of Trade and Industry further leads important trade negotiations like in the case of the EPAs (see Chapter Six). In 2013, the Ministry convened the national stakeholders' workshop on the EPAs. The purpose of the workshop was to discuss and

have a national position on the EPA negotiations strategies and options. Liberalism as a theory of IR studies embraces the role of the private sector in forging economic cooperation (Doyle & Recchia 2004: 1436). The goods exported to the EU are supplied by the private sector. It is, thus, important that they should make a contribution to a position that will be adopted by the Government on the EPA negotiations.

The Ministry of Trade advises the Government on major policy decisions that facilitate easier trade and investments. For example, it made a Cabinet submission recommending the removal of visa barriers to traders from within the SADC region. This resulted in even small traders from Tanzania and Zimbabwe coming to Namibia where they sell wood carvings in Okahandja (Tweya 2012: interview).

In pursuing economic diplomacy, two important institutions under the Ministry of Trade and Industry play a key role. These are the Investment Centre and the ODC (Pakote 2011: interview). The functions of the ODC and the Investment Centre were discussed in Chapter Three. The two institutions complement each other. The difference being that the Investment Centre is a government department whose mandate is to attract FDI in all spheres. The Investment Centre has a broader mandate than the ODC, a government-owned company, whose investment promotion functions is restricted to the EPZ.

Namundjebo-Tilahun (2013: interview) confirms that the Namibian Investment Centre has been of a great assistance to the business community in providing information about existing business opportunities in the world. Her views are echoed by the Chief Executive of NCCI, Tarah Shaanika (2013: interview), who states that the Centre has been effective in marketing Namibian businesses and placing them in contact with their counterparts from other countries.

Webber & Smith (2002: 32) propound that there are frictions between the Ministries of Foreign Affairs and other Ministries over foreign policy matters. This is more prevalent in established democracies. However, though Namibia is a democratic state, there are no turf wars between the Ministries of Foreign Affairs and other Ministries when it comes to

foreign policy arena. While there is no turf of war between the Ministries, their cooperation is, however, on an *ad hoc basis*. Nonetheless, it is not ideal that issues of cooperation between the Ministries are discussed in the corridors where sometimes they are then not documented. There is a need for a permanent inter-ministerial structure as recommended below, where cross cutting issues are discussed.

4.3.5 Other government Ministries and institutions

While it is acknowledged that the Ministries of Foreign Affairs and of Trade and Industry are the key drivers of Namibia's economic diplomacy, they are complemented in their efforts by other sectoral economic ministries. This is because the promotion of trade and investment focuses on specific areas like the marketing of agricultural, mining or fisheries products, for example. These products fall under the respective line ministries that negotiate the relevant trade agreements.

It is observed that during official visits of Heads of State, or meetings of Joint Commissions of Cooperation, officials from economic ministries form part of the Namibian delegations. During official visits by Heads of State, when Namibia considers entering into trade of goods with another country, a Minister responsible for the sector concerned leads the negotiations that culminate into signing an agreement. With respect to meetings of bilateral commissions, officials from economic ministries form parts of the delegation to lead negotiations pertaining to their sector.

The Ministry of Mines and Energy is a leading state actor on Namibia's economic diplomacy in the field of minerals and energy. For example, Namibia has been interested in importing oil from Nigeria. When the Namibian delegation went to the meeting of the Joint Commission with Nigeria in 2010, the officials from the Ministry of Mines and Energy were part of the delegation and made inputs in the discussions, on the terms on which the two countries should trade oil. For example, that Nigeria should provide oil to a concessional as opposed to a market related price.

The Ministry of Mines has also been involved in new trade negotiations of uranium, following the passing of the UNSC resolution 1929 of 2010 which imposes sanctions against Iran. The resolution prohibits further acquisition of shares or payment of dividends to Iran or her companies in a sector such as uranium, because of Iran's nuclear weapons programme (UN 2010). Iran is a shareholder in Rössing Uranium through her public enterprise, IFIC. The Namibian Government is a shareholder in Rössing Uranium through the Ministry of Mines and Energy and, accordingly, the Ministry participates in the negotiations regarding compliance with the UN resolutions and Rössing Uranium's new business ventures. In 2013, the Ministry of Mines and Energy negotiated and concluded an agreement with Angola for the oil trade (see Chapter Five).

The Ministry of Finance, through SACU, has been involved in trade issues. Minister of Finance, Saara Kuugongelwa-Amadhila (2013: interview), states that during the negotiations on SACU revenues and activities, her Ministry ensured that SACU was not only an organisation for revenue, but that it also focused on issues of trade promotion.

The Ministry of Finance officials further regularly form part of the Government delegations to the SADC Summits and Council of Ministers meetings. These platforms discuss issue of intra-regional trade. The trading of goods among countries is affected by customs excise and other taxation matters. Thus, the Ministry of Finance is an important stakeholder that should always be brought on board at platforms discussing trade and investment matters because of their tax implications.

The Ministry of Agriculture is another stakeholder in economic diplomacy, especially in the trade negotiations for agricultural products. Accordingly, the Ministry has a specialised diplomat at the Namibian embassy in Belgium who forms part of the Government negotiation team on the EPAs. The presence of the Ministry of Agriculture in the negotiations serves the purpose of articulating issues of food security and agricultural safeguarding measures in the EPA negotiations (see Chapter Six).

The NDP recognises the importance of economic diplomacy coordination by the economic ministries. The Ministries of Finance, Mines and Energy and Trade and Industry are entrusted with the task of carrying out strategies for the development of manufacturing industry in the NDP 4 (National Planning Commission 2012b: 103). The strategies include carrying out trade negotiations for businesses that will result in the creation of the manufacturing base at home.

4.3.6 The Parliament

Parliament, as the legislative body, plays a role in economic diplomacy. Prior to launching the EPA negotiations in 2001, the Parliamentary Standing Committee on Economics, Natural Resources, under the chairmanship of Dr Kaire Mbuende, convened a workshop on the future Namibia-EU trade relations (National Assembly 2001). The workshop recommended that immediate attention should be paid to the following overall strategy:

- Clearly identifying issues to be addressed and objectives to be pursued in the development of Namibia's future trade relations with the EU.
- Identifying clearly negotiating frameworks (within parliaments) within which Namibian concerns can be addressed and its objectives pursued.
- The need for a common BLNS (Botswana, Lesotho, Namibia and Swaziland) position regarding the EU-SA TDCA, as BLNS will face free trade much earlier than other ACP countries.
- The need to lobby EU member states and the European Union Parliament, on the need for better terms for BLNS.

The above strategy provides a framework within which Namibia's EPA negotiations should be pursued. Accordingly, the negotiations reflect this framework because, as stated in Chapter Six, Namibia has identified issues of concern which are also discussed in parliamentary platforms.

Sessions of the ACP-EU Joint Parliamentary Assembly and of its committees receive progress reports on the negotiations and deliberate upon them. Similarly, reports from the Joint Parliamentary Assembly sessions are tabled in the Namibian National Assembly for discussions. The discussion of the EPAs at the ACP-EU Joint Parliamentary Assembly and the tabling in parliament of commercial agreements concluded by Namibia and other

countries, all provide an opportunity for legislators to debate economic diplomacy issues, thereby contributing to public debate on Namibia's trade and investment matters.

The constitutional function on the ratification of treaties has been stated above. Article 63 further states that Parliament should receive reports from the Executive. Article 59, provides for Parliamentary Standing Committees. These Committees include the Parliamentary Standing Committee on Foreign Affairs, Defence and Security. Accordingly, this Committee invites the Minister, Deputy Minister or Permanent Secretary to make presentations on the activities and programmes of the Ministry. It also visits Namibian embassies to look at their operations and challenges. The Parliamentary Standing Committee presents its report to the Parliament for considerations. Further, Members of Parliament introduce and debate motions on foreign policy matters.

4.3.7 Sub-state structures

Bilder (1989: 82 – 83) writes about the growing importance of sub-state structures in the practice of economic diplomacy. This is because they enter into cooperation agreements with their foreign counterparts. This trend is applicable to the practice of Namibia's economic diplomacy. Namibian sub-state structures comprise regional councils and local authorities. Regional Councils are the second layer of the Namibian Government that runs the administration of Namibia's 14 regions. Local authorities preside over cities and towns.

In 2002, the Governor of Kavango led the NCCI business delegation to the Cuando Cubango province in Angola. The visit culminated in the signing of a Memorandum of Understanding between businesspersons (Hausiku 2002: 3). The delegation, led by Governor Karupu, signed a Memorandum of Understanding with their counterparts from Cuando Cubango province.

In 2013, the Governors of Caprivi and Kavango regions and the Chairperson of Karas Regional Council addressed a business seminar in Spain to market their regions as ideal

investment destinations when they visited that country as part of the delegation of the Deputy Minister of Trade and Industry. During the visit, Regional Councils of Kavango, Karas and Caprivi signed a Memorandum of Understanding with the Extramadura Regional Government of Spain. They further signed a Memorandum of Understanding with the Valsora Consultoria 2006 SL Company to develop rice projects in the respective regions.

Local authorities are also involved in economic diplomacy. Namibia's local authorities conclude twinning agreements with other local authorities from other countries to promote trade and investment, among others. For the purpose of this study, the focus will be on two local authorities, the City of Windhoek and Ongwediva Town. These two were chosen because they host the two major annual trade fairs which attract investors from all over the world on a large scale. The Ongwediva Trade Fair is held in August while the Windhoek Agricultural and Industrial Show is held in September.

For example, former Mayor of Ongwediva Town, Erastus Uutoni (2013: interview), states that in 1998, Ongwediva Town signed twinning agreements with two towns from Belgium, Lommel and Ardoie. The town invited business persons to attend the Ongwediva Annual Trade Fair where they traded their products and joined the Namibian market. Within the framework of the twinning agreements, the towns further promoted tourism by inviting tourists from the countries of its sister towns to visit Namibia.

The City Council of Windhoek has adopted the International Relations Policy in 2012 in which it sets the objectives of developing the local economy by supporting national foreign policy and NDPs. The City cooperates with other cities through partnership agreements that involve the local government, business community and civil society (City of Windhoek 2012).

Former Mayor of Windhoek, Mathew Shikongo (2013: interview), states that the purpose of twinning agreements is to strengthen economic ties with other cities in the world. The City of Windhoek has participated in the trade fairs in Berlin and Hanover. This presents

an opportunity to show case trade opportunities in Namibia. Because of the twinning agreements, the City of Windhoek benefited in terms of exchange programmes and staff training with the City of Vantaa in Finland. The agreement further provides for business mentorship programme for entrepreneurs.

The City of Windhoek has further entered into partnership agreements with the City of Berlin and City of Trossingen in Germany. The City of Berlin has helped the City of Windhoek with the establishment of the City Police which complements the national police in the combating of crime in Windhoek (Shikongo 2013: interview).

Regional Governments do not, in most instances, initiate their own bilateral economic diplomacy *per se*, but they do so as an integrated approach with the national government. In the case of local authorities, they initiate and carry out their own relations with foreign local authorities as their own initiatives, independently from the national government.

The economic diplomacy of Namibian local authorities corresponds to local authorities' diplomacy discussed by Pluijm & Melissen (2007: 25), who state that economic diplomacy of local governments involves attracting tourism. Local authority further works towards attracting international events to their cities. Their relations are further aimed at sharing expertise in various areas of service rendering.

The practice of sister city partnerships is not only applicable to small states. Cities from large states, like the US, also adopt this form of diplomacy. It is, however, stated that local authorities should seek consensus with national governments aspects of their relations with foreign local governments (Bilder 1989: 27). This is what the foreign policy of the City of Windhoek advocates as stated above.

The economic diplomacy of the sub-state systems is significant to Namibia's economic diplomacy. For example, the signing of a Memorandum of Understanding during the visit of Governor Karupu to Angola, is illustrated by the fact that Angola is the third largest export market for Namibia (see Chapter Five). The trade fairs in Windhoek and

Ongwediva promote intra-Africa and Africa-Asia trade as it attracts investors from Botswana, Egypt, Ghana, Indonesia, Japan, Kenya, Nigeria, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe (Ongwediva Town Council 2013; Windhoek Show Society 2013).

4.3.8 State-Owned Enterprises

Namibia's SOEs like NamPower, NamWater and TransNamib are among the state actors that have a stake in authoring Namibia's economic diplomacy. In 1997, Namibia's power utility, NamPower, concluded a power supply agreement with its Angolan counterpart, the *Empresa Nacional de Eletricidade* (National Electricity Company – ENE), to supply power to Ondjiva, southern Angola and had, henceforth, been supplying power to that town (Ministry of Foreign Affairs 2011b). In 2003, NamPower opened an office in Lubango to coordinate power supply programmes.

It was stated earlier that South Africa and Namibia discussed the development of the Kudu Gas-to-Power Project. From the Namibian side, the project is led by NamPower. NamPower was further involved in the rehabilitation of the Hwange Power station in Zimbabwe. The rehabilitation of this power station boosts the capacity of power supply in Zimbabwe and Namibia. Namibia also receives power supply from this station. NamPower and other power utilities from Botswana, Zambia and Zimbabwe spearheaded the Zimbabwe, Zambia, Botswana and Namibia (ZIZABONA) Project as part of the regional economic integration (see Chapter Six).

NamPower and the water utility the Namibia Water Corporation (NamWater) have been jointly involved in the power supply and trans-boundary water supply projects in Calueque and funded the rehabilitation of the road to Calueque. The Trans-boundary water projects between Namibia and Angola include the upgrading of water supply between Ondjiva and Oshakati in northern Namibia and a water reticulation at Ondjiva (Ministry of Foreign Affairs 2011b). This project will ensure that there is a supply of clean water to the communities of Angola along the canal that comes from Angola to

Namibia. Water is used for, among others, agricultural projects such as the Etunda Irrigation Scheme in Namibia. Further, NamPower and NamWater are members of the Permanent Joint Technical Committee (PJTC) between Namibia and Angola. The PJTC discusses the development schemes for the Baines Dam for the purpose of building a hydro-power station that will supply power to both Namibia and Angola.

From 2003, following the trade agreements facilitated by Namibia's railway SOE, TransNamib, more imports in machinery and construction flowed from China to Namibia, particularly parts for railway construction and other locomotive parts (Namibia Statistics Agency 2013b).

4.3.9 Coordination among state actors

Generally, in economic diplomacy, there could be uncertainty on whether the Ministry of Foreign Affairs or the Ministry of Trade and Industry should take the lead. Berridge (2010: 19) propounds that the Ministry of Foreign Affairs should coordinate and share foreign relations issues with other government agencies. While the Ministry of Foreign Affairs remains in control of diplomatic missions abroad, it nevertheless needs other Ministries on board because foreign relations issues cut across many sectors.

Minister Gurirab stresses the need for coordination between the Government Ministries when he says, "The increase in subjects of foreign policy requires close co-operation and liaison between the Ministry of Foreign Affairs and other relevant Ministries and institutions of Government..." (National Assembly 1994, Vol. 38: 136). Gurirab (2010: interview) maintains that the functions of the Ministry of Foreign Affairs and of Trade and Industry are complementary. He sees the need for consultations in terms of planning, coordinating and reviewing economic diplomacy. Deputy Minister of Trade and Industry, Tjekero Tweya (2012: interview), concurs when he states that economic diplomacy cannot be conducted in isolation from political diplomacy. The functions of the Ministries of Foreign Affairs and of Trade and Industry are complementary and there

should be synergy between these ministries and other economic ministries like Mines and Energy, Agriculture, Water and Forestry, and Environment and Tourism.

To ensure the effective coordination of visa approval for investors, the Ministry of Trade and Industry is represented in the Immigration Board, at the Ministry of Home Affairs (Pakote 2011: interview). This is to ensure that the Ministry of Home Affairs does not frustrate potential investors, who may be refused visa and in the process prevents significant investment to come to Namibia.

There are, however, instances where there is no proper coordination on economic diplomacy among government Ministries, especially when it comes to the deployment of diplomats at Namibian missions abroad. For example, the Ministry of Foreign Affairs deploys a First Secretary for Economic Affairs, while the Ministry of Trade and Industry deploys a Commercial Counsellor at the Namibian mission in Pretoria, South Africa. Both officers perform the function of trade promotion and report to the Ambassador. This state of affairs creates a problem of duplicate diplomacy. Duplicate diplomacy is not ideal for efficiency as time and resources are wasted in more people doing the work of a few people. The trade promotion function should have been left to the Commercial Counsellor and the Ministry of Foreign Affairs should have reduced its staff at the mission and only remain with officials focusing on political and consular matters.

To ensure an effective coordination on economic diplomacy, there should have been a permanent inter-ministerial committee established between the Ministry of Foreign Affairs and other Ministries which are major stakeholders in pursuing Namibia's economic diplomacy. There is further a lack of coordination on negotiations. Apart from the Ambassador, as stated above, officials dealing with ACP-EU issues at the Ministry of Foreign Affairs' headquarters are not involved in the EPA negotiations, whether at the actual negotiations or being invited to pre- and post-negotiation rounds debriefings.

The Ministry of Trade and Industry and the Parliament coordinate their approach to the EPA negotiations. The researcher of this study, as a Member of the ACP-EU Joint

Parliamentary Assembly, received briefings from the Ministry of Trade and Industry officials regarding the status of the EPA negotiations before he attended the Assembly sessions. The coordinated approach is essential because the EPAs have been regular agenda items at the sessions of the Assembly and its Committees. Updating parliamentarians on the negotiations enable them to make an informed contribution at the Assembly and avoid contradictions between the executive and legislature in their statements or multilateral economic diplomacy with the EU.

Former Minister of Trade and Industry, Hage Geingob, appeared before the Parliamentary Standing Committee on Economics, Natural Resources and Public Administration to brief the Committee on the EPA negotiations and other economic diplomacy activities by his Ministry. Minister Geingob previously served as the Chairman of this Committee and he therefore appreciates the complementary role of Parliament to the Executive in pursuing Namibia's economic diplomacy.

Rana (2007: 125) mentions that Singapore, a small country, has mastered the coordination of pursuit of economic diplomacy. There is a clearly demarcated line of functions between the Ministry of Foreign Affairs and Ministry of Trade and Industry. Each of these ministries recognise the primacy of the other in the area of political diplomacy and trade promotion respectively; there is no competition between the two ministries.

Modern Liberalism theory emphasises the role of the state in driving economic diplomacy for it regulates trade and markets. It is, thus, important that the Namibian Government does take the lead in driving the process of economic diplomacy as it includes other players in its endeavours. Accordingly, the overall championing of Namibia's economic diplomacy by state actors should be viewed within this context of Liberalism as a theory of IR studies (Thorsen & Lie [sa]: 5).

4.4 The role of non-state actors on economic diplomacy

Article 99 of the Namibian Constitution states that foreign investments should be encouraged subject to the investment laws to be passed by Parliament. Accordingly, Parliament passed the Investment Act which provides for the role of the private sector in the practice of economic diplomacy (see Chapter Three).

Gurirab (2010: interview) states that the private sector has been party to the making of Namibia's economic diplomacy. When there are inward and outbound high level visits, members of the business community are invited to interact with their foreign counterparts. He stresses that the idea of smart partnership dialogues is meant to give the private sector an opportunity to play their role in trade and investment promotion.

At the induction course for Heads of Mission businesspersons are invited to make presentations (Nandi-Ndaitwah 2011: interview). Inviting business persons to speak to Heads of Mission presents an opportunity to businesspersons to make inputs on economic diplomacy as they identify areas of interests and bring to the attention of Namibia's envoys abroad the priority areas of trade and investment. The presentations by businesspersons further enlighten the Heads of Mission on the methods of approaching investors and the language used to attract them to come and invest in Namibia.

Businesspersons form part of the presidential delegations during official visits to foreign countries (Nujoma 2011: interview). The Minister of Foreign Affairs included businesspersons in his delegation to the first meeting of the Joint Commission of Cooperation and Trade between Namibia and Zimbabwe (Mushelenga 2008: 124). Businesspersons who form part of Joint Commission delegations present their views which contribute to the overall discussions of the Joint Commission sessions. The outcomes of the Joint Commission, where business persons participate, therefore, represent the views and interests of both the Government and the private sector.

Lindique (2012: interview) asserts that the business community is a major stakeholder in pursuing economic diplomacy and the Government brings them on board through the NCCI. The NCCI is represented in important policy-making bodies like the Board of the Namibia Trade Forum which comprises the Ministries of Trade and Industry; Agriculture, Water and Forestry, Finance, and two private sector representatives. The Namibia Trade Forum is a body established by the Ministry of Trade and Industry with the main function of serving as a dialogue between the Government and the private sector. It advises the Government on trade issues, including tariffs.

The private sector, represented by the NCCI, was further part of the Government negotiation team for the tripartite agreement between SADC, COMESA and SACU. Their participation contributed to the removal of technical obstacles. Lindique's views are shared by Rukoro (2013: interview) who states that the private sector is an important role player in economic diplomacy. He maintains that, ordinarily, all Namibians carry out economic diplomacy when they individually engage foreign investors on matters of trade and investment.

The Senior Trade Advisor of the Namibia Agricultural Trade Forum (ATF), Jurgen Hoffman (2013: interview), confirms that the private sector has been consulted on trade related negotiations affecting them such as the EPA negotiations. The ATF has been brought on board to advise the Government on the issue of agricultural tariffs. It serves as a transmitting belt of information between the Ministries of Trade and Industry, Agriculture Water and Forestry and the agro-business community. The ATF facilitates the exchange of information between the Government and the private sector and brings to the attention of the Government concerns of the private sector as far as the agricultural trade policies are concerned.

The Managing Director of Namibia's diamond mining company, Namdeb, Inge Zaamwani-Kamwi (2013: interview), who has previously served as President of NCCI, states that economic diplomacy is a public-private partnership venture. When the Government creates an environment conducive to trade and investment, it is the private

sector that should carry out the actual marketing and trading of products. The private sector should complement the Government's efforts for trade promotion so that its agenda of economic diplomacy could be fully realised.

Former President of NCCI, Akapandi Endjala (2013: interview), states that the NCCI should also be involved in the EPA negotiations. These agreements are important to the meat industry and they need to make primary inputs as the decision to sign or not to sign the agreements affects them directly more than it will affect the Government. The Government addressed this concern when it convened the EPA Stakeholders' Workshop as stated earlier in this Chapter.

Following a period of economic crisis in 2008, the Inter-Parliamentary Union (IPU) convened a conference in Geneva in May 2009 to discuss the effect of economic recess. This platform provided an opportunity for parliamentarians to exchange views on the need for governments to adopt financing, trade and investment strategies to mitigate the effect of economic recess. The Namibian delegation, led by the researcher of this study as Chairman of the Parliamentary Standing Committee on Economics, Natural Resources and Public Administration, included two delegates from the NCCI. Parliament appreciated the need for the private sector to form part of the delegation and make inputs on the policies and strategies that would be adopted at the conference, since the financing, trade and investment issues that would be discussed at the conference were the domain of the private sector.

In June, 2002, 105 businesspersons from the NCCI formed part of President Nujoma's state visit to Angola (Namibia Chamber of Commerce and Industry 2002a). During the state visit, business meetings between individual businesspersons from the two countries were held to enable them to forge relations and conclude business deals.

In July 2002, the NCCI led a delegation of Namibian businesspersons on a seven day business visit to Angola (Namibia Chamber of Commerce and Industry 2002b). The delegation attended the Buy-Seller meetings with their Angolan counterparts. The visit

was organised in conjunction with the Chamber of Commerce and Industry of Angola (CCIA) and the Angolan Industrial Association (AIA). The NCCI further facilitated the participation of the Namibian businesspersons in the *Feira Internacional de Luanda* (International Fair of Luanda – FILDA), thereby introducing Namibian commodities to the Angolan market. This shows that the private sector can make its own initiatives of pursuing economic diplomacy and does not always wait for the Government to initiate and facilitate trade activities for them.

The role of the private sector in economic diplomacy is not unique to Namibia as a small state. Other small states also advocate the importance of the private sector in forging economic relations. During his visit to Namibia in 1994, the Prime Minister of Mozambique, Mario Machungo, stressed the importance of the private sector in economic cooperation (Office of the Prime Minister 1994).

Zimbabwe is another small state that ensures the participation of the business community in the pursuing of economic diplomacy. During the meeting of the Joint Commission of Cooperation between Namibia and Zimbabwe held in Namibia in 2011, the Confederation of Zimbabwean Industry (CZI) formed part of the Zimbabwean delegation (Ekongo 2011: 7).

Figure 2 lists the private sector among the actors on Namibia's economic diplomacy. Further, the inclusion of businesspersons in government's high level delegation, as stated above, contributes to the form of Namibia's temporary diplomacy discussed by Du Plessis (See Table 2). It should be further noted that to address the afore-said economic priorities of the NDP 4, it is important that the Government works closely with the private sector in pursuing economic diplomacy.

Liberalism as a theory of IR studies emphasises the importance of cooperation and, ideally, this is better achieved when international relations are not the exclusive domain of governments. Liberalism theory's perspective of Pluralism contends that the actors in international relations range from state to non-state actors who include even pressure

groups (Hayes, Hough, Malik & Pettoford 2011: 135 & 141). The importance that the Namibian Government attaches to the role of the private sector on economic diplomacy, therefore, makes Namibia's economic diplomacy inclined towards the theory of Liberalism.

4.5 Assessment of the actors

President Nujoma's pre-eminence in foreign policy practices is illustrated by the fact that he was an actor who drove and shaped the economic diplomacy programmes. This does not, however, make him the sole architect of Namibia's foreign policy and economic diplomacy. The Namibian Constitution does not provide for the concentration of the foreign policy-making power in one structure or individual as it happens in some countries (Webber & Smith 2002: 34).

Liberalism as a theory of IR studies propounds that leaders make a difference (Mingst 2008: 140). This is true for President Nujoma who took initiatives that culminated into economic diplomacy programmes of the Government; the Smart Partnership is a good example. His doctrine of maintaining old friends and winning new ones, together with the foreign policy principles in the Namibian Constitution and other policy documents, adopted by the Government, serve as a guiding framework for pursuing Namibia's economic diplomacy. President Nujoma, accordingly, fits the description by Mingst (2008: 143) that within the foreign policy-making elite, some individuals have a greater impact on foreign policy than others.

The impact of President Nujoma's doctrine is reflected in the major partners that Namibia has (see Chapter Five). Namibia does not only trade with the countries from the former East Bloc which sympathised with the Namibian cause of independence. She trades with countries from the West Bloc too, including those who objected to the UN imposing sanctions against the then apartheid South Africa for its illegal occupation of Namibia.

Rourke (2008: 76) observes that leaders' perceptions about the operations of the international system influence their diplomacy practice. This is true for President Pohamba who believed in consulting not only his Cabinet, but also his peers in the region. As a leader whose conduct of diplomacy was shaped by the environment and institutions under which he operated, he advocated the doctrine of people-to-people contacts. This was aimed at building personal rapport with influential personalities and key decision-makers in other countries and ensured that Namibia's position on foreign policy issues would gain substantial support on the international platform.

Both President Nujoma and President Pohamba adopted the temporary form of personal diplomacy characterised by high level visits (see Table 2) to pursue Namibia's bilateral economic diplomacy. President Nujoma's other form of temporary is conference diplomacy on specific issues, focusing on both the WEF and Smart Partnership Dialogues. President Pohamba's economic diplomacy, in this respect, focused on the WEF and paid little attention to the Smart Partnership Dialogues. President Pohamba further emphasised on instruments of economic diplomacy (see Figure 2) to be of cardinal importance in the implementation of government programmes in general, including the practice of economic diplomacy.

The practice of economic diplomacy is not only confined to the senior leaders in the Government (see Figure 2). It includes junior officials like diplomats who provide valuable information to the negotiators from the capital about the culture and attitude of their counterparts. This information is of great use in the negotiations.

Given the fact that there is plurality of actors on Namibia's foreign policy and economic diplomacy practice, the study concurs with Carlsnaes (2008: 89) that states are institutional structures on whose behalf the foreign policy elite makes decisions. Mingst (2008: 127 – 128) also recognises the significance of the plurality of actors, especially the business community in the practice of economic diplomacy.

The practice in Namibia further signifies collective leadership. Not only that actors cut across government structures and the private sector (see Figure 2), but also that both levels of the structures of the Government have been involved in the practice of economic diplomacy. Pluijm & Melissen (2007: 11 - 12) discuss the trend of city diplomacy where local authorities engage in the practice of diplomacy. There is one form called two-sided diplomacy. This type of diplomacy involves a representative of the city, as one party, with another party. The aims of city relations include benefits to local government from a developing country in terms of providing assistance in a specific area. This form of city diplomacy is the most common to Namibian local authorities.

Non-state actors' contribution to the making of Namibia's economic diplomacy is significant, especially when they are consulted on important multilateral agreements like the tripartite agreement between SADC, COMESA and SACU. This means that they are not only involved in bilateral diplomacy, but also in the practice of multilateral economic diplomacy (see Table 2).

SOE's contribution to Namibia's economic diplomacy compliments the efforts of the Government. The ZIZABONA Project, for example, enhances cooperation between the states involved. The participation of Namibian SOEs in the PJTC further adds to their contribution to the permanent form of diplomacy. This is a contribution to a permanent form of economic diplomacy which Du Plessis (2006: 140) did not include in Table 2.

4.6 Summary

Foreign policy actors involve both state and non-state actors. The Namibian Constitution serves as the primary source for these actors' involvement in economic diplomacy. In addition to the Constitution, the Government puts in place policies and programmes that are conducive to the conduct of economic diplomacy. The President, as the chief foreign policy-maker, is involved in the conduct of economic diplomacy with the assistance of various Ministers. Depending on the personalities of the office holder, the Prime Minister also plays a role in the pursuing of Namibia's economic diplomacy.

The two Presidents that have been at the helm of Namibia's foreign policy have different personalities and, therefore, pursued their respective economic diplomacy disciplines. President Nujoma is a pragmatic foreign policy-maker who goes on the forefront and aggressively pursues Namibia's economic diplomacy. President Pohamba is led by the dynamics of the structure and institution of state in terms of the agency-structure debate in IR studies. Coming from the Cold War era, President Nujoma adopts an economic diplomacy doctrine that accommodates both friends and adversaries. This is in line with pursuing the Namibian Constitution's principles of maintaining the policy of non-alignment and promoting mutual beneficial relations. President Pohamba pursues a doctrine that promotes relations at an individual's level and extends that to government relations.

This position has a constitutional role of coordinating government activities. However, it depends on the drive of the holder of the office, for instance, Prime Minister Geingob was actively involved in pursuing economic diplomacy unlike his successors Gurirab and Angula.

The Minister of Foreign Affairs and the Ministry's officials are at the forefront of driving foreign policy matters. Ministers of Foreign Affairs play a key role in the formulation of economic diplomacy. Minister Gurirab, for example, conceptualised Namibia's economic diplomacy, with Minister Hamutenya defining the tenets of Namibia's economic diplomacy at length, resulting in the tabling of the White Paper on Foreign Policy and Economic Diplomacy in the Namibian Parliament and the adoption thereafter. The Namibian Government deploys diplomats from the Ministry of Foreign Affairs and specialised diplomats from economic ministries to forge trade relations with other states and complement the work of the Minister and staff from the capital.

Because economic diplomacy involves trade issues, the Ministry of Trade and Industry plays a significant role as it facilitates trade agreements and is responsible for bilateral trade policies. Conducting diplomacy is not only restricted to the Executive branch of the

Government. The Legislature, too, is another state actor which is relevant to the pursuing of economic diplomacy, as it ratifies bilateral trade agreements and discusses multilateral trade regimes, at international parliamentary forums. Other state-actors are the regional councils and local authorities which conduct economic diplomacy with their respective counterparts from other countries. SOEs, by virtue of their services which are needed in other countries and their need to procure equipment for their operations, become involved in the conduct of economic diplomacy.

The Ministry of Foreign Affairs serves as the coordination Ministry on foreign relations matters and, therefore, on economic diplomacy. Government Ministries coordinate their foreign relations related matters through membership of inter-ministerial committee on specific matters like Immigration Board, but there is no permanent structure that deals with inter-ministerial coordination on economic diplomacy matters.

Small states theories propound that decision-making in small states is inclined to power concentration in individuals (Papadakis & Starr 1991: 429). Individuals' personal styles dominate policies and their preferences rather than that of a group, play a role in shaping the programmes of their respective states. The Namibia approach is different from this typical small states' decision-making trend. State actors coordinate their economic diplomacy activities, albeit, sometimes not as effectively as it should be. Economic diplomacy is a group effort and there is no concentration of power in one leader to determine economic diplomacy. There is, however, a need to establish an inter-ministerial body dedicated to coordinating economic diplomacy in order to avoid duplicate diplomacy.

The impact of foreign policy in general and economic diplomacy in particular is not only felt by the Government, but by the private sector as well, especially the business community. The private sector is involved in the actual trading of commodities and it is important to involve them in important economic diplomacy engagements, like in the meetings of bilateral Joint Commissions of Cooperation. The NCCI, as an umbrella

association for businesspersons, coordinates the participation of the private sector in the making of Namibian's economic diplomacy.

Individuals and societal groups matter and their interests are defined independently from political interests. Once defined they are aligned to political decision-making through collective action of political and societal groups. Emphasis is placed on the role of societal actors on foreign policy-making rather than the traditional foreign policy-making propositions that focus predominantly on state actors (Carlsnaes 2008: 94). Overall, the actors pursue mutual beneficial relations in the spirit of cooperation without using coercive modes of diplomacy.

Chapter Five addresses bilateral economic diplomacy, focusing on six major trading partners of Namibia in terms of both imports and exports and will further highlight the EPZ.

CHAPTER FIVE

NAMIBIA'S BILATERAL ECONOMIC DIPLOMACY: MAJOR ECONOMIC SECTORS

5.1 Introduction

In pursuing economic diplomacy, the main goals of states are to attract FDI and secure markets for their commodities. Namibia set these objectives for her foreign policy as stated by the first Minister of Foreign Affairs when he addressed the Parliament on the objectives of Namibia's foreign policy, in 1991 (National Assembly 1991: 80).

This chapter assesses Namibia's practice of economic diplomacy by securing markets for her commodities and attracting FDI. The discussions will be in terms of three major economic sectors of fishing, agriculture and mining. Table 7 below shows export values per sector for the past five years (2009 – 2013). At the time of writing (March 2015), the exchange rate of US \$ to N\$ was 1 = 11.6.

Table 7: Export values per different economic sectors in N\$

Sector	Year				
	2009	2010	2011	2012	2013
Agriculture	3 623 542 253	3 174 306 918	3 044 324 494	1 814 055 605	1 992 222 063
Fisheries	4 804 430 244	4 691 074 119	4 590 766 547	4 546 397 919	6 041 945 747
Mining	16 863 540 804	18 983 391 741	19 460 485 560	21 428 244 329	24 815 553 097

Source: Namibia Statistics Agency (2014)

The Table shows that the agriculture sector experienced a decline from the year 2010. This could be attributed to low rainfall. The fisheries sector, too, experienced a decline from the year 2010 but picked up in 2013. Meanwhile, the mining industry has witnessed a steady growth.

This chapter will further discuss inward investments; the EPZ; domestic disagreement on economic diplomacy and an assessment of Namibia's bilateral economic diplomacy. The chapter will fill the gap existing in the literature on the forms and types of diplomacy (Du Plessis 2006: 140). Bilateral agreements concluded with trade partners in the sectors

being discussed are part of the instruments of diplomacy that form the basis of Namibia's economic diplomacy. Accordingly, lists of bilateral agreements concluded with these countries are appended to this study.¹²

5.2 The institutional foundation of Namibia's bilateral economic diplomacy

The institutional framework for Namibia's bilateral economic diplomacy is provided in the NDP 1, 2, 3 and 4, Vision 2030, and the White Paper on Foreign Policy and Diplomacy Management. The NDP 3 focuses on multilateral diplomacy and is not applicable to discussions on bilateral diplomacy.

The NDP 1 states that Namibia's strategies include diversifying import sources and export markets. They further include encouraging joint-venture partnerships between Namibia and foreign businesses (National Planning Commission 1995a: 7). In pursuing economic diplomacy, Namibian leaders have underscored the importance of joint venture-partnerships between Namibian entrepreneurs and their foreign counterparts (see Chapters Three and Four).

The NDP 1 states that Namibia will strive for the diversification of trade links. While acknowledging that South Africa is an important trade partner, Namibia wants a variety of export markets to reduce dependence from South Africa (National Planning Commission 1995a: 9).

The White Paper on Foreign Policy and Diplomacy Management states that Namibia's bilateral diplomacy will be pursued with prior consideration of national interests (Ministry of Foreign Affairs 2004: 63). This is to ensure that Namibia's sovereignty is not compromised. It is further underscored that relations between Namibia and other

¹² The economic diplomacy related agreement(s) with many of the European trade partners is mostly the EPA. Some trade partners have one or two bilateral agreements. In that case, such agreements are mentioned under the respective sections but are not included in the appendices, to avoid having an appendix with only one or two agreements.

states should be mutually beneficial to both parties (Ministry of Foreign Affairs 2004: 73).

The NDP 2 states that, in line with the principles of mixed economy, major actors in the energy sector will be the SOEs and private companies which will be involved in energy projects (National Planning Commission 2002a: 341). The development of a major energy project, the Kudu Gas Fields, will be coordinated by the Inter-Ministerial Working Group chaired by the Ministry of Mines and Energy and comprising the Ministries of Finance, Trade and Industry, Environment and Tourism, and the Offices of President and Attorney-General (National Planning Commission 2002a: 352).

Vision 2030 states that Namibia will increase and maintain bilateral relations (Office of the President 2004b: 183). Bilateral relations with trade partners are, therefore, fulfilling the aspiration of Vision 2030. The White Paper on Foreign Policy and Diplomacy Management states that Namibia prioritises on bilateral relations with countries in SADC. It further states that Namibia covers a wide geographical area for bilateral relations that includes Africa, Europe, America and Asia (Ministry of Foreign Affairs 2004: 64 – 73).

In 2012, the Namibian Government adopted the NDP 4. This blueprint does not have specific sections detailing the goals and targets on international relations like the previous NDPs. However, it sets overall four economic priorities namely, agriculture, logistics, manufacturing and tourism (National Planning Commission 2012b: 81). These areas of focus have a link to economic diplomacy.

5.3 Bilateral economic diplomacy: practice and process

Bilateral economic diplomacy is conducted between a state and other states. In general, the modes of diplomacy include influence, compelling, coercion and the use of military force (see Figure 1). It was, however, stated earlier (see Chapter Two) that in the practice of diplomacy, small states have limitations applying diplomatic methods that are aligned to promoting conflicts. Small states prefer using cooperation methods of influence.

Temporary forms of economic diplomacy that involve high-level visits are among the effective types of economic diplomacy methods adopted by states (see Table 2). During the occasions of high-level visits by Namibian leaders to other countries, or by visiting foreign leaders to Namibia, agreements are concluded in various economic fields that provide a framework for trade cooperation. Such agreements are among important instruments of economic diplomacy.

The permanent form of economic diplomacy (see Table 2) is characterised by the opening of diplomatic and consular missions. Earlier, it was stated that in the NDP 1 diplomatic missions are charged with the promotion of trade and investments (see Chapter Three). The practice of bilateral economic diplomacy further involves bilateral Joint Commissions of cooperation (Chapter Three). Because of limited resources, small states, including Namibia, make use of honorary consuls to complement the work of their embassies in promoting trade and investment (see Chapter Three). Traditionally, these diplomatic establishments are responsible for marketing their respective sending countries. Liechtenstein embassies and consular offices, for example, obtain commercial information for dissemination to enterprises in Liechtenstein (Stringer 2011: 30). Berridge (2010: 12) confirms the proposition that the process of economic diplomacy includes the gathering and dissemination of information to local and foreign investors about investment opportunities.

Barston (2006: 11 – 12) notes that the process of diplomacy includes a synchronisation of domestic and foreign issues. This is because domestic issues are taken to the international realm. Arguably, this provides an opportunity to domestic players to venture into the area of foreign relations. Accordingly, the process of bilateral diplomacy involves state and non-state actors (see Figure 2). State actors formulate bilateral economic policies (See Chapter Three). Non-state actors initiate economic diplomacy processes that include engaging their foreign counterparts and forging bilateral economic relations (Chapter Four). They also contribute to public opinion on Namibia's bilateral economic diplomacy as it will be discussed below.

The NDP 2 states that Namibia's economic diplomacy strategies include convening investments seminars and workshops (National Planning Commission 2002a: 337). These workshops serve the purpose of disseminating information and creating a platform for local and foreign investors to meet.

5.4 The Fisheries sector

The Namibian fisheries sector contributes to Namibia's economic diplomacy. The sector's export values totals N\$ 6 billion for the year 2013 (Namibia Statistics Agency 2014). The trade in fisheries had led to exploitation of these products, resulting in the fisheries sector experiencing a decline during the years 2010 to 2012, as illustrated in table 7. Kirchner and Stage (2005:2) write about the decline in the Namibian fishing stock in their study that focuses on kob and snoek which are the main targets of commercial line fishing. These resources face a challenge of depletion. Kirchner and Stage maintain that the decline of fish stock coupled with more entrants in the fishing industry poses a problem to the industry in the absence of regulation to limit the size and number of the species. Sherbourne's (2013: 140) discussion on Namibian fisheries sector echoes this assertion when he states that there has been a large number of fishing rights holders compared to the resources available.

At independence in 1990, Namibia's fishing stock was depleted due to fishing over-exploitation (Manning 1995). Subsequently, the Namibian government had to put in place measures to build the fish stock, in order to have sufficient supplies for exports. Lange (2003: 10) explains that the hake and horse mackerel species have increased since independence. This resulted from the Government's targeted policy for the development of the hake industry.

The Chairman of the Confederation of Namibian Fishing Associations, Matti Amukwa (2012), states that the Namibian hake is mainly exported to the EU followed by South Africa. The hake's market is Spain, Germany, Holland and Italy. Spain further imports

frozen monk and tuna fish while South Africa further imports canned pilchard (Namibia Statistics Agency 2014).

The National Accounts for the year 2013 show that the large markets where Namibia's fish exports value are over N\$ 100 million are found in Europe and southern Africa. These are Germany, Italy, Mozambique, The Netherlands, South Africa, Spain and Zambia (Namibia Statistics Agency 2014).

5.4.1 Europe

Namibia's economic diplomacy with European countries stems from the Lomé IV Convention (see Chapter Six). For some European countries who are members of the EU, as it will be discussed in the next sections, they do not necessarily have bilateral trade agreements with Namibia. The multilateral trade agreement between the EU and ACP countries serves as the framework of bilateral economic diplomacy between Namibia and these respective countries. Some of the EU member-states, however, have bilateral economic agreements with Namibia, in addition to the multilateral ACP-EU trade regime.

The National Accounts for the year 2013 reveal that Spain is the largest market which in the year 2013 imported fish valued at N\$ 1.49 billion. This figure represents about 25 percent of total exports. Most of the exports to Spain are hake and hake fillets which are valued over N\$ 1 billion. The rest of the fish stock is made up of frozen horse mackerel and other frozen fish. Fish exports to Spain are valued at N\$ 1.49 billion (Namibia Statistics Agency 2014). Exports for various types of tuna fish for the year 2012 were valued at N\$ 99.78 billion. The Spanish company, Pescanova Group of Companies, is a leading company in the fishing industry through its subsidiary company, NovaNam Limited Group. This company employs over 2 000 people which is a large number in respect of the Namibian population of 2 million people (UNAM 2006: 10 – 11). The Ministry of Foreign Affairs (2013e) states that in total, there are 7 Spanish fishing companies operating in the Namibian fisheries sector. These companies are in joint-venture partnerships with Namibian partners and they provide jobs to 14 000 Namibians.

Namibia and Spain signed a number of economic cooperation agreements appended to this study as Appendix 3. Following the signing of bilateral agreements, Namibia and Spain worked towards sharing technical expertise. Spain assisted with the establishment of the Fisheries and Marine Institute in Walvis Bay so that Namibians can also acquire various skills for the fishing industry. Namibia and Spain's economic relations fulfil the foreign policy principle of striving for mutual beneficial relations (Ministry of Information and Broadcasting 1990: 53). It is a relation that benefits both parties because, while Spain is granted access to the Namibian marine resources, she transfers technology to Namibians.

The economic diplomacy between Namibia and Spain as a middle economy reflects the proposition made by Hussain (2006: 44) that for a middle economy like India to be successful, it should embrace assistance to less privileged countries. Relations with such countries should not only be carried in a narrow context of promoting self-interests, but there should be a benign approach to economic diplomacy. Namibia as less privileged in technology needs to be assisted by Spain to develop a marine institute that will contribute to the management and productivity of the fisheries sector. If Spain does not provide such assistance, another middle economy may offer to do that. In accordance with the spirit of mutual beneficial relations Namibia would, accordingly, want to shift trading from Spain to a partner that is willing to help in building the marine institute. Establishing the marine institute is in line with the targets of Vision 2030 that underscores improving access to knowledge for the marine environment (Office of the President 2004b: 159).

Italy is the second largest European importer of Namibian fish products. In 2013, fish products sold to Italy were valued at N\$ 514.8 million. These include frozen horse mackerel, frozen hake and frozen hake fillets. Italy is followed by Germany with imported fish valued at N\$ 147.8 million according to the 2013 figures. This comprises hake fillets valued at N\$ 97.8 million as well as frozen jack and horse mackerel fish (Namibia Statistics Agency 2014).

Portugal is the fourth largest European importer of Namibian fish products comprising mainly hake and other fresh fish. Total fish exports to Portugal was valued at N\$ 247.5 million in 2013. Namibia also exported horse mackerel, frozen hake and frozen hake fillets to The Netherlands valued at N\$ 126.3 million in 2013.

France largely imports the hake fillets and other hake fish products, having imported hake products valued at N\$ 72 million out of a total import valued at N\$ 144.8 million in 2013. The other portion of imports are made up of other fish like albacore or long-finned tuna (Namibia Statistics Agency 2014).

After independence, Namibia's relations with the French Republic had been that of developmental diplomacy. For example, Mushelenga (2008: 87) states that by 2002 France had granted cooperation assistance to Namibia amounting to 60 million Euros of which 51 million Euros were grants and 9 million Euros were in the form of loans. Exports to France show that the relationship between a small state and a middle income economy has moved from developmental diplomacy to economic diplomacy.

Although fish exports to Ireland are below N\$ 100 million, Ireland is relatively a new large market where large stocks of fish are exported to since 2012. In 2013, Ireland imported fish valued at N\$ 97.6 million which is largely made up of horse mackerel. The stock further includes frozen hake and other fish (Namibia Statistics Agency 2014). Together with the UK, Ireland donated the remote sensor equipment for the station in Swakopmund to monitor the surface water temperature and, thus, assists in the research for the conditions that affect fisheries (National Assembly 1995c: 40).

5.4.2 Southern Africa

Significant fish exports go to South Africa, Mozambique and Angola. At political level, the ruling parties of these three countries maintain sound relations with Namibia's ruling party, SWAPO, and all are part of the forum for former liberation movements in southern Africa.

South Africa is the largest market in southern Africa for Namibian fish exports and is second only to Spain in the world. In 2013, fish exports valued at N\$ 863.7 million comprised horse mackerel, sardines, hake and tuna were exported to South Africa.

Overall, South Africa is Namibia's largest trade partner. Hengari and Saunders (2014: 169 and 174) say this is the situation because South Africa was the last colonial power in Namibia. This explains why Namibia's economy continues to be linked to the South African economy. Hengari and Saunders (2014: 174), however, maintain that although South Africa views Namibia as a small state, Namibia does not submit to South Africa's pretensions to lead the region and the continent. Therefore, Namibia's smallness and dependence on South Africa do not compromise her in pursuing foreign policy choices.

Hengari and Saunders (2014: 178) contend that in the long run, Namibia's dependence to the South African economy may shift, as she may divert towards her northern neighbour, Angola. These two middle powers Angola and South Africa remain very much important for the success of Namibia's economic diplomacy.

Mozambique is the second largest southern African importer of the Namibian fish products. In 2013, Namibia exported to Mozambique frozen mackerel and frozen horse mackerel valued at N\$ 569.4 million, a sharp increase from the previous year's figure of N\$ 216 million. Namibia and Mozambique have been cooperating in the fisheries sector having signed a cooperation agreement (see Chapter Four).

Namibia and Mozambique signed an Agreement on cooperation in the fisheries sector in December 2010. In terms of the agreement, the two governments agreed to establish business joint ventures to trade on fish products within the SADC region. They further agreed to promote trade and investment in their marine products and cooperate on the mutual use of their harbours by ship owners. Article 3 stipulates that commercial relations in fisheries between the two countries will be based on the dogma of mutual

benefits, thereby underscoring the foreign policy principle enshrined in the Namibian Constitution (Ministry of Fisheries 2010).

In 2013, fish exports to Angola were valued at N\$ 230.4 million. The exports comprised frozen mackerel, horse mackerel, frozen hake, frozen hake fillets and other fish. She further exported in the same year frozen horse mackerel, frozen hake and frozen hake fillets to another neighbour, Zambia; the value was N\$ 114.4 million. Hamutenya (2014: 85) surmises that Namibia and Angola have a symbiotic relationship, having firmly-embedded historic, social, economic and cultural ties. He maintains that Namibia and Angola are of geographic importance to each other, and they belong to the same multilateral economic organisations like SADC and the WTO. He further states that Angola is a great market for export because of the economic reconstruction programme that is currently taking place to develop the country's infrastructure that was devastated during the civil war that took place from 1975 to 2002.

One of the reasons why Angola is among the top export trading partners of Namibia is, arguably, because of the low transport cost, especially for goods from Oshikango EPZ, which is at the borders of Namibia and Angola. Namibia's economic diplomacy with Angola is further boosted by a number of agreements that the two countries have signed on trade and investment matters. The agreements are appended to this study as Appendix 4.

The White Paper on Foreign Policy and Diplomacy Management (Ministry of Foreign Affairs 2004: 68 – 69) cites Angola as a strategic ally for trade partnership and Zambia as offering great opportunities for trade in respect of proximity and cross-border affinities.

Trading with neighbours has a relative advantage, namely that with excellent transport infrastructure, goods are transported faster and they are generally cheaper because of low costs of transportation. Accordingly, Namibia's largest trading partner is her neighbour, South Africa. Exports to South Africa for the year 2013 were valued at N\$11 910 076 306, while imports were valued at N\$ 45 324 155 790. Another neighbour, Angola, is the

fourth major partner in terms of exports which were valued at N\$ 4 299 475 573 in 2013 (Namibia Statistics Agency 2014).

It is quite common for small states to trade with neighbours. Cooper & Momani (2011: 115) affirm the importance of neighbourhood trade. They write about the effect of transport cost, resulting from remoteness from major trade centres. It reduces the economic returns of small states. Thus, Lithuania prioritises on trading with her neighbour Belarus (Gricius 1999: 36).

Liberalism as a theory of IR studies supposes that when states find common interests, they voluntarily agree to cooperate and gain from that cooperation. Accordingly, there are benefits accruing to states from commercial relations (Richardson 2002: 7). With globalisation on the increase, states become further interdependent and, thus, economic activities between them increase. Angola and South Africa are Namibia's neighbours and looking at a number of economic agreements that they have signed, appended to this study as appendices 2 and 3, there is, arguably, common interests between the two countries to enhance trade and investment. The return of peace in Angola was a turning point as an environment conducive to accelerate cooperation and interconnectedness which in turn boosts economic diplomacy between the two states.

Trading with Angola and South Africa is what the White Paper on Foreign Policy and Diplomacy as an instrument of economic diplomacy, advocates when it states that Namibia prioritises bilateral cooperation with neighbouring countries which will include cooperation between regions bordering each other (Ministry of Foreign Affairs 2004: 63 – 64).

5.4.3 Namibianisation of the fishing sector and value addition

In 1998, the Minister of Fisheries and Marine Resources, Hifikepunye Pohamba, reported in the Parliament that by 1996 the 'Namibianisation' of the fishing fleet had reached 84 percent, well ahead of the 80 percent target set by the NDP 1 (National Assembly 1998:

221; National Planning Commission 1995a: 192). However, the progress to the 'Namibianisation' was hampered by the fact that some fishing rights holders sold their shares to venture into other business sectors and this attracted buyers from among foreign investors (National Assembly 1998: 221). Sherbourne (2013:155), however, says that the greater Namibianisation of the Namibian fishing sector is hampered by the fact that mid-water fleets require specialised skills to operate because of their expensive freezer-trawlers. Namibia is yet to fulfil the aspirations of the NDP 1 which calls for the 'Namibianisation' of the fishing industry with the purpose of empowering Namibians that were disadvantaged educationally, socially and economically (National Planning Commission 1995a: 191).

Manning (1995) explains that after independence when fishing rights terminated on 31 December 1993, the Ministry of Fisheries granted 165 fishing rights to 124 fishing enterprises. Of these companies, 51 percent were owned by Namibians.

It is, however, stated that the issue of the 'Namibianisation' of the fisheries sector appears only sound on a face value. Fergus, Manning & Eide (2005: 26) state that although Namibians had 80 percent ownership of the hake quotas by 2002, compared to 17 percent in 1991, the significance of real ownership and benefit distribution is different. Real ownership is veiled by ownership arrangements which include, *inter alia*, nominee shareholders and shareholding through joint ventures.

Manning (2000: 27 – 28) explains the issue of the 'Namibianisation' of the fishing industry, examining the shareholding structure of fishing companies and whether the benefits accruing from the fisheries trade are received appropriately by the shareholders, in terms of the shareholding structures in the fishing company. He surmises that while the Government announced by 1993 that the companies that had been allocated fishing rights fisheries are 70 percent wholly owned by Namibians and a further 23 percent majority owned by Namibians, in reality, this does not translate in the benefits from the fisheries resources accruing to those Namibian owners. This is because fishing quotas holders lease their quotas to large fishing companies to catch fish for them.

The Namibian government announced that consideration for granting fishing quotas will be made to fishing companies that are 51 percent owned by Namibians. However, Manning (2000: 32) contends that, practically, there was a different picture for a company like Pescanova, which is 100 percent owned by Spanish investors, received the largest hake quota. Government argued that Pescanova had made substantial investment in the country in terms of processing facilities and employment creation. He further contends that when Pescanova changed to a Namibian registered company, NovaNam, in 1995, it was not because there was pressure exerted on the company but more to save money from levies for foreign-owned company. Accordingly, it immediately saved N\$ 5 million in quota levy payments (Manning 2000: 33).

Manning (2000: 40 – 41) states that another fishing company, Cadilu, was 51 percent Namibian and 49 percent Spanish owned but Namibian shareholders later sold their shares to Eduardo Viera of South Africa, making the company 100 percent foreign owned. He further maintains that conglomerations of foreign owned fishing companies, creating joint ventures with Namibian majority owned companies, in the end, still benefits foreigners rather than Namibian shareholders when the benefits are distributed. Another issue that paints a picture of the ‘Namibianisation’ of the fishing industry, on face value only, is the ownership of the vessels that catch the fish. These may not necessarily be owned according to the shareholding structure of the fish quotas holder companies. Manning (2000: 50) observes that the mid-trawl fleet is made up of mostly foreign registered vessels.

Sherbourne (2013: 156 - 157) explains that about 70 percent of fisheries export goes to Spain and, accordingly, the foreign ownership of a large part of the Namibian industry raises concern about value addition, in terms of packaging and branding, among others. This is because the foreign investors themselves become involved in the processing of the fish products. It is argued that the fresh products earn investors high prices in the European market compared to the processed fish. It is further argued that a Spanish company like Pescanova has established itself competitively in the European market

using Namibian resources. Therefore, introducing a Namibian company brand to compete with Pescanova could be expensive.

Amukwa (2012) says that of the more than 70 000 metric tons of fish exported to the EU, the largest percentage is in a form of raw materials. This means that more jobs are created in the European countries as only a small portion of fish is processed in Namibia. This impacts negatively on the industrialisation of the Namibian economy which is a goal set in the NDP 2 (National Planning Commission 2002b: 137).

5.5 Agriculture

The main agricultural commodities that Namibia exports are meat, grapes and pelts. This section discusses Namibia's agricultural exports that are valued at N\$ 50 million per annum, or a single commodity exported to a given country that is over 1 000 metric tons.

5.5.1 Meat

A large share of Namibia's agricultural exports are traded with South Africa. These are mainly live cattle (pure breeding animals), fresh and frozen boneless bovine animals and sheep carcasses. For the year 2013, these exports to South Africa were valued at N\$ 1.16 billion (Namibia Statistics Agency 2014). They comprised live cattle pure-bred breeding animals, other cattle pure-bred breeding animals, fresh or chilled boneless bovine meat, frozen boneless bovine meat, fresh or chilled sheep carcasses and half carcasses. The South African market imported 39.5 percent of meat export volume in 2013 which earned Namibia 24.5 of its total value earnings from meat exports (Meatco 2014: 47).

The second largest market for fresh and frozen bovine meat is the UK which in 2013 imported Namibian agricultural products valued at N\$ 368.4 million. They comprised fresh and frozen bovine meat, fresh or chilled sheep carcasses and half carcasses, and fresh grapes (Namibia Statistics Agency 2014). In 2008, The Meat Corporation of Namibia (Meatco) opened the Meatco UK office to market beef in Europe. About 30.6

percent volume of meat exports went to the European market, earning Namibia 60.3 percent of the total income from meat exports.

The UK and Namibia have strong trade relations, reflecting a sound economic diplomacy between the two countries. From 2008 to 2013 the UK was the second major trade partner for Namibia in terms of the total trade values for both exports and FDIs. In 2013, the UK fell from even the list of top ten export partners for Namibia. This is attributed to the diversion of diamond exports to Botswana as the UK has over a long period until 2012 been a leading market for the export of Namibia's non-industrial diamonds unworked or simply sawn, cleaved or bruted (Namibia Statistics Agency 2013a). Agricultural commodities exported to the UK are largely beef and grapes.

The UK is further the largest customer for Namibia's meat from the EU (Namibia Statistics Agency 2013b). Namibia is part of the seven countries that are part of the Beef Protocol concluded with the EU as part of the Lomé Convention. Other countries are Botswana, Swaziland, Zimbabwe, Kenya, Ethiopia and Madagascar. It is important to note that quotas were negotiated bilaterally and Namibia negotiated for a quota of 30 metric tons annually. The UK took the largest share with the value of beef exports to the UK for the year 2012 totalling N\$ 73 million (Namibia Statistics Agency 2013b).

The UK is a middle power with a strong currency. The buying power of the British Sterling is stronger than that of other major currencies like the US Dollars or Euro. Accordingly, exports to this country earn Namibia high returns. Both the UK and Namibia mutually honour their Beef Protocol, thus keeping the UK as a major beef trade partner as stated above.

Angola takes the third place with Namibia's exports to that country for live cattle pure breeding animals, fresh and frozen boneless bovine animals for the year 2013 valued at N\$ 69 million.

Denmark is the fourth largest market for Namibian meat products. Agricultural products exported to Denmark in 2013 were valued at N\$ 59.1 million. The exports comprised fresh or chilled boneless bovine meat and frozen boneless bovine meat (National Statistics Agency 2014). Export to Denmark is part of Namibia's preferential access to the EU under the Lomé Convention.

Namibia has been granted a preferential access to the EU market under the Lomé Convention which entails a tariff-free annual quota of 13000 metric tons of beef. However, Namibia has not been able to fill the quota. This is partly attributed to high cost of beef production, such as the fact that farmers buy fodder at high costs (Chiriboga, Kilmer, Fan & Gawande [sa]: 3 – 4). Another small country, Botswana does not also fill her EU quota (Meatco 2008: 10).

Despite not meeting her quota, Kandenge (2012: 4) observes that Namibia is the highest exporter of beef to Europe from Africa. The promotion of meat export is among the strategies of the NDP 3 (National Planning Commission 2008a: 101).

Chiriboga et al. ([sa]: 7) notes that Namibian farmers have two options for beef exports. They can sell the one year old weaners on hoof to South African feedlots or grade B and C cattle which are in the range of three to four years to abattoirs in Namibia which are exported as beef after being slaughtered. Because of the attractive process for weaners' exports, a large portion of Namibia's weaners is exported to South Africa.

Namibia intends to open new markets for her beef exports in China and Russia. China and Namibia signed a Memorandum of Understanding on Animal Health and Quarantine in December 2011. Following the signing of the Memorandum of Understanding, China sent a team of experts to Namibia to inspect animal health facilities, including abattoirs. The Chinese were happy with their audit and developed a Protocol outlining import requirements. At the time of writing this study (March 2015), the process of drafting an export health certificate is ongoing and the Protocol is expected to be signed later during 2015.

Russia and Namibia discussed the possibility of exporting beef to Russia and in 2012 Russian experts visited Namibia and carried out an audit on animal health status. Russia was satisfied and the process of negotiating the health export certificate commenced. At the time of writing this study (March 2015), Russia has indicated that she will send a team to do further inspection of abattoirs for the purpose of beef exports and fisheries companies that want to export fish products to Russia (Shilongo 2015).

5.5.2 Grapes

Fresh grapes also contribute to trade in agricultural products. The EU granted a tariff free quota of 800 tonnes to Namibian grape exports. Additional grapes are levied at 8 percent tariff (Sherbourne 2009: 90). Sherbourne (2009:88) explains that Namibian grapes have a competitive advantage as they become ready in early November, a month ahead of other grapes from the southern hemisphere. Namibian grapes, thus, enter the European market without competition.

A large portion of grapes is exported to the Netherlands. Fresh grapes form the largest portion of agricultural products exported to The Netherlands in 2013, and they were valued at N\$ 192.6 million. The rest is frozen boneless bovine meat which is valued at N\$ 1 million (Namibia Statistics Agency 2014). During the formative years of economic diplomacy (1990 – 1995), Dutch business institutions started arranging platforms for marketing Namibia as a trade and investment destination. For example, in 1993, the Dutch Committee on Southern Africa, *Komitee Zuidelijk Afrika* (KZA) organised a business seminar for Dutch enterprises to be appraised on business opportunities in Namibia and South Africa (Hendriks 2006: 83). In 1995, another business conference on trade and investment in Namibia was held in The Hague in conjunction with the South Africa-Netherlands Chamber of Commerce (SANEC). This conference was addressed by Namibia's Minister of Foreign Affairs, Theo-Ben Gurirab and Deputy Minister of Finance, Rick Kukuri. At the conference Dutch businesses were lobbied to increase their

imports from Namibia and for Namibian products to be marketed at the trade fairs in The Netherlands.

In 1998, President Nujoma paid an official visit to The Netherlands. During his visit the Namibia-Netherlands Business Forum was convened to showcase Namibia as an ideal investment destination (Hendriks 2006: 105). Further, to create an environment conducive for businesses, Namibia and The Netherlands signed the Agreement on Encouragement and Reciprocal Protection of Investment in 2002. This agreement arguably boosts the confidence of traders and investors from the two countries (Hendriks 2006: 105). The reciprocity nature of the agreements corresponds to the foreign policy principle of striving for mutual beneficial relations (Ministry of Information and Broadcasting 1990: 53). In 2005, a second Namibia-Netherlands Business Forum was organised in Zoeterwoude, The Netherlands, by the Namibian Embassy in Belgium and SANEC.

The Namibian-Dutch economic diplomacy, involving the Government's relation with SANEC, reflects a temporary form of bilateral diplomacy of the type of governmental to non-governmental relations. This form and type of diplomacy is stated by Du Plessis (2006: 140) in his typology of diplomacy which is adopted in Chapter Two of this study. Nichols (2004: 749) states that one of the proponents of the theory of Liberalism, Richard Shell, supposes that business interest groups join governments on international relations programmes. This proposition is reflected in Namibia's economic diplomacy when the Namibian Government leaders engaged business groups in The Netherlands to serve the business interests of their country.

Grapes are also exported to the US following the US Department of Agriculture's approval of quota and duty-free Namibian grapes exports to the US under AGOA in 2006 Sherbourne (2013: 122). Sherbourne (2009: 90) states that this is significant as Namibia is able to trade her late harvest during the months of December to March which is the US winter period.

Apart from the markets stated above in this section, over 1000 metric tons of fresh grapes are further exported to the United Arab Emirates and Germany. Grapes weighing 1000 metric tons, valued at N\$ 18.6 million, were exported to the United Arab Emirates in 2013. Grapes exported to Germany the same year weighed 1 300 metric tons and were valued at N\$ 16.6 million. This shows that the United Arab Emirates market offers a competitive price for the Namibian grapes. For a smaller amount of grapes exported to the United Arab Emirates, the returns are higher than the larger amount of grapes exported to Germany. Fresh and dried grapes valued at N\$ 3.2 million were also sold to South Africa in 2013.

The NDP 1 states that as from 1994, Namibia negotiated duty free export quotas for the seedless grapes. The Namibian table-grapes have a seasonal advantage comparative to grapes from other countries (National Planning Commission 1995a: 253).

5.5.3 Karakul pelts

Another agricultural product, the karakul pelts are sold mainly in Denmark at the Copenhagen Fur Auction that takes place twice a year. Pelts are sorted out at the Agra pelt-sorting centre in Windhoek. Being the only sorting centre in Africa, South African furs are also sorted in Windhoek and sent out together with Namibian furs to international auctions. These are supplied by 40 Karakul sheep breeders from Namibia and 16 karakul sheep breeders from South Africa (Cloete 2007: 15).

Pelt exports to Copenhagen's auctions have averaged 100 000 pelts per year. In June 2014, it was announced that exports would increase to 300 000 pelts per year (!Gaeb 2014). Table 8 below shows karakul pelts exports over the period of five years, from 2008 to 2012. These statistics were the latest five years available at the time of writing (March 2015).

Table 8 Namibia's pelt exports, from 2008 to 2012

Year	quantity	Value N\$ million
2008	112 067	46
2009	100 061	30.7
2010	116 078	39.8
2011	97 544	50.5
2012	97 128	63.2

Source: Swakara (2014: 51)

The figures in Table 8 above shows that although exports decreased to below 100 000 pelts during the years 2011 – 2012, the value of pelts exports increased. This is a result of pelt prices increase. For example, in 2010, the average price per pelt exported was N\$ 342 – 396, which increased to N\$ 517 – 572 in 2011 and N\$ 650 – 698 in 2012.

5.6 Mining

Namibia's main mineral exports are diamonds, uranium and copper. This section discusses mineral exports that are above N\$ 1 billion. It further discusses new investments in the mining sector

5.6.1 Diamond

Diamond mining activities are located in the southern part of Namibia. An area stretching from the Orange River for 360 along the coast and 100 km inwards is called Spiergebiet. Sherbourne (2009: 136 - 137) observes that until 1994, diamond mining was under the complete hold of the Consolidated Diamond Mines (CDM) which was established in 1928 by a South African mining magnate, Sir Ernst Oppenheimer. In 1994, CDM was reconstituted into Namdeb, a joint venture between the Namibian Government and De Beers Centenary AG in which the two parties hold 50 percent ownership. Namdeb further holds shares in DebMarine Namibia which mines diamonds off-shore. Sherbourne (2013: 174) states that Namibia has the richest off-shore diamond deposits in the world.

Diamonds are exported mainly to the UK, Belgium and Botswana. Exports to Belgium for the year 2013 amounted to N\$ 1.2 billion, largely made up of non-industrial diamonds, unworked or simply sawn, cleaved or bruted; 99.99 percent pure and non-industrial diamonds, not mounted or set (Namibia Statistics Agency 2014).

Former Namibian Ambassador to Belgium, Dr Zed Ngavirue (interview: 2013), states that Belgium was primarily interested in trading with countries that she has historical ties with on the African continent. Namibia does not fall in that category. However, *albeit* at a slow pace, Namibia was able to forge trade relations with Belgium that produced some results, such as the cutting of Namibia's diamonds in Antwerp. The sale of diamonds to Belgium is an area where Namibia's trade with Belgium is significant, as Belgium has been the third largest market for the non-industrial diamonds unworked or simply sawn, cleaved or bruted (Namibia Statistics Agency 2013a). This is illustrated by the figures of exports for these commodities which rank UK, EPZ and Belgium in that order. It was only in 2012 that Belgium came fourth after Botswana (Namibia Statistics Agency 2013a). Belgium and Namibia do not have bilateral trade agreements and trade between them is carried under the framework of the Cotonou Agreement that grants Namibian commodities access to the EU market.

Diamonds are the most traded commodity between Namibia and the UK. In 2012, exports for this commodity were valued at N\$ 4.7 billion (Namibia Statistics Agency 2013a).

Namibia's trade with Botswana were boosted in the recent years. Up to 2011, Botswana did not feature among the top five trade partners. She, however, had maintained close relations with Namibia since independence. Immediately after Namibia's independence, Botswana President, Sir Ketumire Masire, became the first Head of State to pay an official visit to Namibia in July 1990. During his visit, Namibia and Botswana signed the Botswana Namibia Joint Commission of Cooperation on 26 July 1990. The Joint Commission currently serves as a vehicle through which cooperation on economic diplomacy is being channelled (Ministry of Foreign Affairs 2011a).

The rise of Botswana to become a major trading partner with Namibia resulted from diamond exports. From 2012, diamond exports increased from 1 percent to 87 percent of total exports to Botswana (Namibia Statistics Agency 2012). For the year 2013, Namibia's largest export to Botswana was diamonds which was valued at N\$ 7.67 billion.

Namibia's economic diplomacy with Botswana must be understood in the context of a small state with another small state; Botswana is a landlocked country. Namibia offered Botswana a dry port facility at Walvis Bay which the latter uses for her imports from overseas. During the visit of President Khama to Namibia in 2012, President Khama also visited the dry port facilities in Walvis Bay and called for the speedy development of the facilities. After visiting the facility, President Khama addressed the Namibian Parliament where he highlighted the importance of projects like the Trans-Kalahari Railway Line and the dry port facility in Walvis Bay (National Assembly 2012: 47). He maintains that such projects are of strategic importance to Botswana being a land locked country. His country treated Namibia as a strategic partner to enhance Botswana's access to the world market and to ensure the speedy transportation of goods between the two countries.

In March 2014, Namibia and Botswana signed an agreement to construct a 1 500 kilometres railway line from Botswana to Namibia. The railway will have a coal terminal and associated loading facilities. It will be a mode of transportation for Botswana's coal exports estimated to be at 90 million tonnes annually. The railway does not only benefit Botswana, but will serve as an alternative route to other SADC countries like Malawi, Zambia and Zimbabwe. This project cost N\$ 100 billion and both countries will contribute to the portion of the railway in their respective territories (Heita 2014: 7 & *The Namibian* 28 (66) 2014: 13).

5.6.2 Uranium

Uranium is one of the main mineral exports of Namibia. Two mines that produce uranium in Namibia are the Rössing Uranium Mine and Langer Heinrich mine. The Rössing Uranium Mine has been in operation from 1976 and is owned by Rio Tinto, 69 percent; Iranian Government, 15 percent; IDC of South Africa, 10 percent; the Namibian Government, 3 percent; and individual shareholders, 3 percent. The market for Rössing Uranium Mine's yellow cake is found in Europe, China, USA and Asia Pacific where it is used in the generation of electricity. Langer Heinrich started production in 2007 and is owned by Paladin Resources (IJG 2007: 14 -16).

From 2004 to 2006 Namibia ranked the sixth largest uranium producer in the world, moving up to be the fifth largest uranium producer in 2013 after Kazakhstan, Canada, Australia and Niger. Annual production increased from 3 000 tons in 2004 to 4 500 tons in 2013. Namibia produces about 8 percent of the total world uranium production (OECD 2014: 60).

France is the highest importer of the Namibian uranium. In the year 2013, France imported uranium ores and concentrates from Namibia valued at N\$ 1. 92 billion, followed by Canada which imported uranium ores concentrates valued at N\$ 1.9 billion (Namibia Statistics Agency 2014).

Namibia's economic diplomacy towards Canada is pursued mainly through mining investments. Canada has acquired mineral interests in Namibia and has been a leading partner for the exports of Namibia's uranium ores and concentrates. The value for the export of these commodities was N\$ 2.29 billion in the year 2012 (Namibia Statistics Agency 2013).

Namibia participates at the Canada Association of Developers and Prospectors Conference that is held every year in Toronto. The Conference's aim is to promote countries' mineral opportunities and introduce them to companies involved in mining

explorations. At this occasion, Namibia makes a presentation on mining opportunities and general economic opportunities in Namibia (Embassy of the Republic of Namibia in Washington DC 2012). Attending this annual conference is a long-term form of diplomacy. The type of this diplomacy is a state to non-governmental organisation which this study introduced as an additional dimension to Du Plessis' (2006:140) typology of small states (see Chapter Six).

Canada's economic diplomacy with Namibia illustrates that specialised conference diplomacy is an important form of small states relations with middle powers. In this respect, a platform is created by middle powers for small states to market their investment potentialities. Having mining interests in Namibia, it is important that Canada convenes related investment conferences. In the absence of a permanent Namibian diplomatic mission in Canada, or a Canadian diplomatic mission in Namibia, specialised conference diplomacy is an ideal platform for information exchange and forging relations among stakeholders in the Namibia-Canada economic diplomacy.

Other large markets for Namibia's uranium are China and the US; each imported uranium ore and concentrates valued at N\$ 1.1 billion in 2013 (Namibia Statistics Agency 2014).

A recent major investment in uranium mining in Namibia is the Husab Uranium Mine which was discovered in 2008. The mine is jointly owned by Epangelo Mining, a Namibian SOE, and the China Nuclear Power Group. After completion in 2015, the mine is expected to produce close to 7 000 tons of uranium oxides each year. This capacity will make Husab mine the second largest uranium producer after Canada's MacArthur River mine. The construction phase is expected to create a total number of 6 000 jobs, while 2 000 permanent jobs will be created when the mine opens (Guchu 2013: 5).

The development of the Husab Uranium Mine is in line with the strategies of the NDP 3 which underscores the promotion of developing new mines. Such development leads to increased mineral and exports and create employment opportunities (National Planning Commission 2008a: 120).

Since independence, Namibia and China's relations have largely been based on development funding. Trade and investment agreements were concluded from 2003 where Namibia was no longer just a recipient of grants, but that Namibian companies were importing goods and negotiating joint-ventures (Ministry of Foreign Affairs 2005b; Ministry of Foreign Affairs 2008). Namibia set targets in the NDP 1 that she will avoid dependency on aid (National Planning Commission 1995a: 56). The change in Sino-Namibia relations from aid to trade and investment, therefore, fulfils the aspiration expressed in the NDP 1.

5.6.3 Copper

Namibia's copper is mined by Ongopolo Mining and Processing Limited. In 2006, the entire copper production was exported to China (Du Pisani 2014: 118). Exports to China of the copper ores and concentrates for the year 2013 amounted to N\$ 19.5 million. It is the uranium ores and concentrates that raised the figure of mineral exports to China as it amounted to N\$ 1.1 billion.

Copper ore concentrates valued at N\$ 2 billion were exported to Switzerland in 2013. This represents about 51 percent of total exports to Switzerland for the year 2013 which amounted to N\$ 3.9 billion. Copper exports to Switzerland represents 38 percent total exports to Switzerland with a value of N\$ 5.3 billion. Switzerland is an important trade partner for Namibia, as trade figures shows that she was the third highest export partner and second highest import partner for Namibia during 2013 (Namibia Statistics Agency 2014).

Unlike other major European trade partners, Switzerland is not a member of the EU and her trade and investment are not a result of the Cotonou Agreement. The regime governing economic diplomacy between Namibia and Switzerland is the Free Trade Agreement (FTA) signed between the European Free Trade Area (EFTA)¹³ and SACU in

¹³ EFTA member-states are Iceland, Liechtenstein, Norway and Switzerland.

2006 (Embassy of the Republic of Namibia in Geneva 2013). The agreement provides for trade liberalisation of goods and allows free trade to EFTA of SACU products. The trade liberalisation between EFTA and SACU conforms to the trade rules of the WTO.

Accordingly, the multilateral agreement between SACU and EFTA countries are anchored in Liberalism as a theory of IR studies. Liberalism's regime theory states that global trade regimes promote free trade and ensure understanding and cooperation among states. There are policies to follow rather than individual states choosing their trade pattern behaviour that serves their interests without consideration for the interests of other states (Burchill 2009: 67 – 68).

Belgium is another market for Namibian copper. In 2012, Namibia's exports of unrefined copper and copper anodes for electrolytic refining to Belgium was higher than with any other country with a value of N\$ 667 987 550. Namibia further exports cathodes and sections of cathodes of refined copper in large quantities to Belgium (Namibia Statistics Agency 2013b).

Belgium is of strategic importance to the Namibian mining industry as two major minerals diamond and copper are exported to that country. During his presidential tenure, President Nujoma used personal diplomacy to pursue economic diplomacy between Belgium and Namibia. During his visit to Belgium in 1994, President Nujoma promoted trade and investment between Namibia and Belgium (Office of the President 1999a: 402). As Namibia has a diplomatic mission in Belgium, applying the typology of diplomacy by Du Plessis (2006: 140) on Namibia's economic diplomacy with Belgium, it can be stated that it is characterised by both permanent bilateral diplomacy and temporary high-level visits.

It is typical of small states' economy to rely on the mining industry. It is stated that countries such as Angola, Sierra Leone, Namibia, Zambia and Botswana rely heavily on the mining industry as a major foreign currency earner. Another small country, Tanzania,

together with South Africa, Ghana and the DRC, dominates the African Mining industry (*Namibia Mining* February 2006: 4).

5.6.4 Ownership and value addition

Namibia can improve on the issue of ownership by learning from her neighbour Botswana which is also a small state. In Botswana, ownership of the mining industry is in the hands of transnational corporations (TNCs). But the Government of Botswana tends to have a higher shareholding percentage in the mining companies, compared to Namibia, ranging between 15 and 50 percent. There are, however, mining companies that are fully owned by foreign shareholders (Jefferis 2009: 69 – 70).

Namibian minerals are exported in raw forms and there has been no development of the industries in that regard. In the diamond industry, for example, local industries for diamond cutting and polishing imports diamonds for value addition as there is a short supply from the Namibian Diamond Trading Company (NDTC) which supplies diamonds (*Namibian Mining* February 2006: 6). In the meantime, Namibia exports rough diamonds while leaving local industries that import diamonds at a higher cost. The NDP 4, for example, states that only 10 percent of the diamonds mined in Namibia are cut in the local cutting and polishing industry. The Namibian Government plans to increase this to 20 percent (National Planning Commission 2012b: 101). The importance of providing sufficient rough diamond to the Namibian cutting and polishing industry to grow the Namibian economy is further highlighted in a study by Hamutumwa (2008: 61).

5.7 The Export Processing Zone

The EPZ was a creation of the EPZ Act, No. 9 of 1995 (see Chapter Three). EPZ companies are mainly in the mining sector. Table 9 shows the status of the EPZ by 2011, being the latest statistics available at the time of writing this study (March 2015).

Table 9: Export Processing Zone status (2011)

Sector	Number of enterprises	Investment value (N\$ million)	Employment level	Export value (N\$ million)	Expenditure on local goods and services (N\$ million)
General manufacturing	3	54	138	33.7	10.56
Mineral processing	16	4 984	2 242	6 970	1 289
Assembly operations	1	6.7	29	19.2	3.5
Total	20	5 045	2 591	7 023	1 304

Source: Adopted from ODC (2013).

EPZ investors originate from a number of countries, including six of the major trade partners (see Tables 7 and 8), namely China, Germany, Spain, The Netherlands, UK and US. The investments are in the diamond and polishing industry, vehicle manufacturing, plastic industry and granite cutting and polishing. Production value in these major sectors had increased from N\$ 3.2 billion in 2009 to N\$ 6.2 billion in 2011, while the export value has increased from N\$ 4.9 billion in 2008 to N\$ 7.6 billion in 2011 (ODC 2013). The EPZ exported non-industrial diamonds unworked or simply sawn, cleaved or bruted, amounting to N\$ 2.27 billion, while non-industrial diamonds, not mounted or set, amounted to N\$ 1.76 million during 2013 (Namibia Statistics Agency 2014).

It was stated above that Namibia's EPZs are not fenced-off (see chapter Three). An example of this is Namzinc which mines zinc at Skorpion. Zinc is exported in Europe and East Asia in countries like Belgium and Singapore. Zinc exports to Singapore during 2013 is valued at N\$ 1.17 billion (Namibia Statistics Agency 2014).

More than half of the EPZ exports go to SACU member-states. This means that Namibia's EPZ prioritises trading with neighbours. EPZ imports mainly come from Europe, especially Bulgaria where 34 percent of the imports originates. Imports from Bulgaria are mainly copper concentrates. The EPZ provides employment opportunities to Namibians which grew from 372 employees in 1998, to 2 591 employees, in 2011. Of these employees, 2 424 belong to the minerals processing sector (ODC 2013).

Broadly, the EPZ faces a challenge of job creation. While the Government had set the target for employment within the EPZ to be 25 000 by 1999, only 400 had been created by that time (Jauch 2002: 105). The problem of job creation is further fuelled by EPZ companies that never commenced operations. Sherbourne (2013: 248) argues that although by 2004 116 EPZ certificates had been issued, the ODC only had 32 companies on its book. Accordingly, the remaining 84 companies were either deregistered, failed to become operational or went out of business. It is stated that there are EPZ companies that had never started operations; some disinvested, liquidated, closed or cancelled.

EPZ status was further granted to the Namibia customs smelters which mines copper in Tsumeb and Ramatex, a garment production enterprise owned by the Malaysians. This company capitalised on the EPZ privileges. For example, Winterfeldt (2007: 65 - 66) writes that companies like the Ramatex derived advantages from the EPZ status, making profits while, in the end, the Namibian Government ended up losing. The Namibian government offered Ramatex lucrative business incentives covering energy and water supply, labour conditions and land, with a view that Ramatex would provide solution for employment creation.

Ramatex was offered a leasehold at a nominal value of N\$ 1 188 million for the duration of leasing land in Windhoek which had a lease value of N\$ 16.9 million. Its energy and water infrastructure were provided for free (Winterfeldt 2007: 69). Melber (2005: 313) states that the preferential treatment extended to the Ramatex factory under the EPZ regime exploited the Namibian economy. No technology transfer had taken place and the company did not leave behind an infrastructure for a valuable use by Namibians. Ramatex investment culminated in a retrenchment of 1 600 Namibians. It was not a story of success.

Eventually, of the 20 companies that remained in the EPZ business by 2012, 14 are diamond cuttings, with three in the mining industry (Sherbourne 2013: 248). The EPZ sector is, thus, not largely composed of companies that process materials from outside

Namibia. Therefore, tax incentives granted to EPZ companies were in vain. Ndalikokule & Kadhikwa (2007: 14) state that the Government had a plan to ensure that the SME sector and EPZ programmes took a lead in value addition to Namibia's raw materials. But, the situation within the EPZ sector, as discussed above, points out that such a plan was not being fully realised.

The NDP 2 targets, among others, were the growth of the EPZ and, thus, it was to address job creation (National Planning Commission 2002a: 316). Further, the White Paper on Namibia's Foreign Policy and Diplomacy Management, too, states that the EPZs were initiated to create sufficient employment and adequate industrial base for Namibia (Ministry of Foreign Affairs 2004:19). However, the decline of the EPZ companies and the closure of the Ramatex factory, which left many Namibians jobless, contradicts the said provision of the NDP 2 and the White Paper.

The NDP 4 states that the manufacturing industry growth envisaged by the NDP 3 was 5.3 percent, but the industry's out-turn was 5.6 percent (Office of the President 2012: 99). Arguably, if there has been prudent management of the EPZ regime, the output could be higher.

5.8 Setbacks in economic diplomacy: the Africa Growth and Opportunity Act (AGOA)

Economic diplomacy between Namibia and the US is further pursued under the framework of AGOA, passed by the US Congress in 2000, which regulates trade and investment between the US and sub-Saharan Africa countries (Ndalikokule, Biwa & Kaakunga 2006: 3).¹⁴ The US and sub-Saharan Africa countries negotiate trade agreements for mutual benefits. This complements the third foreign policy principle in article 96, of the Namibian Constitution, namely to strive for mutually beneficial relations (Ministry of Information and Broadcasting 1990: 53).

¹⁴ There is no bilateral agreement between Namibia and the US in respect AGOA but the Act benefits Namibia unilaterally, as the US instrument of economic diplomacy. Other agreements between Namibia and the US are appended to this study as Appendix 6.

The President of the US is empowered to review, on an annual basis, countries in sub-Saharan Africa that should participate in the AGOA programme. Countries are given duty free quotas to trade goods with the US. Ndalikokule, Biwa & Kaakunga (2006: 3) write that AGOA stems from the 1974 US Trade Act. AGOA provides an opportunity for broadening trade preferences within the framework of the Act. The preferential regime that is enabled by the US Trade Act facilitates the import of duty-free goods from sub-Saharan Africa.

The AGOA programme has shortcomings from Ramatex, as discussed above (see the section on EPZ). Sherbourne (2013: 28 - 29) writes that having come to Namibia under AGOA arrangements, there was already a risk that when AGOA preferences change, the garment manufacturing business of Ramatex would disappear.

Melber (2005: 312 - 313) avers that in respect of projects like Ramatex, AGOA serves the interests of maximising profits of large investors, rather than stimulating local economies of African states. Instead, Malaysians investors benefited from exclusive exports to the US market for their products. He further argues that the preferential treatment under AGOA does not serve prospects for industries in the long run. He maintains that, for example, with the closure of Ramatex, Namibia has become less attractive for further investments.

Lindeke (2014: 196 - 197), too, states that AGOA's benefit was in terms of the Ramatex textile, which, unfortunately, had closed in 2004. He further states that during the Ramatex textile industry's operation, Namibia's exports to the US under AGOA totalled US\$ 200 million per year, but it has since reduced to US\$ 8 million per year. Accordingly, there are no direct trade and investment benefits for AGOA to Namibia. However, since AGOA affords growth to the economy of Namibia's neighbours their use of the Namibian port would benefit Namibia.

The White Paper on Foreign Policy and Diplomacy Management, as an instrument of diplomacy, recognises the US's AGOA programme as an important tool of economic diplomacy, by which Namibia enjoys free access to the US market. Namibia's trade relations with the US confirm the proposition by Prasad (2009: 48), that the relationship between small states and large economies is that of one-way trade preferences. Economic superpowers grant privileged markets access to small states. As an economic superpower, the US is a large market for Namibia's exports. Mohamed ([sa]: 4), too, states that small states maintain preferential trade agreements with large economies, to ensure access to large markets for their products. Another small country, Mauritius, recognising this importance, concluded a bilateral economic agreement and takes advantage of the free market access to the US (Naeem 2008: 78, 83).

5.9 Tourism and Construction as avenues for general inward investments and Foreign Direct Investments

Namibia's bilateral economic diplomacy had seen FDIs rising over the years (National Planning Commission 2002a: 307). For example, while FDIs flow was N\$ 348 million by 1995, it increased to N\$ 695 million by 1999. From 2001 to 2006, FDIs recorded an annual average of US\$ 266 per annum (National Planning Commission 2008a: 28). The construction and tourism sectors were chosen because of their significant contribution to the economy. Sherbourne (2013: 627) states that the construction industry employs about 42 000 people. The NDP 4 states that the tourism industry creates about 19 percent of jobs in Namibia (National Planning Commission 2012b: 92).

5.9.1 Construction

The construction industry in Namibia is dominated by Chinese investors. Du Pisani (2014: 121) states that Chinese companies have penetrated the Namibian construction industry, against the background of unequal competition with Namibian construction companies, as the former tender for projects underwritten by the Chinese Government money. Jauch & Sakaria (2009: 14), too, states that Chinese companies are backed by the

Chinese government funding when tendering for construction companies. This means that China uses deep-pocket diplomacy (see Chapter One) in her FDI programmes. The results are that these companies weaken the competitiveness of the Namibian companies, which do not enjoy the same backing of government subsidies. Dobler (2007: 101) states that the Chinese share of the construction industry is estimated between one to two thirds of the total percentage. Amadhila (2012b: 53) states that Chinese companies are able to competitively tender against local Namibian companies as they acquire construction equipment from Chinese manufacturers at lower prices.

The high proportion of Chinese companies in the construction industry is not typical of small states, as Dobler (2007: 100) writes that only a third of road construction projects in Mozambique tenders went to Chinese companies.

Among the major projects awarded to Chinese contractors are the construction of the Namibian Supreme Court by China Jiansu International Namibia Ltd, part of the Construction of the Heroes Acre and the construction of the presidential residence of the Namibian State House (Dobler 2007: 100; Jauch & Sakaria 2009: 14). A construction project like the construction of the presidential residence, of which the money was donated by the Chinese government, was not awarded through public procurement process. Accordingly, there have been complaints that Chinese investors in the construction industry receive preferential treatment in the award of public construction tenders (Dobler 2007: 101).

Deputy Minister of Lands and Resettlement, Theo Diergaardt, questioned the preferential treatment of Chinese investors during the discussions on the Targeted Intervention Program for Employment and Economic Growth (TIIEG), at the information sharing meeting convened by the Hardap Regional Council. Minister Diergaardt was in support of the local construction industry, which charged that, Chinese investors were awarded tenders, through preferential treatment, at the expense of Namibian contractors. Community members applauded Diergaardt, expressing doubt in the credibility of the tender process (Narib 2011: 2). The unfair competition is, among others, a cause of

domestic disagreement on economic diplomacy towards China, discussed in the next sections.

Developmental diplomacy (see Chapter One) has been part of China's diplomatic relations with Namibia. Du Pisani (2014: 123) states that, however, China ranked 15 in terms of countries that provided development aid to Namibia. Thereafter, Chinese developmental diplomacy had increased. This was after China donated a presidential residence for a new State House that was completed in 2010. Soft loans from China amounting to N\$ 2 billion dollars had been extended to Namibia by 2009.

Namibia and China's economic diplomacy is regulated by a number of general and sectoral trade agreements that the two countries signed. In 1991, Namibia and China signed the Agreement on Economic and Technical cooperation (Ministry of Foreign Affairs 2009). It is a general agreement providing a framework for the two countries to cooperate in trade and investments. Although China's trade relations with Namibia is boosted by imports from China, it is also important to state that in 1996, Namibia and China signed an agreement to export Namibian ostrich meat to China. A list of agreements signed between Namibia and China are appended to this study as Appendix 6. In 1995, Namibia opened a diplomatic mission in China, thereby, forging closer ties with one of the emerging world economies.

The Democratic People's Republic of Korea (DPRK) – also known as North Korea, too, has been visible in the construction industry. The DPRK firms, too, have been involved in the construction of major public projects like the construction of the Heroes Acre. The construction project of the State House was awarded to Mansudae Overseas Project Group (Office of the President [sa]: 467).

Namibia's Independence Memorial Museum, too, was constructed by the Mansudae company. The electrical, mechanical and civil work was contracted to Namibian companies. The value of the construction work is estimated at N\$ 100 million (Ministry of Youth, National Service, Sport and Culture 2014). The company was further awarded

the tender to construct the military museum at Okahandja. While there are no exact total figures available of the construction projects, the British High Commission estimated the figures to be about US\$ 66 million (British High Commission 2015).

Namibia and North Korea maintain sound diplomatic relations. North Korea provided material support to SWAPO during the struggle for Namibia's independence. In 1992, Namibia and North Korea signed the Promotion and Development of Trade Relations agreement. In May 2014, North Korea's Vice Minister of Foreign Trade visited Namibia and held meetings with his Namibian counterpart, Tjekero Tweya. They discussed issue related to economic cooperation in the fields of trade, construction agriculture and fisheries, among others (Ministry of Foreign Affairs 2014b).

Applying Du Plessis' (2006: 140) typology of diplomacy The DPRK's economic diplomacy relations with Namibia is characterised by regime based and personal diplomacy. It is further embedded in regime-based diplomacy.

Namibia's economic diplomacy with the DPRK faces a challenge, following a series of resolutions passed by the UN Security Council from 2006 to 2013, imposing sanctions against the DPRK because of its nuclear tests. These are UN Security Council Resolutions 1718 of 2006; 1874 of 2009, 2087 (2013) and 2094 (2013). The resolutions are aimed at preventing the financing of nuclear and ballistic missile programmes. The resolutions place an obligation to the Namibian government to comply and, therefore, take measures that impact on economic diplomacy between Namibia and the DPRK. Accordingly, in 2013, Ambassador Martin Uden, Coordinator of the UN Panel of Experts on sanctions against the DPRK, visited Namibia to explain the UN sanctions and their implications thereof. The Namibian government started to put in place measures to comply with the UN resolutions (Ministry of Foreign Affairs 2014). In December 2014, the Ambassador of the DPRK was summoned to Windhoek where the Namibian government explained its measures in compliance with the UN sanctions against the DPRK. Subsequent to the meeting, the DPRK government withdrew two of its diplomats,

based in Windhoek, who are linked to companies that fall within the framework of UN sanctions, the Korea Mining Development Trading Corporation (KOMID).

Other major investments that came to Namibia in the construction industry include the Ohorongo Cement factory owned by Ohorongo Investment (Proprietary) Limited, a subsidiary of Schwenk Group of companies. This is a major investment that is worth 250 million Euros, which has created jobs for 300 Namibians. The factory produces 700 000 tons of cement annually (Sherbourne 2013: 271). Prior to commencement of Ohorongo Cement, a Namibian company, Jack's Trading cc, imported cement from China. Ohorongo Cement applied for infant industry protection. The protection was granted and came into force on 27 July 2012. Jack's Trading challenged the matter in the courts. At the time of writing (March 2015), the matter is still pending at the Supreme Court.

The maintenance of economic diplomacy by small states with former colonial powers is typical of small states (Mohamed [sa]: 18). Cultural and historical values bind former colonial powers and their colonies. There is then an exchange of trade and investment between two countries in that category. Former colonial powers further invest in industrial enterprises in former colonies, given the developed economy the latter. Ede (1986: 179) states that an official from a middle economy, France, stated that French industries have stake in her African colonies economies, who also serve as sources of raw materials. Namibia, having been a German colony (see Chapter One), the Ohorongo Cement factory investment reflects the trend of economic diplomacy with former colonial powers.

5.9.2 Tourism

A highest number of tourists in Namibia come from Angola. The arrival figures for 2011, which are the latest figures that the Namibia Tourism Board provided, shows that the top five tourist countries of origin are Angola (361 480), South Africa (272 930), Germany (79 721), Zambia (61 120) and Zimbabwe (42 945) (Ministry of Environment and Tourism 2012: 30).

Namibia's first Ambassador to Germany, Nora Schimming-Chase (2011: interview) stated that when she arrived in Germany in 1991, tourism was an area that she gave priority to. This resulted in German tourist operators, such as Epacha coming to Namibia. Germany had, henceforth, become a source of the highest number of tourists from Europe.

The tourist survey carried out, between June 2012 and January 2013, revealed that German tourists rank third, in terms of the highest number of tourists who visit Namibia, after Angola and South Africa. German tourists represent 7.7 percent of all tourists who came to Namibia during the period of the survey (Millennium Challenge Account Namibia & ACORN 2013: 8). Other figures for German tourists were cited in Chapter Three. The latest available tourist figure during the time of writing (March 2015) is for the year 2011, showing that 79 721 German tourists had visited Namibia during that year (Ministry of Environment 2012: 30).

With regard to the high number of tourists coming from Germany, this could be attributed to colonial history between Germany and Namibia. There are places with German heritages, like the coastal town of Swakopmund, which has German buildings and other interests, for example. Tourism is important for Namibia's economic diplomacy. The NDP 2 states that the mission of the Government on the tourism sector is to develop the industry to contribute effectively to the economic development of Namibia (National Planning Commission 2002b: 127).

During his tenure of Office, President Nujoma marketed Namibia as a tourist destination. Applying the typology of diplomacy by Du Plessis (2006: 140), the type of Namibia's economic diplomacy with Germany is inter-governmental relations, characterised by the high level visits. Germany's President, Roman Hertzog and Chancellor, Helmut Kohl, have both visited Namibia, while Presidents Nujoma and Pohamba, too, paid state visits to Germany. During the visit of Chancellor Helmut Kohl in 1995, President Nujoma applauded Germany's economic diplomacy with Namibia in the area of tourism and

emphasised the need to explore further areas of trade and investment (Office of the President 1999b: 70). President Nujoma further underscored the importance of tourism between Germany and Namibia during the visit of President Roman Hertzog to Namibia in 1998 (Office of the President 1999b: 325).

Tourist figures show that from 2006 – 2009 the UK has been the sixth major source of tourism market for Namibia and was actually the fifth in 2007. The UK only dropped to the seventh position in 2010 – 2011, arguably due to the effects of the global economic crisis of 2008. 21 584 tourists from the UK visited Namibia in 2011 (Ministry of Environment and Tourism 2012: 30).

The Namibian Embassy in Belgium, which is also accredited to The Netherlands, has been promoting Namibia as a tourist destination. Thus, of the tourists who come from Europe, Dutch tourists have been the third highest in numbers and only swooped positions with French tourists to become fourth, as from the year 2007 (Namibia Tourism Board 2010).

The NDP 2 provided that the Government will establish the Namibia Tourism Board (NTB), which will serve as the link between the government and tourism activities operation (National Planning Commission 2002a: 282). The NTB was established and serves as a regulatory body for tourism activities in Namibia.

Liberalism, as a theory of IR studies, maintains that governments' interactions relate to many fields, ranging from political, social to economic matters (Webber & Smith 2002: 20). This assumption of Liberalism is reflected in Namibia's economic diplomacy with Germany as it is not only focusing on the area of trade, for example, but it also focuses on tourism. These have impact on other foreign relations aspects. For example, given a number of tourists that comes from Germany to Namibia, German tourists enjoy visa exemption in Namibia.

5.10 Domestic disagreement on bilateral economic diplomacy: the case of Chinese investors

There have been complaints in the recent years about Chinese investors in Namibia. In 2007, when the President of NCCI, Akapandi Endjala, addressed the SME's Compete launch, he expressed concern about the Chinese investors who venture into even *kapana* businesses. *Kapana* is a roasted or fried meat, customarily sold by unemployed persons, to make a living and sustain their families. Endjala urged the Government to adopt infant industry protection measures and called on other businesses to take a lead in that endeavour, if the Government was not supportive (*Informante 7 June 2007: 3*). Liberalism as a theory of IR studies advocates free trade (Dorn 2006: 426). However, infant industry protection should not be misunderstood to mean that there is an inclination to Realism. Protectionist measures are meant to allow the growing of local infant enterprise and guard against dependency. Accordingly, the call for infant industry protection, by the President of NCCI and by the Namibian Government, in the EPA negotiations (see Chapter Six), serves that purpose. And further corresponds to Interventionist Liberalism.

Writing on domestic disagreement on Namibia's economic diplomacy, Amadhila (2012: 73) uses the concepts official and non-official perspectives about Chinese businesses in Namibia. These include government considering Chinese businesses to be favourable while locals regard them to be a threat to their economic livelihoods.

Commenting on the issue of Chinese investors six years later, Endjala (2013: interview) changed the tone of his position and acknowledges that there are Chinese businesspersons who uphold good virtues of investment. These should be differentiated from others who do not respect Namibia's labour laws and further avoid paying taxes.

There have been further complaints with regard to the quality of products sold by some Chinese investors. Some Chinese shops were selling counterfeited goods. *The Namibian* newspaper (25 June 2013) reports that Namibian custom officials confiscated 84 960

counterfeit goods, valued at N\$ 10.2 million (US\$ 1 million). It was further reported in the newspaper, that there has been tax evasion by the same business which recorded a loss totalling N\$ 94 023 over a period of four years, from 2008 to 2012, while, during that same period, payments for a total amount of N\$ 8. 9 million were made into three bank accounts, belonging to the business owner.

The criticisms of Chinese investors, has been rejected by President Pohamba, former President Nujoma and leading members from the Namibian business community. In March 2011, President Pohamba castigated Namibians who condemn Chinese investors, stating that it was shameful for Namibians to condemn the Chinese, as they provided Namibians with arms during the liberation struggle (*The Namibian* 25 (53): 13). President Pohamba's views are shared by former President Nujoma, who maintains that people who complain about the Chinese are narrow-minded, as they do not appreciate the role played by the Chinese, in the course of Namibia's liberation struggle (Nujoma 2011: interview).

The issue of domestic disagreement on economic diplomacy with China continued and in 2012, the public was shocked to learn about the mistreatment of workers by some Chinese businesspersons. This prompted the Minister of Labour to visit the businesses concerned and made it clear that Namibia will not tolerate investors who mistreat Namibian citizens. This also resulted in President Pohamba adjusting his stance and he informed the Chinese Ambassador, Xin Shunkang, that Chinese investors were subjected to Namibian laws in respect of industrial relations and inter-personal relations (Pohamba 2013: interview).

Following a public outcry on the unbecoming behaviour of some Chinese investors, Ambassador Xin Shunkang convened a meeting of Chinese businesspersons, where he urged them to conduct their businesses in accordance with the Namibian laws. The Ambassador complained that,

Everyone knows of recent incidences in the news criticising Chinese on how they conduct their business. We feel bad about it and so I came to organise the Chinese people and tell them correct their behaviour (Nakale 2013: 1).

The Ambassador travelled to different regions of Namibia to address all Chinese investors. He wanted to ensure that trade relations between Namibia and China remain sound and that the growing impatience among Namibians against Chinese investors has calmed down.

Jauch & Sakaria (2009: 19) write that the National Union of Namibian workers (NUNW), a federation of trade unions and the Construction Industries Federation of Namibia (CIF) complained about the treatment of workers, in contravention of Namibia's labour laws. At its 4th Ordinary Congress held in 2006, the NUNW expressed concern over the treatment of workers by Chinese companies, which included cheap labour practices. The Congress resolved to commission a study by the Labour Resource and Research Institute (LaRRI) to investigate labour laws malpractices by Chinese investors. The study confirmed the validity of the complains and concluded that,

The current labour practices at Chinese firms in Namibia are unacceptable and cannot be tolerated. A matter of particular concern is the awarding of tenders to companies, which do not adhere to national laws and regulations (Jauch & Sakaria 2009: 39).

The study was concluded and it points out that the Namibian government is reluctant to take actions against the abuse of Namibian workers at the hands of Chinese investors. The reluctance of the Namibian government is reflected in the pronouncement of the Namibian leaders, when they resort to denouncing those who complain against Chinese investors' malpractices, as state above.

It is argued that the defence of Chinese companies at the expense of national labour laws compromises the government and encourages continued negative perception from some sectors of the Namibian society (Amadhila 2012: 75). Amadhila (2012: 78) states that the government cannot allow its nationals to be disadvantaged at the cost of referring to pre-independence assistance rendered by China.

Meanwhile, this study submits that repeated defence of Chinese investors by the Namibian leaders on the basis of assistance provided by China to Namibia's

independence raises a fundamental question of whether the Chinese assistance overrides the domestic labour laws, and whether it is valued more than financial and material support provided by other countries. Countries like the Frontline States and Nigeria (see Chapter Four), Cuba, the former USSR (presently represented by Russia) and the Nordic countries for example, supported the Namibian cause of independence (see Chapter Three). However, investors from these countries abide by Namibia's labour laws and are not awarded public tenders at a disproportionate rate with Namibian entrepreneurs.

Further, the defence of Chinese investors by the leadership is, arguably, compromised by the controversy of awarding scholarships to Namibian students, linked to senior government leaders, to study in China. In October 2009, *Informante* newspaper reported that children or relatives of President Pohamba, Founding President Nujoma and other high-ranking profile Namibians overseeing multi-million dollars procurements benefited from the Chinese Government scholarships (Nyangove & Hamata 2009: 1). These scholarships, that did not go through public advertisements reflects deep-pocket/cheque-book diplomacy. Consequently, the scholarship awards put the President and other leaders in a compromising position. When they defend Chinese contractors it may, arguably, be viewed in the context of cheque book diplomacy.

While China provides aid and development to Namibia, the real value of her development aid is lower than it appears, as she puts a condition to have Chinese companies that are selected by the Chinese government (Amadhila 2012: 62). Such developmental diplomacy largely benefits Chinese. A picture is portrayed that they invest a large amount of money in the Namibian economy, whereas part of that money goes back into the Chinese economy.

A recent issue of domestic disagreement on economic diplomacy with China resulted from the leasing of a 10 000 hectares land in Caprivi Region to a Chinese Company, Namibia Oriental Tobacco. It was reported in the local dailies (Haidula 2015: 1 – 2; Beukes 2015: 1 – 2), that the Chinese company want to grow tobacco on the land. Opposition to the proposed project came from former leaders of SWAPO Party Youth

League who were suspended from SWAPO at the end of 2014, reportedly for embarrassing the party, after occupying plot in a Windhoek suburb of Kleine Kuppe, which they termed 'affirmative repositioning'. The suspended leaders call themselves land activists. Former Secretary of Information and Mobilisation of SWAPO Party Youth League and lead land activist, Job Amupanda, issued a statement following the news of allocation of land to the Chinese company that together with other two youth who were suspended from SWAPO, Dimbulukweni Nauyoma and George Kambala, they will make a submission to the Namibian government, objecting for the allocation of land to the Chinese company, as there are Namibians who need land.

Namibia's Minister of Health, Richard Kamwi, too, voiced opposition to the planed project, asserting that the project is pushed by money hungry people. He maintained that the tobacco industry is not in the best interest of the health of the Namibian people. The Minister asserted that,

It is detrimental to us. It was for this reason that we enacted a new Tobacco Act which prohibits smoking in public places. Now the Chinese are coming with plans for tobacco plantation...it is nonsense (Iileka 2015: 1 – 2).

Critiques for the envisaged tobacco plantation maintain that Namibian government sends mixed moral messages with regard to tobacco, at the convenience of pushing for the Chinese investments.

The Chief Executive Officer of NCCI, Tara Shaanika (2013: interview), maintains that negative behaviours by Chinese investors are isolated incidents and should not be generalised to all Chinese investors, as there are those who have been good corporate citizens. He, however, admitted that there are problems with investors in SMEs because they venture into small businesses that should have been left to local investors.

Meanwhile, the Second Vice President of NCCI, Vekuii Rukoro (2013: interview), argues that the problem is not the Chinese investors, rather how Namibians relate to the Chinese. The Chinese have defined their interests, in terms of trade and investment and it is now up to Namibia to also define her interests, relative to China, that will serve as

guidelines in engaging Chinese investors. Rukoro's views correspond to the views of Jauch & Sakaria (2009: 38 – 39). They state that China is not to be blamed for its strategic approach and securing raw materials for industrialisation elsewhere, but it is for the Namibian government to set its own tactical priorities, aimed at securing better trade and investment arrangements.

5.11 An assessment of Namibia's bilateral economic diplomacy

In the NDP 3, Namibia sets the goals to consolidate her economic diplomacy in the region through high-level bilateral visits and joint-commissions of cooperation, among others (National Planning Commission 2008a: 267). It is further stated that Namibia will strive to expand her trade and diversifies her export commodities. Her bilateral economic diplomacy programmes include promoting investments and facilitating exports (National Planning Commission 2008b: 154).

This chapter illustrates that Namibia's bilateral diplomacy focuses, among others, on regional diplomacy. The NDP 2 sets the targets that Namibia will increase intra-trade relations and sign bilateral agreements with other states (National Planning Commission 2002a: 316). The promotion of regional economic diplomacy is a goal of Namibia's economic diplomacy (see Figure 2).

Namibia's bilateral economic diplomacy is not conducted in terms of linear escalation from political diplomacy to economic sanctions and later even to military forces (Figure 1). But it is conducted through temporary form of diplomacy, characterised by high-level visits and permanent form of diplomacy, characterised by resident diplomatic establishments (Table 2), bilateral trade agreements and joint-commissions of cooperation. These relations are a type of inter-governmental relations. With the private sector being involved in the practice of economic diplomacy, through inclusion in the high-level visits, Namibia's economic diplomacy also include a type of non-governmental relations (Table 2).

Namibia's bilateral economic diplomacy strategies include the development of the EPZ and manufacturing industry, thereof. This is to ensure the processing of fisheries, minerals and agriculture primary products (National Planning Commission 1995a: 256 – 257). Figure 2, too, state that Namibia's economic diplomacy includes the promotion of the manufacturing industry. The NDP 2, as an instrument of diplomacy, sets the targets that Namibia will endeavour to increase her exports and secure access to new markets states (National Planning Commission 2002a: 316). The fulfilment of this target is illustrated by the increase in export value of the EPZ (ODC 2013) and in the export products to major trade partners, which was, however, hindered by the 2008 economic recess. It is further mentioned above that Namibia has captured new markets such as Botswana and Belgium, becoming major trade partners in the recent years. But, it should also be stated that, overall, the decline in the number of EPZ companies does not present a successful picture of Namibia's EPZ.

Namibia's export investments have increased over the past five years (see Table 7). Although the figures went down during the period of 2010 – 2011, due to economic crisis which started in the US, in 2008, Namibia's exports to Angola and Canada for the year 2012 had increased. Inward investments, too, experienced a drop in the figures during the period of economic recess but imports from South Africa and Switzerland had increased from 2011. Imports from China increased in 2012. Although Namibia trades various commodities with each trading partner, she places weight on trading specific commodities with each partner, such as fisheries for Spain, beef for the UK and mining for Canada (Namibia Statistics Agency 2013b). The significance of this approach is that it enables her to concentrate on a given specific sector and focus on increased trade within that sector.

The Namibian Statistics Agency (2013a) lists more than 100 countries that are markets for Namibian products. This is contrary to the theory that says small states have a narrow scope of international relations (Chowdhury 2010: 9). Although a small state, Namibia's economic diplomacy has been able to cover all geographical regions in the world.

Namibia had shown leadership in her conduct of economic diplomacy with partners. Although a small state, Namibia has been able to keep the trade balance with the UK in her favour. She created a market for her products and was able to attract inward investment from the African, Asian, European, and American economies. It is also important to note that among the major trade partners for Namibia, are former colonial powers, namely South Africa and Germany. This is because colonial powers maintain historical and cultural ties with their former colonies, as Ngavirue (2001: interview) states that a country like Belgium prioritises her former colonies when it comes to maintaining economic relations with African countries.

In her bilateral relations, Namibia emphasises to her trade partners that their trade and investment should be mutually beneficial. This shows that Namibia fulfils her constitutional foreign policy principle, that she will maintain mutual beneficial relations with other countries in the world (Ministry of Information and Broadcasting 1990: 53). For a country like Spain, which has more than 2000 persons benefiting in employment from the Namibian fisheries, she had to make a contribution to the establishment of the Marine Institute, so that Namibians can benefit by acquiring the necessary skills, to process marine resources. However, the mutual benefits in respect of the Namibianisation of the fisheries sector is yet to be realised.

Economic diplomacy, through high level visits, included business forums arranged as part of the programme of the visits. This provided an opportunity to business entrepreneurs to interact and exchange information in order to explore trade opportunities. Accordingly, it points to cooperation between the Government and the private sector in furthering Namibia's economic diplomacy (see Chapter Four).

The NDP 1 states that Namibia's objectives are, among others, to increase her trade and investment profile (National Planning Commission 1995a: 255). This goal has conceivably been achieved, as Namibia's trade profile has been increasing, in terms of both imports from and exports to major partners, and the EPZ production. Although a small country, Namibia did not want to be dependent on aid but rather, to raise her trade

and investment portfolio, in order for her economic diplomacy with other states, to be based on interdependence, as stated in the NDP 1 (National Planning Commission 1995a: 57). Investment in the manufacturing sector and working towards increased trade thereof, is an objective set in the NDP2 (National Planning Commission 2002a: 317). Accordingly, the increased production in the EPZ manufacturing companies is in fulfilment of the NDP 2.

Namibia's exports are primarily agricultural and manufactured products. This is typical of small states, as it is the case with The Gambia, Mauritius, Swaziland and Sao Tome and Principe (Dömeland & Sander 2007: 7). Another small states' economic diplomacy trend is the tax incentives extended to companies manufacturing goods for exports in the EPZ (see Chapter Three). Pieretti, Zanay & Zou (2010: 3) aver that small states attract trade and investment through favourable tax incentives to foreign investors.

With instruments of diplomacy, like the Foreign Investment Act and EPZ Act, Namibian leaders and President Nujoma in particular, referred to these when he marketed Namibia as an investor-friendly environment during bilateral high level visits, as discussed above. Accordingly, these instruments of diplomacy, which are also cited in Figure 2, become a point of reference in the practice of Namibia's economic diplomacy.

South Africa as a middle economy is of strategic importance to Namibia. It is typical for small states to maintain good relations with regional economic powers. This is supported by Ede (1986: 183 – 184), who states that in West Africa, Benin has maintained sound economic relations with Nigeria. For the efficient transport of goods, the two states constructed a road that links them. They further entered into a joint-venture cement factory. Gricius (1999: 36) writes that Belarus, too, maintained sound economic relations with Russia and Germany. In 1998, they were among her top two major trade partners.

Namibia is yet to overcome challenges of crop production in the agricultural sector. For example, the NDP 4 states that Namibia imports 50 percent of cereals and horticultural products (National Planning Commission 2012b: 106). Namibia's economy is historically

linked to South Africa, as a former colonial power and, thus, she depends on South African imports. Most of the goods are transported by road. The value of South Africa's exports to Namibia, in 2012, was N\$ 45.3 billion, representing 70 percent of the total imports from the top six imports partners (Namibia Statistics Agency 2014a). Since Namibia is largely dependent on South African products, including basic foodstuffs like sugar, dairy products, juice and poultry among others, she agreed with South Africa to cooperate on Namibia's industrial development (Ministry of Foreign Affairs 2013a).

Namibia's bilateral relations manifest President Nujoma's doctrine of maintaining old friends and winning new ones. Some of Namibia's trade partners like the US and Germany, opposed the imposition of sanctions against South Africa for her illegal occupation of Namibia (Landsberg 2004: 22). Meanwhile, Canada and The Netherlands were among Namibia's pro-solidarity countries that advocated hard-hitting sanctions against South Africa's apartheid regime.

Domestic disagreement on economic diplomacy, in respect of the Chinese investors, is not unique to Namibia as a small state. Van Bracht (2012: 56) writes about similar trends in Zambia's economic diplomacy towards China. Small businesses in Zambia asserted that Chinese involved in small business should leave Zambia and leave such businesses to Zambians. Domestic disagreement on Namibia's economic diplomacy, too, comes largely from members of the business community. They have, accordingly, assumed a role in discussing matters of trade and investment, as provided in the NDP 1 when it underscores the role of the private sectors in economic matters (National Planning Commission 1995a: 3).

5.12 The gap in the literature: forms and types of bilateral economic diplomacy

In Du Plessis' (2006: 140) typology of diplomacy (see Chapter Two), he confined the permanent form of diplomacy to resident missions in receiving states. He left out an important aspect of permanent form of diplomacy, namely regime-based diplomacy. This study propounds that regime-based diplomacy is part of the permanent form of diplomacy

and economic diplomacy, is largely pursued within the framework of bilateral agreements signed or multilateral treaties acceded to.

Namibia signed a number of economic cooperation agreements and other trade and investment promotion regimes that served as the foundation of her economic diplomacy, during the formative years (see Chapter Three). This trend continued in the subsequent years. In the case of European trade partners, economic diplomacy is based on multilaterally negotiated regimes, like the Lomé Convention and the FTA between SACU and EFTA. Namibia has no resident missions in her major trade partners like Spain and The Netherlands, yet because of the respective trade agreements between Namibia and these countries, the output of Namibia's economic diplomacy with these countries is more than her economic diplomacy output with other countries, in the same region, where Namibia has resident missions, like France and Sweden, for example.

The relevance of regimes in economic diplomacy was further illustrated when Namibia and Senegal signed the Establishment of a Joint Commission Agreement, during the state visit by the President of Senegal, Macky Sall, to Namibia in August, 2013. Peer discussions reveal that signing this agreement was of essence to economic diplomacy between Namibia and Senegal, as the latter does not conduct trade without signing the cooperation regime. Accordingly, the form of economic diplomacy of another small state, Senegal, too, is regime-based. This study, thus, seeks to fill this gap in Du Plessis' (2006: 140) discussion of forms of diplomacy.

There is a type and duration of bilateral economic relations between Namibia and her trade partners that is not included in the typology of Du Plessis (2006: 140), namely the Joint Commissions of bilateral cooperation. This study propounds that, like the EPA negotiations, these commissions, too, fall under long-term diplomacy. They are held at various levels including Heads of State and Ministers, as in the respective cases of South Africa and China.

Further, the level of these bilateral joint commissions are not discussed in Du Plessis's typology. Joint Commissions are generally known to be at the level of Ministers or Deputy Ministers, or senior officials. However, they may also be at the level of Heads of State. An example is the joint commission of cooperation between Namibia and South Africa. Towards the end of President Nujoma's second term, Namibia's economic diplomacy with South Africa reached another level of Bilateral Economic Meetings, chaired by the Heads of State, which later became a Bi-National Commission during the term of President Pohamba. The creation of this structure started in 1999 when President Nujoma and his South African counterpart, Thabo Mbeki, inaugurated the 400kV transmission station at Kokerboom in Keetmanshoop (Maletsky 1999a: 3; Isaak 1999: 16). This was one of the major projects between Namibia's power utility, NamPower, and its South African counterpart, the Electricity Supply Commission (ESKOM).

At the inauguration of the Kokerboom Transmission Station, President Mbeki was accompanied by his Ministers, Dr Nkosazana Dlamini-Zuma of Foreign Affairs, Phumzile Mlambo-Ngcuka of Minerals, Alec Erwin of Trade and Industry and Jeff Radebe of Public Enterprises. The inauguration was followed by, what was called, a "Joint Cabinet Meeting", in which the two sides discussed, among others, issues of mutual trade, such as the Kudu Gas-to-Power and the Trans Kalahari Highway projects. President Nujoma's delegation included Ministers Hidipo Hamutenya of Trade and Industry, Jesaya Nyamu of Mines and Energy, Hampie Plichta of Works, Transport and Communication and Tuliameni Kalomoh, Acting Minister of Foreign Affairs (Maletsky 1999b: 3).

After the "Joint Cabinet Meeting", Namibia and South Africa agreed to regularise their interactions by instituting the Heads of State Economic Bilateral Meeting. This meeting is held bi-annually in Namibia and South Africa, on a rotational basis, to discuss issues of economic cooperation. At the Heads of State Economic Bilateral Meeting, held in Namibia in 2010, Namibia and South Africa agreed to elevate the Head of State Bilateral Economic Meeting to a Bi-National Commission. The Commission is chaired by the Heads of State and has different sectoral committees constituted and chaired by

Ministers. The first inaugural session of the Bi-National Commission, was inaugurated in Namibia, during President Jacob Zuma's state visit, in November 2013.

The discussion of the relationship between Namibia and South Africa during the presidential tenure of Presidents Nujoma and Mbeki fills the gap that exists in the discussion on Namibia's relations with South Africa in the publication by Hengari and Saunders (2014). Despite milestone economic diplomacy initiatives during the presidential tenure of Presidents Nujoma and Mbeki, like the institutionalisation of the Heads of State Economic Bilateral Meeting, Hengari and Saunders only focused on the presidential tenures of Presidents Nujoma and Mandela, and of Presidents Pohamba and Zuma.

Liberalism as a theory of IR studies propounds that international regimes and institutions promote cooperation among nations (İşiksal 2004: 141). This, too, illustrates the importance of international agreements in economic diplomacy. Economic diplomacy, whether coordinated bilaterally among states, like Namibia and Angola, for example, or facilitated through multilateral institutions, like Namibia and Switzerland, for example, are all based on trade regimes. This also applies to a number of trade and investment related agreements between Namibia and South Africa, appended to this study as Appendix 5.

5.13 Summary

Namibia's major economic sectors of mining, fisheries and agriculture are among the sources of her exports to the world market. Products from these sectors are traded as a result of bilateral trade agreements between Namibia and other countries, or multilateral trade agreement between SADC and the EU or SACU and EFTA.

In the fisheries sector, Namibia's large exports go to the European market and within the southern African region. The issue of 'Namibianisation' of the fisheries sector is not resolved. The current trend is of empowerment in fishing companies through quotas. In

this respect, Namibians do not benefit sufficiently in real terms when the profits are divided, because they look at ownership of the vessels too, for example.

The agricultural sector's products like beef and grapes are traded in Europe under the Cotonou agreement. As a small state, Namibia's challenge is to fill her beef quota in Europe because of the resources needed for production. This is applicable to other small states. Namibia further extends her exports to the markets where she receives better price deals, like her grape exports to the United Arab Emirates.

In the Mining sector, the large market share for Namibian products is in America, Europe and Asia. However, most of the minerals are exported in raw form, and where the government provides opportunities for manufacturing, like in the diamond industry, only a small size of these resources is cut and polished in Namibia.

Applying the typology of Du Plessis (2006: 140) on diplomacy (see Chapter Two), Namibia's economic diplomacy has been a mixture of both the permanent and temporary forms of diplomacy. In countries like Germany, for example, permanent diplomatic representation and personal diplomacy have played a role in the promotion of trade and investment. These establishments serve the purpose of facilitating, among others, trade missions from Namibia to those countries and vice versa.

Regime based diplomacy is another important aspect in Namibia's economic diplomacy. Namibia's economic diplomacy with Switzerland is based on a multilateral trade regime. Forms of bilateral economic diplomacy further include joint-commissions of cooperation.

Namibia's bilateral economic diplomacy recognises the importance of neighbourhood foreign relations. Thus, she exports her diamonds to Botswana, meat to South Africa and Angola, and fish exports to Angola and Mozambique.

Mere hosting of conferences does not mean that a country has an effective tool for economic diplomacy. The measurement of conferences' successes is when they produce

some results. Namibia's conference diplomacy was effective because it attracted investors to invest in the Namibian fishing and diamond industries, for example. Namibia used this form of diplomacy mostly in her economic diplomacy towards middle powers. She attracted both middle and economic super powers to bring FDIs to Namibia and open up their markets for Namibian products.

Namibia's economic diplomacy with China reflects deep-pocket diplomacy, as state subsidized investors come to compete with Namibians. Its cheque-book diplomacy symbolised by the granting of scholarships to children linked to influential government leaders compromises them to address the plight of the Namibian workers and investors, who disagree on the manner in which Chinese investors are awarded public construction tenders, and the way they treat their workers. This results in domestic disagreement with regards to pursuing Namibia's economic diplomacy.

Chinese and North Koreans are Asian countries whose investors dominate the Namibian construction industries. They were awarded tenders for important projects that include the Heroes Acre, State House and Independence Memorial Museum, among others. This leaves Namibian construction companies with a small share of public construction projects. North Korea and China supported the Namibian cause for independence and economic diplomacy with Namibia is anchored in old friendship ties.

The EPZ sector does not have much success. Companies were granted EPZ status, but they have not come into operation. Another setback was caused when Ramatex was granted an EPZ status to export garments under AGOA to the US. While Malaysian investors were given favourable concessions to invest, their investment was short-lived and made huge profits at the expense of the Namibian government, leaving thousands of Namibians without jobs. In the end, the AGOA programme only serves the purpose of maximization of profits by large industries.

Chapter Six focuses on Namibia's multilateral diplomacy within the context of ACP-EU relations and within other regional and international organisations, such as SACU, SADC, UNCTAD and WTO.

CHAPTER SIX

NAMIBIA'S MULTILATERAL ECONOMIC DIPLOMACY

6.1 Introduction

Multilateral diplomacy is among the methods of diplomacy employed by foreign policy-makers in modern diplomacy. Barston (2006: 39) states that multilateral diplomacy is pursued through international, regional and sub-regional institutions, and permanent conferences. In his typology of diplomacy, Du Plessis (2006:140) supposes that conference diplomacy may not only be in a form of permanent conferences, but it may also be in a form of conferences on specific subjects (see Figure 1 and Table 1).

Through multilateral diplomacy, states feel that they are able to air their concerns, which will be considered because of the principle of equality of sovereignty. When a position of a given state is supported by the majority of other members of a multilateral institution, it will be collectively passed. In bilateral relations, states are sometimes put in unequal relations versus large states. These unlevelled relations are not favourable to the effective pursuance of diplomacy by small states. Small states adopt multilateralism to benefit from collective security and economic development, thereby, overcoming their limitations as single entities (see Chapter Two).

Various aspects related to multilateral diplomacy have been discussed earlier (see Chapter Two) and are applied and analysed in this chapter. This chapter focuses on the practice and outcomes of Namibia's multilateral economic diplomacy, by discussing illustrative multilateral case studies, such as the EPA negotiations with the EU; outstanding issues in the EPA negotiations; the WTO; UNCTAD; regional integration in SADC focusing on the fisheries, transport and energy sectors; SADC and China; SACU; and conference diplomacy focusing on the Smart Partnership dialogues and World Economic Forum (WEF). The chapter concludes with an assessment of Namibia's multilateral diplomacy.

6.2 The institutional foundation of Namibia's multilateral economic diplomacy

The NDP 1, 2, 3 and 4; Vision 2030; and the White Paper on Foreign Policy and Diplomacy Management, as national strategy documents on Namibia's policies and programmes, are among the key policy documents that provide an institutional framework for the pursuit of Namibia's economic diplomacy. The targets for multilateral diplomacy in the NDP 1 stipulate that Namibia will work towards greater integration for SACU and SADC, among others (National Planning Commission 19995a: 56). The Ministry of Foreign Affairs adjusted itself to this policy target. When the White Paper on Foreign Policy and Diplomacy Management was drafted, it highlighted regional trade within SADC and proposed plans to make SADC a trade and investment hub (Ministry of Foreign Affairs 2004: 65).

Vision 2030, too, sets the objective that Namibia should contribute to an effective regional integration and play a meaningful role in regional institutions (Office of the President 2004b: 193). Namibia had held the chairmanship of SADC in 2000 and 2011. In order to effectively carry out the mandate of Namibia's chairmanship, the Ministries of Foreign Affairs and of Trade and Industry made the necessary financial and human resources available.

Namibia, hosted SACU and the Government had to make resources available to provide land for the SACU headquarters. Accordingly, the Ministries of Finance and of Trade and Industry had to ensure that Namibia plays a significant role in the formulation of SACU trade policies. Namibia's achievements in respect of regional integration and economic cooperation will be discussed in the next sections.

The central goal of the White Paper on Foreign Policy and Diplomacy Management is the promotion of trade and investment (Ministry of Foreign Affairs 2004:17 – 19). Accordingly, in multilateral negotiations, the issues to ponder on will inherently be how the negotiations will promote the exports of Namibian products and how they will attract FDI to Namibia. The line Ministries of Foreign Affairs; Trade and Industry; and

Agriculture Water and Forestry had, therefore, to ensure full participation of the Namibian Government in the multilateral trade negotiations.

The NDP 2 laid a framework for the promotion of the manufacturing industry. It states that Namibia will put an emphasis on value addition to local sources from Namibia (National Planning Commission 2002a: 317). When the Ministry of Trade and Industry negotiates multilateral trade agreements, the objectives of the NDP 2 serve as a referral point. The Deputy Minister of Trade and Industry, Tjekero Tweya (2012: interview), stated that against the promotions of NDP 2, his Ministry's programmes include the empowerment of the SMEs to grow into the manufacturing industry.

With the complexities of trade negotiations, the NDP 2 sets the target of Namibia opening an office at the WTO (National Planning Commission 2002a: 315). Opening an office at the WTO enables Namibia to participate strategically in the decisions pertaining to the world economy and international trade. Lesotho, a smaller country than Namibia, had a permanent diplomatic representation at the WTO before Namibia had a representation there.

In addition to maintaining specialised diplomats at multilateral missions that deal with economic diplomacy, such as the missions in Belgium and the WTO (see below), Namibia further pays her membership contribution to multilateral organisations in full and on time.

Narlikar's (2001: 136) assertion that small states are isolated following the formation of large states clubs is not applicable to Namibia. While Namibia is not invited to the meetings of large states clubs such as BRICS and India, Brazil and South Africa (IBSA) (see chapter Two), she makes use of her individual bilateral relations to trade with BRICS and IBSA countries. Thus, trade figures show sound inward and outward investments with these countries (see Chapter Five).

The NDP 3 sets the goals that Namibia will work towards regional and global economic integration, within SADC and SACU, with regional integration programmes focusing on various sectors. Namibia will further strive for a just global trading environment under the auspices of the WTO and ensure fair trading agreements with the EU (National Planning Commission 2008a: 265 – 268 and National Planning Commission 2008b: 153).

One of the NDP 4's areas of focus, the manufacturing industry, continues to support the government position as articulated by leaders (see chapters 3 and four). The promotion of manufacturing has been among the successfully concluded issues in the EPA negotiations, especially in respect of the export taxes, as it will be discussed in the next sections (see chapter six).

6.3 Multilateral economic diplomacy: practice and process

Multilateral economic diplomacy involves a process of cooperation among states that are party to multilateral trade agreements. Such mode of cooperation is attained through methods such as influence (see Figure 1), by which states endeavour to influence trade negotiation, for example, in order to attain favourable results. Hey (2003: 78 and 83) states that Luxembourg has adopted influence as a method of cooperation in the EU but it does not employ coercion as a method of diplomacy (see Figure 1). It is propounded that in multilateral negotiations, small states endear themselves to other states, in order to win them over to their point of view.

The duration of multilateral economic diplomacy can either be short or long-term (see Table 2). Short-term diplomacy includes high-level meetings and visits, while long-term form of multilateral economic diplomacy includes opening diplomatic missions accredited to multilateral institutions that deal with trade and investments matters, such as SADC, the EU and WTO.

The types of multilateral economic diplomacy include conference diplomacy. In this type of diplomacy, states and international organisations discuss issues of trade and

investment. Conference diplomacy is also used as a platform that brings together states and MNC, at which states showcase their trade and investment opportunities. Parliamentary diplomacy, too, is another type of multilateral economic diplomacy (see Table 2). Parliamentary diplomacy is illustrated by, among others, membership to the ACP-EU Joint Parliamentary Assembly, where the researcher of this study has represented Namibia from 2007 to 2010. The Committee meetings and sessions of the Assembly meet twice a year and discuss, among others, trade and investments between the ACP states and the EU member-states.

The level of multilateral economic diplomacy is at the Heads of State and/or Government and Ministers (Hamilton & Langhorne 2011: 226). Regional and international organisations have regular summits that are held at the Heads of State level. The summits are preceded by ministerial meetings. The ACP-EU multilateral economic diplomacy, too, is conducted at the level of ministerial meetings and summits, and further at the level of parliamentarians as stated above.

The actors in multilateral diplomacy are both state and non-state actors (see Figure 1). State actors are predominantly present in all types of multilateral diplomacy. Non-state actors are mostly involved in conference diplomacy. They, are however, sometimes consulted on other forms of multilateral diplomacy on specific issues, like the EPAs as it will be discussed below.

6.4 Multilateral economic diplomacy with the European Union: the Economic Partnership Agreements

The EPAs between the EU and ACP is an overall agreement that regulates the trade of commodities between the EU and ACP countries. The history of the EPA could be traced to 1975, when nine member-states of the EEC, the precursor to the EU signed the Lomé Convention with 46 members of the ACP (Bilal 2001: 46). This was followed by successive Lomé Conventions in 1979 and 1984 and the Lomé Convention IV signed in 1989. These Conventions regulate trade relations between the EU and ACP member-

states. The last Convention came to be known as the Lomé IV and it covers a period of ten years. Following her independence in 1990, when the Lomé IV Convention was in force, Namibia applied for LDC status which was granted and she subsequently acceded to the Convention (Du Pisani 1992: 61).

The EU gave preferential treatment to goods from ACP member-states that were colonies of EU member-states (Hanrahan 2001: 1 – 2). This resulted in the restriction of bananas from a number of countries, including Latin America, to enter into the EU market. The US companies dominated the markets of these countries. The US, Ecuador, Honduras and Mexico declared a dispute at the WTO over the EU's banana import regime, which resulted in the WTO ruling in their favour. The EU requested for an extension for the time of the import regime until 2007, to bring its regime in compliance with the WTO rules while negotiating the new EU-ACP trade agreements. The new agreement came to be known as EPAs, whose negotiations had already commenced five years earlier.

6.4.1 The European Union and Southern Africa Development Community's Economic Partnership Agreement negotiations

Du Plessis (2006: 140) identified permanent and temporary forms of diplomacy (see Table 2). In view of the duration, that the EPA negotiations have taken place, as it will be discussed in the next sections, this study propounds that a new form should be added to the typology, namely the long-term form of diplomacy. This is in a form of state-to-inter-governmental organisation, inter-governmental organisation-to-inter-governmental organisation, inter-governmental relations or state-to-non-governmental organisations. Accordingly, the EPA negotiations fall in the category of long-term form of diplomacy. They do not fall in the permanent category, because these negotiations are not a permanent, but rather an *ad hoc* exercise. They also do not fall in temporary diplomacy, because they have lasted for a longer period of over 10 years.

The EPA negotiations were launched in 2002, between ACP and EU member-states. This culminated in the initialling of the Interim EPAs between the EU and SADC EPA group.

The diplomatic strategies and techniques employed by Namibia, in the EPA negotiations were, *inter alia*, to talk to other SADC member-states, in order to have Namibian issues of concern adopted as SADC issues of concern, playing an active role by hosting negotiations and using both the members of the Legislature and the Executive, to argue Namibia's issues of concerns, at multilateral form and in their engagement with their European counterparts. Namibia adopted a firm stance on her position and sought to inspire other members of the ACP in the overall negotiations, using influence rather than other forceful modes of diplomacy stated in Figure 1 (see Chapter Two), by Du Plessis (2006: 136).

Although SADC has 15 member-states, the SADC EPA negotiation group has seven member-states, comprising Angola, Botswana, Lesotho, Mozambique, Swaziland, Namibia and South Africa. Other SADC members-states belong to other EPA configurations. For example, Tanzania belongs to the East African EPA configuration. Grünke (2011: 17) states that the splitting of the SADC region in smaller units reflects major conflicts in the EPA negotiations. This view has also been expressed in the meetings of the EU-ACP Joint Parliamentary Assembly, which the researcher of this study attended from 2007 to 2010. Melber (2013: 2 – 3), too, surmises that the EPA configuration creates a problem for regional integration. He further referred to the bullying attitude of the EU in the EPA negotiations and the blackmail that the EU used in setting the deadline for signing the EPA by October 2014.

In the Joint Parliamentary Assembly sessions, ACP parliamentarians accused the EU of using divisive strategies, where some ACP member-states would be lured in agreeing to the EU's proposals, leaving others who are against signing the interim EPA, to appear as difficult or bad trade partners. This is because, for example, Angola, Namibia and South Africa (ANSA) have initialled the Interim EPA (IEPA), but did not sign pending the finalisation of some issues that the parties did not agree upon (these issues are discussed in the next paragraphs). Meanwhile, Botswana, Lesotho, Swaziland and Mozambique have signed the IEPA.

Following the initialling of the interim EPA by the ANSA group, the following issues were still outstanding and needed to be negotiated between the SADC EPA group and the EU: (i) export taxes, (ii) quantitative restrictions, (iii) food security, (iv) infant industry protection (v), bilateral safeguard/agricultural safeguard measures, (vi) free circulation of goods, (vii) most favourable treatment resulting from free trade agreements, and (viii) definition of parties (Ministry of Trade and Industry 2009).

Namibia took a leading role in these negotiations, by hosting a round of negotiations in March 2009, which resulted in reaching consensus on four issues, namely export taxes, quantitative restrictions, food security and free circulation of goods (Ministry of Trade and Industry 2009). Consensus was reached with regard to export taxes. SADC EPA states wanted to a relatively high tax, for raw materials that are exported to the EU, compared to processed goods. The absence of export taxes was seen as an impediment to industrial development policies. It was agreed that SADC EPA states can increase export duties under restricted conditions, that the duties should not be incompatible with WTO rules. Duties should be imposed on goods to be exported to all destinations. The round of negotiations further reached an agreement that parties can apply quantitative restrictions in conformity with the WTO agreement.

With regard to food security, the SADC EPA states successfully negotiated for the inclusion of a clause on infant industry protection. This allows Botswana, Lesotho, and Swaziland to levy duties on imports in order to protect their infant industries. The rounds of negotiations in Namibia further agreed on free circulation of goods. This means that when goods enter a custom union territory, they will be levied only once. For a country like Swaziland that belongs to more than one custom union, SACU and COMESA, any duties paid on imports from the EU will be refunded when goods are re-exported to another custom union territory (Ministry of Trade and Industry 2009).

By the end of 2013, there remained outstanding issues, which the SADC EPA states want resolved, before the signing the full EPAs (Ministry of Trade and Industry 2011).

Firstly, SADC EPA states are opposed to the inclusion of the Most Favoured Nation (MFN) clause in the EPA. The EU wants ACP states that are party to the EPAs to extend to the EU any preferential treatment that they have with other countries which makes up over 1 percent of world export merchandise. Namibia, on her part, argues that this clause undermines her trade relations with emerging economies that she trades with, like China, Brazil and India. Accordingly, this upsets her trade policy of South-South cooperation (Ministry of Trade and Industry 2011).

In the second instance, there is further disagreement on the issue of the rules of origin. This is used to determine a country of a product's origin in international trade. When a processed product is finally sold to end users, it should reflect its origin. Namibia in particular wants the fish caught in her territorial waters to be reflected as having originated from Namibia.¹⁵ This is of particular importance to Namibia, as illegal fishing occurs in her territorial waters and where legal fishing occurs, its origin should be mentioned.

In the third instance, the definition of the parties is an issue. The EU wants to define SADC-EPA states as a juristic person. However, SADC-EPA states argue against the legal feasibility of such a party. The SADC-EPA group is not a juristic person established by statutes unlike SADC, for example. It is the single sovereign states that are legal entities and, therefore, the EPAs should define the parties in terms of individual member-states.

These issues that were outstanding were finally resolved by July 2014, resulting in Namibia signing the Interim EPA (Ministry of Trade and Industry 2015).

Proponents of Liberalism, as a theory of IR studies, suppose that there are exceptions that states can deviate from the GATT and by extension, WTO principles.¹⁶ This is partly

¹⁵ Territorial waters include the Exclusive Economic Zone (EEZ) covering 12 nautical miles from the baseline.

¹⁶ The history of WTO is traced to the GATT, which was founded in 1947 to promote free global trade. In 1995, the WTO was established as a successor to the GATT.

because some custom unions existed before GATT was established (Cohen & Zysman 1983: 2). Arguably, in terms of the principles of equal treatment of parties, member-states of custom unions established after the GATT should also be able to deviate from WTO principles when it is justifiable. It is, thus, appropriate that issues that are part of WTO rules, such as the most-favoured nation (MFN) clause, are being opposed by SADC-EPA states. The reason is that their inclusion does not bring equity in trade, because SADC and EU member-states do not have the same economies of scale.

The firm stance adopted by Namibia, Angola and South Africa not to sign the IEPA before their concerns are addressed, adds a dimension of the Liberalism theory's perspectives of institutionalism to multilateral economic diplomacy. This theory advocates that states do not allow a hierarchical enforcement of agreements rather they require cooperation from other states, for the sake of achieving common interests. The theory further espouses principles of even distribution of gains, reciprocity and cooperation (Keohane & Martin 1995: 39 – 46). It is these principles that the SADC EPA group has firmly pursued, to ensure that the signing of EPA results in the gains not only of the EU, but of SADC as well. For example, since resources from SADC member-states that are traded with the EU do not negatively affect the EU industries, SADC member-states want a reciprocal gesture that their local infant industries, too, should be protected from goods from the EU. SADC member-states are conscious of the fact that common interests of all stakeholders should be safeguarded with the signing of the EPA. They insist on cooperation and that they should be treated as partners in the negotiations with their EU counterparts.

6.4.2 Namibia and the European Union trade negotiations

Namibia has played a significant role in the EPA negotiations. This followed her hosting of the ACP-EU Joint Parliamentary Assembly, in Windhoek, 1996. Two years later, Namibia's Ambassador to the EU, Dr Zed Ngavirue, served as Chief Spokesperson for the negotiations during the period from 1998 to 2001. During the same period, he further served as Chairperson of the Committee of ACP Ambassadors to the EU.

The EU set in motion the point that after the expiry of the Cotonou Agreement in 2007, the new EPA should be based on reciprocal trade benefits. The EU has further threatened to close its market to ACP products from ACP countries that do not sign the EPAs. The ACP countries took a stance that the negotiated EPAs should safeguard their products, so that these products do not lose the markets to the EU products (Ngavirue 2013: interview).

Namibia has been assertive against the marginalisation of small countries in the EPA negotiations and maintained,

In order for the new agreement to achieve its objectives, it must define new ways and instruments to foster the smooth and gradual integration of ACP countries into the world economy and to promote their sustainable development. The motto of the new agreement should be: *true and strengthened partnership* (Ngavirue 1999:19).

Ambassador Ngavirue (1999: 20) avers that in respect of reciprocal trade benefits advocated by the EU, it will be pre-mature to introduce duty-free imports from the EU, as due consideration should be given to the level of economic development of ACP countries. The ACP countries are not yet at the same level of development like EU member-states and their commodities can, therefore, not compete equally in the market. It should, therefore, not be construed that Namibia's stance on reciprocal benefits is contradictory to her foreign policy principle of striving for mutual beneficial relations (Ministry of Information and Broadcasting 1990: 53). Rather, Namibia does not want to become worse off under the guise of reciprocal trade benefits and, thus, remained opposed to the pre-mature introduction of duty-free imports from the EU. Further, Namibia wants fairness and equal competition to realise the goals set in the NDP 1 (National Planning Commission 1995a: 55 – 56).

Namibia has been especially staunch on issues of infant industry protection and food security. Namibia's Deputy Minister of Trade and Industry, Tjekero Tweya (2012: interview), states that Namibia is at the developing stage and she needs to develop her infant industries, whereas Europe is already developed. Signing the IEPAs and later EPAs, would result in Europe bringing products in the Namibian market, with which

local products will not be able to compete. He further states that the non-industrialised economy forces Namibia to import even smaller items. For example, an outbreak of the Bird Flu disease in South Africa, in 2011, resulted in the scarcity of poultry on the Namibian market. This state of affairs could have been averted, if there was a thriving poultry industry in Namibia. The situation will not change if there is no protection of infant industries, a principle that the EPA, as agreed in Swakopmund, advances.

During the negotiations held in Namibia, it was agreed that an article on food security should be included in the EPAs to prevent shortage of foodstuffs and products. The negotiations further agreed on the application of safeguard measures to protect agricultural products critical for ensuring food security.

Namibian Ministers engage their EU counterparts to argue unresolved issues in the EPA negotiations. Peer discussions reveal that the then Minister of Trade and Industry, Hage Geingob, raised Namibia's issues of concern in the EPA negotiations with his counterparts from Europe whenever he met them, during his official visits to their respective countries. In both instances, Namibian Ministers asked their European counterparts to understand the implications of the issues to the Namibian and SADC economies and urged them to convince other European Ministers to support the position of the SADC EPA group, in the negotiations.

The role played by Namibia in the EPA negotiations is not typical of a small state. For example, while all other small states in the EPA negotiations signed the IEPA, Namibia remained adamant on her stance not to. The other SADC EPA states that had not signed, such as Angola and South Africa, are not small states. It should also further be noted that Namibia's stance inspired other ACP states. Melber (2013: 4), too, writes that notwithstanding the fact that Namibia is a small and vulnerable country, Namibia adopted a principled stance not to sign the EPA, followed by Angola and South Africa.

Melber (2013: 7) supposes that Namibia's principled stance to refuse being cowed into signing an agreement that is detrimental to her interests inspired other ACP states to

remain firm. Further, it should be stated that some of the issues that started as issues of concern to Namibia, like infant industry protection, for example, eventually became issues of concern to the whole SADC EPA group and later to the entire ACP group.

The Permanent Secretary of the Ministry of Trade and Industry, Malan Lindique (2012: interview), maintains that while it is true that Namibia is a small state, she maintains a firm position not to sign the full EPA before her issues of concern are addressed, in order to ensure equity and balance in international trade. He states that the persistence of Namibia, in her reluctance to sign the Interim EPA, has encouraged other small states to also voice their concerns with the EU, on issues that they are not satisfied with. Peer discussions, too, reveal that the then Namibian Minister of Trade and Industry, Hage Geingob, once told the EU Commissioner for Trade, Karel De Gucht, that Europeans cannot bulldoze negotiations, just because Namibia is a small state.

Milani (2014: 285) underscores that the signing of an agreement guarantees Namibia's trade flows to the EU. While Namibia is aware of that fact, she firmly maintained her position to ensure that her concerns are addressed in the negotiations.

Lindique (2012: interview), states that Namibia's firm stance in the EPA negotiations was meant to support industrialisation, thereby, fulfilling the objectives of the NDP 2 (National Planning Commission 2002b: 137). The breakthrough on negotiating the issue of export taxes further means that Namibia retains her rights to decide on how best her raw materials should be treated under international trade.

Proponents of the theory of Liberalism argue that states have a way to counteract the inequities caused by subsidisation (Cohen & Zysman 1983: 2). Similarly, interventionist liberals call for the state to ensure the balance of economic inequalities that existed between the north and the South. Accordingly, issues of import restrictions and infant industry protection could, arguably, be viewed in the context of this proposition by Liberalism. This is how far small states can go to introduce protection measures to safeguard the growth of their infant industries.

6.5 Membership to and participation in multilateral organisations as multilateral economic diplomacy

Du Plessis (2006: 140) explains that there are permanent forms of multilateral diplomacy, where states send their representatives to diplomatic missions accredited to multilateral institutions (see Table 2). He differentiated this form of diplomacy from inter-governmental relations, which are either state to state or state to inter-governmental organisation. This study propounds that both having representatives at multilateral organisations and the joining of those organisations are forms of permanent multilateral diplomacy. It is important to note that not all countries that are member-states of an organisation will have permanently accredited staff at those organisations. Namibia, for example, joined the WTO at its inception in 1995 but only opened an office in Geneva, accredited to the WTO, in 2004. Not having a representative at a multilateral organisation does not make a member-state a lesser member than those that have permanent representatives. Both member-states are equally engaged in a given permanent multilateral diplomacy.

Namibia is a member of numerous inter-governmental and multilateral organisations (see Chapter One). In order to illustrate the country's economic diplomacy in a multilateral context, this section focuses on the WTO, the UCTAD, SADC and SACU.

6.5.1 The World Trade Organisation

Apart from promoting free trade, the WTO further regulates the policies and rules of global trade (Leysens & Thompson 2006: 83). Namibia joined the WTO in 1995 as stated above and the Namibian embassy in Belgium was, *de facto*, responsible for the WTO negotiations. Among the issues that Namibia negotiated was to bring down tariffs, which would have otherwise destroyed infant industries (Katjipuka 2012: interview and Ngavirue 2013: interview). This achievement by Namibia in negotiating tariffs shows that Namibia can perform beyond the perceived level of a small state. According to

Papadakis & Starr (1991: 425), traditional perspectives of small states suppose that they are generally expected to adopt a passive and reactive approach on foreign relations, rather than initiating foreign policy issues. They are unable to have influence on other states and are unlikely to maintain independent foreign policies.

In 2004, Namibia opened the office of the Commercial Counsellor in Geneva, responsible for the WTO. Ben Katjipuka, from the Ministry of Trade and Industry, was appointed to that office. As Commercial Counsellor, he was solely responsible for WTO negotiations, unlike other diplomatic missions in Geneva that deal with other specialised agencies of the UN. Having a representative to the WTO is crucial for any country. Therefore, Namibia, too, was able to be pro-active in WTO negotiations when she had a permanent staff member accredited to the WTO. Subsequent to deploying a specialised diplomat in Geneva, Namibia became a focal point for the Africa Group on matters related to trade in agricultural products. The Commercial Counsellor is what Du Plessis (2006: 140) describes in his typology of diplomacy as specialised representation. Though he classified such representation under bilateral relations, it is important to note that specialised representation is also relevant to multilateral missions, as it happened in the case of Namibia's representation to the WTO.

Namibia assumed leadership roles in WTO negotiations. From 2005 to 2008, she served as Chair of the Working Parties on State Trading Enterprise. For some years, SOEs from LDCs and developing countries had an unfair competition from SOEs from developed countries. For example, China uses SOEs in international trade and given the support that they receive from the government, it creates unfair competition when they trade versus private enterprises. This trend leads to a monopoly in international trade. The negotiations at the WTO resulted in the regulation of the SOEs trading to guard against trade monopoly (Katjipuka 2012: interview). The negotiated results are supported by the critics of globalisation who, too, reject the unequal competition that is created in the global market (see Chapter Two).

Katjipuka (2012: interview) avers that the absence of other specialised diplomats from the Ministries, such as Mines and Energy, Agriculture, Water and Forestry, in Geneva means that Namibia misses opportunities for full participation in the negotiations. It is important for these Ministries to support the Ministry of Trade and Industry in the staffing of the office. This was, however, alleviated when a permanent Namibian mission to the UN specialised agencies was opened in 2010. The state of having one official at the WTO, points to the challenges of small states, that while multilateral diplomacy has the advantages of promoting cooperation among stakeholders, it, however, also has its own disadvantages. Cross-Mike ([sa]: 7) argues that given their limited human and financial resources, small states have little representations at multilateral negotiations. This inevitably results in their interests not receiving maximum consideration.

The opening of the fully-fledged Namibian diplomatic mission in Geneva took the pressure from the Commercial Counsellor's office. Like other specialised diplomatic officials, the commercial office became an integral part of the diplomatic mission. Namibia's prestige, at the WTO, was elevated and she was like any other country that has a fully-fledged diplomatic mission.

The leadership role that Namibia took is beyond the traditionally perceived roles of small states, which is low participation in world affairs (East 1973: 557; McCraw 1994: 7). In the WTO, however, Namibia's participation was at a high level, assuming an important leadership position and led negotiations including large member-states. She had, therefore, higher participation and prestige in world affairs. Unlike other small states, like Luxembourg, that needs muscles when covered under the EU, in order to effectively negotiate at the WTO (see Chapter Two), Namibia was able to negotiate the lowering of tariffs as an individual member of the WTO (Katjipuka 2012: interview).

Multilateral economic diplomacy corresponds to Institutional Liberalism theory. The assumption of this theory is that institutions are there to regulate international activities, both political and economic (Richardson 2007: 48). To ensure that a regulatory framework for international trade which takes care of their interests is effective, states

would often turn to organisations such as the WTO and the ACP group, among others, to protect them from the imbalances in trade created by economic disparities. Burchill (2009: 67), too, supports the proposition that in multilateral organisations states are guided towards abiding to the rules of international trade and avers that,

Institutions then assume the role of encouraging cooperative habits, monitoring compliance, enforcement where possible, and sanctioning cheaters and defectors.

Proponents of Institutional Liberalism will, arguably, remain supportive of small states to join multilateral institutions in furtherance of their trade interests.

6.5.2 The United Nations Conference on Trade and Development

Namibia is a member of the UNCTAD, which serves as an advisory body providing advisory services on trade and investment issues to member-states. Its objectives are to reduce trade gaps between developed and developing countries, with the ultimate aim of eliminating such gaps. UNCTAD also formulates policies on international trade and assist in providing advice on trade agreement negotiations (Ministry of Trade and Industry 2013b).

Namibia has benefited from capacity building activities of UNCTAD. In June 2013, for example, 11 managers from Namibian ports participated in the training programme on Modern Port Management. Port management is essential in the pursuit of Namibia's economic diplomacy, as Namibia's ports serve as a gateway for import and exports of landlocked countries like Zambia and Botswana. It is necessary to train managers in order to maintain the efficiency of the ports and attract large scale use of Namibia's port facilities (Ministry of Trade and Industry 2013b). This training fulfils the goals of the NDP 4 that advocated the competitiveness of the Walvis Bay harbour (National Planning Commission 2012b: 81).

The technical assistance and advisory services rendered by UNCTAD is unique to Namibia. The Ministry of Trade and Industry (2013) states that support for capacity building on competition and consumer laws and policies that has been rendered to

Namibia has also been extended to other small or Third World states like Benin, Botswana, Cameroon, Cape Verde, the CAR, Comoros, The Gambia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Rwanda, São Tomé and Príncipe, Seychelles, Sierra Leone, South Africa, Swaziland, Zambia and Zimbabwe.

Neo-liberals argue that institutions play greater roles to ensure that states are encouraged to comply with trade agreements (Sterling-Folker 2010: 126). The benefits that Namibia receives through her membership to UNCTAD are that through its advisory services. Through UNCTAD, Namibia will be advised, among others, to comply with trade agreements that she has concluded with other states or international organisations. Therefore, multilateral economic diplomacy towards UNCTAD is embedded in Liberalism, as a theory of IR studies.

6.5.3 The Southern Africa Development Community

Namibia acceded to SADCC, the precursor to SADC on 1 April 1990 (Du Pisani 1991: 26). In 1992 she hosted the historic SADCC Summit, which transformed the organisation from a coordinating conference, SADCC, to a community, SADC, in terms of the Windhoek Treaty. Minister Gurirab informed the Parliament that the transformation was made to enhance southern African regional economic integration (National Assembly 1993a: 73). At the end of 1993, Namibia's Deputy Minister of Agriculture, Water and Rural Development, Dr Kaire Mbuende, was appointed Executive Secretary of SADC. He served in that position from 1994 to 1999. This means that most of the regional integration programmes were implemented, when a Namibian was at the helm of the regional organisation. The remainder of this section refers to specific sectors - fisheries, transport and energy - for regional integration where Namibia played a great role.

At face value, Namibia's economic diplomacy is significant within the SADC region, showing that she prioritises trading with fellow SADC-member states, especially in terms of inward trade. In the year 2012, the value of Namibia's imports from SADC member states was N\$ 44.6 billion, representing 68.96 percent of her total imports. Namibia's

trade value for exports to the SADC member-states for the year 2012 stood at N\$ 13.6 billion, representing 23.88 percent of her total exports (Namibia Statistics Agency 2013). However, it is important to note that the imports come from one country, South Africa, as it will be discussed below. Another issue is that, in most cases, there is no value addition to the goods that are exported.

6.5.3.1 Fisheries

SADC was divided into coordinating sectors, with member-states assigned the coordination of the respective sectors. Namibia was entrusted to coordinate the SADC Marine Fisheries Sector.¹⁷ This is, arguably, because Namibia has better fishing infrastructure and has developed the capacity to curb illegal fishing. Core competence in this sector attracted interests from other states in the region (National Planning Commission 1995a: 190). As the Fisheries Sector coordinator, Namibia worked towards the integration of the fishing economy in the region.

Namibia contributed to economic integration in the field of fisheries as the coordinator of the SADC Fisheries Sector. Mbuende (2014) states that Namibia was rated by international experts to have one of the sound management of the fisheries sector in the world. This follows a policy that she developed with the assistance from the Norwegian government.

President Nujoma informed the Parliament during the State of the Nation Address, in 1992, that the SADCC Fisheries Sector, for which Namibia is a coordinator, had developed the regional marine fisheries objectives and development strategies. These

¹⁷ These sectors include Angola (Energy), Botswana (Agricultural research, Livestock production and animal disease control), Lesotho (Tourism, Environment and Land Management Malawi Inland Fisheries, Forestry and Wildlife), Mozambique (Culture and Information, Transport and Communications), Namibia (Marine Fisheries and Resources), South Africa (Finance and Investment), Swaziland (Human Resources Development), Tanzania (Industry and Trade), Zambia (Mining, Employment and Labour), Zimbabwe (Food, Agriculture and Natural Resources).

were to benefit Namibia and Angola in the field of research and surveillance activities (Office of the President 1999a: 212).

In 1993, Namibia hosted the first meeting of the SADC Fisheries Ministers and successfully spearheaded the drafting of the SADC Marine Fisheries Policy, which guides the fishing industry in the region. The Policy was adopted at the second meeting of the SADC Fisheries Ministers, held in Angola, in 1995 (National Assembly 1994d: 327 and National Assembly 1995b: 44). The SADC Fisheries Coordinating Unit, within the Namibian Ministry of Fisheries and Marine Resources, further worked on harmonising regional fisheries policies (National Assembly 2001: 259).

The SADC Marine Fisheries Sector formulated the SADC Fisheries Protocol, which regulates the sustainable use of the aquatic resources and ecosystem. The Sector further supervised the Monitoring, Control, Surveillance (MCS) Project, which deals with the collection and analysis of fishing activities and the regulations, regarding the harvesting of fish and related resources. SADC member-states participating in the MCS Projects are coastal states of Angola, Mozambique, Namibia, Tanzania and South Africa (National Assembly 2000: 142 and SADC 2004).

Under the auspices of the SADC Marine Fisheries Sector, Namibia, Angola and South Africa launched the Benguela Environment Fisheries Interactions and Training (BENEFIT) Programme, in April 1997, which aimed to develop the capacity for the three states in marine science. The objectives of the programme were also the promotion of most advantageous utilisation of the ecosystem resources. This included developing human capacity and infrastructure for marine science and technology in the countries bordering the Benguela ecosystem, particularly in Angola and Namibia (BENEFIT 2004; National Assembly 1998: 226).

Liberalism, as a theory of IR studies, argues that institutions have played a facilitating role to promote cooperation among states (Hayes, et al. 2011: 144). Given the atmosphere created by mutual support, states would venture into trade and cooperation in any area

that stands to enhance their respective developments. Accordingly, in the Fisheries Sector, which Namibia coordinated, SADC member-states found common grounds to cooperate in policy coordination, capacity building and technical support.

6.5.3.2 Transport

The SADC Transport Sector is coordinated by Mozambique. To facilitate intra-regional trade in SADC, it is imperative that there is effective transport network among member-states. Namibia is arguably strategically located to link SADC member-states like Botswana with South Africa, Zambia with the Democratic Republic of Congo (DRC) and then South Africa, Namibia and Angola. In 1990, soon after her independence, Namibia sought to link her eastern road network with Botswana, to provide for transportation of goods via a shorter route between Namibia, Botswana and South Africa. This would reduce transport cost for goods that were previously transported via a longer route between Windhoek, Namibia and Johannesburg, South Africa, which passes through Namibia's southern border post and Upington (African Development Fund 1999; Brundige, Dawson, Massey & Moore 2011: 7).

Following the completion of the Trans-Kalahari Highway, the Namibian, Botswana and South African governments established the Trans-Kalahari Corridor (TKC), stretching from Pretoria in South Africa, through Mamuno, in Botswana and ending at Walvis Bay port, in Namibia. The aim of the TKC is, *inter alia*, "to increase the competitiveness of goods produced in the Southern Africa Development Community, for distribution in regional and international market" (Trans-Kalahari Corridor 2003).

The TKC was established for the trade benefits of SADC member-states. It was, thus, a major transport project of multilateral economic diplomacy, at the SADC level. The TKC produced some achievements for multilateral economic diplomacy, espousing harmonised cross border procedures that boost regional integration. State parties have adopted common transit procedures and border operating hours in the evening. In 2000,

commercial traffic was less than 5 percent, but it has since increased to 50 percent (Trans-Kalahari Corridor [sa]).

To facilitate trade with Zambia and the DRC, the Namibian Government constructed the Trans-Caprivi highway, which facilitates the movements of goods from the Walvis Bay port through the Namibian-Zambian border to Lubumbashi, in the DRC (Brundige et al. 2011: 7). The highway is part of the route called the Walvis Bay-Ndola-Lubumbashi Corridor and is the SADC Regional Trunk Road (RTR) 30 (Office of the Prime Minister 2000: 367).

The road networks connecting Namibia to her neighbours are in line with the targets of Vision 2030, which advocates the provision of road linkages to neighbouring countries (Office of the President 2004b: 66).

The cooperation in various economic sectors in SADC helped enhancing Namibia's economic diplomacy. The SADC road network in the form of Trans-Caprivi and Trans-Kalahari roads facilitate the running of an interdependent economy within the region. Mbuende (2014: 250) states that the regional transport projects boost Namibia's exports to neighbouring countries. Liberalism, as a theory of IR studies, underscores the importance of interdependent economies (Richardson 2002: 6). It is, arguably, the concept of interdependence that drives countries together to cooperate. Namibia and other SADC member-states have interdependent economies that the transportation of goods needs a proper coordination in terms of road networking. With the democratisation of South Africa, all these countries espouse democracy which is one of the features of Liberalism, as a theory of IR studies. This commonality helps them to forge cooperation.

6.5.3.3 Energy

In 1993, President Nujoma told the Parliament, during the State of the Nation Address, that the Namibian Government was working on a SADC energy project, to upgrade the Zambian power supply line from Victoria Falls to Caprivi (Office of the President 1999a:

294). Accordingly, the Caprivi Link Interconnector was constructed and inaugurated on 12 November 2010, by the Presidents of Namibia, Botswana, Zambia and Zimbabwe.

The Caprivi Link Interconnector is part of the ZIZABONA Project, for connecting power transmission lines, for stable power supply in the sub-region. This is one of the priority projects of the Southern African Power Pool (SAPP), which is an umbrella organisation for regional state-owned power utilities, under the auspices of SADC. The Caprivi Link Interconnector, which was inaugurated at Katima Mulilo, is phase 1 of the project. Phase 2 of the project will include transmission lines from Hwange, in Zimbabwe and Pandamatenga, in Botswana to the Victoria Falls in Zimbabwe. A switching station will be installed at the Victoria Falls, from where another transmission line will go to Livingstone sub-station, connecting with the transmission line that goes to the Zambezi sub-station in Katima Mulilo, Namibia (*Die Republikein* 9 August 2012: 18).

At the inauguration of the Caprivi Link Interconnector, Namibia's President, Hifikepunye Pohamba, stated that the presence of the Presidents of Botswana, Zambia and Zimbabwe demonstrates that the four governments attach great importance to the project, which promotes regional integration and cooperation (Pohamba 2010).

It is stated that the Caprivi Link Interconnector relieves congestion on the Insikamini-Matimba interconnection between Zimbabwe, Botswana and South Africa, which occurs mostly during peak seasons. The Link further presents an alternative route to wheel power from the DRC and Zambia to South Africa and brings stability to the overall transmission system of the SAPP (NamPower 2007).

Liberalism, as a theory of IR studies, propounds that institutions, rather than states, play a role in cooperation (Hayes et al. 2011:149). The energy sector in SADC, too, could be contextualised in this proposition by Liberals. The SAPP has, through the ZIZABONA Project, played a role in energy cooperation among Namibia, Botswana, Zambia and Zimbabwe. State-owned power utilities in these countries, that are members of the SAPP, have taken a lead, rather than the governments, to integrate the energy sector of their

countries. Their initiative has, arguably, brought the issue of energy to prominence in the foreign relations of the four countries.

6.5.3.4 Intra-regional trade

Keane, Calì & Kennan (2010: 16) write that SADC has a relatively low intra-regional trade trend. Most of the products that are exported by individual states within SADC do not match the imports of other SADC members. Only South African and Mozambican exports match the imports of other SADC member-states. Accordingly, Namibia's economic diplomacy in the region has not increased significantly.

Lee (2003: 102 – 103) states that there is no significant SADC's intra-regional trade, but rather more of South Africa's exports to SADC member-states. He further states that South Africa, Mauritius and Zimbabwe are the only SADC members with industrial-based economies and are, thus, able to export both primary and industrial products. The inequality of industrialisation poses a problem to intra-regional trade and regional integration, as the benefits accrued to member states are unequal. This is illustrated by the fact that Namibia is a net importer, as opposed to being an exporter to South Africa. The NDP 1, too, confirms that the southern African economy is dominated by South Africa (National Planning Commission 1995a: 27). Namibia, therefore, needs to devise economic strategies to become an industrial based economy like Mauritius and Zimbabwe, who, like Namibia are small states in the region.

Keane, Calì & Kennan (2010: ix) further write that non-tariff measures in SADC works to the benefit of non-SADC exporters and larger economies in SADC. The small economies in SADC are disadvantaged by these measures. They list five tariff measures, namely (i) quantitative restrictions, (ii) non-tariff charges on imports, such as variable levies, border tax adjustments, (iii) government participation in trade, such as the use of subsidies and procurement policies, (iv) custom procedures and technical barriers to trade (TBT), like packaging, health and sanitary measures (Keane, Calì & Kennan 2010: 19).

Trade imbalances in SADC intra-trade are further confirmed by Gibb (2007: 78 – 79). He avers that prior to South Africa joining SADC in 1994, SADC intra-trade stood at 5 percent and rose to 17 percent in 1995, and thereafter has been over 20 percent.

6.5.4 The Southern Africa Customs Union

Following her independence in 1990, Namibia joined SACU. The major role of SACU in economic diplomacy is the promotion of intra-regional trade, trade between member-states and the rest of countries in the world and investment programmes, among the member-states (Kuugongelwa-Amadhila 2013: interview). Intra-regional trade is promoted by, among others, removing barriers among member-states, that there is a free flow of goods and no duties are imposed on goods and services, once they enter the market in the region. Like in SADC, There is imbalance in intra-SACU trade as South African exports capture 75 percent of the SACU market (Gibb 2007: 79).

Earlier it was stated that at the SACU Summit held in Maseru, Lesotho, in 1993, Namibia was influential in determining the formula used by the regional Union on revenue sharing, as she presented the draft paper on the SACU structure, which became the working document for setting the revenue sharing formula (see Chapter Three). Soon after joining SACU, Namibia re-negotiated some regulations which were averse to the development of her manufacturing industry (National Assembly 1990a: 138). When a member-state wants an amendment to regulations, it makes a proposal to the Council of Ministers, comprising Ministers of Finance and of Trade, which refers the matter to the Secretariat for consideration. The secretariat appoints a consultant to advise and make recommendations. The recommendations from the Secretariat are taken to the SACU Commission, comprising senior officials, usually Permanent Secretaries. The Commission then submit the recommendations to the Council for approval.

Admittedly, SACU membership also posed a problem for Namibia due to the imposition of higher external tariffs by South Africa, for the purpose of protecting their economy. Furthermore, there were always feelings that the SACU rules favoured the large member-

state, South Africa, while infant companies in other countries found it hard to develop (National Assembly 1993b: 77). The Minister of Trade and Industry, Hidipo Hamutenya, stated in the Parliament that Namibia became caught up in a predicament regarding her membership of SACU, while it was clear that she loses on industrialisation under the prevailing SACU rules. It was equally a matter of concern that if she withdrew from SACU, she could lose some of the benefits that she enjoyed under SACU (National Assembly 1993b: 78 – 79).

To benefit from her membership of SACU, it was important that Namibia strives for, among others, an end to biased exports. The Namibian Government introduced, among others, tax incentives to counterbalance the effects on the manufacturing sector, arising from her membership of SACU. Corporate taxes, which were 42 percent at the time of Namibia's independence, in 1990, were reduced to 35 percent. Manufacturers who wanted to import manufacturing equipment received incentives of 50 percent abatement (National Assembly 1995b: 81).

Namibia's Minister of Finance, Saara Kuugongelwa-Amadhila (2013: interview) asserted that there are numerous advantages accruing from regional economic diplomacy, in respect of SACU. The Custom Union's market is larger as opposed to a market of a single member-state. The Union's market, thus, attracts large customers. Goods from one country move unhindered when they are traded across the borders within the region. Like other multilateral institutions, SACU negotiates trade agreements from a stronger position as a regional bloc. This view is echoed by the Permanent Secretary in the Ministry of Trade and Industry, Dr Lindique (interview: 2012), who stated that Namibia's membership of SACU provides her with an advantage to trade with a large state and an emerging economy like Brazil. Large states look to large markets. Accordingly, Brazil became involved in trading with a small economy like Namibia, through a trade agreement between SACU and the *Mercado Común der Sul* (Southern Common Market, MERCOSUL). This proposition is supported by former SADC Executive Secretary, Dr Kaire Mbuende (2014: 250), who states that the SADC market provides Namibia with an opportunity to attract foreign direct investment from various parts of the world.

There are, however, some concerns with regard to the trade among SACU member states. Erasmus (2014: 225) also asserts that with a dominant South African economy, intra-SACU trade has not been significant. He maintains that when a middle power in the Customs Union has different interests, often it pursues them without regard to the concerns of small states. For example, South Africa agrees to common external tariffs which results in small SACU member-states, Botswana, Lesotho, Namibia and Swaziland, bearing the burden of import costs.

Erasmus (2014: 229) suggests that in order to address the challenges in SACU, Namibia who hosts the SACU Head Office should be proactive in strengthening the institution. There is a need to create structures like the SACU Tribunal and Tariff Board, so that a rule-based regime is institutionalised.

SACU and Namibia's participation in its activities, thereof, could further be contextualised in terms of Economic Liberalism, as a theory of IR studies. Mingst (2008: 253) stated that multilateral trade organisations have regulatory functions on global trade and these functions are inclined to Liberalism. The rules and policies adopted by member-states serve to stabilise their economy and development, as opposed to hostile competition, which would otherwise be an inclination to Realism.

6.6 Sino-SADC relations

Temporary forms of diplomacy also include state-to-inter-governmental organisation relations (Du Plessis 2006: 140). This study adds to the proposition, by Du Plessis, that in this form of temporary diplomacy, it could be an inter-governmental organisation that reaches out to a state. Namibia took the initiative on this form of diplomacy, in establishing inter-governmental organisation-to-state relations, forging ties between SADC and China.

During the presidential tenure of President Hifikepunye Pohamba, as Chairman of SADC, from August 2010 to August 2011, he initiated cooperation between SADC and China. Accordingly, he undertook a working visit to China, from 3 to 5 June 2011, in his capacity as Chairman of SADC. The purpose of the visit was to market SADC as a trade and investment destination (Ministry of Foreign Affairs 2011c).

It is important to state that this working visit, by President Pohamba, to China, was the first of its kind by a Chairperson of SADC. This initiative taken during Namibia's chairmanship of SADC had not been done before, even when the position of SADC's chairmanship was held by large states like South Africa or Angola, for example. It is, therefore, arguable that small states can excel in leading regional organisations beyond the expectation of small states performance and their smallness does not mean that they cannot take initiatives, beyond what large states can do.

Namibia's economic diplomacy, within the framework of SADC's multilateralism, corresponds to the assertion made by Cross-Mike ([sa]: 6), in respect of small states and multilateral diplomacy when he writes,

The multilateral institutional framework is deemed by many to be exceedingly important for small states. Within such institutions there is ability to engage alliance building between like-minded states to enhance diplomatic influence, especially in economic diplomacy.

It was felt that forging economic diplomacy between SADC and China will bring one of the large economies in the world, to the southern Africa region, which comprises like-minded states. In fact, bilaterally, Namibia maintains sound relations with China, as an emerging economy (see Chapter Five).

It is the proposition of neo-liberalism theory that states should devise new plans and approaches, creating cooperation platform for addressing new concerns. Through these types of interactions, states will derive maximum benefits for their developments (Steans, Pettiford, Diez & El-Anis 2010: 42). SADC had devised a new approach, creating a cooperation platform with China, which was not there before between the organisation and China, but rather cooperation between China and individual member-states.

6.7 Conference diplomacy as multilateral economic diplomacy

Table 2 classifies types of conferences that are a form of temporary inter-governmental diplomacy. These are annual serial summits, *ad hoc* summits, conferences, and conference diplomacy on specific issues. These are similar to the conference diplomacy employed in the making of Namibia's foreign policy and the conduct of economic diplomacy. Summits of SADC and SACU are serial summits that are held annually and attended by Heads of State and Government, where issues of regional economic integration are discussed. Economic diplomacy, in respect of these organisations, was discussed earlier in this chapter. Others are conferences on specific economic diplomacy, Smart Partnership Dialogues and the WEF, which are discussed here as illustrative case studies.

6.7.1 Smart Partnership Dialogues

The Smart Partnership concept was introduced in the fold of Namibia's economic diplomacy, when President Sam Nujoma visited Malaysia, where he attended the 1st Langkawi Dialogue, in 1995. The Prime Minister of Malaysia, Mahathir bin Mohamad, developed this concept to reduce poverty, achieve economic growth and industrialisation (Angolo 2012: interview; Office of the President 1999b: 276). President Nujoma introduced the concept to the Namibian Cabinet which supported the idea. This resulted in the hosting of the Southern Africa International Dialogue (SAID) in 1998. The participants in the Namibian Smart Partnership activities were the Government, private sector and labour unions.

The idea of bringing Smart Partnership to Namibia was to introduce Smart Partnership for southern Africa, which will promote trade and develop businesses in the region. The objectives of SAID'98 were articulated by President Sam Nujoma, to be, *inter alia* (Office of the President 1999b: 323),

- To strengthen networks among private sector organisations and enterprises in Southern Africa in order to enhance the flow of investment into our individual nations and across the region.
- To project Southern Africa to the international business community as a promising growth area;

- To enhance good working relations among governments, and among governments and the private sector, so as to facilitate accelerated development and growth; and
- To create opportunities for business networking between the region and other parts of the world.

President Nujoma further explained that Smart Partnership was anchored in the philosophy of working together to attain mutual prosperity (Office of the President 1999b: 389). This corresponds to the foreign policy principle of mutual beneficial relations, enshrined in the Namibian Constitution (Ministry of Information and Broadcasting 1990: 53).

Schoemans (2012: interview) states that Smart Partnership members have been involved in economic developments of the country, especially when the Namibian Chamber of Commerce and Industry (NCCI), was actively involved in the early 2000s. Smart Partnership benefited some small scale traders, like the Moses Garoeb Community Project, which exports local crafts to the UK. The idea of Smart Partnership is to link up small and large traders. Schimming-Chase (2011: interview) states that there is, however, a lack of coordination in the recent years on Smart Partnership issues. Further, people who attend Smart Partnership dialogues do not report back to other stakeholders.

The Namibian Smart Partnership Hub was active during the second term of President Nujoma, but during the third term, which started in March 2000, Namibia's active participation in the Smart Partnership Dialogues declined. Government Ministries were showing less interest in Smart Partnership activities (Angolo 2012: interview). Meetings of the national hub were no longer convened. Instead of the Ministries of Foreign Affairs and of Trade and Industry taking a lead on Smart Partnership activities, it was left to individual business persons, like Schoemans, to pursue such activities. The Permanent Secretaries of the two ministries did not demonstrate keen interests in smart partnership activities. Without government coordination, there was no public education carried out and there has, therefore, been little awareness among members of the business community about the Smart Partnership Dialogues.

President Pohamba (2011: interview) agrees that Smart Partnership activities in Namibia have decreased. He avers that the success of the Smart Partnership programmes depends on the leadership. President Pohamba, accordingly, states that the enthusiasm among the post-Mahathir Mahathir bin Mohamad generation of leaders in Malaysia, over Smart Partnership Dialogues, does not carry the same momentum as that of former Prime Minister Mohamad. This, arguably, had an effect on other Smart Partnership participating countries like Namibia.

Schoemans (2011: 13) avers that Namibia's participation in the Smart Partnership dialogues has not fully benefited the intended target group, unemployed Namibians, by creating employment opportunity for them. Further, many communities were excluded from attending the Dialogues.

Efforts are being made to revive government's active participation in smart partnership activities. The Smart Partnership week was launched by the Deputy Prime Minister, Marco Hausiku, on 25 August 2014. It had been resolved that a National Smart Partnership day should be designated and be commemorated annually. During such an event activities of the national Hub should be reported (Ministry of Foreign Affairs 2014c).

Multilateralism largely leans to Liberalism, as a theory of IR studies. This is because individual states bring together their interests and address them within the principle of cooperation (Viotti and Kauppi 1999: 218). The increased trade and interdependence among nations, too, resulting from the end of world war, paved the way for the development of the world economy. International trade and cooperation boost economic interdependence, such as the Smart Partnership Dialogues. States become more inclined to cooperate on issues of economic development, trade and investment. These trends correspond to Liberalism (Russet 2010: 98).

6.7.2 The World Economic Forum

The annual WEF brings together government leaders and private sector members to interact. WEF programmes include a series of discussions on the global economy and presentations on trade and investment opportunities in countries participating in the WEF. It is an opportunity for countries to showcase their competitiveness in trade and investment. WEF conferences are primarily beneficial to countries that host them, as investors will make use of the opportunities to explore business openings in the host country. However, it works differently for other countries attending. For example, at the WEF conference held in Tanzania, in May 2010, there was a slot for Namibia in the programme to market existing business opportunities but few investors turned up at the event.

In May 1998, Namibia hosted the Southern Economic Forum Summit, of the WEF, under the banner 'competitiveness in the 21st century'. At this conference, President Sam Nujoma called for the end to debt relief, with a view to put resources on industrialisation and other productive economic development programmes (Office of the President 1999b: 372). It is unique for small states like Namibia to host meetings of the WEF, which in the southern Africa region has been customary held in a large state such as South Africa. Some years later, another small state in the region, Tanzania, followed suit when she hosted the WEF, in 2010.

Namibia's first Deputy Minister of Foreign Affairs, Netumbo Nandi-Ndaitwah (2011: interview), stated that it is mostly government politicians that are visible at the WEF rather than the private sector. The first Minister of Foreign Affairs, Theo-Ben Gurirab (2010: interview), maintains that the WEF are a waste of time and money, as there is no through preparations when people go to the Forum's conferences. However, Kalomoh (2011: interview) feels that the impact of attending the WEF is a long-term process. These conferences are attended by key decision-makers and the positive image that is built about Namibia matters to these decision-makers. The Forum further presents an opportunity to Namibian entrepreneurs to learn about opportunities in other countries and

exchange other related information. Accordingly, this study propounds that it is not the number of investors who come across Namibian participants at the WEF that matters, but the impact that the interactions would make on the investors. One major investor in a prime sector such as mining, for example, could have a significant impact compared to a number of investors in small businesses.

Conference diplomacy, such as the WEF, brings together governments and private sector leaders with the aim to promote trade and investment. The participation of the private sector in conference diplomacy, especially MNCs, is supported by the theory of Economic Liberalism, which argues that through the exchange of goods and services, there is mutual benefit to stakeholders. At the WEF, while governments play a role to bring businesses together, much of the networking and negotiations are done by the private sector, a trend that Liberalism, as a theory of IR studies, supports (Mingst 2008: 250 – 251).

6.7.3 An assessment of Namibia's conference diplomacy

There are some weaknesses regarding Namibia's participation in Smart Partnership Dialogues and the WEF. Schimming-Chase (2011: interview) stated that a weakness regarding Namibia's participation in the WEF, is that there is no feedback after attending these meetings. The Government and the private sector do not come together to assess what Namibia, as a country, has gained from participating in the WEF's meeting. This study argues that the lack of a *post mortem* evaluation means that there is no proper strategy and evaluation to determine where emphasis should be placed, in terms of marketing Namibia, as a trade and investment destination.

Vision 2030 states that Namibia will avoid reducing interests in international platforms for promoting trade and investment (Office of the President 2004b: 183). With the participation of the Namibian Government in the Smart Partnership Dialogues having gone down, the Government has, arguably, failed to live up to the objectives set in the Vision 2030 blueprint. It is important that the Government should make an assessment of

the impact of Smart Partnership on Namibia's trade and investment and identify the effective role that the Government and the private sector can jointly play. In this respect, the Government needs to revive the Smart Partnership National Hub, where the Government and the private sector would be able to come together and map out the strategies, for deriving maximum economic benefits, for Namibia's participation in the Smart Partnership programmes.

There is, however, a positive aspect of Namibia's conference diplomacy. Namibia did not only participate in the WEF meetings and Smart Partnership Dialogues but also hosted multilateral meetings of these organisations. This raised the awareness among the Namibian people and business community, in particular. Thus, businesspersons like Schoemans, continue to attend the Smart partnership Dialogues, even if there is no support from the Government. Conference diplomacy also promotes tourism. Brochures marketing Namibia as a tourist destination are distributed at multilateral conferences that are held in Namibia. Conference participants will, arguably, talk about Namibia when they return to their respective countries.

6.8 An assessment of Namibia's multilateral economic diplomacy

Namibia's multilateral diplomacy is founded on the principle of mutual beneficial relations, as laid out in article 96 of the Namibian Constitution (Ministry of Information and Broadcasting 1990: 53). In conforming to this principle, Namibia pursued the EPA negotiations, striving for the end results that will be beneficial not only to the EU, but also to Namibia and other the ACP states at large. EU Ambassador to Namibia, Rual Fuentes Milani (2014: 285), too, acknowledges that Namibia's role in the success of the EPA negotiations is vital in ensuring mutual beneficial relations.

Namibia has been firm on her position and this influenced other members of the ACP in the overall negotiations. The techniques employed in the EPA negotiations correspond to 'influence' as mode of diplomacy (see Figure 1). This is done by way of supportive latent persuasion, where she encourages other states to pursue negotiations. Supportive latent

persuasion became more effective, when the first consensus was reached on issues of concern in the rounds of negotiations that Namibia hosted in Swakopmund.

As a small state, Namibia is not in a position even to use positive coercion, because she has limited resources to use. She can, therefore, not use rewards like development aid programmes in return for compliance with her demands by other states. Further, the extent to which small states can afford to use protectionism policies is through agreements, like the EPAs, whereby the EU as a large trade partner will allow small states of the ACP-EU to adopt protectionism measures for their infant industry, while accepting small states exports at prices favourable to exporters. This corresponds to Interventionist Liberals.

Namibia's multilateral economic diplomacy has a strong element of permanent form of diplomacy (see Table 2), as illustrated by the diplomatic missions accredited to the EU (Brussels) and the WTO (Geneva). These missions are involved in the EPA negotiations and WTO tariffs issues, respectively. Although Table 2 includes specialised diplomats only in bilateral missions, these diplomats are also found in Namibia's multilateral diplomatic missions in Brussels and Geneva.

Namibia's multilateral diplomacy further has an element of temporary forms of diplomacy (see Table 2), illustrated by *ad hoc* summits and conferences, like the Smart Partnership Dialogues and WEF. This form of diplomacy brings more non-state actors in the fold of economic diplomacy practice. They create a platform for bilateral diplomacy too, as state-to-state, state-to-non-state, or non-state-to-non-state consultations take place there in the spirit of persons-to-persons contacts (see Chapter Four).

As illustrated in Figure 2, the President, Ministers, Government Officials and diplomats have been at the centre stage of permanent forms of multilateral economic diplomacy. This is in respect to international organisations, of which Namibia has been a member. The officials have been involved in the negotiations which are finally decided upon by

the President, Ministers and Parliamentarians. Accordingly, this type of negotiations is characterised by inter-governmental relations (see Table 2).

Namibia has been a member of SADCC since 1990 and hosted the 1992 summit that transformed SADCC into SADC. Namibia's Deputy Minister of Agriculture, Water and Rural Development, Dr Kaire Mbuende, was at the helm of the regional organisation from 1994 to 1999, when regional integration programmes were implemented. Further, under Namibia's chairmanship SADC concluded a tripartite agreement with other regional economic blocs, SACU and COMESA. Driving regional organisations' agendas is a role traditionally associated with large states. In the Economic Community of West African States (ECOWAS), for example, that role has been left to Nigeria (Olaniyan 1986: 131).

Blaauw (2014: 406) states that in order to build economic capacity in a region, stakeholders like political elites, civil society and the market forces should have a role to play. He observes that in SADC, states drive the regional community agenda, thereby serving the interests of regional elites. The place of non-state actors in forging regional integration has not been provided. He, however, states that in terms of Namibia's economic diplomacy as a country, non-state actors are considered in the pursuing of economic diplomacy (Blaauw 2014: 399).

Namibia's effective role in the EPA and WTO negotiations, confirms the assertion made by Lee (2009: 195), that small states are now playing an active role in multilateral trade negotiations, contrary to a previous tradition of being vulnerable and weak. Benin, for example, has played a significant role in the WTO agricultural trade negotiations. The important role of small state in multilateral diplomacy is further propounded by Hey (2003: 78 – 79), when he wrote about Luxembourg maintaining a prominent presence in the European Union, where she exerts some influence.

Naeem (2008: 21) argues that small states do not only have a problem of human resources capacity, as is the case at the WTO offices in Geneva, but also at capitals, when

trade policies are to be formulated. With the negotiations at the WTO and EPAs, it is arguable that Namibia has no human capacity limitations in terms of skilful officials but rather in terms of the number of specialised skilful diplomats (see Chapter Seven).

There is, however, a problem regarding post-conference networking, when practicing conference diplomacy. At the WEF, held in Tanzania, 2010, there was time allocated to Namibia to make a presentation, marketing business opportunities existing in the country. There was, however, no register at the entrance, to keep records of who are the foreign investors who attended the presentation. In the absence of the records about those who attended, there could be no follow up to determine whether investors who attended, have followed up with business missions to Namibia.

The NDP 2 set a target for Namibia to open an office at the WTO by 2001 (National Planning Commission 2002a: 315). It is important to note that there was a slow implementation of this goal, that the office was opened in 2004, which points out that there is no urgency to implement important national policies.

6.9 Summary

Namibia's multilateral economic diplomacy is at the level of international, regional and sub-regional in terms of ACP-EU relations, SADC's regional integration and intra-SACU trade, respectively. Papadakis & Starr (1991: 429) write that small state theories expound their submission to large states in international relations. Generally, small states agree to the status quo and do not want to propose changes, in fear of antagonising the preferences of large states. Namibia's pursuit of economic diplomacy, in the EPA negotiations, rose above the expectations of small states. She challenged the status quo and made strides in having some of her issues of concern agreed to during the negotiations. While it would be expected that small states play a minimal role in multilateral diplomacy, Namibia has, on the contrary played a significant role, both as a small and young state.

In SADC, Namibia has worked towards regional integration, adopting regional projects in the transport and energy sector, for example and coordinating the fishing sector and regional fisheries policies. She also geared herself towards regional cooperation with other regional economic blocks, where she played a major role in forging relations and thus, fulfil the aspirations of the NDPs. In terms of intra-regional trade, the region is, however, dominated by South Africa and Namibia exports very little in the region. This is partly due to the fact that Namibia has no industrial based economy, as envisaged in the NDP 2. Regional trade is marked by imbalances and only large economies and exporters from outside the region are advantaged by non-tariff measures adopted by the region.

After the commercial Counsellor's office was opened in Geneva, 2004, Namibia was able, henceforth, to participate actively in WTO activities and took leadership in the negotiations. Leadership was also assumed in the EPA negotiations, in terms of hosting rounds of negotiations and being the Chief Spokesperson of the ACP negotiators. The consistent and persistent stance of Namibia on EPA negotiations has been influential in the greater ACP group as far as EPA negotiations are concerned. Contrary to the assertion made by Bartora (2005: 8) regarding the dominance of large states on the international agenda, as stated in Chapter Two, Namibia did not allow herself to be subjected to the dictates of large states both in the EPA and WTO negotiations. Instead, she assertively defined her place in multilateral diplomacy and voiced her position on trade negotiations.

Namibia's multilateral economic diplomacy is not restricted to permanent forms of diplomatic establishments but she also embraced conference diplomacy, as a method through which she can pursue her economic diplomacy. This brought non-state actors, such as business persons, into the process of enacting economic diplomacy. Thus, her economic diplomacy corresponds to Liberalism, as a theory of IR studies, which supports the role of non-state actors in international relations.

Chapter Seven will summarise the findings of this study, pointing out the challenges and make recommendations on areas that need improvement. It will further indicate the knowledge created by the study and recommend areas for further research.

CHAPTER SEVEN SUMMARY AND CONCLUSIONS

7.1 Introduction

The Republic of Namibia became independent on 21 March 1990, having been under German colonial rule from 1884 to 1915 and then under South African colonial rule, from 1915 to 1990. The Namibian Constitution was adopted by the Constituent Assembly on 9 February, 1990. The Constitution serves as the supreme law and therefore, the primary source of foreign policy. It states that the Namibian foreign policy is based on the principles of:

- (i) Maintaining non-alignment;
- (ii) Promoting international cooperation, peace and security;
- (c) Creating and maintaining just and mutually beneficial relations among nations;
- (d) Respect for international law and treaty obligations and
- (e) Settlement of international disputes by peaceful means (Ministry of Information and Broadcasting 1990: 53).

In addition to the Constitution, the Namibian Government also adopted laws and policies that have become instruments of diplomacy that both state and non-state actors on the practice of Namibia's economic diplomacy use.

Two major laws, in this area, are the Foreign Investment Act and the EPZ Act. The policies adopted are the *White Paper on National and Sectoral Policies* (1991), the NDP 1 (1995), NDP 2 (2002), *White Paper on Foreign Policy and Diplomacy Management* (2004), *Vision 2030* (2004), NDP 3 (2008), and NDP 4 (2012). The aim of the study was to analyse the economic diplomacy of Namibia and the possible challenges of pursuing economic diplomacy. Then the study further looked at how Namibia, as a small state, realises the goals and objectives of the above-mentioned policies.

Namibia had adopted both bilateral and multilateral diplomacy. The goals of Namibia's bilateral diplomacy are to attract FDI to Namibia and secure a place for her commodities

in the world market. She imports products and secures major trading partners from Africa, America, Europe and Asia. Namibia focuses on specific commodities in a given market, such as trading beef in the UK and fish with Spain, for example.

In line with the goals of multilateral economic diplomacy, Namibia actively participates in the negotiations for the trade agreement between the ACP and the EU. Namibia furthermore, a member of multilateral organisations that deal with regional and international trade such as SACU, SADC, and WTO. Part of Namibia's multilateral diplomacy also includes conference diplomacy.

7.2 Main research question and rationale for study

The main research question of the study is: How does a small state, such as Namibia, successfully formulate and pursue economic diplomacy policies and how does she negotiate favourable trade terms, given the assumptions in IR studies that small states are constrained by institutional capacity?

The significance of the study is that it will contribute to the academic literature on Namibia's foreign policy and economic diplomacy, which at the moment is limited. Meanwhile, there are a number of sources on foreign policy of Namibia's neighbour, South Africa, with whom Namibia shares historic and therefore, political and economic ties. The study further makes a contribution to the economic diplomacy of developing states generally and that of African states in particular, as this area is neglected by researchers.

The study is of further important, as it contextualises Namibia's post-Cold War economic diplomacy. This period is of interest to students of IR studies, for it coincides with changing foreign policies and emerging trends. Among them is globalisation, for example, which is characterised by increased connectedness and, thus, brought new dimensions to trade relations. The changing foreign policies of the post-War period also witnessed an increasing number of actors on foreign policy. It is, therefore, significant to

note the impact of actors on the practice of Namibia's economic diplomacy, within the context of changing foreign policies.

The literature is an essential tool of trade for stakeholders in the practice of Namibia's economic diplomacy. The in-depth analysis of Namibia's economic diplomacy and comparative study of small state foreign policy that has been made will enable policy-makers to formulate policies and coordinate their activities. For example, the study recommended the coordination strategies among the government actors.

The significance of the study is also to analyse Namibia's economic diplomacy in terms of traditional small state theories. Namibia is a small state with a population of 2.1 million. Having trade partners among middle and large economic super powers, the study gives an analysis of how Namibia, as a small state relates to large states, in the categories stated above. The study then further analysed whether the practice of Namibia's economic diplomacy is unique or whether it is typical of small states diplomacy.

The fact that the researcher is among Namibia's key foreign policy-makers being the Deputy Minister of Foreign Affairs, enriches the study in terms of originality. Further, the researcher has access to other key stakeholders like the President and Ministers and the study is, thus, based on information from primary sources.

The study fills the gaps in the existing literature on Namibia's foreign policy. For example, the role of non-state actors, on the practice of Namibia's economic diplomacy, has not been previously documented. Although some literature sources state the role of non-state actors in foreign policy in general, the focus has been on political diplomacy. The private sector leaders were interviewed and their views are, therefore, included in the study.

7.3 Analytical, conceptual and theoretical approach of study

This study came up with a working definition of a small state, which is characterised by a population of less than 8 million. However, states with a population slightly over 8 million have been included in the working definition of this study. This is because these states possess more than one characteristic of small states. In addition to the population, Namibia meets the characteristics of a small state discussed in the literature on small states, such as a poor economy, the way the state leaders and nationals perceive their state, participation in regional and international organisations, economic focus as a foreign policy aspects, and upholding a high level support of the international legal system. She has, however, gone beyond other perceived characteristics such as low level of participation in world affairs, and a limited scope of foreign policy.

The theoretical approaches that have been used in the study are Liberalism and Realism. The study largely applied Liberalism as a theoretical approach to the study. With regard to the practice of economic diplomacy, Liberalism as a theory of IR studies calls for mutual advantages to both parties involved in diplomatic relations. Diplomacy as a domain of governments has traditionally been left to state actors. Liberalism recognises the role of non-state actors in internal relations as opposed to monopoly by governments. It argues that in addition to states, individuals, too, play a role in international relations. Modern Liberalism theory recognises the leading role of a state in international relations but it avers that non-state actors, too, have a stake in the practice of economic diplomacy.

Realism propounds that states are driven by interests. Their economic diplomacy is characterised by competition with other states, where they contest for value-addition to local products. Realism advocates the pursuing of national interest, where states will adopt measures like infant industry protection, to safeguard their small industries against competitions from established foreign enterprises.

7.4 Summary of Chapters

Four main themes were discussed in the study, namely the formative years of Namibia's economic diplomacy, actors on Namibia economic diplomacy, bilateral economic diplomacy and multilateral economic diplomacy.

7.4.1 The formative years of Namibia's economic diplomacy

At independence, Namibia's economic status signified a small economy and a colonial legacy of economic sanctions. With the lifting of sanctions imposed on South Africa and by extension, to Namibia, as her colony, Namibia captured new markets and her exports grew by 82 percent within the first five years of her independence.

Namibia then adopted economic diplomacy as a tool of attracting trade and investment. Namibia's economic diplomacy is anchored in the third principle, in article 96, of the Namibian Constitution, namely promoting mutual beneficial relations.

To pursue economic diplomacy effectively, Namibia established permanent bilateral and multilateral diplomatic missions, where she deployed diplomats. The Namibian Government further deployed specialised diplomats, the Commercial Counsellors, to complement the work of the diplomats in promoting trade and investment. Namibia also appointed eminent business persons and professionals as Honorary Consuls, to promote trade relations between Namibia and the respective countries of their residence. By opening diplomatic missions, Namibia thereby adopted a type of inter-governmental diplomacy, by way of state-to-state or state-to-international governmental organisation relations (see Figure 2). Other institutions dealing with economic diplomacy were also established under the Ministry of Trade and Industry. These are the Investment Centre and the ODC.

7.4.2 Actors on Namibia's economic diplomacy

The development and growth of the Namibian economic diplomacy is a matter of interest to both state and non-state actors. Accordingly, the Government does not hold a monopoly over the pursuit of Namibia's economic diplomacy.

The state actors in Namibia's economic diplomacy comprise of foreign policy executives such as the Head of State, Prime Minister, Minister of Foreign Affairs, Minister of Trade and Industry and other economic ministers that include the Ministers of Finance, of Mines and Energy and of Agriculture, Water and Forestry. Members of Parliament, Namibian diplomats, regional councils and local authorities and SOEs, too, are among important state actors on Namibia's economic diplomacy.

In respect of the agency-structure debate of IR studies, President Nujoma, as an actor, drove and shaped economic diplomacy-making institutions. He made initiatives that culminated into economic diplomacy programmes of the Government, like the Smart Partnership dialogues, for example. President Pohamba stresses the importance of laws and policy documents like the Namibian Constitution and SWAPO manifesto, as guiding documents for government officials, in executing their duties. He consults with his Ministers and sometimes with his peers, especially within the SADC region. In respect of the agency-structure debate, it could, arguably, be stated that President Pohamba's conduct of diplomacy is shaped by the environment and institutions under which he operates.

Namibian diplomats are important stakeholders in Namibia's economic diplomacy, who link the Namibian business community, to their counterparts in the world. During bilateral and multilateral negotiations, Namibian diplomats provide valuable information to negotiators from the capital about the culture and attitude of their counterparts towards the negotiations. Specialised diplomats serve as an important links between the Ministries of Foreign Affairs and of Trade Industry, which is necessary in the coordination of the conduct of economic diplomacy. State actors further include SOEs and local authorities.

These operate within the framework of the government's foreign policy principles and goals.

Non-state actors contribute to the making of Namibia's economic diplomacy. They form part of the high level and ministerial visits that discuss trade and investment matters. When the Namibian Government is involved in large-scale multilateral trade negotiations, it consults widely with the private sector. For example, the private sector, represented by the NCCI, constituted the Namibian Government negotiation team, for the tripartite agreement between SADC, COMESA and SACU. The ATF has been consulted by the Parliamentary Standing Committee on Economics, Natural Resources and Public Administration, to present its views on the EPA negotiations. The ATF has further been consulted directly by the Ministry of Trade and Industry, on the issue of agricultural tariffs in respect of the EPA negotiations. The private sector was further consulted by the Ministry of Trade and Industry, when it convened a consultative workshop on the EPA in 2013, to determine the national position and strategies, which at the time of writing (March 2015), is internal government information.

7.4.3 Namibia's economic sectors and bilateral economic diplomacy

Namibia sets her bilateral diplomacy goals to attract FDI to Namibia and secure a place for her commodities in the world market. The sources of Namibia's exports are predominantly mining, fisheries and agricultural sectors. Namibia imports products and secured major trading partners from Africa, America, Europe and Asia and further captured a market of over 100 countries worldwide. Namibia's goals of extending horizons to markets in various parts of the world, increasing her trade network by acquiring new friends and reducing dependency, correspond to large states foreign policy ambitions. For example, Nigeria, a large state, was determined to diversify her trade partners, eliminate dependency and find new markets in Eastern Europe and Japan. However, her exporting of goods without value addition is typical of small states economic diplomacy.

Namibia's construction industry and tourism sector contribute to inward investments. A large number of tourists come from Europe and within the southern Africa region. Investors in the construction industry are mainly from China and DPRK. They constitute 70 percent of the construction industry.

7.4.4 Multilateral economic diplomacy

Namibia's multilateral economic diplomacy covers her membership to SACU, SADC, ACP states and WTO. The performance of her multilateral diplomacy in these institutions will be discussed below. Namibia's multilateral economic diplomacy is also pursued through UNCTAD, a UN specialised agency that provides advisory services to member-states on trade, investment and negotiations. UNCTAD provided the necessary training to Namibians on economic policies and other issues related to the management of the economy.

In 2010, Namibia opened a permanent mission to the UN specialised agencies in Geneva, which relieved the work load from the Commercial Counsellor. This shows that Namibia's economic diplomacy conduct moved beyond the perceived small states diplomacy, which is characterised by little representation at multilateral negotiations, due to limited human and financial resources.

7.5 Main findings

The study has included some findings on Namibia's economic diplomacy. These relate to the smallness of a state and Namibia's bilateral and multilateral economic diplomacy practice. They further relate to the forms, types, agenda and goals of Namibia's economic diplomacy.

7.5.1 Namibia's bilateral economic diplomacy and small states perspectives

Small states theories advocate that the smallness of a state makes it susceptible to failures and limitations. In their relations with large states, small states are unable to determine the agenda of such relations. It is further propounded that the foreign policies of small states manifest dependency. Accordingly, small states depend on foreign aid and supply of food and other materials from large states, than by having mutually dependent relations with large states.

Having secured markets from over 100 countries in the world for her exports means that Namibia's economic diplomacy is beyond small states assumption that says, small states depend more on receiving aid from large states than on trade. Namibia actually sets her goals in the NDP 1 that she will not depend on aid. To implement this goal, Namibia grew from developmental diplomacy to trade relations. However, deep pocket and cheque-diplomacy continue to impact Namibia's economic diplomacy. She is, however, yet to develop an industrial-based economy and export processed goods.

The Ministry of Trade and Industry made a significant improvement on the issuing of import and export permits, when within the first year of Namibia's independence, the value of import permits realised more than a fourfold increase, while the value of export permits almost tripled. These permits are fundamental to external trade and inward investment.

Namibia's exports and inward investments have increased in terms of direct trade with major partners. Exports value grew from N\$ 6.69 billion, in 2008, to N\$ 12.1 billion in 2012, while imports value grew from N\$ 3.49 billion, in 2008, to N\$ 4.98 billion, in 2012. This fulfils the objectives stated in the NDP 1 that Namibia will increase her trade and investment profile. Exports value for the EPZ, too, increased from N\$ 4.9 billion in 2008 to N\$ 7.6 billion in 2012, while its imports value increased from N\$ 2.4 billion to N\$ 5.6 billion in 2011. However, the number of companies operating under the EPZ is small, as many companies that were granted EPZ licences have not come into operation.

7.5.2 Namibia's multilateral economic diplomacy and small states perspectives

Small states literature proposes that small states are inclined to multilateralism in order to benefit from collective security. They are, however, passive members who do not drive issues or shape decisions in multilateral organisations. They are further unable to influence terms of trade in the international economic system. The literature further avers that small states have no competent human capacity to effectively carry out negotiations that are beneficial to their respective states. They are, therefore, reactive rather than being pro-active, in international affairs. However, Namibia's multilateral economic diplomacy is beyond the perceived trends for small states diplomacy, as illustrated below.

Namibia's multilateral economic diplomacy is pursued through regional and international organisations. She actively participated in important negotiations related to trade and investment. Namibia has achieved success in multilateral economic diplomacy because contrary to the traditional perceptions, that small states are passive actors in multilateralism, allowing large states to shape the agenda of multilateral institutions, Namibia drove agendas and spearheaded negotiations between the ACP-EU, in the WTO and SACU.

Namibia's Ambassador to the EU, Dr Zed Ngavirue, served as Chief Spokesperson for the ACP-EU trade negotiations and further served as Chairperson of the Committee of ACP Ambassadors, to the EU. Namibia stood firm against the EU's coercive mode of diplomacy, included in Table 2. The EU threatens to close its market to ACP products if ACP countries do not sign the EPA, Namibia, however, asserted her sovereignty by calling for negotiations to be conducted in the spirit of equal partnership, rather than that of a large partner versus a small partner. While all other small states in the EPA negotiations signed the IEPA, Namibia was not cowed by the EU threats to sign the EPA and remained firm in her stance.

In the EPA negotiations, Namibia employed diplomatic strategies and techniques that include talking to other SADC member-states, in order to have Namibian issues of concern adopted as SADC issues of concern. This was an innovative tactic adopted by Namibia to win the support from the regional countries, to strengthen her case. Namibia further hosted a round of negotiations and adopted a coordinated approach between members of the Legislature and the Executive, to argue Namibia's issues of concerns at international platforms and during their bilateral engagements with their respective counterparts. Namibia has been firm on her position and this influenced other members of the ACP in the overall negotiations. Issues of concern were resolved through the negotiations that she led. These are (i) export taxes, (ii) quantitative restrictions, (iii) food security, (iv) free circulation of goods, (v) MFN clause, (vi) rules of origin and (vii) definition of parties.

In the WTO, Namibia successfully negotiated to bring down the tariffs to safeguard infant industries. At the WTO, Namibia was made the focal point for the Africa Group on the trade negotiations, on matters related to trade in agricultural products. She further chaired of the WTO's Working Parties on State Trading Enterprise. Previously, SOEs from small states had unfair competition from SOEs from large states because the latter are subsidised by their governments. With Namibia at the helm of the Working Parties, new rules were formulated that guard against the monopoly of SOEs from large states in international trade. This study avers that having been at the helm of the negotiations at the WTO, SACU and EPA negotiations, a limited number of Namibian diplomats, specialised diplomats and officials have the capacity for high level negotiations.

With regard to regional economic diplomacy, although Namibia is a small state, she has successfully worked for the development of instruments of regional integration in the fisheries sector. This includes the drafting of the SADC Marine Fisheries Policy, which guides the fishing industry in the region. The policy was adopted at the second meeting of the SADC Fisheries Ministers held in Angola, in 1995. Namibia further worked on the harmonisation of regional fisheries policies and the SADC Fisheries Protocol, which regulate the sustainable use of the aquatic resources and ecosystem.

Under Namibia's chairmanship, SADC reached out to China to forge SADC-China relations. Further, SADC also concluded a tripartite agreement with other regional economic blocs, SACU and COMESA. As a member of SACU Namibia presented a draft paper on revenue sharing and this became the basis for the custom union's revenue sharing formula. Although a new and small state, Namibia was not a passive member of SACU. Rather, she made valuable contributions.

7.5.3 Forms and types of diplomacy

Table 2 illustrates a typology of small states that serves as an analytical tool for this study. It states that there are permanent and temporary forms of diplomacy. Permanent forms of diplomacy are characterised by permanent diplomatic missions.

Table 2 and Figure 2 illustrate that temporary form of diplomacy is characterised by high-level and ministerial visits. Namibian leaders adopted this form in bilateral economic diplomacy. The Presidents paid state and official visits to a number of countries, including Namibia's major trade partners. Both former President Sam Nujoma and President Hifikepunye Pohamba employed personal diplomacy, to forge cooperation with other states, during their respective presidential tenures.

In Table 2, it is stated that the types of diplomacy include bilateral and multilateral diplomacy, whereas the level of diplomacy is intergovernmental or non-governmental. Accordingly, diplomacy involves non-state actors. Non-state actors actually bring an element of domestic disagreement in the practice of Namibia's economic diplomacy. They publicly complained that Chinese investors venture into small business that should, ideally, be left to local entrepreneurs. Although senior Government leaders have been defending Chinese investors, they could not completely ignore the plight of the public. More so, their defence become compromised by cheque-book diplomacy. Eventually, President Pohamba held talks with the Chinese Ambassador, expressing displeasure about the conduct of some Chinese investors. The private sector further makes a valuable

input, as it makes presentations during the induction programmes of newly appointed Heads of Missions. The private sector is further accommodated, in important economic advisory structures like the Namibia Trade Forum, which advises the government on trade matters. The views of the private sectors are, therefore, considered when trade policies and regulations are formulated.

Among the forms of multilateral economic diplomacy on Table 2, is the type of inter-governmental specialised conferences. In pursuing multilateral economic diplomacy, Namibia participates in specialised conferences that promote economic diplomacy, like the Smart Partnership Dialogues and the WEF. She also hosted the Smart Partnership Dialogue for southern Africa, and the Southern Economic Forum Summit of the WEF, in 1998. Namibia further adopted specialised conference diplomacy that focuses exclusively on her trade and investments. The examples are the Private Investors Conference held in 1991, which was attended by investors from many parts of the world and resulted in investment by, among others, companies from Spain, UK and the US. Another one is the Conference on Mineral Investment in Namibia held in 1993, which marketed mining opportunities and resulted in immediate investments in diamond mining by a Canadian company, Diamond Fields International.

Figure 1 stated that various methods, such as diplomacy as influence, deterrence, coercion and utilising compulsion, are used in diplomacy as an instrument of foreign policy. Namibia's economic diplomacy adopts influence as a mode of diplomacy, using active persuasion to achieve favourable trade terms. For example, Namibia influenced other SADC and later ACP member-states to adopt her position in the ACP-EU EPA negotiations. Namibia does not use economic statecraft against other states but uses influence as a mode of diplomacy, which is typical of small states diplomacy behaviours.

The study fills the gap in Table 2. For example, it states that permanent forms of multilateral diplomacy is characterised by states sending their representatives to diplomatic missions, accredited to multilateral institutions. This study supposes that apart from having representatives at multilateral organisations, the joining of those

organisations is in a form of permanent multilateral diplomacy. Permanent diplomacy is not manifested only by having a representation because some member-states of international organisations have no resident missions in the states where those organisations are hosted. Being a member of an international organisation a state engages in multilateral diplomacy specific to that organisation.

Table 2 further excludes another form of permanent diplomacy, the regime-based diplomacy. Agreements concluded, bilaterally and multilaterally are permanent frameworks of cooperation. Since economic diplomacy, in most cases, is based on agreements, this study propounds that regime-based diplomacy is part of the permanent form of diplomacy. Negotiations for agreements, too, are left out in table 2. This study propounds that the EPA negotiations fall in the category of the long-term form of diplomacy. Since they are an *ad hoc* exercise, they are not a permanent form of diplomacy. They also do not fall under temporary diplomacy because they lasted for a period of over 10 years.

Table 2 further leaves out trade fairs. Accordingly, this study propounds that trade fairs are temporary forms of diplomacy. They fall under the type of state-to-state relations characterised by expos to non-state multilateral relations. It is further important to note that while expos are arranged and coordinated between states, participants in the expos are non-state actors, like the business community. Trade fairs multilateralism stems from the fact that the business community from various countries who participates includes MNCs.

7.5.4 Agenda and goals of Namibia's diplomacy

Figure 2 outlines Namibia's economic diplomacy goals, to include the promotion of the manufacturing industry, promotion of regional trade and striving for mutual beneficial relations and maintain an influence in international economic relations. Regional trade remained important from independence till the time of writing this study (March 2015). Namibia's economic diplomacy has a regional agenda, focusing on her neighbours in the

SADC region. This is illustrated by, first, the fact that in 1990 President Nujoma encouraged the Namibian private sector to focus on regional trade and his views were echoed by Minister Gurirab, who emphasised the importance of close co-operation in the region, within the framework of SADCC. Secondly, both Presidents Nujoma and Pohamba first paid official visits to a number of countries in the region before visiting other countries of the world, after assuming office during their respective presidential tenures.

Namibia's economic diplomacy agenda also includes re-circling diplomacy, in which she revisited pre-independence economic diplomacy programmes with former SWAPO's allies in the Nordic countries. Namibia and the Nordic countries put in place cooperation programmes in economic areas of agriculture, fisheries and energy.

7.6 Instances of ineffectiveness in the practice of economic diplomacy

There are some areas reflecting a failure in the practice of economic diplomacy. These cover the issues of human resources development, priority areas and efficiency.

While Namibian diplomats have shown skills in the EPA and WTO negotiations, she has not created a large enough base of expertise both for conventional and specialised diplomats. There are a handful of skilled diplomats. A few officials are exposed to specialised diplomacy. This is a result of concentrating knowledge in a few officials. For example, the Commercial Counsellors at the Namibian embassies in Belgium and India have been in their respective positions since 2003 and 2004, respectively. Further, the Commercial Counsellor at the Namibian embassy in Angola served in that position from 2004 to 2014. The duration of specialised diplomats should be streamlined to that of conventional diplomats, who serve four years at diplomatic missions.

The Namibian Government has not adequately addressed the issue of training of diplomats. About ten years after the adoption of the White Paper on Foreign Policy and Diplomacy Management, which provided for an institute on diplomacy training, such an

institute has not yet been established. Similarly, junior diplomats go on foreign posting without any induction. The induction programmes are arranged for the Heads of Missions only. The current practise of inviting entrepreneurs to speak to Heads of Missions at their induction should be extended to junior diplomats, too, since they are the frontline diplomatic officials who engage with possible investors and tourists.

A tailor-made in-house diplomatic training programme should be developed. This programme should include visits to various trade and tourism areas in Namibia. This will enable diplomats to obtain sufficient information about investment opportunities and tourism attraction areas, so that when they market Namibia and existing business opportunities, they will be talking from an informed position.

The Government has neglected specialised diplomacy. Commercial Counsellors at the Namibian diplomatic missions abroad, are not deployed at all strategic diplomatic missions. At the time of writing this study (March 2015), Commercial Counsellors are only in the Namibian Missions in Angola, Belgium, Germany, India, South Africa, Switzerland and US. There is a need to deploy Commercial Counsellors in the Namibian missions in emerging economies like Brazil, China and Russia, for example.

Namibia underutilises Honorary Consuls. The Ministry of Foreign Affairs does not continuously engage Honorary Consuls, both those that represent other countries in Namibia and those that represent Namibia in foreign countries. With regard to Honorary Consuls representing Namibia abroad, the Government should regularise convening the Honorary Consuls Conference. The conference could discuss issues related to the challenges that Honorary Consuls face and overall performance in their conduct of economic diplomacy. With regard to Honorary Consuls representing foreign countries in Namibia, there are no interactions with the Ministry of Foreign Affairs. This situation needs to be improved, as these officials provide a link between Namibia and their sending states, especially in instances where there are no diplomatic missions in Namibia from the sending states of the Honorary Consuls.

There is a problem with in-depth analysis of the business environments, to provide adequate information on strategic business partners in foreign countries, where Namibian diplomats are accredited to. Such a challenge is also applied to the staff at the Ministry of Foreign Affairs and other economic Ministries involved in the practice of economic diplomacy. This was illustrated by engaging in controversial projects like in the case of Pidico. Diplomats should be required to produce researched papers, making analyses on the relevance and challenges of Namibia's economic diplomacy in their countries of accreditation.

Bilateral Joint Commissions of cooperation are not held at regular intervals and there is no seriousness with regard to follow-ups on the issues agreed at the Joint Commission sessions. Thus, in many instances, issues that were discussed at previous sessions remain unresolved until the next sessions, without any action having been taken. There is a need to follow-up on economic diplomacy relations that are forged through conference diplomacy, bilateral discussions and signing of bilateral agreements. The Ministry of Foreign Affairs, should have, a division dedicated to monitoring and evaluating the implementation of what has been agreed at meetings and the implementation of agreements concluded with other countries.

7.7 Significance of the findings

The findings of this study have some implications. The significance of the study to the epistemology of IR studies is the findings on the capability of Namibia as a small state. With the successes that Namibia achieved in the negotiations at the WTO and ACP-EU negotiations for example, the capability of Namibia, as a small state, goes beyond the Realist assumption of limited capability in power-based relations.

Namibia should, however, create a base of expertise both for conventional and specialised diplomats. This should be done by exposing as many officials as possible to specialised diplomacy. Currently, Commercial Counsellors serve at diplomatic postings

for too long a period, thereby, denying other officials an opportunity to be exposed to economic diplomacy.

The study points out the issue of duplicate diplomacy in the practice of Namibia's economic diplomacy. In order for foreign policy-makers to remain effective, there is a need to improve on the coordination of economic diplomacy among government Ministries. The deployment of the First Secretary for Economic Affairs, by the Ministry of Foreign Affairs and the Commercial Counsellor, by the Ministry of Trade and Industry, in one diplomatic mission leads to a duplication of responsibilities. The resources spent on these officials could have been utilised optimally to further economic diplomacy activities in other missions.

The study identifies the need to establish a permanent, inter-ministerial committee, chaired by the Ministry of Foreign Affairs and comprising officials from other economic ministries that are regularly involved in economic diplomacy and foreign policy matters, in general. The Parliamentary Standing Committee on Economics, Natural Resource and Public Administration participates in international meetings discussing matters affecting Namibia's economic diplomacy. Regular interaction with the Parliament on the EPAs and WTO matters, for example, should be maintained.

7.8 Epistemological contribution of the study

The epistemological scheme addresses the knowledge of IR as defined by major IR theories. The epistemological contribution that this study makes to the IR studies is the explanation of the global trade system and Namibia's economic diplomacy in the context of the major IR theories, Liberalism and Realism. The study illuminates the forms of Namibia's diplomacy and list in Figure 2 a new form of diplomacy. Both the forms, types and actors on diplomacy are contextualised in terms of Modern Liberalism theory, where the state and non-state actors contribute to the practice of economic diplomacy, with the state taking a lead.

Epistemology in respect of scientific realism propounds that there is no one scientific method that is applied to the study of the social world. Thus, the world should be studied in respect of both naturalism and social structure. It is these methods and approaches that enable us to provide grounds for explaining the perceived truths and beliefs about the world. This fundamentally differs from the ontological enquiry that propounds the difference in studying natural and social objects.

7.9 Ontological contribution of the study

The study raises some ontological questions about the behaviour of individuals. While Realists make an ontological claim that individuals are driven by self-interest, Namibian foreign policy-makers emphasise joint-ventures and mutual beneficial relations, in their practice of economic diplomacy. This means that they want Namibia's trade partners to benefit, too. Accordingly, the ontological contribution that this study makes to the study of IR, is that individuals and the Namibian state as actors on economic diplomacy, seek to maximise the values that Namibia receive from her economic diplomacy practice, both bilaterally and multilaterally. In this context, Namibia does not only pursue her interests, but wants the interests of her partners to be considered, too. Thus, there is an emphasis on mutually beneficial relations.

7.10 Recommended areas for further research

As indicated in Chapter One, the area of Namibia's foreign relations in general and economic diplomacy, in particular, has not been adequately researched. This study focuses on specific areas of economic diplomacy but could not adequately cover many aspects that could be relevant to policy-makers and scholars of Namibia's foreign relations.

7.10.1 Inter-regional trade

The SADC region discussed regional integration at a number of ministerial meetings and summits. It will be important to carry out research to determine what level of regional economic integration has been achieved. This will help the region to improve the current state of low level of inter-regional trade, resulting from, *inter alia*, lack of industrial-based economies in the region. The study should further look at the impact of economic diplomacy in the region, making a comparative analysis with the impact made outside the region. Such a study will provide information on the cost-benefit analysis of trading within and outside the region. The study will, therefore, further be useful to the Government to determine the countries where it must deploy specialised diplomats.

7.10.2 Namibia's economic diplomacy with emerging economic blocs

Currently, Namibia interacts with emerging economies as individual states, rather than collectively as the BRICS group. It will be important to carry out research on how other small states relate to emerging economies. During their meetings with their Namibian counterparts, Ministers from China emphasise on economic diplomacy based on true partnership and skills transfer. The research could, thus, comparatively analyse the relationship of small states with emerging economies and that of developed countries to see their approach to the concept of equal partnership.

7.10.3 Conference diplomacy

Conference diplomacy is an area of interest in the study of diplomacy. A study should be made on the benefits that small states derive from attending trade and investment conferences. The study will further guide the Government on important areas of focus when participating in conference diplomacy. The other focus should be on hosting conferences. The research could look at effective conference packaging, where the country does not only benefits through trade but on other areas, too, one of them being tourism.

7.10.4 The role of Honorary Consuls

It will be important to research on the role of Honorary Consuls in the practice of economic diplomacy. It will be necessary to find out what drives Honorary Consuls to work for the promotion of trade and investment of sending states, when, they are in fact, citizens of receiving states. The research could also look at the advantages and disadvantages of employing the service of Honorary Consuls.

7.10.5 Domestic disagreement on economic diplomacy

Domestic disagreement on economic diplomacy will be an important area to research. This is to determine the extent to which public opinion matters to foreign policy-makers. The research on this subject will establish what informs domestic disagreements among state actors, between state actors and non-state actors and among non-state actors. The research will further address questions like whether public opinion in Namibia forms part of the agency-structure debate, in respect of shaping the conduct of foreign policy actors.

7.10.6 Economic Partnership Agreements negotiations

EPA negotiations have taken more than 10 years to conclude. Initially scheduled to be completed by 2007, the negotiations could not be concluded on time, as the ANSA group refuse to sign the IEPA before their issues of concern are addressed. Namibia had her issues, which she influenced other SADC and later ACP states to adopt. She has been persistent and firm on her stance. Accordingly, the study on EPAs will point out the major players and the techniques and strategies that they used in the negotiations, to date. It will further point out to the dynamics of small states in the negotiations.

7.11 Final comments

With the Cold War having come to an end, trade and investment became essential when conducting foreign policies. Many countries from the East Bloc and West Bloc started forging relations. Namibia embraced both former friends and adversaries as the dynamics of changing foreign policies in the world unfolded. Namibia's foreign policy was initially based on the ruling party, SWAPO's, alignment with the East Bloc during the pre-independence period and was, therefore, cognisant of this turning point. Applying the theories of IR studies, this study propounds that Namibia's economic diplomacy is largely Liberalism-oriented, but it has also some trends that are inclined to Realism.

As discussed in chapters Three to Six, this study rebuts the assumption of small states diplomacy, in respect of the conduct Namibia's economic diplomacy. Despite the fact that Namibia was a new and small state, she formulated policies and adopted laws that could stand her in good stead in the international economic system. Namibian diplomats and officials possess the necessary skills and drive negotiations in multilateral economic diplomacy, winning the support of both small and large states. The study, therefore, avers that Namibia is not a typical small state that is:

- Constrained by human capacity to engage in the conduct of both the bilateral and multilateral economic diplomacy
- Unable to influence terms of trade in the international economic system.
- Maintaining a narrow scope of foreign policy.
- Subjected to dependency to large states, rather than maintaining trade and investment relations.

However, as propounded by the literature on small states, Namibia did not use economic statecraft, such as sanctions, which is used by large states as a mode of diplomacy. Namibia needs to grow an industrial-based economy to export processed goods. Further, Namibia maintains only a few diplomatic missions abroad as propounded in the literature on foreign policies of small states. With the achievements in bilateral and multilateral

economic diplomacy that have been stated in the study, Namibia's economic diplomacy in the future will be way above the economic diplomacy of a number of small states.

8. BIBLIOGRAPHY

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APPENDIX 1
LIST OF PERSONS INTERVIEWED FOR THE STUDY

- **Amagulu Ndeutapo**, Permanent Secretary, Ministry of Veterans Affairs (2006 – 2013); Deputy Permanent Secretary, Ministry of Environment and Tourism (2003 – 2006); and High Commissioner to Malaysia (1996 – 2003) and Nigeria (1991 – 1996);
- **Angolo Ndeutala**, Permanent Secretary, Ministry of Safety and Security (since 2012), Office of the President (2005 – 2012); Secretary to the President (1996 – 2005); and Deputy Secretary to the President (1993 – 1996);
- **Asheeke Hinyangerwa**, Executive Director (level of Permanent Secretary), Office of the President (since 2010); Deputy Permanent Secretary in the Ministry of Foreign Affairs (2003 – 2010); Ambassador to Germany (1996 – 2003), Ethiopia and the OAU (1992 – 1996), *Charge d' Affairs* of Namibia to the UN and the US (1990 – 1991); and SWAPO Deputy Permanent Observer to the UN and Deputy Chief Representative to the US (1981 – 1989);
- **Endjala Akapandi**, Executive Chairman of the J & P Group; and President of the Namibia Chamber of Commerce and Industry (NCCI) (2008 – 2009);
- **Gurirab Theo-Ben**, Speaker of the National Assembly (since 2005); Prime Minister (2002 – 2005); Minister of Foreign Affairs (1990 – 2002); SWAPO Secretary of Foreign Affairs (1986 – 1990); SWAPO Permanent Observer to the UN (1972 – 1986); and SWAPO Petitioner and Associate Representative at the UN (1964 – 1972);
- **Gurirab Tsudao**, Member of Parliament (MP) (2000 – 2010); and Permanent Secretary in the Ministry of Trade and Industry (1990 – 1995);

- **Hoffmann Jurgen**, Special Trade Advisor, Agricultural Trade Forum (November 2003 – June 2013);
- **Kalomoh Tuliameni**, Special Advisor to the Minister of Foreign Affairs (since 2008); UN Assistant Secretary-General for Political Affairs (2002 – 2007); Deputy Minister of Foreign Affairs (1997 – 2002); UN Secretary-General’s Special Representative to Liberia (1997); Permanent Secretary, Ministry of Foreign Affairs (1996 – 1997); Ambassador of Namibia to the US and High Commissioner to Canada (1991 – 1996); SWAPO Ambassador to India (1986 – 1989); and SWAPO Chief Representative to France (1981 – 1986), Senegal and West Africa (1976 – 1981);
- **Katjipuka Ben**, Deputy Director, Ministry of Trade and Industry (since 2008); and Commercial Counsellor to the WTO (2004 – 2010);
- **Kuugongelwa-Amadhila Saara**, Minister of Finance (since 2003); and Director-General (Minister) of the National Planning Commission (1995 – 2003);
- **Lindique Malan**, Permanent Secretary, Ministry of Trade and Industry (since 2007); Environment and Tourism (2002 – 2007);
- **Namundjebo-Tilahun Martha**, President of NCCI (since 2010);
- **Nandi-Ndaitwah Netumbo**, Minister of Foreign Affairs (since 2012); Minister of Environment and Tourism (2008 – 2012); Minister of Information and Broadcasting (2005 – 2008); Deputy Minister of Foreign Affairs (1990 – 1997); and SWAPO Chief Representative to Tanzania and East Africa (1980 – 1986), Zambia and East Africa (1978 – 1980);
- **Ngavirue Zed**, Ambassador to Belgium and the EU (1995 – 2004); and Director-General of the National Planning Commission (1990 – 1995);

- **Nujoma Sam**, President of the Republic of Namibia (1990 – 2005); and President of the SWAPO Party (1960 - 2007);
- **Pakote Moses**, Director of Economic Policy, Ministry of Trade and Industry (2010 – 2013).
- **Pohamba Hifikepunye**, President of the Republic of Namibia, (21 March 2005 to 21 March 2015); and President of SWAPO Party (since December 2007);
- **Rukoro Vekuii**, Managing Director of Meatco (since 2012); Managing Director of First National Bank Namibia (2005 – 2012); Managing Director of Sanlam Namibia (2000 – 2005); and Second Vice President of NCCI (since 2010);
- **Schimming-Chase Nora**, retired diplomat and politician; MP (2000 – 2009); Head of the Department of Multilateral Policy Coordination, Ministry of Foreign Affairs (1996 – 1999); and Ambassador to Germany (1992 – 1996);
- **Schoemans Henk**, Managing Director, Schoemans Office System (since 2005);
- **Shaanika Tarah**, Chief Executive Officer of the NCCI (since 2001);
- **Shipoke Paulo**, Commercial Counsellor, Embassy of Namibia in the US (1995 – 1996);
- **Shikongo Mathew**, Mayor of the City of Windhoek (2000 – 2010; 1993 – 1994);
- **Tweya Tjekero**, Deputy Minister of Trade Industry (since 2010); and Finance (2005 – 2010);

- **Uutoni Erastus**, Deputy Minister of Safety and Security (since 2010); Mayor of Ongwediva (1998 – 2010); Deputy Mayor (1996 – 1997); and Councillor (1993 – 2010);
- **Zaamwani-Kamwi Inge**, Managing Director of Namdeb (since 1999); President of NCCI (2004 – 2008); and President of the Chamber of Mines (2003 – 2003);

APPENDIX 2

THE RESEARCHER'S BACKGROUND ON INTERNATIONAL RELATIONS

- The researcher served as Desk Officer at the Ministry of Foreign Affairs (1996 – 98);
- Deputy Chairman (2005 – 2008) and later Chairman of the Parliamentary Standing Committee on Economics, Natural Resources and Public Administration (2008 – 2010);
- Member of the Parliamentary Standing Committee on Foreign Affairs, Defence and Security (2005 – 2010);
- Member of the ACP-EU Joint Parliamentary Assembly (2007 – 2010);
- He also worked at one of the SOE discussed in the study, the Namibia Power Corporation (NamPower) as Executive Assistant to the Managing Director (1998 – 2002), Deputy Company Secretary (2002 – 2004) and Project Coordinator: Administration and Logistics, Kudu-Gas-to-Power Project (2004 – 2005).

APPENDIX 3**TRADE AND INVESTMENT RELATED AGREEMENTS SIGNED BETWEEN NAMIBIA AND SPAIN**

Source: Ministry of Foreign Affairs (2013i).

Agreement on Basic Co-operation between Namibia and Spain, 1995

Memorandum of Understanding on Finance and Tourism Co-operation, 1999

Memorandum of Understanding between the Regional Council of Caprivi Region and Extramadura Regional Government, 2013

Memorandum of Understanding between the Regional Council of Kavango Region and Extramadura Regional Government, 2013

Memorandum of Understanding between the Regional Council of Caprivi Region and with the Valsora Consultoria 2006 SL Company, 2013

Memorandum of Understanding between the Regional Council of Kavango Region and with the Valsora Consultoria 2006 SL Company, 2013

APPENDIX 4**TRADE AND INVESTMENT RELATED AGREEMENTS SIGNED BETWEEN
NAMIBIA AND ANGOLA**

Source: Ministry of Foreign Affairs (2013g).

Agreement on the Supply of Electric Power to the Border Region of Kunene and Cuando Cubango, 16 March 2000

Memorandum of Understanding between businesspersons from Kavango and Cuando Cubango, July 2002

Agreement on Promotion and Reciprocal Protection Investment, 21 March 2004

Agreement on Trade and Economic Cooperation, March 2004.

Addendum to the Agreement on the Movements of People and Goods along the Common Borders, 25 October 2005

Cooperation Agreement on Marine, Fisheries and Aquaculture, 27 October 2007

Cooperation Agreement between the National Agency for Private Investment (ANIP) and Namibia Investment Centre (NIC), 24 October 2007

Memorandum of Understanding between the Ministry of Mines and Energy of the Republic of Namibia and the Ministry of Petroleum of the Republic of Angola

APPENDIX 5**TRADE AND INVESTMENT RELATED AGREEMENTS SIGNED BETWEEN
NAMIBIA AND SOUTH AFRICA**

Source: Ministry of Foreign Affairs (2013f).

Memorandum of Understanding on Natural Gas Trade, 1997

Declaration of Intent in regard to Co-operation in the Fields of Agriculture and the Food Processing Industry, 1997

Memorandum of Understanding on Economic Co-operation, 2006

Memorandum of Understanding between the Government of the Republic of South Africa and the Government of the Republic of Namibia on Cooperation in the Field of Agriculture, 2009

Agreement on establishing the Bi-National Commission between Namibia and South Africa, 2012

APPENDIX 6**TRADE AND INVESTMENT RELATED AGREEMENTS SIGNED BETWEEN NAMIBIA AND THE US**

Source: Ministry of Foreign Affairs (2013h).

General Agreement for Special Development Assistance between the Republic of Namibia and the United States of America, 1990

Economic, Technical and Related Assistance Agreement between the Government of the Republic of Namibia and the United States of America, 1990

Grant Project Agreement between the Governments of the Republic of Namibia and the United States of America for Emergency Water Assistance Project, 1992

Project Grant Agreement between the Governments of the Republic of Namibia acting for the Ministry of Wildlife, Conservation and Tourism and the United States of America acting through the Agency for International Development, 1992

Compact agreement between the Government of the Republic of Namibia and the Millennium Challenge Corporation, 2008

APPENDIX 7

Source: Ministry of Foreign Affairs (2013j).

**TRADE AND INVESTMENT RELATED AGREEMENTS SIGNED BETWEEN
NAMIBIA AND CHINA**

Memorandum of Understanding between Trans Namib Holding Ltd and Ziyang Locomotive Works (ZLW), 14 October 2003

Memorandum of Understanding between Trans Namib Holding Ltd and Siyang Locomotive and Rolling Stock Ltd, 22 October 2003

Memorandum of Understanding between China and China Railway Materials Imports and Export Co. Ltd, 21 November 2003

Agreement on the establishment of the Joint Commission of Bilateral Economy and trade, 20 July 2004

Agreement on the Reciprocal Promotion and Protection of Investment between the People's Republic of China, December 2005

Memorandum of Understanding between China National Construction and Agricultural Machinery Import and Export Corporation (CAMC) and Namibia Power Corporation (NamPower), December 2008

Memorandum of understanding between Namibia and China on Animal Health and Quarantine, December 2011.