

**Assessing the Consistency of the Implementation of the Namibian
Horticultural Market Share Promotion Scheme under the General
Agreement on Tariffs and Trade 1994**

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**Master of Commerce in Management Practice specialising in Trade Law
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by

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ABSTRACT

The application of Non-Tariff Measures (NTMs) and specifically non-automatic import licensing schemes has been a source of intense debate to date, despite prohibitive provisions enshrined in multilateral trade agreements. The main aim of this case study research was to assess the consistency of the implementation of the Namibian Horticultural Market Share Promotion Scheme (MSPS) under the General Agreement on Tariffs and Trade (GATT) 1994 and the World Trade Organisation (WTO). The second segment of this study looked at identifying problems associated with the implementation of the scheme, and proposed policy recommendations that are responsive to competitive challenges facing industries in the 21st century.

The study used a triangulation research methodology and a rating scale was used to conduct the assessment with respect to all the applicable provisions covered in the WTO Agreement on Import Licensing Procedures. A reliability test was conducted using the SPSS statistical software in order to measure the credibility of the data (scores). In this regard, the Cronbach's alpha coefficient was very instrumental in measuring the degree of data consistency. Moreover, the relative frequency distribution was used to analyse the quantitative data, while an Interrelationship Diagram was used to analyse qualitative data.

The emerging evidence of the assessment revealed that notwithstanding some weaknesses, the implementation of the MSPS is generally well accepted in the business community and is compatible with most provisions of the GATT 1994. This is however with an exception of few provisions such as the WTO NTMs eradication commitments, and the WTO notification obligations. Furthermore, though the MSPS is been used as a food security measure in Namibia, the study found little relevance between the compatibility of the MSPS and the WTO Bali package on public stockholding for food security reasons. Therefore, there appears to be little grounds to conclude whether the MSPS qualifies to be categorised under the *peace clause* accorded to developing countries.

Ultimately, the study painted a bleak picture pertaining to the issue of transparency around the implementation of the scheme. This is in light of the fact that the regulation is not gazetted, which is contrary to international conventions governing cross border trade. This calls for

serious policy attention if the predictability of the business environment is to be safeguarded. The validity of the assessments is confirmed by the Cronbach's alpha coefficient of 0.73, which according to the rule of thumb signifies a statistically significant outcome.

This dissertation hopes to offer Namibia's trade policy makers useful guidelines on devising trade policy measures that are legally permissible, and thus contribute towards improving the general understanding of international trade law and policy.

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LIST OF ACRONYMS

ATF	Namibian Agricultural Trade Forum
AMTA	Agro Marketing Trade and Agency
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
AoA	Agreement on Agriculture
EU	European Community
EC	European Commission
GAP	Global Agricultural Practice
GATT	General Agreement of Tariff and Trade
GSB	Graduate School of Business
LDC	Least Developed Country
MAWF	Ministry of Agriculture, Water and Forestry
MC	Ministerial Conference
MTI	Ministry of Trade and Industry
MSPS	Horticultural Market Share Promotion Scheme
NAB	Namibian Agronomic Board
NHDI	National Horticulture Development Initiative
NHTT	National Horticulture Task Team
NTB	Non-Tariff Barrier
NTM	Non-Tariff Measure
SADC	Southern African Development Community
SACU	Southern African Customs Union
SDT	Special and Differential Treatment
UNCTAD	United Nations Conference on Trade and Development
UN	United Nations
UCT	University of Cape Town
WTO	World Trade Organisation

CHAPTER I: INTRODUCTION

The application of Non-Tariff Measures (NTMs) by developing economies in promoting food security and related economic imperatives has been a recurring “bone of contention” at the World Trade Organisation (WTO) and by extension the Southern African region. Despite the substantial elimination of custom tariffs resulting from the conclusion of the General Agreement on Tariff and Trade in 1994 (GATT 1994) and negotiations under the WTO, NTMs have rapidly gained prominence in recent times as emerging alternative policy instruments for regulating trade in the 21st century. NTMs are often interpreted to mean the same as Non-Tariff Barriers (NTBs), though technically each has a different meaning. Basu, Rial, Rahman, Dumesnil, Abramowitz, and Keita (2010) documented the WTO definition of NTMs as policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, prices or both. While on the other hand, NTB is a form of NTMs that result in an obstacle to international trade.

In addition, Viljoen (2011) took a view that NTBs are mostly used to indicate policy interventions, except tariffs, which affect and distort the trade of goods, services and factors of production. In international trade, however, trade distortions exist when the price at the border differs from the domestic price due to measures like domestic regulations or administrative procedures imposed for various reasons, including ensuring food safety, product safety and addressing environmental issues. Viljoen (2011) further differentiated the two concepts by referring to NTMs as policy measures that limit trade, with no implied judgement on the legitimacy of the measures. Nevertheless, both concepts (NTMs and NTBs) cause distressing restrictions to trade, which is contrary to WTO trade liberalization ambitions. Therefore, throughout the study the terms “NTMs” and “NTBs” are used interchangeably.

At the core of these NTMs are the non-automatic import licensing schemes. The latter claim is well confirmed by Kimani (2013) in his paper on “Overcoming NTBs to Regional Trade through Stakeholders Forum”. In the discussion paper, Kimani (2013) acknowledged that the available statistics on the Tripartite NTB Monitoring Mechanism shared by the Southern African Development Community (SADC); Common Market for Eastern and Southern Africa (COMESA); and the East African Community (EAC) shows that non-automatic import

licensing are second on the list as the most frequently reported inconsistent NTMs. In the WTO framework, non-automatic import licensing schemes will be inconsistent if not implemented in accordance with the applicable provisions of the GATT and WTO Agreements, including the Agreement on Import Licensing Procedures. This agreement focuses on ensuring a simplified, transparent, fair and equitable administration of import licensing procedures. According to the agreement, non-automatic import licenses are those whose approval of the application is not granted in all circumstances and that it is used to administer a quantitative restriction. In detail, the agreement requires that:

- All information regarding the implementation of trade policy measures must be published 21 days before the effective date of the requirement.
- Applicants must be treated fairly and without discrimination. This essentially means that if a permit is refused, the applicant, on request, should be given the reason for refusal, and shall have the right of appeal or review of the decision.
- The period for processing applications shall not be longer than 30 days or 60 days if applications are considered simultaneously.
- Permits should be given a reasonable duration to ensure a great validity of the permit. This effectively means that the duration of the permit should be such that it encourages imports, especially those from distant sources. Along the same lines, it should also encourage the full utilization of quotas, and the permits should be issued in economic quantities such as in “values” or “quantities”.
- Permits should be distributed reasonably by ensuring that the import performance of traders is carefully considered as part of the administration procedures. In this regard, particular emphasis is also placed on the treatment of new importers, especially those importing products originating from developing and least developed countries. This means that permit requirements should as much as possible be flexible and non-restrictive to new applicants.

- Special provisions should be made towards importers that have prudent trade profiles. For example, granting of compensating adjustments should be encouraged in the allocation of future licences in cases where a trader has imported more than his/her previous import levels.
- Transparency is required for the implementation of trade measures. Specifically, copies of publication and a full text of all laws and regulations must be notified to the Committee of Import Licensing of the WTO so that all members of the WTO have access to the information in a bid to enhance trade openness and thus facilitate trade. Moreover, member states are required to notify the WTO of any changes made to the laws, as well as to complete a Questionnaire on Import Licensing Procedures by 30 September each year.

From an analytical point of view, import-licensing measures that are not implemented within the coverage of, amongst others, the above discussed provisions have the potential to present a far reaching negative impact on the cost of doing business (Lumina, 2006). In particular, the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) (2004) reckons that inappropriate policy interventions in the commodity markets tend to distort relative prices, which encourages informal cross-border trade - a more costly alternative. This inappropriate policy intervention manifests itself in the form of cumbersome administrative procedures and a lack of adequate information on trade requirements (reforms and regulations), which creates obstacles to trade (Basu et al., 2010). In view of the foregoing, the utilisation of NTMs is a growing concern in Africa and a major obstacle to regional integration, since these barriers increase business costs and restrict market access (Viljoen, 2011). Moreover, Viljoen (2011) stressed that these NTMs impose unnecessary costs for producers, which ultimately spill over on consumers' price. An increase in consumer prices depreciates the consumer purchasing power, which impedes the national welfare.

Namibia is no exception to the evolutionary nature of the global trading system sketched above. The country acceded to the WTO in 1995, and it has made ambitious trade liberalisation commitments. However, various inward looking trade policy measures have been introduced to influence the realization of Namibia's national economic policies. One of the measures that

have attracted massive debate in recent times is the Namibian Horticultural Market Share Promotion Scheme (MSPS).

This chapter therefore provides an overview and general background to the research problem. Specifically, it lays the foundation for the research by describing the research problem. It also discusses the objectives and significance of the study and the important research questions that should be answered to fulfil the objectives of the study. The chapter ends by providing a brief overview of the methodological approach followed, before highlighting limitations encountered in the data gathering process, which could potentially influence the research validity.

1.1 BACKGROUND TO RESEARCH

Given the general background presented above, this section provides a detailed background to the research problem, with emphasis placed on the functioning of the Scheme. The MSPS is in fact a local procurement measure that entails an import control permit mechanism. The permit system makes it a prerequisite for horticultural traders to procure a certain percentage of their stock value from the local market before they are allowed to import fruits and vegetables (with an exception of grapes and dates) into Namibia (PriceWaterHouseCooper, 2007).

1.1.1 HOW THE MSPS CAME INTO EXISTENCE

The Ministry of Agriculture, Water and Forestry (MAWF), initiated a National Horticulture Development Initiative (NHDI) in 2002. This was instituted immediately after fruits and vegetables were integrated in the Agronomic Industry Act (No.20 of 1992) as controlled products. The objective of the NHDI is to stimulate local production of fruits and vegetables in order to contribute towards (1) increased national food self-sufficiency (2) increased national food-security (3) import substitution (4) employment creation and (5) stimulation of the economy in general.

Subsequent to this, the Namibian Agronomic Board (NAB) was mandated to oversee the realisation of the NHDI objectives. The NAB then established a National Horticulture Task Team (NHTT) to serve as the steering committee for the NHDI. The NHTT is a fully

representative body consisting of small and large horticulture producers, horticulture traders, consumers and government officials.

Successively, the NHTT initiated the MSPS in 2005 as a trade policy tool to increase import substitution of horticultural products with an exception of grapes and dates. In this regard, the market share rate was initially set at 5% as a starting procurement threshold. This effectively means that every horticultural trader who imports fruits and vegetables is required to declare that they have bought at least 5 percent of their stock (in terms of value) locally before any importation is done or before qualifying for an import permit from the Namibian Agronomic Board (NAB). When an import permit is obtained, the respective trader still needs to submit the same permit to the MAWF for final authorization.

Procedurally however, not all traders can apply for import permits of this kind. There are certain procedural requirements that traders should adhere to before they participate into the scheme of this nature. For example, a procurement agreement has to be secured with local fresh produce farmers before an expression of interest to import can be made in writing to the NAB. In detail, the textbox below presents a comprehensive procedural guideline that governs the implementation of the Scheme.

FIGURE 1: GUIDELINES FOR THE IMPLEMENTATION OF THE MSPS

Guidelines for implementation the MSPS:

1. *First time importers should have to indicate in writing as from which producers they will be purchasing during the first month of trading to attain the required MSPS rate. Furthermore, should indicate what kind of produce and in what quantities they will purchase from local producers.*
2. *An import permit will be valid only for one month for the first time.*
3. *First time importers should declare their estimated value of imports during the first month. Also to be declared is the type of produce to be imported and in what quantity. A levy [twice (2.8%) the declared import value] will be paid before the permit is issued. A first time trader will have credit for the subsequent months or if the trader discontinues to trade will be refunded 30 days later. Currently, importers pay a levy of 1.4% to the Agronomic Board.*
4. *Traders will have to deduct 1.4% levy from Namibian producers and pay this over to NAB.*
5. *No levy will be paid for any purchase of produce from another trader because levies should have been paid already by the primary trader.*
6. *A restricted permit will be issued with the declared import value.*
7. *A first time importer who does not purchase anything locally, but imported would not be issued with a permit for a period of 12 months. This will discourage traders who are not enthusiastic with the local horticulture development initiative.*
8. *A first time importer who does not utilize his/her permit until it expired will have to reapply again to obtain another permit.'*
9. *The following documents should be submitted together with the horticulture trader registration form before NAB can issue the import permit:*
 - i) *The Fitness Certificate (from the Municipality or Ministry of Health if outside municipal area) or the physical addresses where the storage facility will be installed must be furnished.*
 - ii) *Certificate of Good Standing with the Social Security or a letter from them stating that the trader is now newly registered should be provided.*
 - iii) *Certificate of Good Standing with the receiver of Revenue should be provided*
 - iv) *12-month planting programme with local producer(s) from whom the trader will source horticulture produce.*
 - v) *Invoices of local purchases of horticulture produce*

Source: Namibian Agronomic Board (2014)

Though the 5% threshold was only set as a starting point, the development of the market share rate has seen a steep development rate to date. Since 2005, the NHTT meets on a quarterly basis to review the production conditions in the country and adjust the rate accordingly. Subsequently, the MSPS rate was progressively adjusted to 39% as of 2013. According to the NAB, the ultimate ambition is to reach 60% of domestic horticulture production in order to ensure a food secured nation. This is because fruits and vegetables can only be feasibly produced in Namibia for up to 60% of the demand because of the unfavourable climatic conditions in the country (Sahanga, 2014). This means that the remaining 40% of the other variety of horticulture commodities would have to be imported for the near future. However, there is no certainty on when the 60% target of domestic horticulture production could be realised. This state of uncertainty leaves so much to be learnt about the extent to which scientific decision-making is adhered to in this regard. It is recommended that the extension of further research should clear these doubts.

At the same forum, the Committee has deployed a flexible arrangement through which traders are granted amnesty, if necessary. This is done to assist traders who have difficulties in meeting the threshold due to circumstances beyond their control. Such unfortunate circumstances may arise because of poor domestic harvests due to natural disasters or poor rainfall. Amnesty means that traders can be allowed to buy less than the required MSPS rate and still qualify for an import permit. Conversely, given the regulatory nature of the sector, the NHTT through the Namibian Agronomic Board has the discretionary power to close the borders at any point when the conditions of local production so necessitate or when harvests are favourable.

While recognition is made of Namibia's sovereignty to exercise its policy space in pursuit of its national economic imperatives, two concerns are worth highlighting in this respect.

- Firstly, the state of affairs seems to defeat the *modus operandi* for fostering regional economic integration; and
- Secondly, the discretionary power to close the borders at any point of the year further undermines the predictability and certainty of the business environment. This, from an economic point of view discourages the sustainability of business investment, which would ultimately hamper economic growth.

Therefore, against this backdrop, this research argues that the implementation of the MSPS is inconsistent with the relevant GATT provisions. In addition to the WTO Agreement on Import Licensing Procedures discussed earlier, other provisions of the GATT and associated Agreements considered herein are; Article XI of the GATT (on the elimination of quantitative restrictions); Article XX of the GATT (on general exceptions); Agreement on Agriculture (AoA); and the Bali Package on Public Stockholding for Food Security reasons. However, the hypothesis postulated above still requires a closer assessment. Henceforth, the modest objective of this research is to assess the consistency of the implementation of the MSPS against these provisions and their agreements.

It is here that an important caveat must be included. A conscious stance is taken in this research not to question the legitimacy of the scheme in its broader sense. While this is an important element, it has received satisfying attention in existing literatures as can be seen later in chapter 2 (literature review). Rather, the research has restricted its scope to focus solely on the compatibility of the administration and implementation of the scheme.

This is critical for two reasons:

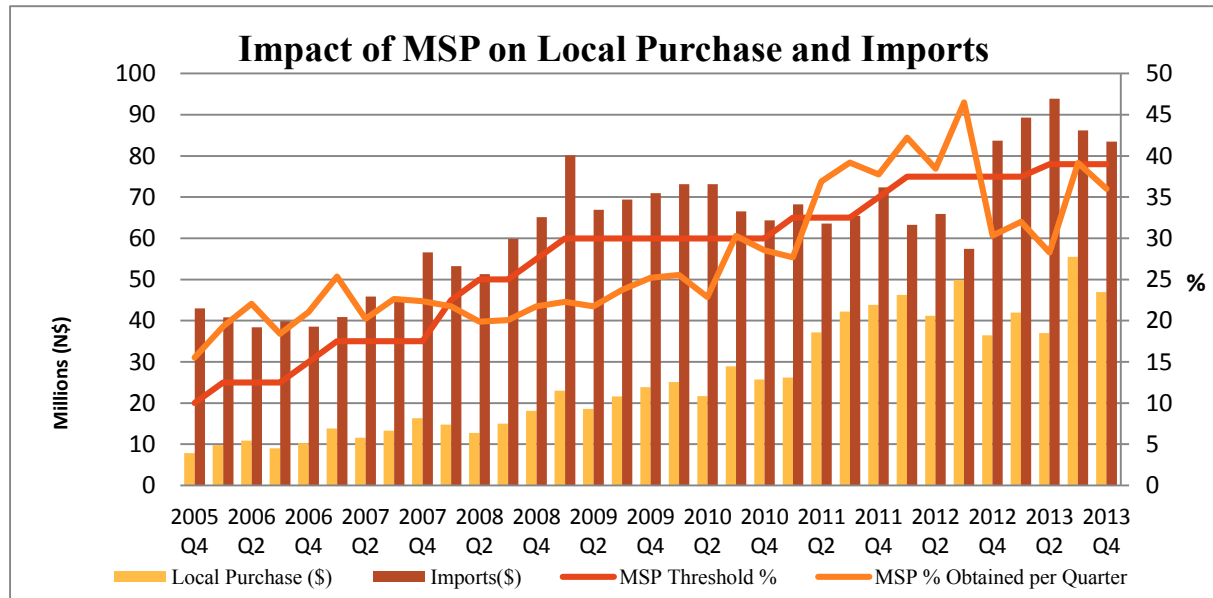
- Firstly, there is limited or no coverage on assessments of the legal consistency for the implementation of Namibia's trade policy measures such as the MSPS in existing literatures. In addition, where attempts are made, the methodology is hampered by inadequate or lack of reliable data.
- Secondly, this is important for the very fact that the element of "administration" for any trade policy tool is strongly correlated with the costs of trading, thereby creating the necessary impetus to explore this research area (Aggarwal & Koo, 2006). However, exploring this research area requires a historic understanding of the research problem as discussed in the following section.

1.2. PROBLEM STATEMENT

In order to postulate the appropriate research questions for this study, a situational analysis or an analysis of a Concern Behaviour over Time (CBOT) is critical in developing this context. The impact of the MSPS has received both positive and negative critiques since its inception

in 2005. The graph below depicts the development of the scheme and its impact on import substitution.

FIGURE 2: DEVELOPMENT OF THE MSPS RATE FROM 2005 TO 2013



Namibian Agronomic Board (2014)

A quick analysis of the graph above shows that the scheme indeed illustrates a plausible success story. At the core of this achievement is a decline in import competition as signified by an increasing trend in local purchase, which is logically so, underpinned by a growth in domestic horticultural production. However, whether the scheme has resulted into an improved level of efficiency for local producers is a policy concern, especially if viewed in light of the evolving competitive nature of the current global market system.

Moreover, the graph seems to illustrate that the MSPS has only been effective during the first three years of its implementation (2005 - 2007) and during the latter part of its implementation period (2011 - 2012). These are the periods during which the MSPS obtained was beyond the MSPS threshold. In other words, the amount of fruits and vegetables bought from the local market had exceeded what is required as per the “rules of the game” (MSPS rules). Other than that, the rest of its implementation period reflects an opposite picture. This means that in absolute terms, the amount of fruits and vegetables bought from the local market are lower than what should be. The latter observation gives an impression that domestic producers were not able to produce a sufficient level of stock to fulfil the MSPS requirements (domestic demand)

during the period of 2008 - 2010, as well as in latter quarter of 2013. This situational concern raises broader and pertinent questions.

1.3. RESEARCH QUESTIONS

The overarching question that this research sought to address is whether the MSPS is implemented in accordance with the relevant provisions of the GATT 1994? Furthermore, the research sought to address the following subsequent questions, which by implication form the scope of this research work:

1. Whether the implementation of the MSPS is compatible with the WTO Agreement on Import Licensing Procedures?
2. Whether the objectives of this measure are within the coverage of the General Exceptions on the Elimination of Quantitative Restrictions (Article XI and XX) under the GATT 1994?
3. Whether the ongoing commitment to further restrict imports of horticultural imports up to 60% is consistent with the WTO trade liberalization agenda (i.e NTMs reduction commitments)?
4. Does the MSPS qualify to be categorized under the interim *peace clause* of the *Bali Package* on government procurement for food security reasons?
5. What are the problems associated with the implementation of the scheme and what other possible policy measures can the government employ to effectively realise the objectives of the Namibian Horticulture Development Initiative (NHDI) as outlined from the outset?

The substance of these questions could be better appreciated when contemplated within the context of the general application of international law. To start with, the proliferation of NTMs as alternative policy tools in the 21st century seems to suggest a little understanding between the extent to which state sovereignty and the application of international law is exercised. Whilst caution is taken to recognise the states' sovereignty to subscribe to regional and

multilateral trade agreements, it should be understood that agreements in themselves represent a general architecture that confirms the intention of parties to provide for a system based on rules and legal obligations of which they have to respect and comply with (Erasmus, 2014). It further supports the notion that relying on sovereignty as a fundamental attribute of the State does not necessarily entail exemption from international law, be it in the form of general international law or treaty obligations (Masahiro, 2012). Hence, suffice it to say that all trade measures and regulations taken or to be taken by Namibia should be implemented in a manner that does not violate its commitments and undertakings pursued under the GATT 1994 or any other instruments of which Namibia is party. Nevertheless, the extent to which these rules and obligations are complied with and respected remains to be answered.

Worth clarifying in the midst of this contemplation is that although international trade rules represent legal obligations, they are not directly enforceable (Davis & Bermeo, 2009). Therefore, these trade arrangements can only function properly if supported and extended by national laws and domestic structures operating in tandem with international and regional legal instruments and bodies (Erasmus, 2009). This is called domestication. To clear these doubts and reverse the current disenchantment regarding the perceived inconsistency surrounding the administration of the MSPS, this academic research enquiry intends to test this hypothesis.

1.4. SIGNIFICANCE OF THE STUDY

The growing controversies around legal consistency with respect to implementing various NTMs are relevant to current trade affairs, not only in a global context but also very close to Namibia. To start with, the legitimacy of Namibia's trade policy measures in the agricultural sector have lately been challenged. Specifically, in October 2014, South African companies questioned the measures implemented by the Namibian government (through the Ministry of Trade and Industry) to restrict the importation of dairy products into Namibia. According to the government notice regarding the implementation of the concerned import restrictive measures, the measures were instituted under the import and control Act (Act 30 of 1994), and under the provision of the infant industry protection (article 26) of the 2002 SACU Agreement. Interestingly, however, the High Court of Namibia (2014) indicated that the legal challenge filed by South African dairy exporters is not necessarily about the legal basis upon which the measure was instituted *per se*. Rather, they specifically invoked the constitutional and

administrative law applicable to the implementation of the measure. In brief, the Court made the following three distinct observations:

- *The court found that earlier legislation, Act 5 of 1986, applied to the imposition of restrictions upon the importation of dairy products and that it was not competent to do so under Act 30 of 1994.*
- *The court also found that even if Act 30 of 1994 were applicable, the minister had in any event failed to apply his mind to relevant matters including his powers under that Act and other relevant matters. In this regard, the court also found that the only decision on record was made by the cabinet, not vested with the power to do so and not the Minister, and that this would also have vitiated the decision.*
- *The court also found that the process of decision--making was flawed and that interested parties had not been properly accorded their right to be heard in the circumstances. Because the decision was to be set aside upon review grounds, it was not necessary for the court to pronounce upon the constitutionality of the impugned sections.*

Though the implementation of this measure (implemented in the dairy sector) is different in application compared to the measure under assessment, the fact remains that they all have a protection tendency, which is contrary to WTO trade liberalization ambitions. The following observations can thus be made:

- The first conclusion made by the Court signifies the importance of instituting trade policy measures that are permissible under the applicable legal instruments.
- The second observation is probably one of most important discoveries on the Namibian trade policy front, and it would be very interesting to see how this applies with respect to the implementation of the MSPS. It merely underscores the importance of adhering to the principles of administrative law when instituting or implementing trade policy measures. Specifically, it points to the judiciary system within which the public power and functions should be performed.
- The last conclusion made by the Court emphasises the importance of allowing persons affected by administrative actions to participate in the decision (whether through legal representation, written or right to appeal). With respect to the MSPS, it would be

interesting to establish whether importers are provided with sufficient explanations or offered the “right to be heard” whenever a permit is rejected.

Given the severity of this case in the dairy sector, this private sector response on measures taken by Namibia would appear to be indicative of a growing willingness of private sector companies to challenge government policy initiatives that seek to make use of traditional trade policy tools (Agritrade, 2014). It also highlights the domestic sensitivity of provisions in regional and multilateral trade agreements pertaining to the use of non-tariff policy tools. While this is not the only protectionist measure that Namibia has taken, the recent experience in the dairy sector presents an interesting case law and lessons for the future of Namibian trade policy makers. Therefore, the discussed case study is not only a motivation for this study but it also serves as a reference point to provoke debate and further academic interests in the area of international trade law and policy.

In addition, Briz, Fugazza, Shirotori, Ognivtsev, and Rial, (2013) have pointed out that one of the problems related to NTMs is that despite their widespread use, their consistency with multilateral trade agreements is still quite understudied. Hence, there appears to be a significant scope to conduct a broad assessment of existing trade policy measures implemented by Namibia. It is with this particular delicacy of the recent experience that the researcher found it fit and motivated to assess the legal consistency of the MSPS in the horticultural sector as one of the trade policy measures instituted by the Namibian government through its respective authorities. The findings of this study will be beneficial in the following ways:

- The study will be a significant guiding tool for both trade policy makers in Namibia, whenever instituting trade policy measures.
- The research of this kind will contribute to the knowledge of education, particularly in the discipline of international trade law and policy.
- Conclusions and observations drawn from this research could also be used as a yardstick by the Government to institute policy measures that are responsive to the competitive challenges facing industries in the 21st century.

1.5. RESEARCH OBJECTIVES

Research objectives are a very critical element of any research, not only in that they complement the relevance of the research questions and hypothesis, but because they also serve as a guiding benchmark for the whole study process (Creswell, 2003). The modest objective of this research is therefore:

- to establish whether the implementation of the MSPS is consistent with the applicable provisions of the GATT 1994.

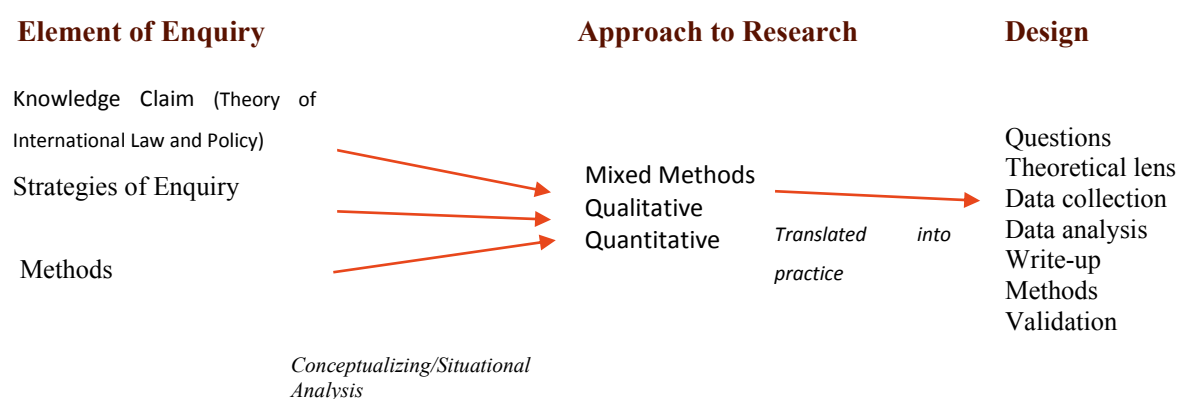
The sub-objectives are:

- to highlight problems associated with the implementation of the scheme and draw possible recommendations that are responsive to economic realities of today's environment, while equally supporting the objectives of the NHDI; and
- to contribute to the existing body of knowledge regarding the application of NTMs within the boundaries of international trade rules.

1.6. OVERVIEW OF THE METHODOLOGY

This is a case study research consisting of a combination of both qualitative and quantitative research approaches. Therefore, a mixed methods approach was used to develop answers to the research questions. The main research tool utilized was a set of structured questionnaires. However, it was complemented with other research instruments such as structured interviews and desktop study research. A framework design that integrates the three approaches to research, namely the element of enquiry, approach to research and design was used. This is demonstrated in the figure below. Crotty (1998) indicated that when using a mixed methodology approach, this framework is critically needed as it shows a clear transformation of the research process especially when interviews are used. Therefore, Crotty's (1998) ideas established the groundwork for this framework.

FIGURE 3: FRAMEWORK FOR RESEARCH DESIGN



Source: Adapted from Crotty (1998)

This framework indicates that when conducting qualitative and quantitative assessments, the researcher first makes a “Knowledge Claim”, and then identifies strategies and methods of inquiry leading to Approaches and the Design Process. In this regard, the researcher applied the theory of international law and policy to make a knowledge claim or postulate the hypothesis.

The main target population for this study is the Namibian importers of fruits and vegetables and/or horticultural importers who participate in the implementation of the MSPS. In this regard, the study captured the views of traders on how the implementation of the scheme ties up with the provisions of the WTO Agreement on Import Licensing. The assessment was based on five broad categories (indicators) which are critical in ensuring a transparent allocation of non-automatic import licenses. These include 1) Publication of Information; 2) Non-discrimination of Applicants; 3) Time Limits for Processing of Applications; 4) Validity of Permit; and 5) Other Provisions, which focus on the reasonable distribution of import permits.

Notification obligations is also one important category in this regard, however, a different assessment method was used. Specifically, an effort was made to engage the Namibian Trade Diplomat at the WTO Headquarters to gather information pertaining to Namibia’s compliance with respect to its notification obligations regarding the MSPS. This was aided with additional desktop study research on the WTO website for the purpose of data validation.

On the policy front, the study has involved representatives of the Government (The Ministry of Agriculture, Water and Forestry (MAWF), particularly from the Department of Policy and

Planning and its respective agencies). The agencies include the Agro Marketing and Trade Agency (AMTA) – a newly established government company that is expected to take over the marketing mandate of the horticultural and agronomic industries from the Namibian Agronomic Board (NAB). The proposed split of power between the two institutions and the likely implication thereof on the administration of the MSPS will be discussed later under chapter 6 (policy recommendations).

The quantitative data was analysed using the Cronbach's alpha coefficient to measure the internal consistency of all scales registered by traders. The SPSS statistical software was used to compute this coefficient. Furthermore, a relative frequency distribution was used to compare the relative percentages of responses across different sizes of importers versus the overall scores, while an interrelationship-analysis was used to analyse qualitative data. This was primarily done to establish the major drivers and outcomes from the identified problems associated with the implementation of the Scheme.

1.7. THE LIMITATIONS OF THE STUDY

The GATT 1994 is not the only trade instrument that Namibia has subscribed to. There are also other binding regional trade agreements that can be of critical importance to consider in this assessment. These include the SADC Protocol on Trade and the 2002 SACU Agreement. However, this study only focused on one instrument, GATT 1994. The reason for deciding on the GATT 1994 as opposed to the rest is that the SADC Protocol on Trade and the 2002 SACU Agreement form part of the GATT's exceptions on Regional Economic Community (Article XXIV of the GATT 1994). This essentially means that not only does the GATT 1994 supersede the rest, but also the provisions governing the implementation of import licensing matters are fundamentally related to multilateral trade and their agreements. Therefore, the GATT 1994 and the WTO Agreement on Import Licensing Procedures are the main authorities on the matter under assessment.

In addition, given the nature of this study and resource limitations, this assessment is only restricted to the administrative components of the scheme. Thus, whether the scheme is a legitimate measure in its broader sense (i.e if it is trade distortive or not) is not within the scope

of this study. Therefore, the limitations highlighted above should serve as the basis for future research.

Moreover, although the NAB was very helpful in terms of explaining how the scheme functions in supplying the necessary information pertaining to traders (such as the list of traders and their contact details), the non-availability of a database hampered the research efforts. This is to say that there is no readily available information on the number of applications submitted since its inception so as to assess how many of them were successful or un-successful and the reasons ascribed to all events. This could have greatly impacted the validity of the final conclusion. Nevertheless, in reaction to this unfortunate state of affairs, the researcher resorted to alternative sources of data collection such as structured questionnaires and interviews.

Notwithstanding the fact that the study has managed to draw a statistically satisfying sample size (equivalent to about 28% of the total population), obtaining prompt responses on questionnaires from interviewees residing far from the central region (Windhoek) has proven to be problematic. Some traders declined to respond due to data sensitivity, while some were not able to avail time due to busy schedules. This was certainly a clear manifestation of potential threats to research validity. However, in order to counter this threat and increase the probability of the sample outcomes, the sample size was increased to include the whole population. Furthermore, in an event where emails proved ineffective in reaching out to traders, interview appointments were arranged to improve the situation.

Despite the demanding nature of this alternative route in terms of resources management (time and traveling costs), it has presented a significant opportunity to get an insightful understanding of the traders' views concerning the actual operation of the scheme. This has in turn increased the credibility and validity of the conclusion as further supported by the computed Cronbach alpha coefficient. The overall study was conducted over a period of 5 months (July – December 2014). The data collection process has by far taken up the biggest portion of the time due to challenges highlighted above. Thus, it was from 1 July – 30 August 2014. The compilation and analysis of data was the most effective process, taking up only the first quarter of September. The remainder of the timeframe was devoted to the drafting and finalization of the report.

1.8. CONCLUSION

This chapter has provided a comprehensive introduction to the research problem and context for the research. It has created a link between the research problem and the applicable existing knowledge claim on international trade law and policy. It is through the development of this linkage that the research questions, research objective and the significance of the study were deduced. Furthermore, the chapter briefly gave a snapshot of the methodology used and highlighted the limitations experienced in the research process.

CHAPTER II: LITERATURE REVIEW

This section provides a technical discussion of how the research problem has been dealt with in other related literatures, both in theory and practice. It also provides a clear distinction between research areas that have been exhausted in previous studies and it identifies new research opportunities. This forms a critical basis of the study because it acknowledges and synthesizes methodologies used and conclusions reached in previous relevant studies, while also indicating gaps that could form the basis for future research.

2.1. THEORY ON INTERNATIONAL TRADE LAW AND POLICY

Economists have invested much time examining one major way in which globalisation can be undermined politically, even when macroeconomic conditions are favourable. The standard theory of international trade tells us that trade generally increases income, but also produces winners and losers. However, if the losers are politically powerful, they may convince governments to impose protection. These were the observations made by Rourke (2009) in his published paper where he discussed the link between politics and trade by drawing on the history of the past one thousand years. His conclusion emphasises that politics matters in globalisation in a more fundamental way. This is indeed one of the major challenges facing today's policy makers. It is a challenge because the international trade regime strongly influences domestic trade choices (Bonanomi, 2009).

This essentially means that commitments undertaken by states in international trade agreements define the policy space for each country. This fits with the terms-of-trade theory on trade agreements. The terms-of-trade theory on trade agreements indicates that governments are attracted to trade agreements as a means of escaping from a terms-of-trade driven dilemma (Staiger, 2012). The terms-of-trade dilemma is considered as the problem that exists in the absence of trade agreements and therefore states commit to agreements as a *panacea* to fix these problems. With respect to the application of NTMs, the terms-of-trade theory advocates for the convergence of NTMs into tariffs (tariffication) so that any impact caused on international trade can easily be measured (Staiger, 2012).

Therefore, in this context, inward looking or protective trade policy measures are normally instruments used by developing economies to help with the realization of their national

development aspirations such as economic growth, food sufficiency and food security. Despite their use as alternative policy tools in the 21st century, their effectiveness towards realizing their intended objectives has been a primary focus of multiple research to date. In particular, Bonanomi (2009) argued that the engagement in agricultural trade generally leads to higher rates of economic growth and associated less hunger than when there is trade restriction.

Basically the proportion of undernourished people tends to be lower in countries where agricultural trade is large in proportion to agricultural production. Bonanomi (2009) also made a clear distinction that not all developing countries with a similar level of trade experience have the same amount of hunger and poverty. In that regard, the validity of Bonanomi's (2009) claim depends entirely on the institutional environment upon which the trade policy is based and other factors such as geographical location and level of economic development. Thus, it is understood that if a trade policy is to contribute to food security; it needs to be embedded in a coherent and well-sequenced national development strategy and further complemented by appropriated pro-poor companion policies. Whether Namibia has an adequate institutional environment to support an effective realization of the MSPS goals is not within the scope of this study. However, this is certainly a research question that is worth pursuing further.

Many researchers have acknowledged the proliferation of NTMs. Annan (2003) is amongst those who have condemned the prevalence of NTMs. Fundamentally, Annan's (2003) opinion confirms that the reality of international trading systems today does not match the rhetoric of improving the quality of life. Instead of opening up markets, too many barriers stunt, stifle and starve the poor. However, these sentiments are not entirely subscribed to by others, such as Van den Bossche (2012). Van den Bossche's (2012) main conclusion regarding economic globalization and the laws of the WTO points to the reality that governments adopt trade restrictive measures for reasons of national security and self-sufficiency. However, the circumstances under which these trade restrictive measures are allowed and the extent to which they can be applied have nevertheless received little substance in their studies.

To take the argument further, the World Bank (2012) in its recent global report highlighted the increasing trend in the use of trade policies to overcome food security issues. Specifically, the World Bank found that most countries have chosen to take the opposite approach by restricting imports of food and discouraging exports in an attempt to keep domestic markets isolated from

international shocks. In fact, restrictive measures on imports are usually perceived as a security measure that countries embrace so that they can rely on their domestic industries in times of crises (Van den Bossche, 2012). Two critical issues are worth reflecting on at this point. Firstly, if the latter implies that this is a kind of thinking currently prevailing on most countries' trade policy agenda, then it is certainly defeating the whole purpose of the trade liberalization ambition. Furthermore, it is important to seek clarification between food security, food sufficiency and food sovereignty. These concepts seem to have been used interchangeably and they often create a sense of confusion regarding trade policy directives and objectives.

Various scholars such as Rome (2006) have defined food security as the accessibility and affordability of food, irrespective of whether it's from within the country or abroad. While on the other hand food sovereignty implies accessibility to food produced within the borders. Along similar lines, a paper published by the Africa Research Institute (2009) further argued that self-sufficiency in food production is not synonymous with food security. It further emphasises that in some regions, alternative means of raising rural incomes can be effective in ensuring food security. For example, surplus income from higher margin cash crops such as beans and flowers for export markets enables farmers to buy food at markets. That means they are food secure, but not self-sufficient. However, the policy focus in Namibia is to address both policy imperatives, which seems to be currently a challenge. This study has recommended a series of alternative policy measures drawn from public and industry experts to fill this gap.

The other distinct feature in relation to Namibia is that the country is characterized by a dry weather condition, which makes it unviable to produce high margin cash crops such as flowers or those horticultural commodities that could be viably exported to lucrative markets. This could have provided the necessary *stamina* for the local industry to compete globally. From that standpoint and by taking a middle-ground position, it seems convincing to argue that the protection of the local industry is fair from a national policy perspective. However, the application of international trade law is a different "ball game". It overrules the validity of the above claim, which further underscores the importance of this study. The Vienna Convention on the Law of Treaties is the main authority underpinning this distinction. Specifically, and as already alluded to in the first chapter, multilateral trade agreements in themselves represent a

general architecture that confirms the intention of parties to provide for a system based on rules and legal obligations of which they have to respect and comply with (Erasmus, 2014).

Without diverting too much from the definition of national food policy imperatives, the World Bank (2012) in its global report critically quantified that food security should be weighed against the benefits of cheaper imports. In this regard, the report made two distinctive yet emphasising points. Mainly the point made is that a country that is a natural exporter should not hinder its comparative advantage with export bans. While a country that tends to import food should allow its domestic market to remain linked to the world market. The point of view expressed above appears to be more applicable to the Namibian case, as the country has for long been defined as a net-food importing country by the World Bank. Therefore, the report concluded that food security requires encouraging more trade through a more open and rules-based multilateral trade regime.

However, the conclusion reached above does not address the extent to which global trade rules are enforced and respected. This study therefore addresses this predicament within the context of the WTO Agreement on Import Licensing Procedures. A few highlights from a study conducted by Jackson (2000) indicate that although trade rules are essential for effective market operations, today's global economic integration is not unprecedented. The fact that tariff liberalization alone has generally proven unsuccessful in providing genuine market access has drawn further attention to NTMs as major determinants in restricting market access (Briz et al., 2013).

According to Grupa (1997), NTMs can take various forms ranging from import policy measures; technical regulations; and domestic support measures. From this standpoint, NTMs are in principle tolerated within the framework of the WTO. They can only become inconsistent if they are unjustifiable or implemented beyond the scope of the exceptions provided under the applicable provisions. The section below discusses the applicable provisions that form the basis for this assessment.

2.2. WTO AGREEMENT ON IMPORT LICENSING PROCEDURES

One of the most important questions addressed in this research is whether the implementation of the MSPS is compatible with the provisions of the WTO Agreement on Import Licensing Procedures. The Agreement on Import Licensing Procedures governs the administrative procedure which requires the submission of applications or other documentation (other than those required for custom purposes) to the relevant administrative body as a prior condition for the importation of goods into any member state (Li & Wang, 2008). The objectives of the Agreement are:

“to simplify, and bring transparency to, import licensing procedures, to ensure their fair and equitable application and administration, and to prevent procedures applied for granting import licenses for having in themselves, restrictive or distortive effects on imports”

The Agreement distinguishes between automatic and non-automatic licensing, whereby the existing licensing measures applied by Namibia would be classified as non-automatic, given that the approval of the application is not granted in all circumstances and that it is used to administer a quantitative restriction. The application of non-automatic licensing measures is subject to its quantitative restriction being justifiable within the WTO legal framework and on the condition that it may not impose any additional restrictive or distortive effects to those caused. Therefore, in order for the MSPS to be justified under the WTO framework, it should be implemented in consistency with the following provisions as outlined in the table below.

TABLE 1: PROVISIONS APPLICABLE TO THE EXECUTION OF NON-AUTOMATIC IMPORT LICENSING

Provisions applicable to non-automatic import licensing
1. Publication of all relevant information <i>Members are to publish all relevant information. Whenever practicable, the information should be published 21 days prior to the effective date of the requirement (Articles 3.3, 3.4, 3.5 (b) — (d)).</i>
2. No discrimination among applicants <i>There may be no discrimination among applicants. If a licence is refused, the applicant, on request, shall be given the reason for refusal, and shall have a right of appeal or review of the decision (Article 3.5 (e)).</i>
3. Time limits for processing applications <i>The period for processing applications shall not be longer than 30 days if applications are considered as and when received, and not longer than 60 days if applications are considered simultaneously (Article 3.5 (f)).</i>
4. Validity of a licence

The validity of a licence is to be of reasonable duration and not be so short as to preclude imports, including those from distant sources (Article 3.5 (g)). Full utilization of quotas is not to be discouraged (Article 3.5 (h)). Licences are to be issued in economic quantities (Article 3.5 (i)).

5. Other provisions

In allocating licences, Members should consider the import performance of an applicant and are to ensure a reasonable distribution of licences to new importers, particularly to those importers importing products originating in developing and least-developed country Members (Article 3.5 (j)).

Compensating adjustments may be made in future licence allocations, under Article 1.8, where imports exceeded a previous licence level (Article 3.5 (l)).

6. Notifications

Copies of publications and full text of laws and regulations

Members are required to submit copies of publications containing information on import licensing procedures and the full text of relevant laws and regulations (Articles 1.4 (a) and 8.2 (b)). In cases where the publications and legislation are not in a WTO official language, such notifications should be accompanied by a summary in one of the WTO official languages (G/LIC/3).

7. Notification of changes

Members that institute licensing procedures or changes in these procedures are required to notify the Committee of them within 60 days of publication (Articles 5.1-5.4).

8. Reverse notifications

Members are to complete the Questionnaire on Import Licensing Procedures by 30 September each year (Article 7.3, and appendix).

Source: WTO Agreement on Import Licensing Procedures

The questions enshrined in the questionnaires are moulded from the provisions appearing in the table above.

2.3. GENERAL EXCEPTIONS ON ELIMINATION OF QUANTITATIVE RESTRICTIONS

The research question being addressed under this section is whether the objectives of the scheme are within the coverage of the General Exceptions on Elimination of Quantitative Restriction (Article XI and XX) of the GATT 1994. Although the GATT 1994 prohibits member states to implement quantitative restriction measures under article XI, it also recognises that countries are at different levels of economic development. As such, it has provided leeway for member states to use quantitative restrictive measures under certain circumstances such as fear of foreign competition. At the same time, the Article urges member states to keep such protection at reasonable levels and to use tariffs as a means of protection as opposed to quantitative restrictions (O'Connor, 2003). This rule is nevertheless subjected to a number of specific exceptions as found in the WTO legal text (WTO, 2008, p. 437). For example;

Paragraph 2(c) allows for import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of government measures, which operate to:

- (i) restrict the quantities of the like domestic product permitted to be marketed or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or*
- (ii) remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product,.*
- (iii) restrict the quantities permitted to be produced of any animal product, the production of which is directly dependent, wholly or mainly, on the imported commodity, if the domestic production of that commodity is relatively negligible.*

However, there is a proviso, which states that:

Any party (member state) applying restrictions on the importation of any product pursuant to paragraph (c) shall give public notice of the total quantity or value of the product permitted to be imported during a specified future period and of any change in such quantity or value.

Given the above highlighted exceptions, is it questionable whether the MSPS is implemented within the confine of these exceptions? This study seeks to clear this anomaly. Furthermore, Article XX on General Exceptions of the GATT 1994 permits member states to apply non-arbitrary and non-discriminatory measures against certain imports for reasons including public moral grounds; health; prison labour; and national historic/cultural treasures (WTO, 2008, p. 455). Therefore, this study further assesses the compatibility of the MSPS against these exceptions.

2.4. WTO TRADE LIBERALIZATION AGENDA

The Uruguay Round of trade negotiations produced the GATT 1994, which led to the establishment of the WTO in 1995. According to Li and Wang (2008), the GATT 1994 is made up of several Agreements including the Agreement on Agriculture (AoA), which aims to liberalise trade in agricultural sectors through a conversion of non-tariff barriers on agricultural products to tariffs, and their reduction. The agreement came into force in July 1995 and is implemented over a six-year period for developed countries and over a ten-year period for developing countries – counting from the entry into force of the agreement (Li & Wang, 2008).

Having defined the AoA and its aspirations, it calls to question whether the ongoing commitment for Namibia to further restrict imports of horticultural imports up to 60% is consistent with the WTO trade liberalization agenda. While it is too early to create an answer at this stage of the research, it is crucial to first indicate that Namibia signed the GATT 1994 under the framework of a developing country. Therefore, according to the Special and Differential Treatment provisions (SDT), a developing country has a more relaxed schedule of reductions while Least Developed Countries (LDCs) are exempted from these cuts and the tariffication process. The table below shows a descriptive of SDT applicable to developed and developing countries under the AoA.

TABLE 2: SPECIAL AND DIFFERENTIAL TREATMENT IN THE WTO AGREEMENT ON AGRICULTURE

Measures		Developed Countries	Developing Countries
period		6 years	10 years
Market access	customs duties reduction	36%	24%
	minimum per tariff line	15%	10%
	opportunity	5%	4%
	deadline	2000	2005
Domestic support	reduction in AMS	20%	13.3%
	de minimis rule	5%	10%
	exceptions	Blue and green boxes	Blue boxes, green boxes and three types in amber boxes.
Export Subsidies	reduction in value	36%	24%
	reduction in volume	21%	14%
	exceptions	-	Support for marketing and domestic and international transport

Source: Li & Wang (2008)

Specifically, the SDT granted under market access compels developed countries to cut bound tariffs by 36% over six years, and developing countries to make 24% cuts over ten years. These are average cuts for all agricultural products. However, a minimum reduction of 15% for developed countries and 10% for developing countries is required for each product. A minimum import threshold is stipulated for each sector of agricultural production where there

are non-tariff barriers. This was set at 3% of domestic consumption in 1995 and was increased progressively to 5% by 2000 and 4% by 2004 for developing countries.

2.5. WTO BALI PACKAGE ON THE PUBLIC STOCKHOLDING FOR FOOD

SECURITY

The 9th WTO Ministerial Conference (MC) held in Bali, Indonesia in December 2001 made positive realizations on the protracted negotiations regarding the larger package of the Doha Development Agenda that resumed in 2002 in Doha. At the core of this breakthrough was a proposal to amend the WTO Agreement on Agriculture (AoA) to provide greater flexibility for government procurement of food at administered prices, particularly for building public stock for food security reasons. In this regard, the Bali Package contains a compromise in terms of a *peace clause* in the interim, until a permanent solution is found. The *peace clause* provides some additional breathing space for developing countries having trouble respecting their commitments in respect of public food security stocks, while working towards finding a more lasting solution, hopefully by the 11th WTO MC to be held in 2005 (Matthews, 2014).

This essentially means that a developing country can use domestic support measures without the risk of being challenged at the dispute settlement body of the WTO, on condition that it has fulfilled its notification obligations in that respect. Since Namibia was amongst the list of developing countries who were major proponents of this proposal, with India and South Africa being at the forefront, it is imperative to understand whether the MSPS qualifies to be categorized under the interim *peace clause* of the *WTO Bali Package*. This is essentially because the MSPS is being used as a food security measure in Namibia. And in the same breath, the government has established public stockholding facilities in a framework of fresh produce hubs across the country.

A study conducted by Matthews (2014) focusing on “food security and WTO domestic support disciplines on post Bali agenda” provides a list of countries that can potentially benefit from this decision. These are countries which have reported that they make use of public stockholding for food security purposes at any time since 1995.

TABLE 3: LIST OF COUNTRIES MAKING USE OF PUBLIC STOCK-HOLDING FOR FOOD SECURITY PURPOSES

Member Name	Currency Unit	2005	2006	2007	2008	2009	2010
Bostwana	P Million	6.4	4.7	3.2	4.3	6.8	-
Brazil	US \$ thousand	147,932	156,739	180,941	234,159	236,785	
China	Y million	44,087	50,378	54,200	-		
Costa Rica	US \$ million	-	-	-	-	-	-
India	US\$ million						
Indonesia	Rp billion	847	1,078	1,225	698		
Israel	US\$ thousand	15,401	9,715	8,512	12,046	12,932	12,590
Kenya	K Sh million				24.3		
Kindom of Saudi Arabia	SRI million		32.6	35.8	24.3	10,2	16.6
Korea, Republic	W billion	169.8	143.6	163.8	137.1		
Namibia	N\$ million	-	-	10.0	5.0	9.0	
Nepal	NPR thousand	260,000		260,000		354,000	67,761
Pakistan	PRs million	-	-				
Philippines	P thousand						
South Africa	R thousand	-	-	-	-	-	-
Sri Lanka	SL Re million						

Source: Matthews (2014)

Note: A '-' symbol in a cell indicates that a notification was received from that country in that year but no expenditure on public stock-holding for food security purposes was reported. A blank cell means that no notification has yet been received from that country, so it is possible that the country made use of a public stock-holding scheme in those years.

A closer look at the table brings Namibia at the forefront of the list of potential countries that are likely to benefit from the exemption. However, during the period under consideration, statistics show that Namibia has only submitted expenditure on public stock-holding in 2007, 2008 and 2009. Matthews (2014) concluded by emphasising that the practical consequence on the interim solution would, therefore be very limited in the coming four years, especially for the countries that have outstanding notification obligations.

2.6. REVIEW OF EMPIRICAL EVIDENCE

Having discussed all the applicable provisions of the GATT, NTMs can have important restrictive and distortionary effects on international trade whether they are implemented with a protectionist intent or to address legitimate market failures (Briz et al., 2013).

In his briefing paper regarding NTMs, Grupa (1997) opined that one of the most commonly known NTMs is the prohibition of imports maintained through the import licensing requirements. When licensing requirements are automatic, they must be granted upon submission of the application and in all cases (European Commission, 2012). However, this seems not to be the case with the MSPS.

It was with this concern in mind that PriceWaterHouse Cooper (2007) conducted a report on behalf of the Namibian Agronomic Board, to investigate whether the MSPS is a price distortive practice or not. Under the WTO framework, trade distortion is defined as any policy interventions, which cause national commodity prices to materially exceed comparative competitive market prices. A comparative price analysis method was used to assess the differences between the key domestically consumed and produced products in relation to South African traded prices.

PriceWaterHouseCooper (2007) established that Namibian producers sell at consumerable prices in relation to the market prices at the open trade fresh produce market in Johannesburg. While the latter reflects an interesting discovery, the same study, however, also highlighted opposing views in this regard. The divergent position mainly represents the opinions of some Namibian horticultural producers, that the MSPS does not provide them with a material price benefit, because they currently still compete in terms of comparative import prices.

The conclusion drawn by PriceWaterHouseCooper (2007) confirms that the current protectionist measure within the horticultural sector seems to provide a conducive and guaranteed environment for domestically produced products but disapproves the hypothesis that it creates market distortion. Moreover, it alluded to the fact that Namibia is a net-importer of grains and horticultural products mainly from South Africa, and, therefore, it does not make it a significant exporter of horticultural commodities to any of the SADC countries. This implies that the MSPS should as such not have a material influence on regional commodity demand and ultimately the pricing factor.

As broad and exhaustive as it appears, few drawbacks are worth highlighting. Firstly, although the comparative price analysis has provided a substantial knowledge of the situation, the

methodology has not taken into account the aspect of administrative law applicable to the implementation of such measures. For example the extent to which the publication of information is adhered to; adherence with respect to the time limit for processing the import permit; and adherence to non-discrimination provisions. The current study therefore intends to bring the realities confronting these questions to the fore.

Moreover, PriceWaterHouseCooper (2007) did not take into account the price versus quality relationship in the retail price comparisons. As such, it is not formally established whether differently graded products share the same price comparability or Namibian consumers pay high prices for lower graded horticultural commodities. However, by way of interviews conducted with fresh produce importers as documented in the report, the critique seems to hold little validity. Nevertheless, though the highlighted gap falls beyond the scope of this study, it is certainly an area that requires further scrutiny.

Secondly, even if the MSPS does not cause market distortion, it could still become an illegitimate and costly NTM if its administrative procedures are not transparent and conducive for economic actors as required by the WTO Agreement on Import Licensing Procedures. Henceforth, the present study builds on the already established findings by complementing them with an in-depth investigation of how this measure is administered with regards to the relevant provisions of the GATT 1994.

From a different stand point, a study investigating the weakness of the Namibian domestic fresh produce supply chain highlighted that all the respondents (producers and retailers) in the study were supportive of the MSPS (Sahanga, 2014). It therefore seems safe to conclude that this measure has a good chance of success in supporting the growth of the local horticultural industry. Sahanga (2014) further supported the notion of food security. Specifically, he highlighted that obligated domestic sourcing is an essential component of promoting local fresh produce production. Furthermore, the domestic production of fresh produce is an essential part of food security because factors beyond Namibia's control can deny the country's access to fresh produce supply even when they may be available in neighbouring countries. These factors include war, civil strife and labour unrest.

Despite the positive attributes noted, the study highlighted several limitations associated with the implementation of the scheme:

- The scheme is not effective, transparent and accessible to all producers in the country. Monitoring on compliance of each importer is difficult as there are no mechanisms in place to effectively hold any importer accountable.
- Particularly, the study pointed to the fact that the MSPS is not product specific. Importers can therefore justify the importation of 100% of a product that can be produced in Namibia on account of having locally purchased 39% of another fresh product.
- The other drawback of the MSPS is that the Government lacks capacity to monitor what is actually imported under the programme and importers are therefore encouraged to self-report to NAB what they have imported at various periods of the year. This leaves the system open to abuse through either none reporting, under reporting and over reporting of volumes purchased.
- The limited accessibility of local fresh produce at the local market is a significant obstacle for increased horticultural production. Specifically, accessibility is an issue since most farmers are located in remote areas that are not close to the market. With specific reference to small-scale farmers, the transportation of fresh produce becomes a major problem because of unaffordability and related costs. Fundamentals that stretch from the apartheid regime have resulted in Namibia being reliant on South African imports.
- Lastly, the study highlighted poor climatic and soil conditions; water availability; marketing infrastructure; access to finance and technologies; and skills development as major threats towards the successful development of the horticulture sector in Namibia. Though the geographic size of the country is as big as 824,000 km², at least 50% of the land is dry and has desert characteristics. This does not only make agriculture impossible and challenging, but even more expensive to practice in Namibia.

In light of the above challenges, Sahanga (2014) concluded by recommending that an effective fresh produce marketing and distribution infrastructure is the missing link in Namibia; that should bring together all the commercial and small scale producers in the horticultural industry. Adding that, it would increase the synergy within the entire value chain in the fresh produce market industry. There is, thus, an increasing need for greater collaboration in the horticultural sector so that the level of confidence in the sector can be enhanced.

Although the findings of the above-discussed study are relevant to the current research work, its methodological approach was purely qualitative. According to Driscoll, Salib and Rupert (2007), there appears to be a positive correlation between research validity and the combination of both qualitative and quantitative research methodology. Therefore, the present study attempts to tap into the benefits that are associated with the triangulation research methodology. In a different but related track, Mumbala (2014) conducted an investigative study on the “supply chain challenges faced by small scale crop farmers at Etunda Irrigation Farm in Namibia”. Mumbala (2014) also deployed a purely qualitative research methodology and used a SCOR framework to analyse the data. Mumbala (2014) established that the cost of electricity is high; the cost of mechanization, which is mostly a reflection of the cost for diesel, is also unbearably high. Conversely, the price for fertilizers are cheaper at the farm levels, however, farmers end up paying more due to transportation costs. Though these findings are not directly related to the primary objective of this study, they are worth contemplating in the context of finding mechanisms that are responsive to real competitive challenges facing industries today.

The highlighted weakness also gives us enough reasons to question whether the support rendered through the implementation of the MSPS can really trickle down to addressing issues of electricity hikes, the cost of fertilizers and transportation costs, which are critical inputs in agricultural production. While the scheme has considerably ceased import competition as underpinned by the observed growth in the horticultural industry, it remains to be seen whether this growth is sustainable. For example, 1) can the observed growth in the horticulture sector withstand the non-existence of the MSPS and/or 2) does it mean that the MSPS should as such be implemented inevitably to safeguard its sustainability? Ideally, this should not be the case given the current competitive global economic system. It is therefore within this line of thinking

that there is need to embrace new thinking around devising trade policy measures that would ensure sustainable growth, and thereby warranting a competitive edge for economies to participate in the global market place. This study seeks to establish a series of recommendations in this regard.

From the import and export control point of view, Imani Development International (2007) conducted a survey on NTMs in Namibia. The survey was based on the WTO NTMs Categorization Codes and made the following observations. With respect to custom administrative procedures, the survey established that there is no single focal point for import licensing. In fact, there are more than six institutions involved in the import licensing process. This creates inefficiency and hinders the smooth facilitation of trade. Arguably, however, this type of bureaucracy and trade facilitation drawbacks are often cited as a major basis for litigations at the WTO Dispute Settlement Body.

2.7. CONCLUSION

Judging by the findings of the reviewed literatures in relation to what the current study aspires to deliver, it came as a surprise that there has never been a study done (at least that is in the public domain) that points in the same direction as the primary objective of this study. That is, to assess the consistency of the implementation of the MSPS against the relevant provisions of the GATT 1994, and more particularly the provisions enshrined under the WTO Agreement on Import Licensing Procedures. A number of literatures have focused predominately on the supply chain weaknesses in the horticulture sector. One research area that has received considerable attention in this regard is the identification of strengths and weaknesses associated with the implementation of the MSPS. This area is what is partially addressed under the secondary objective of this study. Another well-researched area is on whether the MSPS is price distortive or not. These findings formed a critical starting point for this research. Therefore, the present study is anticipated to contribute immensely to the existing body of knowledge around this subject because it concentrates on areas that have received limited attention in existing literature.

Nevertheless, there is overwhelming evidence corroborating the notion that the applications of NTMs have gained prominence in today's world as alternative policy tools replacing custom

tariffs. The import licensing system has received a great deal of attention as one of the main architectures through which NTMs are implemented. The literature reviewed provides confirmatory evidence that most of these inward looking trade measures are tailored towards addressing national policy imperatives such as food security and food-self-sufficiency. However, whether the uses of NTMs are the most effective policy interventions to achieve these economic imperatives has nevertheless received balanced views. Some critiques argue that countries are at different levels of economic development, and therefore domestic protection is critical for the development of local industries.

On the contrary, other literatures have concluded with opposing views, mainly that a country that is a natural exporter should not hinder its comparative advantage with export bans, while a country that tends to import food should allow its domestic market to remain linked to the world market. Nevertheless, the reviewed literature raised no voice on the extent to which global trade rules are enforced, for example, the extent to which the MSPS is compatible with all the provisions of the WTO Import Licensing Agreement. It has therefore left unanswered questions on how to bridge the gap between the political economy (policy space) and the need to enforce global trade rules that states have committed to implement by virtue of being parties to the GATT 1994.

Nonetheless, while some empirical literatures suggest that the scheme is not effective, transparent and accessible to all producers in the country, others have concluded that the scheme seems to provide a conducive and guaranteed environment for domestically produced products but disapprove the hypothesis that it creates market distortion. Further evidence supporting the above indicates that Namibia is a net-importer of horticulture products mainly from South Africa, and therefore it does not make it a significant exporter of horticultural commodities to any of the SADC countries. On that basis, it seems fair to conclude that the MSPS should as such not have a material influence on regional commodity demand and ultimately the pricing factor. However, the element of market distortion is just one provision out of many other provisions of the GATT 1994. Therefore, this research seeks to conduct a comprehensive assessment of the consistency of the implementation of the MSPS under the relevant provisions of the GATT as indicated under the scope of the study.

CHAPTER III: METHODOLOGY

This chapter provides an overview of how the assessment is conducted. It is mainly a series of methodological steps that have been undertaken to answer the research questions set forth. Furthermore, it explains why the study has chosen a specific research approach; how the data was collected; analysed; and the timeframe within which the whole project was conducted.

3.1. RESEARCH DESIGN

Research design refers to the overall strategy that is chosen to integrate the different components of the study in a coherent and logical way (De-Vaus, 2001). In view of the foregoing, the present study uses a mixed research methodology, which is a combination of qualitative and quantitative research methods. This is also called a triangulation research methodology. According to Patton and Cochran (2002), triangulation is one method that is critical for increasing the validity of findings, through deliberately seeking evidence from a wide range of sources and comparing findings from those different sources.

Similar sentiments seem to resonate well with Castellan (2010) as he argued that the mixed research methodology is the most important approach because it generates both types of data (descriptive and non-descriptive data), which are critical for conferring internal and external validity. It is for that reason that this study used a mixed research methodology, not only to increase the credibility of the assessment, but also to be able to use this study as an advisory document for the horticulture industry.

In addition, the study used a survey research design because it involves a case study of the MSPS using structured questionnaires and interviews as main data collection methods, with the ultimate intent of generalizing the findings to the entire population (Babbie, 1990). According to Grant (2014), the advantage of using surveys and structured questionnaires is that it allows for a meaningful comparison of responses across participants because the researcher asks all questions.

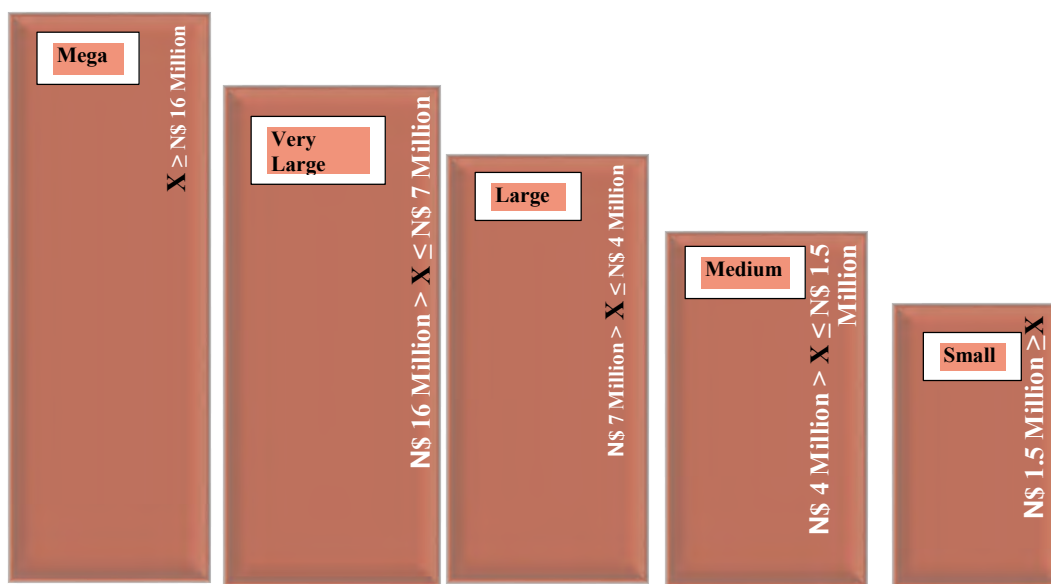
3.2 POPULATION AND SAMPLE

A research population is the entire group of persons or set of objects and events of interest to the researcher (Patton & Cochran, 2002). In many quantitative research situations however, it

is not feasible to involve all members of the population being studied, so a subset of the population; and/or a sample, is usually selected (Jurs, 1998). According to the list of importers received from the NAB, there are about 50 registered horticultural importers in Namibia who participate in the MSPS. Because it was not possible, resource wise, to interview all traders (though it would have been statistically wise), the researcher only used a sample from this population for analysis. The sample size is discussed in the subsequent section.

According to the list of traders, the importers are structured into five categories. These categories are based on the size of the traders, namely small, medium, large, very large and mega. The figure below demonstrates the composition and/or characteristics of the population studied.

FIGURE 4: COMPOSITION OF THE POPULATION



Source: Namibian Agronomic Board (2014) Note: “X” means value of annual horticultural imports

According to the NAB, the above classification is based on individual values of horticultural imports for 2013. This categorization¹ is usually done annually by the NAB when they conduct a performance appraisal.

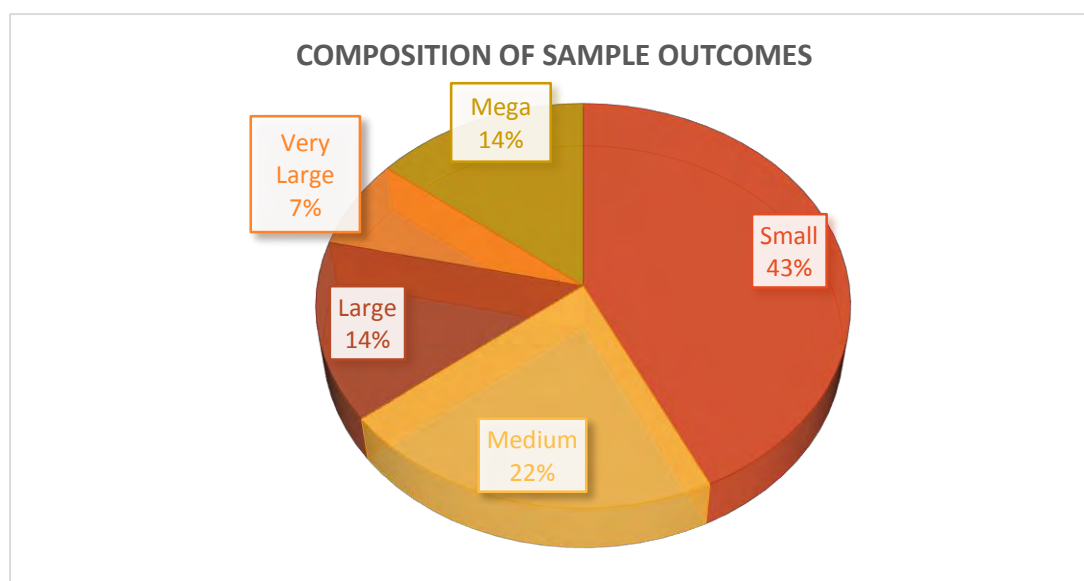
3.3. SAMPLE SIZE

A sample is a number of elements drawn from the population where observations are obtained and analysed to generate answers for the study (Patton & Cochran, 2002). The initial sample size was 20 traders. This represents about 40% coverage when expressed in terms of the overall total population. According to Driscoll et al (2007), the sample size should at least be more than 30% of the total population for it to be statistically significant. This means that the first sample target was within the acceptable thumb. However, given that there was a poor response rate (i.e. less than ten questionnaires received) on questionnaires during the initial stages of the data gathering process, the sample size was increased to include the whole population. That is to say, the sample size was equated to the population size. With this approach, questionnaires were sent to all 50 traders registered with the NAB in order to increase the sample probability outcome. Ultimately, the sample outcomes improved to 14 respondents (28 % of total population), with a short fall of two percent for the sample to be 100% statistically significant. The results of the overall assessment are attached as Appendix D.

Given the composition of the population described above, the corresponding sample outcomes are illustrated in the following figure. The figure shows that out of 14 respondents, 43% of them fall under the category of small scale importers; while 22% is recorded for the medium size importers. Furthermore, the study observed a balanced sample outcome for mega and large size importers – attracting 14%. The lowest sample outcome is registered for very large size importers. The reason attributed to this poor sample outcome is that most of the very large size traders were very sensitive about sharing their experiences and therefore opted out from participating in this research.

¹ The performance of traders varies from year to year and so does the categorization. This is to say, if trader X is classified as “mega” this year, it does not guaranteed him/her the same classification in the following year

FIGURE 5: COMPOSITION OF THE SAMPLE OUTCOMES



The composition of the sample discussed above only relates to one major component of the study that aims to fulfil the primary objective of the study. To recap, the primary objective of this study is to establish whether the implementation of the MSPS is consistent with the applicable provisions of the GATT 1994. While the secondary objective is to highlight problems associated with the implementation of the scheme and draw possible recommendations that are responsive to the economic realities of today's environment, while equally supporting the objectives of the NHDI.

For the purpose of fulfilling the secondary objective, the study also interviewed some experts that are responsible for national agricultural policy formulation. Senior officials from the Ministry of Agriculture Water and Forestry (MAWF); the Agro-Marketing Trade and Agency (AMTA); and the Namibian Agronomic Board were interviewed. Furthermore, the Namibian Trade Diplomat at the WTO was also contacted to provide information on the status of Namibia's WTO notification obligation in this regard.

3.4. SAMPLING PROCEDURE

A sampling procedure defines the rules that specify how the system calculates the sample size and it contains information about the valuation of an inspection characteristic during results recording (Doherty, 1994). There are two types of sampling methods, the probability and non-

probability sampling method. This study deployed a probability sampling method. According to Doherty (1994), the advantage of using a probability sampling method over the non-probability sampling method is that all elements of the population have an equal chance of being selected, and the researcher can generalize the sample findings to the wide population. Moreover, when discussing the results of the non-probability sample, the researcher limits his/her findings to the persons or elements sampled, which does not fit well with the intention of this study.

Specifically, the study used a simple random sampling technique. The simple random sampling is one way of achieving generalizable findings at far lower costs by only analysing a certain segment of the population without biasing the findings in anyway (Fox et al., 2007). To conduct a simple random sample, the researcher must first prepare an exhaustive list (sampling frame) of all members of the population of interest, from where a sample should be drawn so that each person or item has an equal chance of being selected (Fairfax County, 2012). This fits with the approach deployed in this study as the researcher received a comprehensive list of all traders that participate in the MSPS from the implementing agency.

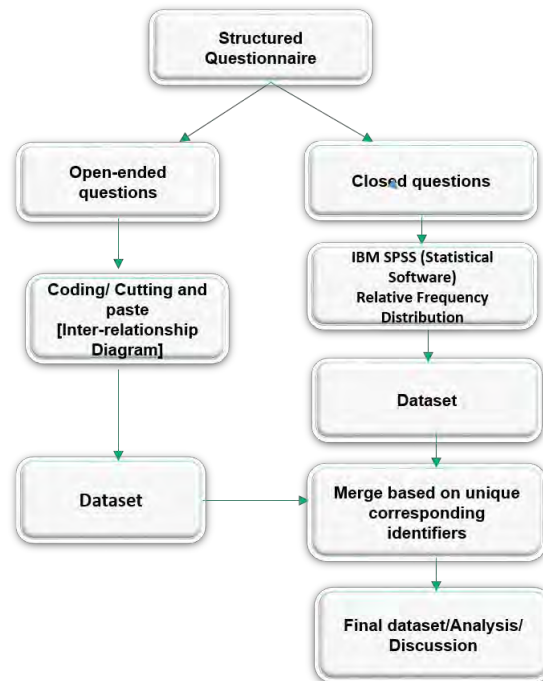
Bogdan and Biklen (1998) further noted that choosing a random sampling technique ensures that the characteristics of the subjects in the study appear in the same proportion as they exist in the total population. Their views mainly emphasise that if the sampling were to be repeated many times, the expected value of the results from the repeated samples would be the same as the result we would get if the whole population was surveyed. Therefore, in recognition of the above, questionnaires were sent to all traders registered with the NAB and who participate in the MSPS.

3.5. DATA COLLECTION PROCEDURES

Data collection procedures are a process of gathering information with various research tools to answer the research questions. This study used a concurrent design or mixed methods data collection strategies. According to Driscoll, Salib, and Rupert (2007), a concurrent design can be used to validate one form of data with the other form, to transform the data for comparison, or to address different types of questions. This is because the nature of this study required the

provision of both qualitative and quantitative data so that the data can be easily compared. The figure below is an illustration of how the concurrent design approach is applied in this study.

FIGURE 6: CONCURRENT DATA COLLECTION DESIGN



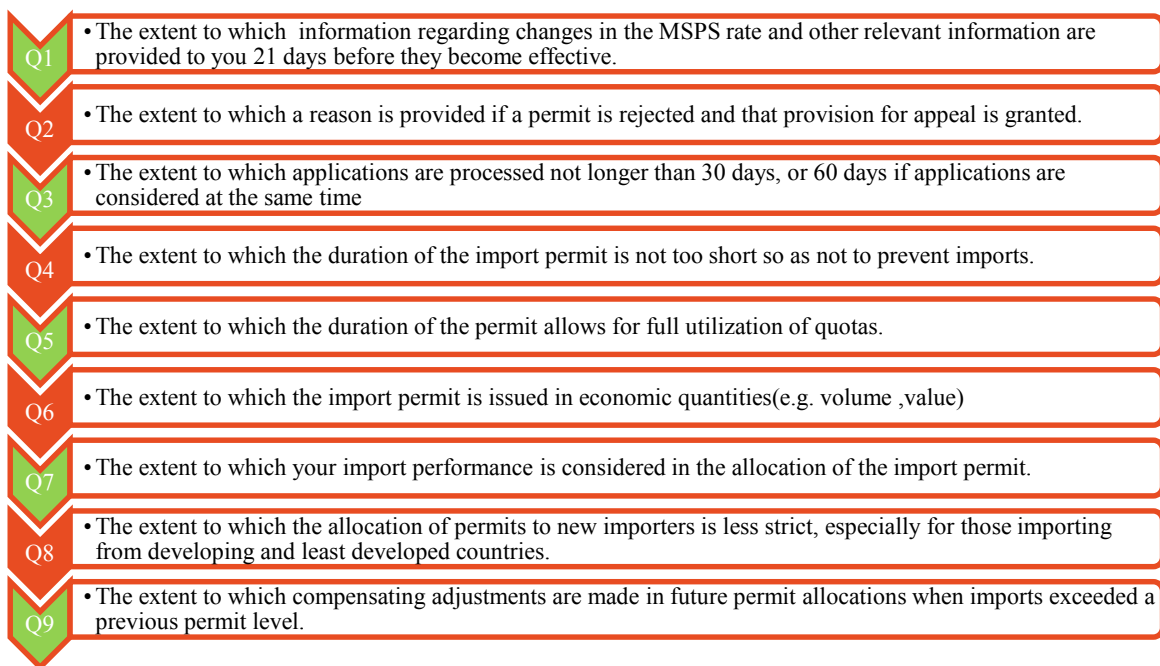
The above figure illustrates that the researcher collected and converged both quantitative and qualitative data in order to provide a comprehensive analysis of the research problem (Creswell, 2003).

Given that the implementing authority (NAB) has not yet developed a database to retrieve the most critical information necessary to complete this assessment (i.e number of applications processed/rejected), structured questionnaires were instead used to generate information of relevant purpose. Given situations like this, Creswell (2003) advised that data does not necessarily need to be in a quantitative format for one to conduct a quantitative research. In the same line of reasoning, Grant (2014) indicated that if data are not naturally available as numbers, non-quantitative data (like attitudes or opinions) can be turned into quantitative data by measuring them numerically. It is for that reason that this study used a Likert scale questionnaire as one of the data collection tools. The advantage of using structured

questionnaires in quantitative and qualitative research is that they allow for meaningful comparisons of responses across participants because the researcher asks all participants identical questions (Grant, 2014).

According to Markdasilva (2013), Likert scales are a commonly used way of measuring opinions and attitudes and apply to a range of disciplines. Fundamentally, they measure the extent to which participants agree or disagree with given a series of statement(s), and typically range from 1 (strongly disagree) to 10 (strongly disagree), with a neutral point in the middle (e.g. neither agree nor disagree). They are often analysed under the assumption that they are interval in nature (i.e. that the distance between all the numbers is constant across the scale) (Markdasilva, 2013). Thus, the range captures the intensity of their feelings for a given item, while the result of the analysis of multiple items, if the items are developed appropriately, reveals a pattern that has scaled properties of the Likert identified (Braunsberger, 2005). In this regard, traders were instructed to rate the degree of compliance for each provision enshrined under the WTO Agreement on Import Licensing Procedures between 1 and 10; whereby “1” represents the lowest score, while “10” represents a highest score. The Questions (Q) in the Likert scale are the important variables for this study. The study used 9 questions in the Likert scale (Q1Q9). The figure below provides a description of all 9 variables (Likert items);

FIGURE 7: DESCRIPTION OF LIKERT ITEMS



The Likert scale questions only address the primary objective of the research, which is to assess the consistency of the implementation of the MSPS against the relevant provisions of the WTO Agreement on Import Licensing Procedures. However, section 2 of the questionnaire also has open-ended questions, which address the secondary objectives of the study. These open-ended questions attempt to identify challenges associated with the implementation of the scheme, and how they can be addressed. The sample questionnaires are attached as Appendices A, B and C.

3.6. RESEARCH INSTRUMENTS

In order to generate data for this study, a series of structured questions were developed. These research questions were applied through a questionnaire and interview process. The questionnaires, especially those intended for traders and NAB, were structured into two parts. The first part consisted of Likert scale questions (closed questions), and the second part consisted of open-ended questions, whereby the answers generated from the first part of the questionnaire are used for the assessment, while the rest is to assist in identifying problems associated with the implementation of the scheme and in devising policy recommendations. The researcher further arranged for interview sessions with traders who were not able to complete the questionnaires by themselves.

Out of 14 respondents, only 6 of them completed the questionnaires by themselves. The remaining respondents participated in the form of structured interviews. The principle proceedings of the interviews followed the structure of the questionnaire. Additionally, questionnaires were sent to the respondents beforehand. Therefore, there was no threat to the research validity emanating from the fact that interviewees responded under different circumstances. The only advantage that face-to-face interviewees had over those that completed questionnaires by themselves is that they enjoyed the privilege of getting in-depth explanations about the questions. On the contrary, the researcher also extended similar services to those respondents residing outside Windhoek through telephone calls. With the permission of the interviewees, a Dictaphone was used to record the conversations for transcription after the interviews.

3.7. DATA ANALYSIS METHOD

Although the respondents may have rated the level of compliance for all Likert items, it is still premature and unscientific to conclude that the implementation of the MSPS is inconsistent or consistent with the GATT 1994 provisions. This is because the Likert scale may be subjected to distortion from several causes (Markdasilva, 2013). For example, respondents may avoid using extreme response categories (central tendency bias; agree with statements as presented (acquiescence bias); or try to portray themselves or their organisation in a more favourable light (social desirability bias).

Moreover, Gliem and Gliem (2003) opined that when using Likert-type scales, it is imperative to calculate and report Cronbach's alpha coefficient to measure the internal consistency reliability for any scales one may be using. The analysis of the data then must use these summated scales and not individual items (scores). With this cautionary note in mind, this study used a reliability test to measure the internal consistency of the data by using the Cronbach's alpha coefficient as a proxy.

According to Gliem and Gliem (2003), Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0, the greater the internal consistency of the items on the scale. In order to test the internal consistency of the scores allocated by the traders, the study used the following Cronbach Alpha equation:

$$\alpha = \left(\frac{k}{k - 1} \right) \left(1 - \sum \frac{s_i^2}{s_t^2} \right)$$

Whereby;

α = Cronbach alpha coefficient

k = the number of conditions contributing to a total score (number of questions in the Likert scale)

s = the standard deviation

Specifically, S_i means standard deviation for every Likert item (question); while S_t , means standard deviation for the total scores. Therefore, in this regard;

k= 9

i1 = Question1; i2 = Question2; i3 = Question3; i4 = Question4; i5 = Question5; i6=Question6; i7 = Question7; i8 = Question8; i9 = Question9 (also refer to figure 6 for the description of variables).

According to George and Mallery (2003), a commonly accepted rule of thumb for describing internal consistency, using Cronbach's alpha is as follows:

$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Clason and Dormody (1984) cautioned that while increasing the value of alpha is partially dependent upon the number of items in the scale, it should be noted that this has diminishing returns. It should also be noted that an alpha of 0.7 is probably a reasonable goal. Therefore, while a high value for Cronbach's alpha (such as 0.9) indicates good internal consistency of the items in the scale, it does not mean that the scale is unidimensional. Some argue that a Cronbach's alpha that is more than 0.9 may be too good to be true. Factor analysis is a method used to determine the dimensionality of a scale but is beyond the scope of this research. It is recommended that further research should expand on the knowledge contributed by this study in as far as factor analysis is concerned.

Consequently, the study did a reliability test (computed the Cronbach's alpha) using the IBM SPSS statistical software. This is because the IBM SPSS is one of the widely used statistical software in social sciences and it generates results that are easy to interpret (Chang, 1994).

3.7.1. RELATIVE FREQUENCY DISTRIBUTION

Having tested the reliability of the scores recorded, the data were further analysed by means of a frequency distribution to compare the relative frequency of responses in each class, across the five categories of importers (small; medium; large; very large and mega). A frequency

distribution is a statistic analysis method that shows “classes” or “intervals” of data entries with a count of the number of entries in each class. The frequency (f) of a class is the number of data entries in the class. Each class will have a “lower class limit” and an “upper class limit” which are the lowest and highest numbers in each class.

Therefore, in this regard, the study has the following data sets: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10. These are the numbers allocated on the rating scale. Thus, the smallest number (score) is 1 and the largest is 10. In order to make a frequency distribution of this data set, the study chose to use 5 classes. Therefore, the classes are: 1-2, 3-4, 5-6, 7-8, and 9-10. The actual frequency distribution (f) for each category of importers is derived by counting the number of entries in each class. This creates the basis upon which the relative frequency is calculated. The relative frequency of each class is the proportion of the data that falls in that class. The relative frequency is, therefore, calculated using the following equation:

$$\text{Relative frequency} = \frac{\text{Class frequency}}{\text{Sample size}} = \frac{f}{n} \times 100$$

Where by $n = 14$

3.8. TIME LINE

The overall study was conducted over a period of 6 months (July – December 2014). In particular, the data gathering process took about 2 months (July – September), while the data analysis and compilation of the first draft was finalized over the month of October. The later part of the period was spent on getting feedback from the supervisor and finalizing the final report.

3.9. CONSIDERATION FOR ETHICAL IMPLICATIONS

The researcher has completed and signed an ethics clearance application form as part of the requirements for the University of Cape Town and the Faculty of Commerce. The application was assessed and approved by the Graduate School of Business (GSB) Committee on Research. The approval of the application thereof provides assurance that the gathering of information, especially by means of questionnaires, was conducted with thoughtful consideration of ethical implications. Moreover, it also highlights that all data used in this research report have been

authorized by respective parties to be used in this study. Therefore, there is no need to disguise and encode any information or results.

During the data gathering process, interviewees were given an introductory background about the research and the purpose for the study. The researcher read out the content of the questionnaire in most cases to each participant at the beginning of each interview session. However, there were also instances where questionnaires had to be dispatched to the respondents a day before the interview so that they can familiarize themselves with the questions. In addition, participants were sensitized on their rights to partake in the survey. In this regard, permission was always sought from the participants to record the interviews for transcription purposes afterwards. Furthermore, although the researcher has requested for the identities of participants, they were assured that all information will be treated with utmost confidentiality and be used only for the purpose of this study. However, if at any point the University wishes to confirm the identities of the respondents, the researcher will be willing to avail such information. In conclusion, all participants were assured that the final research report would be made available to them upon the completion of the project.

3.10. CONCLUSION

The goal of the study was achieved through an interdependence of various research tools and approaches. It is for that reason that the research approach is explained by a triangulation research methodology. Structured questionnaires formed the major research instrument for this study. However, other complementary research tools were used, such as industry consultation in the form of interviews, review of related literature, as well as desktop study research. Therefore, a concurrent data collection method was instrumental in this regard. A reliability test was used to analyse the data using the SPSS statistical software. In this regard, the Cronbach's Alpha coefficient was used as an indicator for data consistency. A further analysis was performed by means of relative frequency distribution to establish the percentages of different sizes versus the obtained responses.

CHAPTER IV: RESULTS OF THE STUDY

This chapter is the most critical component of this study, though all chapters are important in their own contexts. The chapter interprets and provides meaning to the data gathered in order to answer the research questions. In particular, it analyses and populates the entire results of the study. The organization of the chapter is informed by the logical sequence of the research questions as discussed in the first chapter.

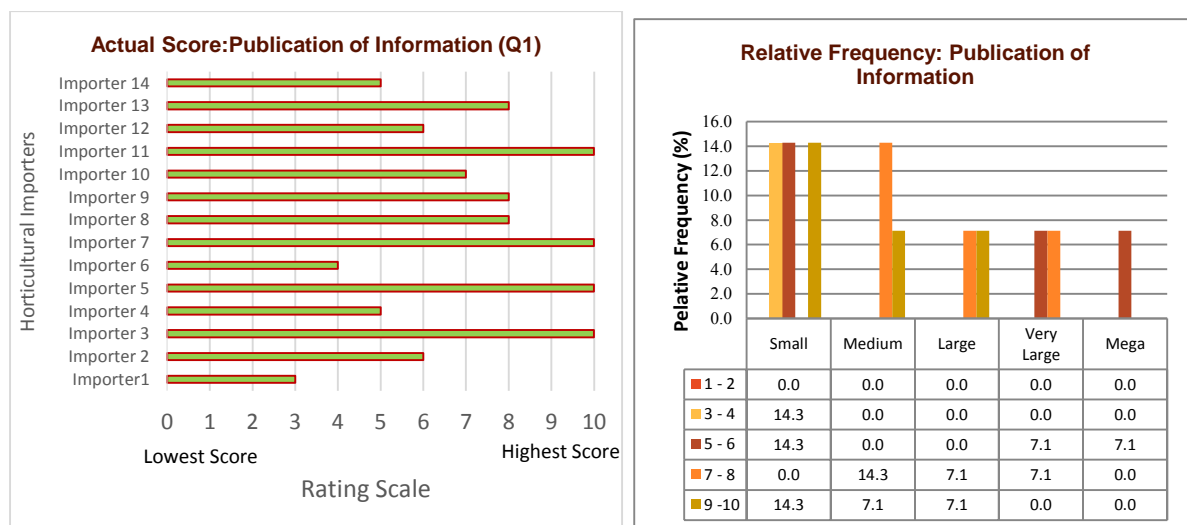
4.1. WTO AGREEMENT ON IMPORT LICENSING PROCEDURES

The most significant research question addressed in this section is whether the implementation of the MSPS is compatible with the WTO Agreement on Import Licensing? The assessment provided by traders yielded the following results.

4.1.1. PUBLICATION OF INFORMATION

The publication of trade information is critical for fostering the transparency of trade regulations, improve and/or sustain the predictability of the business environment; and thereby enable the facilitation of trade. Traders were asked to rate the extent to which information regarding changes in the MSP rate and other related information are provided to them 21 days before they become implementable. The figure below presents the results of individual responses and percentages (relative frequency) regarding the feedback observed from different sizes of enterprises.

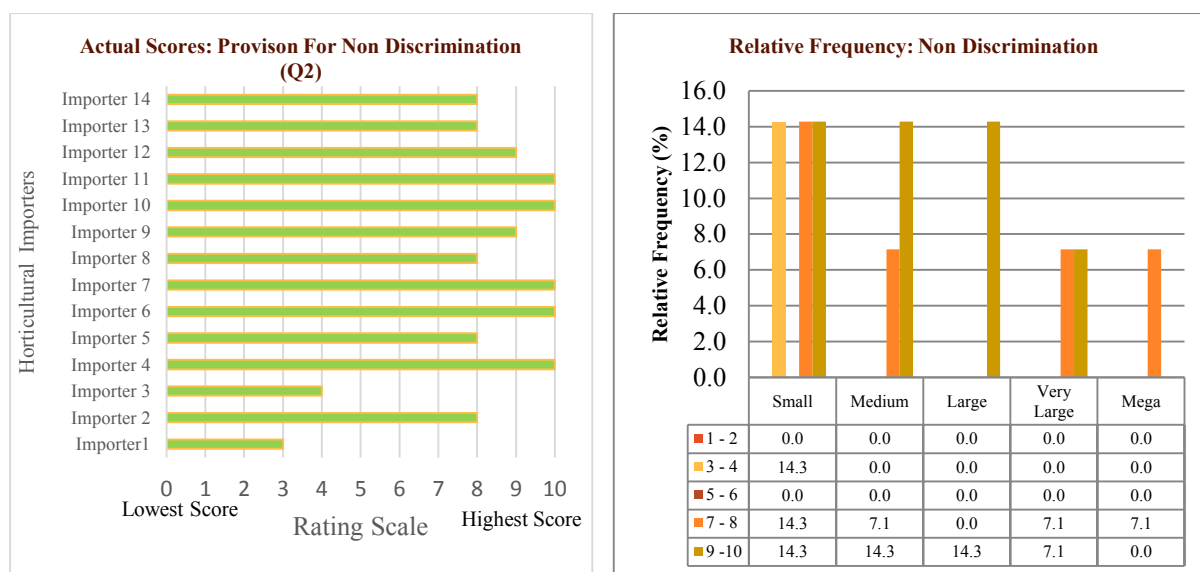
FIGURE 8: PUBLICATION OF ALL RELEVANT INFORMATION



4.1.2. PROVISION FOR NON -DISCRIMINATION

Under this criterion, traders were asked about the extent to which sufficient reasons are provided to them, when and if, the permit is rejected. The figure below presents the cross sectional results of all scores as registered by respondents, as well as the relative percentages of the outcomes that are attributed to different sizes of importers.

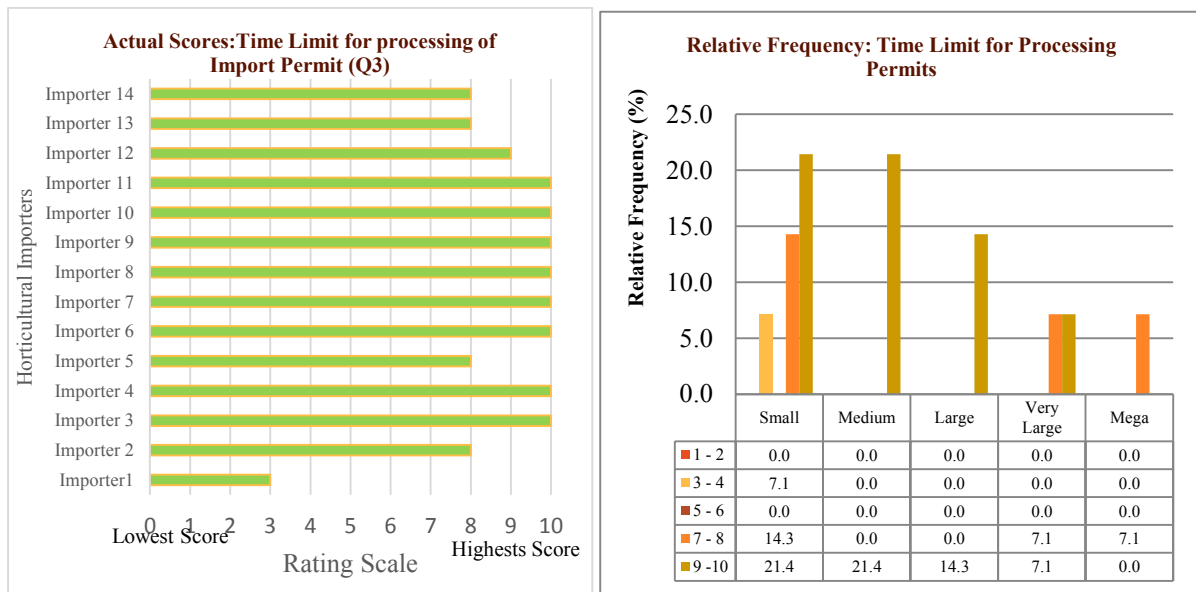
FIGURE 9: PROVISION FOR NON-DISCRIMINATION



4.1.3. TIME LIMIT FOR PROCESSING APPLICATIONS

Traders were asked about the extent to which applications are processed not longer than 30 days, or 60 days if applications are considered at a same time. The figure below provides a comprehensive outlook of the actual results vis-à-vis the proportion of scores registered by different size of importers.

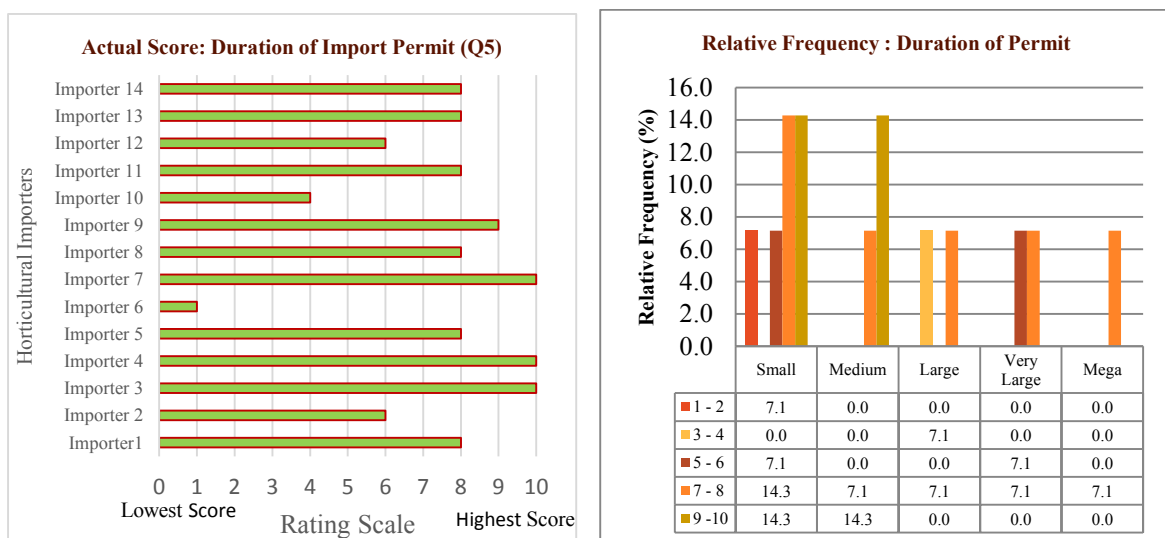
FIGURE 10: ACTUAL SCORES: TIME LIMITS FOR PROCESSING APPLICATIONS



4.1.4. DURATION OF THE PERMIT

This provision generally focuses on the validity of the permit. The purpose of this provision is to ensure that the duration of the permit issued is as much as possible sufficient to allow for the importation of goods required for the given period. Therefore, traders were asked to rate the extent to which the duration of the import permits encourage imports. The figure below presents the actual results and a further analysis of the data in terms of the relative frequency of the scores observed across the five categories of importers.

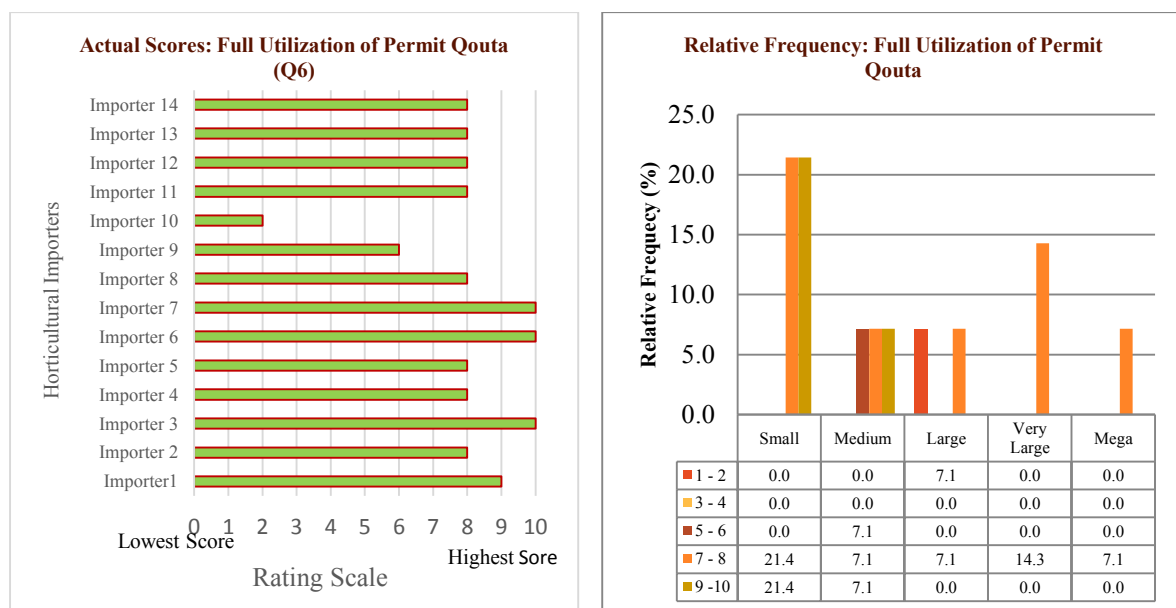
FIGURE 11: DURATION OF IMPORT PERMITS



4.1.5. FULL UTILIZATION OF PERMIT QUOTA

As with the latter case, this provision also aspired to address the overall validity of the permit, though covering a different aspect. The purpose of this parameter was to ensure that the administration of the permit system is as flexible as possible in allowing traders to fully utilize their quotas over a given period. Therefore, traders were asked to rate the extent to which the above is complied with. The following figure provides the actual results and the corresponding relative percentages of scores as ascribed to different sizes of enterprises.

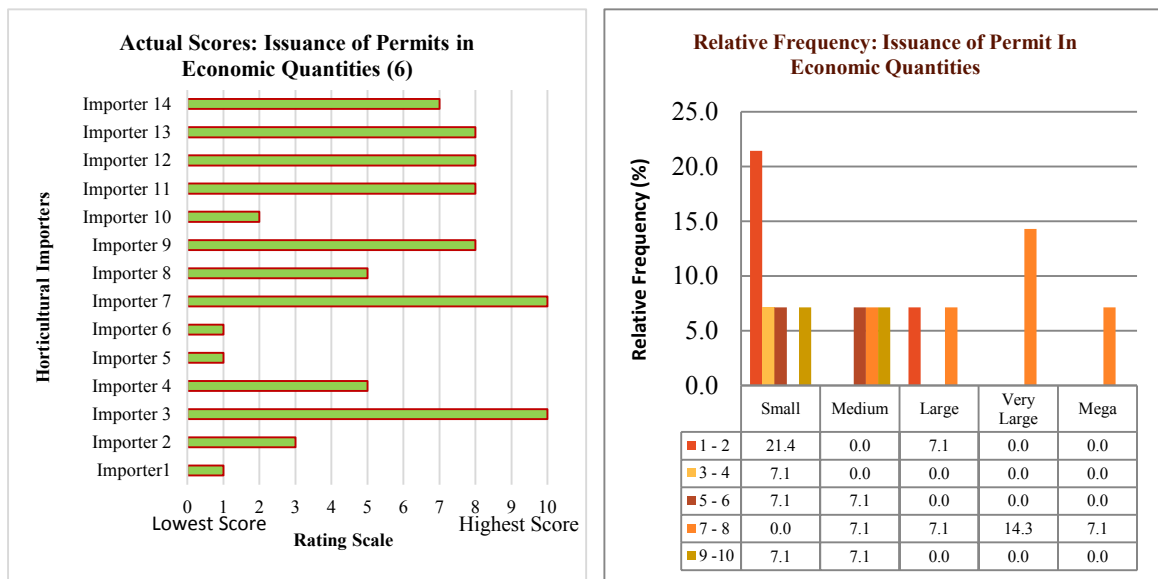
FIGURE 12: FULL UTILIZATION OF PERMIT QOUTA



4.1.6. ISSUANCE OF PERMITS IN ECONOMIC QUANTITIES

This is another critical provision in addition to the above, that addresses the validity of permit. It specifically calls for permit system administrators to make use of economic measurement tools such as “values” and “volumes” in the allocation of permits. In light of the above, traders were asked to share their experiences with respect to how this provision is adhered to. The figure below shows the overall feedback, and the relative distribution of the obtained scores (in percentages) across different sizes of importers.

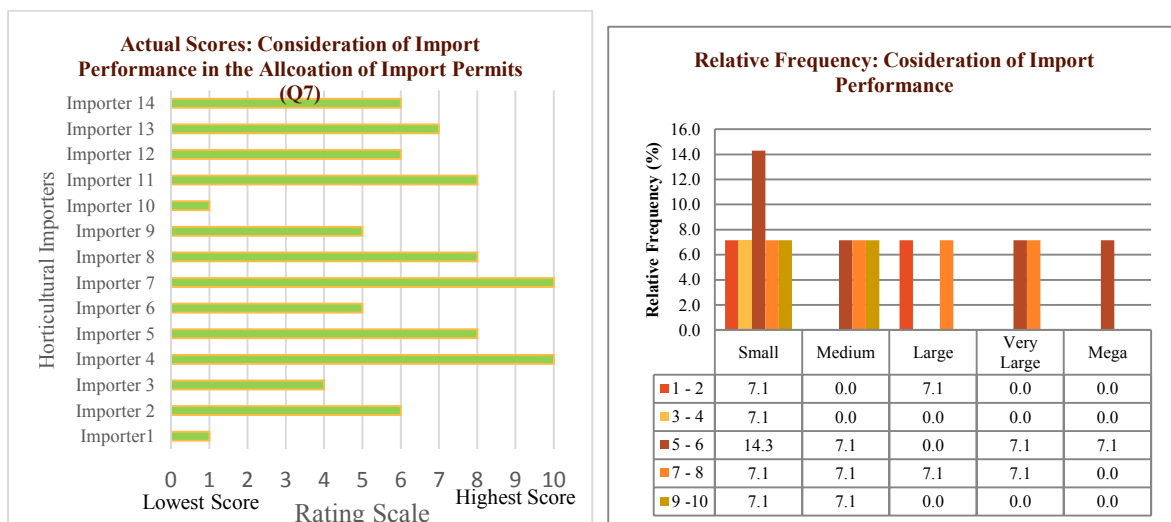
FIGURE 13: ISSUANCE OF PERMITS IN ECONOMIC QUANTITIES



4.1.7. CONSIDERATION OF IMPORT PERFORMANCE IN THE ALLOCATION OF IMPORT PERMITS

The WTO Agreement on Import Licensing Procedures further calls for adequate considerations to be made on traders’ import performance in the allocation of an import permit. This is to ensure that the distribution of import licenses is as reasonable as possible and thereby to encourage trade. In response to whether this provision is complied with for the implementation of the MSPS, the assessment yielded the following results. The data is also aggregated in terms of specific feedback as obtained from different sizes of enterprises.

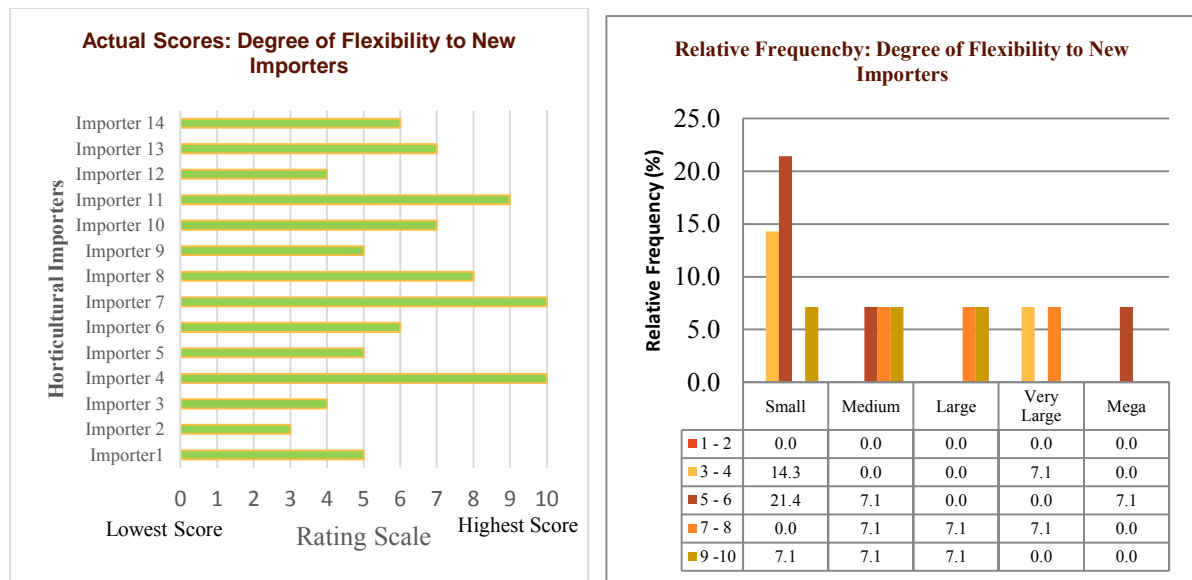
FIGURE 14: CONSIDERATION OF IMPORT PERFORMANCE IN THE ALLOCATION OF IMPORT PERMITS



4.1.8. DEGREE OF FLEXIBILITY TO NEW IMPORTERS

Traders were asked to rate the extent to which the allocation of permits to new importers is less strict, especially for those importing from developing and least developed countries. The figure below presents results generated in this regard.

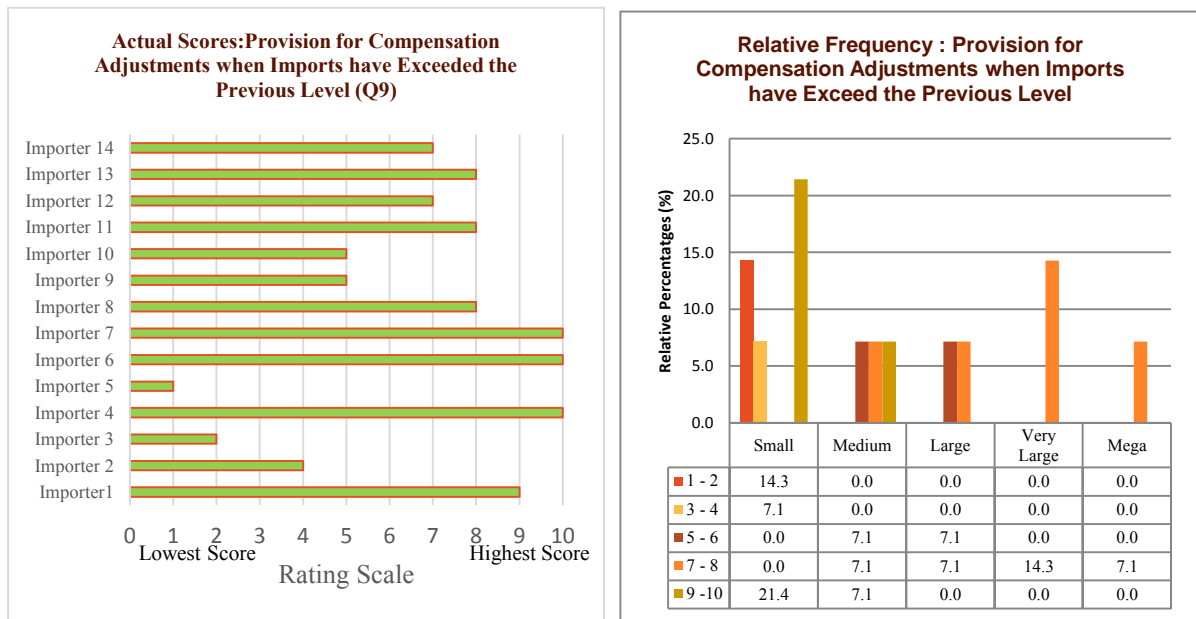
FIGURE 15: DEGREE OF FLEXIBILITY TO NEW IMPORTERS



4.1.9. PROVISION FOR COMPENSATION ADJUSTMENTS

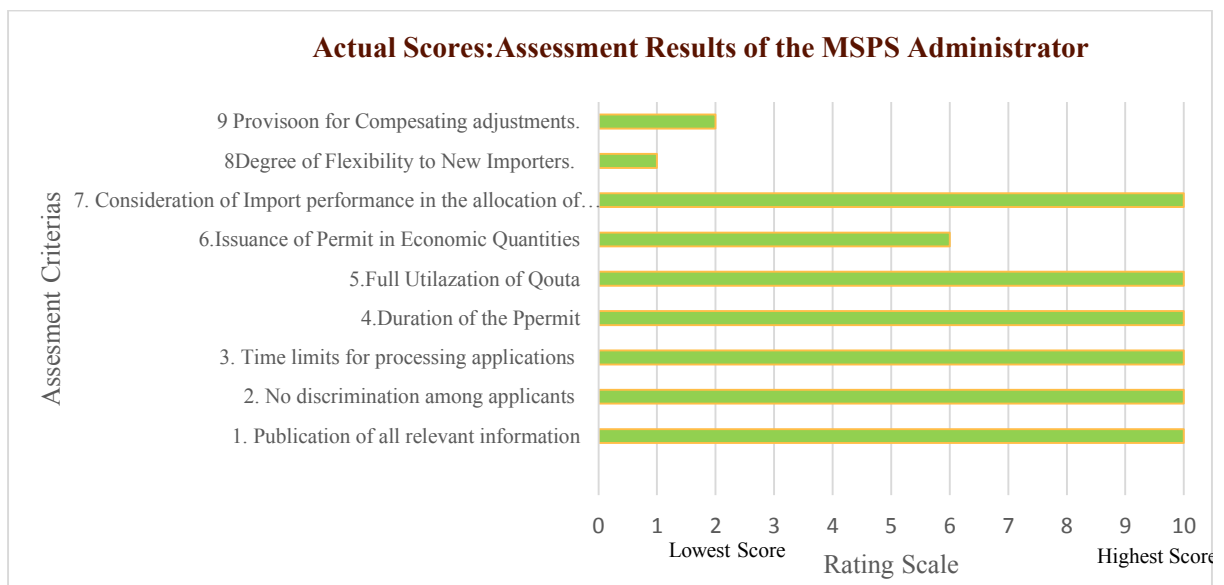
This is the last provision for this assessment. Traders were asked to rate the extent to which compensation adjustments are given to them when their imports have exceeded the previous threshold. The figure below presents the results of this assessment.

FIGURE 16: PROVISION FOR COMPENSATION ADJUSTMENTS



In an attempt to gain a balanced view about the implementation of the MSPS, the same assessment exercise was performed by the National Horticulture Manager at the Namibian Agronomic Board, who is responsible for administering the scheme. The figure below shows the outcomes of his assessment.

FIGURE 17: ASSESSMENT RESULTS OF THE MSPS ADMINISTRATOR



4.1.10. ASSESSMENT OF DATA CONSISTENCY

The table below shows the summarised statistics of the analysis. It basically confirms the number of importers interviewed. It also confirms that there were no entries deleted or thrown out from the regression analysis due to insignificance in data.

TABLE 4: CASE-PROCESSING SUMMARY

		N	%
Cases	Valid	14	100.0
	Excluded ^a	0	.0
	Total	14	100.0

Furthermore, the subsequent table forms another critical component of this analysis. It shows the Cronbach's Alpha coefficient for all 9 Likert items (questions) considered.

TABLE 5: RELIABILITY STATISTICS

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.739	.739	9

In a different yet related track, the table below shows a comparative statistics analysis of all the elements in the Cronbach alpha equation. For the purpose of this study, the reader is urged to focus on the last column on "Cronbach's alpha if Item Deleted", which is what is relevant for the present study. It specifically shows what the Cronbach's alpha would be if any of the questions in the scale were to be deleted. The rationale for this table is to identify question(s) that are significant, influential and/or which resonate well with most respondents.

TABLE 6: ITEM - TOTAL STATISTICS

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Q1	57.07	139.764	.377	.862	.722
Q2	56.00	144.769	.324	.931	.730
Q3	55.36	141.632	.468	.806	.712
Q4	56.79	138.797	.366	.914	.724
Q5	56.29	153.758	.176	.854	.749
Q6	58.71	115.604	.548	.866	.690
Q7	58.14	114.132	.752	.916	.649
Q8	57.86	129.516	.630	.931	.683
Q9	57.50	145.654	.177	.944	.762

4.1.11. FULFILMENT OF WTO NOTIFICATION OBLIGATIONS

The Namibian WTO representative was contacted to provide insight with respect to the notification obligations. A desktop study research was also carried out on the WTO website to validate the findings. The table below shows the status of Namibia’s notification obligations from 2002 (when fruits and vegetables were declared by cabinet as controlled products) to 2013.

TABLE 7: UPDATE ON NAMIBIA'S WTO NOTIFICATION OBLIGATIONS

The Performance of Namibia’s Notification Obligations to the WTO for the period 2002 - 2013												
Years	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Regulations implemented under the agronomic industry act of 1992	X	-	-	-	-	-	-	-	X	-	-	-

Note: “X” means that there was a notification made. While “-” means that no notification was made

4.2. GENERAL EXCEPTIONS ON ELIMINATION OF QUANTITATIVE RESTRICTIONS

The research question being addressed in this section is whether the objectives of the scheme are within the coverage of the General Exceptions on Elimination of Quantitative Restrictions (Article XI and XX) of the GATT 1994. Having studied and evaluated the provisions covered

under these articles, the study found the following information as a critical basis upon which the conclusion can be delivered.

4.2.1. ARTICLE XI: ELIMINATION OF QUANTITATIVE RESTRICTIONS

The objectives of the MSPS as documented in the concept paper of the NHDI is to stimulate the local production of fruits and vegetables in order to contribute towards; (1) increased national food self-sufficiency; (2) increased national food-security; (3) import substitution; (4) employment creation; and (5) stimulation of the economy in general.

4.2.2. ARTICLE XX: GENERAL EXCEPTIONS

This restrictive measure is applicable to all imports of fruits and vegetable coming from any country around the globe, irrespective of its bilateral or preferential trade relations with Namibia.

4.3. WTO TRADE LIBERALIZATION AGENDA

Under this section, the study investigated whether the ongoing commitment to restrict imports of fruits and vegetables up to 60% is in line with the WTO trade liberalization ambitions. The study found that Namibia signed the GATT 1994 under the framework of a “developing country”. In light of the fact that countries were at different stages of economic development at the time of joining the WTO in 1995, both least developed; developed and developing countries were accorded different Special and Differential Treatment (SDT) to ensure a smooth trade liberalization process (Matthews, 2014). In particular, the study established that developing countries were given a ten year period, starting from 1995 to phase out all NTMs.

4.4. WTO BALI PACKAGE ON THE PUBLIC STOCKHOLDING FOR FOOD SECURITY

The study attempted to ascertain whether the MSPS could be classified as one of the domestic support measures that can benefit from the *peace clause* of the Bali package on public stockholding for food security reasons. To recap, the extent to which any support measure can benefit from this leeway is dependent on, amongst other things that “a member state should have complied with all its notification obligations regarding expenditure on public stock – holding for it to qualify (Matthews, 2014). According to the WTO website and as further

4.5. CONCLUSION

The combination of qualitative and quantitative research methodologies has proven effective in obtaining the necessary information to answer the research questions. The research results, spanning from the assessment of the WTO import licensing provisions; conformity with respect to GATT exceptions on elimination of quantitative restrictions; WTO NTM eradication commitment; as well as on the WTO Bali package have received considerable attention. Furthermore, a couple of challenges associated with the implementation of the scheme were highlighted and analysed by means of an inter-relation diagram. The overall results of the assessment provide a strong degree of data consistency as confirmed by the Cronbach alpha coefficient of 0.73. Though sufficient context was provided to enable the interpretation of results, the discussion and descriptive analysis of the results was very limited at this point. This is, however, dealt with in the following chapter.

CHAPTER V: DISCUSSIONS OF THE STUDY

This chapter provides a summary of the key findings and a narrative discussion around the research problem. This is also considered the “heart of the research” because it focuses on the interpretation of the study results and their implications for practice, while also suggesting future research opportunities (Edit, 2009). Fundamentally, it synthesises the answers provided by putting them into perspective, and explains how they fit in with existing knowledge on the topic.

5.1. SUMMARY OF THE RESEARCH PROBLEM AND METHODOLOGY

The proliferation of NTMs in the 21st century has gained prominence as emerging trade policy tools for regulating trade over tariffs. Despite prohibitive provisions in multilateral trade instruments such as the GATT 1994; their application has been a source of intense debate at the World Trade Organization and by extension the Southern African region. Specifically, Kimani (2013) indicated that the available statistics on the Tripartite NTB Monitoring Mechanism shared by the Southern African Development Community (SADC); Common Market for Eastern and Southern Africa (COMESA), and the East African Community (EAC), indicates that non-automatic import licensing appears as the second most frequently reported NTB in the region after “trade related administration”. This brings non-automatic import licensing schemes at the forefront of trade policy debate. It is for this reason that the impact caused by the usage of these non-automatic import-licensing schemes on international trade raises eyebrows on whether their implementation is compatible with the applicable provisions of the GATT 1994, which is the main authority under this assessment.

According to the WTO Agreement on Import Licensing Procedures, non-automatic import licensing measures are those whose approval of application is not granted in all circumstances, and that it is used to administer a quantitative restriction. Therefore, the existing licensing measures applied by Namibia in the horticulture sector can be classified as non-automatic. The reason for corroborating the above claim is that any trader who wishes to import fruits and vegetables with an exception of grapes and dates into Namibia is first required to declare 39% (as of 2013) purchase of local fruits and vegetables (in value) with the Namibian Agronomic Board as a condition to obtaining an import permit.

In view of the above and in recognition of Namibia's membership to the GATT 1994, this research argues that the implementation of the Namibian Horticultural Market Share Promotion Scheme (MSPS) is inconsistent with the applicable provisions of the GATT 1994 and relevant WTO Agreements. In order to test reality around this hypothesis, a series of five broad research questions were developed, which by implication form the scope of this study:

1. Whether the implementation of the MSPS is compatible with the WTO Agreement on Import Licensing?
2. Whether the objectives of this measure are within the coverage of the General Exceptions on the Elimination of Quantitative Restrictions (Article XI and XX) under GATT 1994?
3. Whether the ongoing commitment to further restrict imports of horticultural products up to 60% is consistent with the WTO trade liberalization agenda (i.e NTMs reduction commitments)?
4. Does the MSPS qualify to be categorized under the interim peace clause of the Bali Package on government procurement for food security reasons?
5. What are the problems associated with the implementation of the scheme and what other possible policy measures could the government employ to effectively realise the objectives of the Namibian Horticulture Development Initiative (NHDI) as outlined from the outset?

Therefore, the overall purpose of this study was to assess the consistency of the implementation of the MSPS under the applicable provisions of the GATT 1994 as discussed above. The theoretical framework provoking this research stems from the fact that multilateral trade agreements in themselves represent a general architecture that confirms the intention of parties to provide for a system based on rules and legal obligations of which they have to respect and comply with (Erasmus, 2014). This existing knowledge prompted the need to question the

extent to which the implementation of the MSPS ties up with the exceptions enshrined in the GATT 1994.

Past research has mainly concentrated on the legitimacy of the MSPS in its broadest sense and on the supply chain weaknesses of the horticultural chain in Namibia. Moreover, while their findings appear quite significant in terms of contributing to the existing body of knowledge, the methodologies used were purely qualitative, with little attention accorded to the administration components of the scheme. In support of the above critique, Aggarwal and Koo (2006) opined that the element of “administration” for any trade policy tool is strongly correlated with the costs of trading. This makes absolute economic sense because although governments are the main trade negotiators, the ultimate implementation burden is borne by the private sector. Given the above-observed unfortunate state of affairs, it then begs to question; *“how can this implementation burden be minimized to foster trade facilitation and thereby improve economic growth”*. Assessing the compatibility of existing trade policy measures against applicable legal trade instruments is one possible avenue pursued by this study. It is, therefore, this identified knowledge gap that this study commits to fill.

Therefore, in reaction to the research problem briefly discussed above, this case study research used a combination of quantitative and qualitative research methodologies to address the study objectives. In particular, structured questionnaires and interviews played an instrumental role in this process, while desktop study research also played a leading role in validating and filling information gaps. The target population for this study was the Namibian importers of fruits and vegetables, who provided information on the assessment of the level of compliance regarding the provisions covered in the WTO Agreement on Import Licensing Procedures, using the rating scale. In this regard, 14 participants out of a list of 50 potential participants were interviewed. On the other hand, the public sector (MAWF, AMTA and the NAB) also participated, especially in terms of providing suggestions on policy recommendations.

5.2. REVIEW AND DISCUSSIONS OF THE MAIN CONCLUSIONS OF THE STUDY

The results of this study provide confirmatory evidence that generally, the implementation of the scheme is consistent with the provisions of the WTO Agreement on Import Licensing Procedures and the GATT provisions considered. However, many administrative hiccups have

been repeatedly highlighted which are a cause of concern to many traders. Arguably, this inference suggests that though an NTM may be implemented in conformity with the applicable legal instruments, it can still be a barrier to trade. This is because, more often the implementation nature of NTMs (and as has been observed in this study) makes it difficult for economic actors to trade. Specifically, there are certain issues that are beyond the auspices of multilateral trade rules, yet they pose a significant impact on trade facilitation. For example, countries may have limited institutional capacity to efficiently implement specific trade policy measures. The little appetite to enforce compliance of notification obligations of member states could also justify why NTMs can potentially become a barrier to trade despite, being them being instituted on justifiable grounds. Therefore, access to trade information is key towards successful economic integration.

It also came to light that the extent to which NTMs limit trade generally is seen differently from enterprise to enterprise. For instance, small and large size traders may have a different perspective on the impact of a specific NTM. This is because their scale of business is not on par and so their experiences in dealing with NTMs would certainly differ. This state of affairs calls for a need to identify the best way forward in dealing with NTMs within the WTO framework. The following section of this chapter therefore makes a specific review and interpretation of the main findings. Fundamentally, it puts the results into perspective.

5.2.1 WTO AGREEMENT ON IMPORT LICENSING PROCEDURES

The reader is once again reminded that the questions asked under this section were developed based on the requirements of the WTO Agreement on Import Licensing Procedures. Thus, whether the implementation of the MSPS is consistent or inconsistent with the provisions reviewed herein is weighted against the requirements of the Agreement.

a) Publication of Information

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which information regarding changes in the MSPS rate and other relevant information are made known to traders in 21 days before they become implementable yielded an average score of “7”. Furthermore, of the 43% sample outcomes observed for small size traders, only 14.3% fall in the score range of 3-4; while feedback captured from the other

categories of traders seems to reveal an opposite picture. These results suggest that the publication of information is considered fairly well by the majority of traders with an exception of a few small size of traders who may possibly have limited access to internet services.

The Agreement requires that all information regarding the implementation of trade policy measures be published 21 days before the effective date of the requirement. Practically, however, the study learnt that the NAB gives a calendar month notice of any changes to be made regarding the implementation of the MSPS (changes in the MSP rate and closed-border period), prior to enforcement. It therefore seems convincing to conclude that the implementation of the MSPS is consistent with this provision.

Nevertheless, it came to the study's attention that to a greater extent, decisions made pertaining to changes in the MSPS rate are not based on scientific calculations. Thus, there is no certainty on when the 60% target can be reached. This perceived lack of transparency in the administration of the scheme does not only create profound uncertainties for exporters and potential exporters of fruits and vegetables to Namibia, but also for investors (wholesalers) in Namibia. This should be avoided at all costs, as the welfare loss would be borne by the citizens.

b) Provision for Non-discrimination

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which sufficient reasons are provided to traders, when and if, the permit is rejected yielded an average score of "8". Furthermore, 14.3 % of small size traders rated the level of compliance of this provision in the range of 9 -10. This observation is equally shared by medium, large and very large traders. These results imply that there is no favouritism attached to the administration of the MSPS, and that all applicants are treated as per the "rules of the game".

As a matter of procedure, the agreement requires that all applicants must be treated fairly and without discrimination. This essentially means that if a permit is refused, the applicant, on request, should be given the reason for refusal, and shall have the right of appeal or review of the decision. Practical wise, it was observed that the fundamental basis for granting a permit is the level of the market share obtained for local fresh produce. Responses captured from interviews further confirm that there was never a point when a permit was rejected –

highlighting that even if the MSP threshold is not fully obtained, a restricted permit is always issued. This sentiment resonated well with all respondents. They further acknowledged that the implementation of the scheme has improved since the incoming of the new National Horticulture Manager. *“Previously, we could not understand why other wholesalers got permits and others rejected. The administration has improved and we are very happy about the new staff”*, said one of the respondents. Therefore, the study concludes that the implementation of the MSPS is compatible with the GATT 1994 under this provision.

The implication of these results underscores the importance of adhering to administrative law and principles in executing administrative actions.

c) Time Limit for Processing Applications

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which applications are processed not longer than 30 days, or 60 days if applications are considered at the same time yielded an average score “9”. Surprisingly, the data analysis reveals that of the overall scores recorded, 21.4% of them are ascribed to small size traders and fall within the range of 9 -10. A further closer look reveals a 21.4% for medium; 14.3% for large; 7.1% for very large; and 0% for Mega – all in the same class range (9 -10). These results provide undisputable evidence that the administration of the MSPS is effective. The agreement requires that the period for processing applications shall not be longer than 30 days or 60 days if applications are considered simultaneously.

Administratively however, it came to light that it only takes less than two weeks and in most cases less than a week to process a permit - provided that all the required information is in order. In support of the above, the majority of the respondents indicated that the current administration is very efficient and effective in administering permit applicants. Emphasis was placed on the fact that there were barely any delays that could be interpreted as disrupting business operations. These findings are nevertheless, in contradictory to what Sahanga (2014) established. Sahanga (2014) investigated the weaknesses of the Namibian domestic fresh produce supplies and concluded that the scheme is not effective, transparent and accessible to all producers in the country. The observed differences in conclusions could be partially ascribed to the fact that the two studies have used different research approaches. Sahanga

(2014) has deployed a purely qualitative research methodology, while the present study has used a mixed methodological approach.

However, the results generated by the present study provides convincing grounds that the implementation of the MSPS is consistent with this provision. The implication of this conclusion suggests that the implementation of the MSPS encourages trade facilitation because the permits are processed more effectively. This fits in very well with the WTO aspirations.

d) Duration of Import Permit

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which the duration of the import permit encourages imports yielded an average score of “7”. Moreover, data analysis results indicate that the majority of responses registered across different sizes of enterprises is observed in the second upper class (7-8). These findings confirm that on average, however, the duration of a permit is normally sufficient enough to ensure the adequate importation of fruits and vegetables to sustain business operations.

According to the WTO Agreement on Import Licensing Procedures, a permit should be issued within a reasonable duration to ensure greater validity of the permit. In essence, the duration of the permit should be such that it encourages imports, especially those from distant sources. Given this requirement, it was established that the duration of a permit lasts for three months, after which an importer has to reapply for the subsequent three months.

Therefore, the present study concludes that the implementation of the MSPS is compatible with this provision under the GATT 1994. The implication drawn from this conclusion infers that the validity of a permit is critical for safeguarding the investment climate in any given country. A short duration is likely to exert pressure on businesses, while a longer duration would serve as an investment incentive.

e) Full Utilization of Permit Quota

The assessment results provided under this provision confirm that on a rating scale of 1 to 10, the extent to which the issued permits allow for a full utilization of a quota yielded an average score of “8”. The relative frequency distribution shows that half of all small size enterprises

have highly rated the conformity on this provision relative to the other sizes of enterprise. Thus, 21.4% (half) of small traders that responded rated the compliance of this provision in the range of 9-10, while responses from other groups of traders have predominately fallen within the range of 7-8. The reason underpinning the observed difference in responses between small and bigger size enterprises could be partially ascribed to the fact that small scale enterprises generally have relatively less turnover compared to others, thereby explaining why the value of their imports are normally less.

In this regard, the agreement calls for the administration of permits that encourages a full utilization of quotas. The fundamental reason qualifying the overall positive score points to the fact that, the validity of permits is not based on quotas *per se*, but on restricted time frames, unless a specific importer has failed to meet the MSP threshold. To state the obvious, if an importer has fulfilled his/her local procurement requirements, the permit issued is normally of an unrestricted nature. This means that s/he can import fruits and vegetables of any quantities for as long as this is done within a period of three months, after which another application has to be filed. However, if an importer has not procured 39% of his/her stock value domestically, it becomes a problem as a restricted permit is then issued proportionately or on a *pro rata* basis. Therefore, the implementation of the MSPS was found to be consistent with this provision. The implications stemming from these findings reaffirm the sensitivity around instituting NTMs that take the form of quantitative restriction. Quantitative restriction measures are prohibited under article XI of the GATT, and all possible means should be deployed to refrain from instituting measures of similar effects.

f) Issuance of Permits in Economic Quantities

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which permits are issued in economic quantities yielded an average score of “5”. This is one of the provisions, which have attracted a relatively low score compared to others covered in this study. In particular, 21.4% of the overall score was assigned to the class range of 1-2 for small size enterprises. However, a closer look at the relative frequency distribution reveals a positive causal relationship between the registered scores and the size of

enterprises. Therefore, traders that enjoy high economies of scale² seem to have no concerns over the extent of compliance in this regard.

Nevertheless, the results suggest that although the use of “value” as an economic measurement is tolerated under the agreement, there is, however, a worrying pessimism that it is not a suitable economic measurement to use for the implementation of the MSPS. Some respondents indicated that the use of “values” instead of “volumes” hinders the effective implementation of the scheme. For example, the influence of macroeconomic convergences and supply side constraints on the prices of fruits and vegetables are a case in point. In particular, changes in inflation rates and weather conditions may alter both the costs and supplies of fruits and vegetables, which would ultimately put financial pressure on traders (especially small size traders) in terms of meeting the required threshold (39%).

There is thus a need to fashion an appropriate economic measurement that is not only resilient to external shocks, but also one that would make it easier to assess the effectiveness of the scheme over time. Therefore, the MSPS is found to be partially compliant with this provision owing to the limitations highlighted above. Although the limitations highlighted above do not in any way pertain to this specific provision (question), they are of fundamental importance in ensuring the efficacy of trade policy measures, and, therefore, warrant careful policy consideration. This is in fact an interesting discovery - more so that the study failed to find any documented ideas that point to these realities in as far as the identification of problems associated with the implementation of the scheme is concerned.

The inference drawn from this conclusion is that the NTM can create an obstacle to trade even if it is consistently implemented against relevant provisions embedded in multilateral trade rules. Hence, it is critical for trade policy makers to ensure that the implementation of NTMs should be accompanied by pro-poor policies and supported by efficient administrative systems to ascertain the optimal realization of their intended objectives.

² Enterprises that have a relatively low cost per unit.

g) Consideration of Import Performance in the Allocation of Import Permits

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which import performance is considered in the allocation of import permits yielded an average score of “6”. The relative frequency distribution observed a balanced outcome in the range class of 7-8. Particularly, 7.1% of the responses from each category of traders with an exception of the mega category fall within the said range. The overall majority of responses spans in the range of 5-6, however, this is only attributed to the group of small size enterprises. The reason for this worrying outcome points to the fact that the administration of the non-automatic permits system does not require considerations of import performance, but rather on domestic sourcing of horticultural commodities for each trader.

Nevertheless, the agreement amply requires that permits should be distributed reasonably by ensuring that import performances of traders are carefully considered as an integral part of the administration procedures. Although respondents may have rated this provision at “6” (which in terms of the study methodology implies compliance), this requirement found little or no support in the adopted guidelines for implementing the MSPS as discussed in the first chapter. Therefore, the scheme is found to be inconsistent with this provision. This conclusion has a serious repercussion on the extent of upholding the principles of administrative law when executing administrative actions. Specifically, it undermines the principle of making administrative decisions on a reasonable basis, of which a consideration of import performance is critical in this respect.

h) Degree of Flexibility to New Importers

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which the allocation of permits to new importers is less strict yielded an average score of “6”. It appeared that 14.3% and 21.4% of the overall scores fall within the range of 3-4; and 5-6, respectively – all of which are attributed to small size traders. While the relative frequency for other enterprises have maintained a similar outcome of 7.1% as observed in the class range of 7-8 and 9-10. These results imply that small size traders and their counterparts hold different views on the matter.

The agreement compels all adopted permit requirements to be flexible and non-restrictive to new applicants. It was noted with a high degree of support from respondents that the requirement to secure a planting agreement with local fresh producers before qualifying to become an eligible importer of fruits and vegetables in Namibia is a major concern. Small size enterprises were particularly very vocal on the issue. It came to light that in most cases, producers already have existing planting agreements with wholesalers who often have the capacity to make bulk procurements. This makes it very difficult for small-scale traders to competitively penetrate into the market.

Moreover, first-time importers are also supposed to declare their estimated value of imports (type of produce and quantities) during the first month, and a levy twice the declared import value is usually paid before the permit is issued. This is to allow new entrants to have credit for the subsequent months for security reasons, such as in an event of cash flow problems. However, if the trader discontinues to trade, s/he can be refunded 30 days later. Nevertheless, there is concrete evidence supporting the notion that the MSPS is compliant with this provision. However, the concerns highlighted above require careful policy attention.

The implications of these observations suggest a need to adopt the 21st century trade liberalization agenda. Thus, instead of reducing tariffs which have proven ineffective in facilitating market access, focus should be placed on reducing the “behind the borders issues”. Behind the border issues are normally depicted in a form of non-transparent (unpublished) procedures which constitute Non-Tariff Barriers to trade. Therefore, the 21st century trade liberalization agenda should in part, entail a relaxation of administrative and trade procedures through improving access to trade information and thereby levelling the playing field for all economic actors. This would in turn foster industrial competitiveness, which would enhance the national welfare.

i) Provision for Compensation Adjustments

The assessment results provided under this provision confirm that on the rating scale of 1 to 10, the extent to which compensation adjustments are given to traders when their imports have exceeded those of the previous period yielded an average score of “7”. The relative frequency

distribution shows 21.4% for small size traders within the range of 9-10, while medium (7.1%); large (7.1%); very large (14.3) and mega (7.1) span in the class range of 7-8.

While noting this considerable outcome, the agreement requires that special provisions should be made towards importers that have prudent trade profiles. In this regard, a granting of compensating adjustments is encouraged in the allocation of future licences in cases where a trader has imported more than his/her previous import levels. In evaluating the consistency around this phenomenon, respondents indicated that although the compensation adjustment offered is not necessarily based on import performance, they reckoned that assistance is always provided in order for them to meet or come close to the threshold during circumstances beyond their control. For example, poor harvest.

In principle, this compensation adjustment takes a form of amnesty. Amnesty means that traders may be allowed to buy less than the required MSPS rate and still qualify for an import permit. However, any concerned trader needs to submit a written declaration from the producer with whom s/he has a planting agreement, indicating the disruption in the production pattern. Therefore, in consideration of the above, the MSPS is found to be compliant with this provision. These findings are worthy noting, because of all the literature reviewed under this study, there seems to be little if any findings that have taken cognisance of these developments. Hence these findings have adequate relevancy and are supportive of effective administrative principles. For instances, this includes a consideration of ethical implications and applying the mind in decision-making or when executing administrative actions.

j) Assessment Results of the MSPS Administrator

In order to gauge multiple perspectives on the issues, the National Horticulture Manager at the Namibian Agronomic Board performed a similar assessment as carried out by traders. His overall assessment results show an average score of “8”, with most provisions attracting a score of “10”. The only categories which have been rated very poorly are the: Degree of Flexibility to New Importers (1); Provision for Compensation Adjustments (2) and Issuance of Permit in Economic Quantities (6). Interestingly, the fact that the administrator shared similar sentiments with traders regarding the impediments to market entry as explained by stringent requirements, exacerbate the need to revise the guidelines for implementing the MSPS.

Another shared sentiment is evident under the category of “Issuing Permits in Economic Quantity”. Once again, these observations reaffirm the need to find a suitable unit of measurement instead of using “value”, which has been criticized for being susceptible to macroeconomic influences. However, there are also some areas of divergence between two parties as can be observed under the category of “Compensation Adjustments”. The point of view advanced by the National Horticulture Manager clarifies the principle that the compensation adjustments granted are not based on import performance, but rather on conditions of domestic production pattern – the so-called amnesty, hence the observed differences in opinions. There is therefore a need to reconcile these differences.

5.2.1.1. Discussion of the Data Analysis

The overall analysis of scores registered by 14 traders for all nine questions produced a Cronbach alpha coefficient of 0.739. According to the commonly acceptable rule of thumb for describing internal consistency, any Cronbach alpha that is between $0.7 \leq \alpha < 0.8$ is deemed acceptable. The findings presented here suggest that there is greater reliability and consistency of scores presented by the traders.

Moreover, table six in the previous chapter also shows the level of Cronbach’s alpha that would have been achieved if any of the questions were to be deleted. The rationale is to identify questions that are influential on the scale and/or are significant determinants of the overall Cronbach’s alpha. The results show that questions Q6, Q7 and Q8 are the most significant and influential questions on the scale. This is because, if any of the questions were to be deleted, it would result in the Cronbach’s alpha being reduced to 0.6, which would also imply a diminished degree of internal consistency. To recap, question six (6) deals with the issuance of permit in economic quantities; question seven (7) deals with the consideration of import performance in the allocation of permit; while question eight (8) deals with the degree of flexibility to new importers. It can also be observed under the fourth column of the same table (table 6), that these three questions all have a high degree of correlation towards the Cronbach’s alpha. This once again confirms the important role and significance of retaining these questions on the scale.

5.2.1.2. Fulfilment of WTO Notification Obligations

Since 2002 when fruits and vegetables were gazetted as controlled products under the Agronomic Industry Act (No. 20 of 1992), the notification profile of Namibia shows that Namibia has only submitted regulations implemented under the agronomic industry act in 2002. In 2010, however, Namibia reinstated the status quo of its regulations submitted in 2002 to the Committee of Import Licensing of the WTO. However, after an account and validation done on the WTO website, it came as a surprise that the regulations referred herein only relate to crops and grains. Thus, they do not include the import licensing control schemes deployed in the horticultural sector, despite it being integrated in the Agronomic Industry Act. Further investigations reveal that the MSPS in itself as a “trade policy measure” is not gazetted, which makes the implementation of the whole scheme un-transparent from an international trade point of view. What is more plausible, however, is the fact that the Namibian Geneva based representative indicated that Namibia is in the process of updating all its notification obligations. It is hoped that this exercise will be finalized soon.

While noting the highlighted developments in this respect, the WTO Agreement of Import Licensing Procedures requires that all copies of publications and full texts of all laws and regulations must be notified to the Committee of Import Licensing of the WTO. This is to ensure that all members of the WTO have access to that information in a bid to enhancing trade openness and thus facilitate global trade. In evaluating the status quo of the Namibian notifications with respect to the MSPS versus the requirements of the Agreement, this study found the implementation of the MSPS to be inconsistent with this provision.

In consideration of the shared goal in making every effort to sustain global economic growth, these findings are found to have serious repercussions on the realization of this ambition. In essence, the lack of transparency in implementing the import-licensing regime creates profound uncertainties for global economic actors that would like to trade with Namibia. Particularly, the lack of transparency in the implementation of trade regulations inhibits the country’s terms of trade because it would be costly and thus difficult for investors to set up their ventures in a country that has an unpredictable investment climate (as manifested by lack of information). From an economic point of view, this state of affairs is likely to reverberate into a worsened balance of payment of a country. In effect, a decline in imports would generally translate into

limited consumer choices and a deterioration of the national currency. This has the potential of diminishing the purchasing power of consumers and, thereby impeding the national welfare. This situation should thus not be allowed to prevail.

5.2.2. GENERAL EXCEPTIONS ON ELIMINATION OF QUANTITATIVE RESTRICTIONS

For the purpose of the assessment, the objectives of the MSPS are to stimulate the local production of fruits and vegetables in order to contribute towards: (1) increased national food self-sufficiency; (2) increased national food security; (3) import substitution; (4) employment creation; and (5) stimulation of the economy in general. Along the same lines, paragraph (2) (c) (i) of article XI under GATT 1994 allows for import restriction measures on any agricultural or fisheries product for political reasons or when it is necessary to enforce government measures. However, it further clarifies that the restrictions on imports should be instituted within the confines of amongst others the following guidelines:

(i) restrict the quantities of the like domestic product permitted to be marketed or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted.

By considering the objectives of the MSPS, read together with the applicable provisions of Article XI of the GATT, it becomes clear from reading paragraph 2 of this article, that the MSPS in its broad context is in fact a legitimate non-tariff measure. The same conclusion was also echoed by PriceWaterHouseCooper (2007) in a study that was conducted on behalf of the NAB. The reasons supporting this conclusion are that:

- The horticulture sector was integrated into the Agronomic Industry Act (No. 20 of 1992) in 2002. This gave the NAB the discretionary power to regulate the sector through import policy measures such as the import permit system; and
- One of the major objectives of the MSPS is to increase the import substitution of fruits and vegetables in Namibia in a bid to contribute towards food security and self-food sufficiency. Therefore, *paragraph (2) (c) (i)* of article XI of the GATT 1994 appears to qualify the implementation of this scheme.

In addition, it was established that the MSPS is not discriminatory by implementation. Thus, it applies to all countries of the world. Therefore, the major conclusion drawn in this respect is that the MSPS is consistent with the general exception on the elimination of quantitative restrictive measures.

5.2.3. WTO TRADE LIBERALIZATION AGENDA

In consideration of the timelines for reducing NTMs and the Special and Differential Treatment (SDT) accorded to developing countries, it appears obvious that the implementation of the MSPS does not tie up with the WTO NTMs eradication commitments. This is because the local procurement threshold, as a condition for horticultural imports, has been on the upward trend rather than on the decline since 2005 (also refer to figure 2 under 1.2 of this research). While there may be validity in the above conclusion, it leaves too many questions to be answered regarding the agreed timelines and SDT accorded to developing countries.

- Firstly, whether Namibia had adequate capacity at that time to negotiate for realistic timeframes, and to understand the implications of signing the GATT 1994 in the context of a developing country?
- And secondly, it leaves so much to be learnt as to how long it took developed countries to develop their sectors to be able to compete in the global market place, let alone giving developing countries only 10 years?

The realities confronting these questions resonate well with the reasons why the Doha round of negotiations, which started in 2002, has reached an impasse after more than a decade of protracted negotiations. This was partly due to wider differences between developed and developing countries. In actual fact, developing countries felt it necessary to reserve themselves leeway of instituting rural development instruments and food security policies as listed under the green box of the Agreement on Agriculture (Matthews, 2014). It is for that reason that the WTO has taken a strategic decision to break down the Doha agenda into bits and concentrated on “low-hanging fruits”. This culminated into some positive grounds realised within the AoA in 2013, in Bali, Indonesia. The detailed provisions of the Bali package and the extent to which the MSPS is compatible with the new package is elaborated in the following section.

5.2.4. WTO BALI PACKAGE ON THE PUBLIC STOCKHOLDING FOR FOOD SECURITY

As was noted in the literature review, the extent to which a member state can benefit from the *peace clause* is dependent on, amongst other things, full compliance of notification obligations of public expenditure on food stock-holding. This study established that Namibia, in general, may find it difficult to qualify to benefit from this treatment in the coming four years. This is because, since 2005, Namibia has only submitted its expenditure on public stock-holding in 2007, 2008 and 2009. Matthews (2014) shares similar sentiments in this regard, although his conclusion was not specific to Namibia.

More specific, however, it is important to note that the MSPS is not a domestic financial support programme *per se*. Rather, it is a trade policy measure tailored towards supporting the growth of the horticulture industry. Moreover, though the intended objectives for implementing the MSPS are equally to foster a food secured nation, it does not involve buying fresh produce from farmers at administered prices, nor does it involve procuring fresh produce for public food stockholding. Therefore, there appears to be little relevance in this regard and the MSPS cannot, as such, be linked to the WTO Bali package.

5.2.5. PROBLEMS ASSOCIATED WITH THE IMPLEMENTATION OF THE MSPS

Despite plausible success stories associated with the implementation of the scheme, the administration of the MSPS continues to face lingering concerns, several of which are important to highlight. These are some of the problems which are directly related to the administration of the scheme, and therefore, merit careful policy attention if the intended objectives of the MSPS are to remain within reach.

a) Unjustifiable Formula

- One of the problems relates to the formula used for calculating the local market share that should be obtained. Traders stressed that the formula completely overlooks the reality that Namibia is climatically, a dry country. This unfavourable climatic condition makes it difficult for Namibia to produce all types of fruits and vegetables demanded by the market. For example, Namibia does not competitively grow most tropical fruits such as bananas, peaches, apples; avocados and other commodities, yet all these

product lines play a major influence in the calculation of the MSP obtained. As such, traders, particularly small scale traders, argue that sometimes they are inclined to buy these products from large wholesalers, often, at high prices. *“This is simply done for the sake of building up statistics so that we can eventually qualify to import”*, emphasised a concerned trader.

- Moreover, the value of the permit is partially influenced by the trader’s Total Turnover (TT). Whereby TT is equal to the total value of Local Purchase and Imports. Therefore, the value of the permit is calculated as follows: $\text{Value of Local Purchase} / \text{TT} * 100$. If the market share obtained is less than 39% (MSP threshold), then it becomes a problem for the trader as a restricted permit will have to be issued. On the other end, if the market share obtained exceeds 39%, then a non-restricted permit is issued. Therefore, small players argue that the dominance of big players and the use of “total turnover” as a significant variable in determining the value of the permit gives larger scale traders a competitive advantage over their small scale counterparts.
- There is also an emerging recognition that the whole concept used by the formula is not well understood by some traders.

b) Poor Alignment of Production to Market needs

- Traders argue that horticulture producers in Namibia often over flood the market with similar products at every harvest point throughout the year. *“For example, if it is butternut season, all farmers provide the same product to the market”*. This, according to the respondents impedes them from obtaining the required market share as there is usually a limited variety of fruits and vegetables in the market.
- There is little certainty and predictability about the business environment as there appears to be limited market information on production forecast and planning.

c) Inconsistent Supplies of Quality Fruits and Vegetables

- The constant supplies of products to meet local demand for fresh produce are a major concern to many traders. The non-availability of “washed” potatoes; spring onions and

high grade horticultural commodities is a case in point. This state of affairs is not only perceived to disrupt business operations, it also aggravates suspicions regarding the issue of food safety and standards.

d) Unregulated Market

- Namibian producers are said to use the prevailing retail price in South Africa as a benchmark for their mark-up. Logically, one would have expected the farm gate price in South Africa to serve as a basis. This situation is believed to culminate into excessive overpricing of fruits and vegetables in the local market when the landing cost is added. Thus, $\text{Local Producer Price (Namibia)} = \text{Market price (SA)} + \text{Landing Costs}$.
- The fact that local producers are not restricted to anything is perceived to give them the liberty to decide on where to sell their produce depending on the market conditions prevailing in the local market as well as in the neighbouring countries. Fundamentally, the strong currency in Angola (USD) is said to attract more exports to that market. This sometimes creates a shortage in the local market and/or an upsurge in domestic prices, which puts much financial strain on local traders in terms of fulfilling their procurement requirements.
- The dominant influence of bigger players in the market gives them a greater bargaining power over small players with respect to the negotiations of planting agreements. There is therefore a dire need to harmonise these imbalances.

e) High Transport Costs

- Small scale traders bear excessive transport costs because they do not enjoy the economics of scale necessary to make bulk purchases and, therefore be able to benefit from delivery services. This state of affairs is perceived to give large scale traders a competitive disadvantage over their rivals in terms of profit margins because they incur a relatively low cost per unit. These results mirror the findings established by Mumbala (2014) regarding the supply chain challenges experienced by small scale farmers at Etunda irrigation farm, at least in part.

- In the same vein, small and medium scale traders residing in the northern part of Namibia such as in Kavango and Zambezi regions are considered to be geographically disadvantaged. Effectively, the transport costs incurred to procure stock from Groetfontein is said to be high than what could have cost them if the same load of fruits and vegetables were to be imported directly from South Africa. Groetfontein is an area in Namibia where fruits and vegetables are predominately grown. It is located towards the central part of the country.

f) Cumbersome Administrative Procedures

- In Namibia, the issuance and administration of the permits for agronomic and horticultural products is coordinated by two institutions. These two institutions are NAB which carries out the regulatory and administration mandate; and the MAWF which gives the final authorisation on all imports to be made as the main custodian of the agricultural sector.
- The study learnt that once the permit is approved by the NAB, the staff immediately faxes it to the applicant for onward transmission to the MAWF. However, some traders claimed that the opposite seems to be true when it comes to the MAWF. That is to say, once the MAWF has approved the permit, traders have to make their own arrangements to collect their permits at the head office. This is not only understood to be an inefficient administration arrangement, but it is equally a costly arrangement especially for traders residing outside of Windhoek.

g) Lack of Prompt Communication

- Concerns were raised regarding the coordination of activities between the NAB team (at the head office) and border post officials with respect to the facilitation of imports. Delays caused in faxing permits to the border posts are a case in point. This administrative hiccup is sometimes said to lead into trucks being detained at the borders and thereby creating trade facilitation burdens.

h) Barriers to Market Entry

- The different sizes of importers frankly acknowledged that it is not always easy for new players (specifically small scale size traders) to get into the market. The requirement of securing a planting agreement is just another barrier out of many others. This is because fresh producers often have already existing planting agreements with wholesalers and they are often plagued by the predicament of building new business relationships.

i) Biased Protection

- Some respondents acknowledged that the protection accorded to local farmers is necessary to allow for a sustainable development of the local industry. This is more so that Namibia is still a developing economy and supportive measures are undoubtedly essential in reinforcing this effect. However, they held a reservation that such a protection should be a “wise protection”. That is to say, while there is logic in allowing the industry to become competitive and sustainable in the long run, it should be done without protecting the “inefficiencies”. This is because from an economic point of view, however, if a certain sector within the value chain is protected, someone has to pay for the inefficiency that is likely to occur, and this is normally borne by final consumers.
- Therefore, the kind of protection conferred by the MSPS is perceived by some as biased in favour of farmers. Their main argument corroborating this claim is that farmers are not compelled to anything such as quality standards. Specifically, traders are of the opinion that as much as there is a national call compelling them to support local production, local farmers should also “come to the party” and produce marketable produce (fruits and vegetables that are of high grades). It was also established that Namibian producers do not provide packaging facilities. Allegations stemming from this observation specify that most of the horticultural packages found in supermarkets labelled “*Made in Namibia*” are literally supplied by South African producers and not Namibian as the name tag implies. This creates a misleading impression for consumers. There is thus a need to cushion an effective enforcement of packaging requirements for fruits and vegetables.

j) No Horticultural Marketing Strategy

It also came to light that there is no clearly documented strategy in the horticulture sector that compels stakeholders to work towards a common vision. As a result, the participation of stakeholders is very fragmented. The highlighted weaknesses could be tackled more effectively if the government can develop a sectorial strategy in this regard.

5.6. CONCLUSION

Having discussed the results of this study, the commitment of states to trade agreements found consistent support in the terms-of-trade theory as provided by Staiger (2012). This is because countries commit to trade agreements to be able to fix economic problems that they would otherwise not be able to solve in the absence of trade rules and arrangements. Hence the logic for Namibia to accede to the GATT 1994 is well founded in existing philosophies as this would help the country to remain connected to the global market place and in so doing be able to solve some of its economic problems, that is food security issues. However, the rationale for implementing NTMs and specifically the MSPS has received less support in the terms-of-trade theory. This is because the notions of trade liberalization processes under the terms-of-trade theory accentuate the tariffication of NTMs. Yet, the implementation of the MSPS is found to be in direct conflict with that conception. In fact, there is an ongoing commitment to restrict the importation of fruits and vegetables from the current level of 39% to 60% over an unknown timeframe.

One clear conclusion deduced from this chapter is that, despite some positive attributes painted on the administration of the scheme, there is a need to regulate the market more effectively and employ justifiable systems that would ensure consistent supplies of quality fruits and vegetables to the market. As can further be observed in the inter-relationship diagram (figure 17 in the preceding chapter), the “unregulated market” turned out to be the primary driver of all problems, while “inconsistent supplies of quality fruits and vegetables” is the major outcome. This once again reaffirms the significance of the above recommendation.

CHAPTER VI: CONCLUSION AND RECOMMENDATIONS

This chapter summarizes the key findings of the study and highlights the contributions made by this study in light of the knowledge gaps highlighted under the literature review. It also supports the significance of the study by providing policy recommendations that may be of great use to policy makers.

With all counts considered, it is at this point that the reader's attention is drawn to the main issue mentioned at the onset of this paper: Is the implementation of the Market Share Promotion Scheme (MSPS) consistent with the relevant provisions of the General Agreement on Tariffs and Trade of 1994? The answer to this broad question lies in yet other four subsequent questions:

1. Is the implementation of the MSPS compatible with the WTO Agreement on Import Licensing?
2. Are the objectives of this measure within the coverage of the General Exceptions on Elimination of Quantitative Restrictions (Article XI and XX) under GATT 1994?
3. Is the ongoing commitment to further restrict imports of horticultural imports up to 60% consistent with the WTO trade liberalization agenda (i.e. NTB reduction commitments)? And
4. Does the MSPS qualify to be categorized under the interim peace clause of the Bali Package on government procurement for food security reasons?

Therefore, the main objective of the study was to assess the consistency of the implementation of the MSPS under the GATT 1994 and the applicable WTO Agreement. While the secondary objective was to identify challenges related to the implementation of the scheme and propose appropriate policy measures that could respond to the competitive realities, confronting economies today. The study used a triangulation research methodology and the data collected were analysed by means of a reliability test using the SPSS statistical software. The Cronbach's alpha coefficient was very instrumental in measuring the degree of consistency of the data.

Furthermore, the relative frequency distribution and interrelationship analysis were used as complementary data analysis tools.

6.1. SUMMARY OF MAIN CONCLUSIONS

With respect to the WTO import licensing agreement, the study established that despite some challenges faced, the overall assessment has resulted in an average degree of compliance of “7” on the rating scale of 1 to 10.

- Specifically, traders rated the publication of information at “7”, suggesting a high degree of compliance. In this regard, the study highlighted a knowledge gap based on existing findings, arguing that though the MSPS may not necessarily cause market distortion, it could still become an illegitimate and costly NTM if its administrative procedures are not transparent and conducive for economic actors. However, this claim found little supportive evidence in the eyes of Namibian horticultural traders. However, the issue of transparency appears to be a concern when zoomed from an international trade point of view. This is because the MSPS has never been notified to the WTO since its inception in 2005. This could be partially ascribed to the fact that the regulation is not gazetted as yet, which raises eyes brows for many trade lawyers.
- The provision on non-discrimination confirms an average degree of consistency of “8”, suggesting that the implementation of the MSPS is justifiable and therefore consistent with the GATT provisions in this respect.
- The study also found that the issuing of permits is executed in the most efficient way (less than two weeks if all documents are in order). This is way within the boundaries recommended by the WTO Agreement on Import Licensing. The registered score of “9” thus infers resounding evidence for the high degree of consistency in this regard.
- The duration of an import permit attracted an average score of “7”, signifying a satisfying degree of consistency.

- The provision to allow for the full utilization of a permit quota attracted an average score of “8” indicating a substantial degree of consistency. The main attribute supporting this finding is that the “three months period” granted for the validity of a permit is perceived sufficient to secure adequate imports to sustain business operations.
- The provision to issue permits in economic quantities yielded an average score of “6”, highlighting a sluggish degree of consistency. The underlining motive explaining this finding is that, though the use of “value” as a means of economic measurement is acceptable under the WTO framework, the study discovered that it is not an appropriate tool to implement this kind of trade policy measure, because “values” are susceptible to macroeconomic convergences. Therefore, “volume” was recommended as the most suitable economic measurement for an effective implementation of the MSPS.
- Furthermore, the provision to consider the import performance of applicants in the allocation of permits yielded an average score of “6”, which in terms of the methodology reflects a high consistency. However, these results received little support from literature, especially the guidelines used for implementing the scheme. In particular, the extent to which a permit is granted is based on the trader’s performance as it relates to sourcing local horticultural produce, but not on import performance. Therefore, the conclusion drawn by this study is that the above provision is not considered the administration of the MSPS and therefore it is found to be inconsistent.
- The study also found that the MSPS is compatible with the provisions of ensuring flexible entry requirements for new importers. However, there remains lingering concerns regarding the difficulties of securing planting agreements with local farmers, which is why this provision has attracted an average degree of consistency of “6”.
- Compensation adjustments are the last provisions considered under the WTO Agreement on Import licensing Procedures. It came as a surprise that this is the only category which has received mixed reactions by traders on one hand, and the MSPS administrator on the other hand. Specifically, the overall average results of all respondents (traders) confirms that the MSPS is compliant(score of 7); whereas the

MSPS administrator had a different view and rated it as being in compliance with a score of “1”.

In general however, the overall compliance level of 7 as registered on the rating scale of 1 to 10 is reflective of a growing acceptance of the MSPS in the business community. The validity of this conclusion was tested by means of a reliability test. The test produced a Cronbach alpha coefficient of 0.73, which according to the rule of thumb reflects an “acceptable” degree of data consistency.

With regards to the general exceptions on the elimination of quantitative restrictions, the study concluded that the MSPS is a legitimate measure by invoking the provisions of paragraph (2) of article XI. The study highlighted that though the measure is not gazetted, the horticultural sector has been integrated into the agronomic industry act (Act no, 20 of 1992) based on the cabinet decision of 2002. By legal implications, this incorporation gives the NAB the discretionary power to regulate the sector through import policy measures such as a permit system. In addition, one of the major objectives of the MSPS is to increase the import substitution of fruits and vegetables in Namibia in order to contribute towards food security and self-food sufficiency. In view of the foregoing, *paragraph (2) (c) (i)* of the same article (XI) appears to qualify its implementation.

Regarding whether the ongoing commitment to increase the MSPS rate to 60% ties up with the WTO NTMs eradication commitments; the study established that the scheme is implemented in direct conflict with the SDT provisions accorded to developing countries. This is because the local procurement threshold which sets a condition for horticultural imports has been on the upward trend rather than on the decline since 2005 when the MSPS was instituted.

The study also assessed the compatibility of the measure against the provisions of the *peace clause* enshrined in the WTO Bali package on public stock-holding facilities for food security reasons. In general, the study found that given the notification and reporting obligations associated with the Decision, Namibia may find it difficult to qualify to benefit from this treatment if no steps are taken to update its outstanding notification obligations. The practical consequences on the interim solution would therefore be very limited in the coming four (4)

years. More specifically, it is important to note that the MSPS is not a domestic financial support programme *per se*. Rather, it is a trade policy measure tailored towards supporting the growth of the horticultural industry. Therefore, there seems to be very little relevance in this regard and the MSPS should not, as such, be linked to the WTO Bali package because it does not involve financial support mechanisms; nor does it support the procurement of horticultural produce from farmers at administered prices.

The second segment of the study identified the following major problems associated with the implementation of the Scheme: Unjustifiable Formula; Poor alignment of production to market needs; Quality and Supply of Fruits and Vegetables; Unregulated Market; High Transport Costs; Cumbersome Administrative Procedures; Ineffective Communication; Barriers to Market Entry; Biased Protection; and the Non-development of a Horticultural Marketing Strategy.

All in all, the results of this study provide confirmatory evidence that generally, the implementation of the scheme is consistent with the GATT and the applicable WTO Agreements covered herein. However, many administrative hiccups have been repeatedly highlighted which are a cause of concern to many traders. This is arguably so, that though an NTM may be implemented in conformity with the applicable legal instruments, it can still be a barrier to trade. This is because experience shows that the manner in which NTMs are implemented in most cases makes it difficult for economic actors to trade. The reason for the above claim is that, generally, there are certain issues that are beyond the auspices of multilateral trade rules, yet they pose a significant impact on international trade. For example, the “behind the border issues”.

It also came to light that the extent to which NTMs limit trade generally is seen differently from enterprise to enterprise. For instance, it evolved that small and large size traders may have a different perspective on the impact of a specific NTM. This is because their scales of businesses are not on par and so their reaction towards the implementation of NMTs would certainly differ. Therefore, in reaction to these problems, the study provided a comprehensive list of policy recommendations as discussed in the following section.

6.2. POLICY RECOMMENDATIONS

In order to counter the impact emanating from the discussed problems, the study recommends that:

- ✓ The separation of regulatory power in the agronomic sector is critical. Currently, the Namibian Agronomic Board is the main authority responsible for marketing, regulatory and advisory roles. The study advises that the establishment of AMTA should take up the marketing and regulatory role. This role should be executed through the implementation of amongst others, the following duties:
 - Establish marketing infrastructures country wide such as fresh produce hubs to ensure a sustainable marketing system for the horticultural sector.
 - Set up and manage the national production calendar which is market led. This would enable traders to know who is producing what, in what quantities and at what point of the year.
 - To perform and ensure quality assurance, food safety and standards through monitoring the application of chemicals.
 - Provide technical assistance to farmers such as conducting soil analysis, training in Good Agricultural Practices (GAP) etc.
 - Facilitate the initiation of procurement (planting) agreements between producers and traders (agents) at fresh produce hubs through the administration of a Revolving Fund. The Revolving Fund would be a kind of a production incentive to producers which will be used to provide financial assistance (loan) to agents so that they can be able to procure fresh produce on a sustainable basis. Traders will then be expected to pay back the loan on a calculated interest rate, once they have sold their stock. Moreover, AMTA should ensure that the contractual agreements are compliant with the GAP principles.

- Regulate the domestic market to avoid unintended price increases by using silos (or food reserves facilities) as one of the price control mechanism tools. Along the same line, AMTA should set up its own pricing system which will be based on production costs. However, caution should be taken that the administration of market prices has no serious implications on international trade.
- Deploy a product specific approach: Products that cannot be competitively produced in Namibia should be exempted from the implementation of the scheme.
- ✓ Development of the Horticulture Marketing Strategy
 - While there are notable challenges associated with the implementation of the MSPS, it came as a surprise that there isn't any Horticulture Marketing Strategy developed to date. Therefore, as a matter of priority, this study recommends that a marketing strategy of this nature is critical to serve as a blueprint for driving growth in this sector.
- ✓ Investment in Market Research
 - Farmers should invest in studying and analysing consumers' needs at various time intervals so that they can plant accordingly.
- ✓ Investment in Training Facilities and Infrastructure Developments
 - Encourage sustainable horticulture production through vigorous trainings with respect to GAP rules to ensure food safety to consumers.
 - Provide training and technical support in quality control mechanisms to small scale farmers especially in the Kavango and Zambezi regions to ensure consistent supplies of quality commodities to the market.
- ✓ Government Assistance
 - Provision of financial assistance (soft loans) to promising farmers regardless of their background in pursuit for developing a sustainable horticulture sector.

- Easing the production burden on producers through a subsidisation of production inputs such as water and electricity; farming implements; seeds etc. This would help producers to become competitive.
- ✓ Empower the previously disadvantaged farmers with land and farming equipment.
- ✓ Review the enforcement and implementation of the MSPS based on the availability of farmers in each region.
- ✓ Development of Producers Support Fund through levies contribution.
- ✓ Political influence regarding food security and other related policy imperatives should not interfere with the effective implementation of the scheme. The system should be run on economic principles if the intended objectives are to be realized.

6.3. IMPLICATIONS FOR PRACTICE

The study has culminated into some policy recommendations which if implemented may have several implications as far as international trade law is concerned and, therefore, merit careful considerations. For example:

- The study recommends the separation of regulatory power in the agronomic sector as one avenue to effectively improve the marketing of agricultural produce in the country. At the time of writing, this transition was in the process. This cabinet decision “gave birth” to the establishment of the Agro Marketing Trade Agency (AMTA). AMTA is expected to, amongst others, take up the marketing and regulatory role in the agronomic sector, and manage the food securing programmes of the Government. This would include the management of silos (food reserves facilities) and facilitating the procurement of fresh produce from farmers at administered prices. While this is certainly a “step in the right direction”, such a practice would have a bearing/implication on the aspirations of the WTO Agreement on Agriculture (such as restriction on price distortive practices). It is therefore advisable that while recognition of these food security measures is essential, it is equally important for the government

to guard against engaging into practices that are incompatible with its obligations undertaken in legal trade instruments bounding upon the state.

- Moreover, it was discovered that though fruits and vegetables were integrated into the Agronomic industry Act (No. 20 of 1992) as controlled products, the regulation (MSPS) is not gazetted. This means that from an international trade law point of view, there isn't any legal basis for implementing the MSPS. Furthermore, while the NAB has the statutory right to institute such import licensing measures, the functioning of this scheme is only based on the cabinet decision of 2012, which does not confer any legal enforcement/command at the Customs level. Therefore, there is a need to foster transparency on how this measure is being implemented in order to safeguard the certainty and predictability of the business environment. The notion substantiating the above critique is that committing to GATT's obligations partially means agreeing to participate in global trade. Therefore, understanding how this regulation operates is critical to all economic operators around the world. This can be achieved if the MSPS becomes gazetted and becomes public information through notification procedures.
- While it is critical to conduct this assessment in a global context, it was cautioned not to lose sight of Namibia's political context whenever these types of protective measures are being brought under question. Particularly, critiques pointed to the reality that Namibia has just turned 25 years of its political freedom. However, whether the same can be said about economic freedom is debatable. This implies that Namibia's level of agricultural competitiveness cannot be compared to those of developed countries such as in the European Union (EU) who have had over 100 years of both political and economic independence.
- In clarifying issues further, the EU has an Agricultural Policy which has been instrumental in transforming their agricultural sectors through financial support measures (subsidy) to farmers. In contrast, Namibia does not have any comprehensive policy framework on agriculture with appropriate legal instruments to enforce it. This makes it somewhat difficult for Namibia to compete in the global market place. However, Namibia is right underway and the development of her agricultural policy is

at its advanced stage of completion. It is within this context that domestic support measures to local producers are inevitably regarded as of critical importance until such time that local farmers are able to compete in global terms. Therefore, in Namibia, import licensing control schemes such as the MSPS are considered one of the important tools in regulating domestic agricultural production.

- In the same vein, it came to light that current global debates on food production especially at the United Nations and alike, have shifted from “food security” to “food security and nutrition”. Particular emphasis was placed on food sovereignty in that Namibia needs not to give away its food production base. This is important for the purpose of food self-sufficiency in case the global economic crisis ever hits again.

6.4. DIRECTIONS FOR FUTURE RESEARCH

The researcher took note of the fact that research is a continuous process. This study recommends that further research should be undertaken to determine new thematic areas not covered in this study. The following general lessons can be drawn from this study for further research:

- The study was limited by a small sample but nonetheless demonstrated statistically significant findings. Therefore, further research with a change of methodology and widening of scope to cover a larger population, as well as other legal trade instruments binding upon Namibia is required. For example:
 - An analysis of price versus quality relationship in the retail price could be conducted to establish whether differently graded products in Namibia and South Africa share the same price comparability or Namibian consumers pay high prices for lower graded horticultural commodities.
 - The incorporation of factor analysis as part of the data analysis to determine the dimensionality of a scale

- The study highlighted several weaknesses regarding the uncertainty around when 60% of local horticultural supplies will be attained, and under what conditions. It is recommended that the extension of further research should probe deeper into clearing these doubts. This is in light of the fact that currently, changes in the MSP rate is not based on scientific decision-making. Instead, the National Horticulture Task Team (NHTT) is the main body that is responsible for making such recommendations.
- The study also discussed the objectives of the MSPS and questioned whether Namibia has an adequate institutional capacity to effectively realize those objectives. Therefore, a capacity assessment is recommended in this regard.

6.5. CONCLUDING REMARKS

Although, the study has highlighted numerous problems associated with the implementation of the scheme, the results of the study provide strong and consistent support for the contention that the MSPS is compatible with most of the GATT 1994 provisions assessed. Nevertheless, the most emerging discovery is the issue of transparency. The transparency for implementing the MSPS demands a serious call for action by Namibian trade policy makers. From an international trade law point of view, all measures affecting cross border trade should be gazetted and notified to multinational and regional trade bodies. Otherwise, if this state of affairs is allowed to prevail, it would undermine the predictability and certainty of the trading environment. This should be avoided for the best interests of the Namibian economy and its consumers.

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APPENDIX A: QUESTIONNAIRE FOR TRADERS

The questionnaire includes two parts. The first part consist of Likert scale questions, and the second part consists of some open-ended questions.

Name of Importer: _____ (Optional)

Category of Importers: Small Medium Large Very Large Mega

Other ease specify _____

Part I: Likert Scale Questions

The following table contains some of the criterias that should be considered to ensure a transparent allocation of non-automatic import licenses.

Instruction:

Please mark the box corresponding to the number (score) that best represent how you feel about the degree of compliance for each criteria.

Whereby “1” is the lowest score and “10” represent the highest score.

	1	2	3	4	5	6	7	8	9	10
1. Publication of all relevant information										
1.1 The extent to which information regarding changes in the MSPS rate and other relevant information are provided to you 21 days before they become effective?										
2. No discrimination among applicants										
2.1. The extent to which a reason is provided if a permit is rejected										
3. Time limits for processing applications										
3.1. The extent to which applications are processed not longer than 30 days, or 60 days if applications are considered at a same time.										
4. Validity of a Permit										
4.1 The extent to which the duration of the import permit is not too short so as not to prevent imports.										
4.2 The extent to which the duration of permit allows for full utilization of quotas										
4.3 The extent to which the import permit is issued in economic quantities(e.g. tonnes ,value)										
5. Other Provisions: Reasonable Distribution of Import Permit										
5.1. The extent to which your import performance is considered in the allocation of import permit										
The extent to which the allocation of permits to new importers is less strict, especially for those importing from developing and least developed countries.										
5.2. The extent to which compensating adjustments is made in future permit allocations when imports exceeded a previous permit level.										
<i>Explanatory notes(Optional):</i>										

Part II: Open – Ended Questions

1. Have you been provided with sufficient reasons for any permit that was rejected? Please explain the circumstances leading up to this.

.....

2. What problems have you faced with the implementation of this Scheme? Please name these problems?

.....

3. How would you want the problems mentioned in “Question 2” to be addressed?

.....

4. In your opinion, are there any other measures that should rather be used to promote domestic horticultural production? Please name these measures?

.....

5. Any comments or suggestions (Optional)

.....

APPENDIX B: QUESTIONNAIRE FOR MSPS ADMINISTRATOR (NAB)

The questionnaire includes two parts. The first part consist of Likert scale questions, and the second part consists of some open-ended questions.

Name of the MSPS administrator: _____ (Optional)

Part I: Likert Scale Questions

The following table contains some of the criterias that should be considered to ensure a transparent allocation of non-automatic import licenses.

Instruction:

Please mark the box corresponding to the number (score) that best represent how you feel about the degree of compliance for each criteria. Whereby “1” is the lowest score and “10” represent the highest score.

	1	2	3	4	5	6	7	8	9	10
1. Publication of all relevant information										
1.1 The extent to which information regarding changes in the MSPS rate and other relevant information are provided to importers 21 days before they become effective?										
2. No discrimination among applicants										
2.1. The extent to which a reason is provided if a permit is rejected										
3. Time limits for processing applications										
3.1. The extent to which applications are processed not longer than 30 days, or 60 days if applications are considered at a same time.										
4. Validity of a Permit										
4.1 The extent to which the duration of the import permit is not too short so as not to prevent imports.										
4.2 The extent to which the duration of permit allows for full utilization of quotas										
4.3 The extent to which the import permit is issued in economic quantities(e.g. tonnes)										
5. Other Provisions: Reasonable Distribution of Import Permit										
5.1. The extent to which the import performances of importers are considered in the allocation of import permit.										
The extent to which the allocation of permits to new importers is less strict, especially for those importing from developing and least developed countries.										
5.2. The extent to which compensating adjustments is made in future permit allocations when imports exceeded a previous permit level.										
<i>Explanatory notes(Optional):</i>										

Part II: Open – Ended Questions

1. Mention and explain the circumstances, which usually lead up to importers not qualifying to obtain an import permit from your office?

-2. How do you ensure that sufficient reasons are provided to applicants whose applications have been rejected/ those who do not qualify?

3. What problems have you faced with the implementation of this Scheme? Please name these problems?

4. How would you want the problems mentioned in “Question 3” to be addressed?5. In your opinion, are there any other measures that should rather be used to promote domestic horticultural production? Please name these measures?

6. Any comments or suggestions (Optional)

APPENDIX C: QUESTIONNAIRE FOR NAMIBIAN WTO REPRESENTATIVE

The questionnaire constitute a brief introduction of the MSPS and three open ended questions.

Name of Namibian WTO Representative _____ (Optional)

Namibia has since 2005 introduced an import restriction measure in the horticultural sector, called the Horticultural Market Share Promotion Scheme (MSPS). The MSPS rate was first instituted at 5% in 2005 as a local procurement requirement for horticulture produce before an import permit is issued to every horticulture importer. This rate has however been progressively increased (sometimes on quarterly basis) to 39% as of 2013.

In terms of the WTO Agreement on Import Licensing Procedures, the MSPS is a not-automatic import license regime – which makes it WTO incompatible. However, the Agreement makes provision for some exceptions that should be fulfilled by member states to ensure a more transparent allocation of import licenses such as Notifications; Notification of changes and Reverse notifications- just to mention a few.

Whereby;

1) Notifications means Members are required to submit copies of publications containing information on import licensing procedures and the full text of relevant laws and regulations

2) Notification of changes means that Members which institute licensing procedures or changes in these procedures are required to notify the Committee of them within 60 days of publication

3. Reverse notifications means Members are to complete the Questionnaire on Import Licensing Procedures by 30 September each year.

Instruction:

Based on the above, and cognisance of the duration for your serving term, answer the following questions;

1. When did Namibia notify the WTO about the implementation of this regulation?

2. Has the changes in the MSPS rate been notified to the WTO? Please indicate the dates when these notifications were made.

4. When last did Namibia complete the Annual Questionnaire on Import Licensing Procedures? Please indicate the MSPS rate indicated at that time.

APPENDIX D: ASSESSMENT RESULTS OF IMPORTERS

Scores obtained between 1 and 10														
	Small					Medium			Larger		Very Large		Mega	
	Importer 1	Importer 2	Importer 3	Importer 4	Importer 5	Importer 6	Importer 7	Importer 8	Importer 9	Importer 10	Importer 11	Importer 12	Importer 13	Importer 14
1. Publication of all relevant information														
1.1 The extent to which information regarding changes in the MSPS rate and other relevant information are provided to you 21 days before they become effective?	3	6	10	5	10	4	10	8	8	7	10	6	8	5
2. No discrimination among applicants														
2.1. The extent to which a reason is provided if a permit is rejected	3	8	4	10	8	10	10	8	9	10	10	9	8	8
3. Time limits for processing applications														
3.1. The extent to which applications are processed not longer than 30 days, or 60 days if applications are considered at a same time.	3	8	10	10	8	10	10	10	10	10	10	9	8	8
4. Validity of a Permit														
4.1 The extent to which the duration of the import permit is not too short so as not to prevent imports.	8	6	10	10	8	1	10	8	9	4	8	6	8	8
4.2 The extent to which the duration of permit allows for full utilization of quotas	9	8	10	8	8	10	10	8	6	2	8	8	8	8
4.3 The extent to which the import permit is issued in economic quantities(e.g. tonnes)	1	3	10	5	1	1	10	5	8	2	8	8	8	7
5. Other Provisions: Reasonable Distribution of Import Permit														
5.1. The extent to which your import performance is considered in the allocation of import permit.	1	6	4	10	8	5	10	8	5	1	8	6	7	6
5.2. The extent to which the allocation of permits to new importers is less strict, especially for those importing from developing and least developed countries.	5	3	4	10	5	6	10	8	5	7	9	4	7	6
5.3. The extent to which compensating adjustments is made in future permit allocations when imports exceeded a previous permit level.	9	4	2	10	1	10	10	8	5	5	8	7	8	7

APPENDIX E: LIST OF HORTICULTURAL TRADERS

No.	Traders Name	Contact Person	Town
ZAMBEZI AREA			
1	Rings Kalinki supermarket	Shakir	Katima Mulilo
KAVANGO AREA			
2	The people's Shop		
3	Free Namibia Carters		
4	Rundu SPAR	Alberto Felisberto	Rundu
KARSTLAND AREA			
5	J & B Groente	Badenhorst	Otiwarongo
NORTH CENTRAL AREA			
6	Fysal Fresh Produce	Ben	Oshikango
CENTRAL AREA			
7	Spar Group	James Clinning	Windhoek
8	Citi Produce	Jose Gomes	Windhoek
9	Mathews Fresh Produce	Mathews	Windhoek
10	Natural Foods Value- Pick n Pay	Oockie van Wyk	Windhoek
11	R & P Fresh Produce	Pietie van Wyk	Windhoek
12	Woermann Brock	Lenhardt /Zia	Windhoek
13	Yengeni Fresh Produce	Hango	Windhoek
COASTAL AREA			
14	Kuiseb Fresh Produce	Edgar Yon	Walvis Bay

APPENDIX F: LIST OF INTERVIEWEES (PUBLIC SECTOR)

No.	Names	Position	Institutions
1	Mr Mesag Mulunga	Acting Director	Ministry of Agriculture, Water and Forestry- Directorate of Policy and Planning
2	Mr IVIN Nathingé	Chief Agro Business Analyst	Ministry of Agriculture, Water and Forestry- Directorate of Policy and Planning
3	Mr. Kleopas Sirongo	Namibian Trade Diplomat	World Trade Organisation / Ministry of Trade and Industry
4	Mr. Fideliz Mwazi	National Horticulture Manager	Namibian Agronomic Board
5	Mr. Lucas Lungameni	Managing Director	Agro Marketing Trade and Agency