

# **Thematic Insight into the Impact of Public Policy on MSMEs and Economic Growth in Namibia <sup>1</sup>**

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## **ABSTRACT**

Namibia's economy is heavily dependent on micro small and medium-sized enterprises, with around 40,000 SMEs and a population of 2.3 million. Despite the adoption of the MSMEs policy, the sector remains underdeveloped. The study aimed to investigate how public policy's impact on economic growth, through MSMEs in Namibia. Design/Methods: Phenomenology qualitative research design and approach was employed. Purposive sampling techniques were utilized to select a sample of 50 participants, including experienced MSMEs from different sectors, and representatives from institution that dealing with MSMEs. Data collection was conducted through structured questionnaire enabling a comprehensive exploration of participants' perspectives. An innovative six-step thematic analysis was utilized to analyze the qualitative data. The findings indicate that the public policy positively impacts MSMEs in established towns. However, some MSMEs in upcoming towns and rural areas face significant challenges due to a lack of infrastructure development. As a result, an MSME conceptual model was developed to address the issues raised. The significance of this study lies in identifying gaps in existing public policies and providing recommendations to improve the business climate for MSMEs. The study contributes to the body of knowledge on effective public policy analysis for enhancing economic growth. The research aims to inform researchers, SMEs, industry experts, policymakers, and implementers about various interventions needed to empower MSMEs. The study advocates for public policies to be translated into indigenous languages and supports the implementation of mass food and clothing production an innovation strategy.

*Keywords:* Effective public policy, economic growth, Impact, SMEs and Namib

## **1. INTRODUCTION**

Namibia is regarded as one of the African countries with an expanding economy that is dependent on its SME sector. With the right legal framework, business infrastructure, reliable power supply, and access to final markets, SMEs can contribute significantly to Africa's development. This can position the continent as competitive and innovative, creating jobs for unemployed communities, generating income, and providing essential goods and services for Africa's 1.2 billion population (Murithi,2017)

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Still, the economic growth rate of Namibia has been fluctuating in recent years, and in this way, there is a need to evaluate the impact of public policy interventions on economic growth. The integration of public policies to the MSMEs growth framework is significant. MSMEs have made a significant impact on the economic growth and progress of numerous countries. This is primarily because its production method calls to lead to the creation of valuable employment opportunities, by providing jobs and income generation for many people that subsequent a decrease in the poverty level. The study developed a MSMEs conceptual framework based on the six phases of the innovation process as an outcome of the qualitative research exploring effective public policy. An in-depth understanding of this relationship is essential, not only to enhance SME performance but also to contribute toward broader economic stability and growth.

## **1.2 BACKGROUND OF THE STUDY**

Globally, MSMEs offer employment opportunities for about 50% of the coordinated employment that represent 90% of the world Enterprises (Almansour et al.,2019). Pursuant to the Bank of Namibia, greater than 60% of jobs are generated from MSMEs sector as it plays a significant role in the country, and it contributes 30% of the country's Gross Domestic Product (GDP)(Bank of Namibia, 2020). The study conducted by Kayabo (2019) emphasizes that despite the contributions made, the poor performance of SMEs has been reported due to various constraints (Kayabo,2019) In response, strategic entrepreneurship and MSME conceptual model developed through the study has been identified as among the approaches that can be used to promote the performance of MSMEs.

With the growth of MSMEs and the momentum of the market, the sector has experienced disruption of reduced access to finance and markets, lack of inadequate technical support and infrastructure development. In each economy, the government has three major roles to play to provide a favorable corporate environment as a regulator, financial agent and strategic planning officer and facilitator (Fakhreldin, 2016). Thus, the government of Namibia formulate SME policy in 1997 to tackle the challenges confronting the SME in the field of finance, commercialization, technological, infrastructure development and learning (MTI,2014). Notably, policy makers have successfully passed public policies to support SMEs and compliance with international organization standards. There are tools designed to guide the program aim to support micro and small medium sized enterprises by following recommendations adopted by International Labour Conference at its 104 sessions on providing conducive business environment for decent and productive employment creation (ILO,2019). Based on this background, there is a need for the study to find out the impact of public policies on improving economic performance with the focus on MSMEs.

## **1.3 PROBLEM STATEMENT**

According to a study done by Murithi (2017), most African governments provide little support to MSMEs, neglecting a crucial economic driver and development pillar. In Namibia, food production and clothing production industry is not yet grown thus why, MSMEs are importing

foodstuff and clothing from neighbouring countries such as South Africa, Zimbabwe, Zambia and Angola and China. Sometime, some SMEs engaging themselves importing activities don't follow the procedures knowingly or unknowingly which make their goods to be confiscated without compensation. Public policies have been enacted by the government to support MSMEs, but still the sector remains weak and does not significantly absorb the unemployment rate in the labor markets as intended to. Another study done by Kayabo (2019) highlights that despite the contributions made, the poor performance of SMEs has been reported due to various constraints. While the study done by Iguna & Sazita (2018) revealed that majority of MSMEs rely on outdated technology, labour-intensive processes, and traditional management practices (Iguna & Sazita, 2018). He further indicated that 95% of Namibian businesses lack innovation practices, while only 5% do (Iguna & Sazita, 2018). Namibia MSMEs employs around 20% of the population and contribute 12% to GDP (Iguna & Sazita, 2018). MSMEs have the potential to fuel economic growth, create jobs, expand the tax base, and drive innovation in Africa (Murithi, 2017). As MSMEs depend mostly on public procurement, there is a need to explore the impact of effective public policy on improving economic growth a case of MSME in Namibia. To find policy recommendations on how to support MSMEs to be innovate and increase productivity for sustainable economic development.

## 2. LITERATURE REVIEW

Small and Medium Enterprises (SMEs) are pivotal in driving economic growth and facilitating significant global transformations by creating opportunities for market entry, generating value-added products and services, and enhancing export capabilities (Margaretha & Supartika, 2016). In response, various countries have implemented diverse public policies aimed at fostering the development of SMEs, including tax incentives, supportive regulatory frameworks, microfinance initiatives, and investment in research and development. Research suggests that macroeconomic policies tend to be more effective than microeconomic interventions in driving SME growth, particularly within the context of developing nations (Fakhreldin, 2016). The purpose of this literature review is to critically examine the influence of effective public policy on economic growth with a specific focus on SMEs. This review will adopt an interpretative epistemological perspective to analyse how these policies manifest in various contexts. The scope encompasses an exploration of the empirical research, theoretical and conceptual frameworks surrounding the impact of public policies on economic growth, particularly concerning SMEs. By integrating perspectives from different regions, including international contexts, Africa, the Southern African Development Community (SADC), and Namibia, this review aims to synthesize findings related to public policies that foster economic development. It will analyse a comprehensive range of scholarly articles, books, reports, and other credible sources that investigate the roles of taxation, finance, regulation, infrastructure, and support programs in shaping the SME landscape. Ultimately, this literature review seeks to contribute to the existing body of knowledge by synthesizing and evaluating relevant research, identifying gaps and limitations in current studies, and offering recommendations for future policies and research endeavours in this vital area of economic growth

## **2.1 THEORETICAL FRAMEWORK**

The study is to explore the impact of public policy on improving economic growth with a focus on MSMEs is based on the market mechanisms in Namibia. Since, Namibia is a free market and young economy. The theoretical framework for this study is grounded in several key economic theories that elucidate the dynamics between effective public policy, MSMEs, and economic growth in Namibia. Theories are neoclassical theory, institutional theory, endogenous theory, resources-based theory, game theory and Herbert decision making theory, each highlighting its core principles and relevance to the research context.

### **a) Neoclassical theory**

The study adopted neoclassical theory as an economic theory that emphasizes the role of free markets, and efficient allocation of resources in promoting economic growth. Neoclassical theorists such as Sollow and Swan, on the other hand, stress that economic growth primarily depends on how individuals and organizations behave within a particular system (Ackerman& Wells, 2022). It theorizes that external factors, including technological development, capital accumulation, and labour productivity are the main drivers of monetary and economic growth (Gordon, 2023). Neoclassical theory put emphasis on the importance of efficient allocation of resources in order to maximize productivity and economic output. On this note intergovernmental policy in Namibia need to be approved for coming up with a formula for allocating resources to regions. This implies that government interventions should aim to create an environment where MSMEs can thrive through competitive markets. In order to establishing a legal framework that protects property rights and encourages investment, policies can stimulate entrepreneurial activities that are essential for economic development (Ackerman & Wells, 2022). Looking to the qualitative data generated, it's evident that MSMEs knows their needs in depth and how they want to be assisted. The study acknowledged that their needs are not identical, some are doing well national and want to go global. At the same time representatives from financial and government institution know their mandate very well, thus way MSMEs in well-established towns are doing well. On this note, the study acknowledges that even in upcoming town and rural areas, there are also few who are also doing well, but lack of infrastructure development and one participant suggest building cash and carry market in the rural area. Thus, understanding neoclassical principles is crucial for evaluating how policies can be crafted to foster MSME growth and, ultimately, drive national economic growth in Namibia.

### **b) Institutional theory**

The institutional theory adopted as it focusses on the role of institutions and organization in shaping up economic behaviour and filling up the gap or remedying the market with imperfect information as indicated by Agboola (2015). Thus, government institutions were part of key informant groups. Philippe (2010) confirmed that the institutional theory emphasizes the importance of social, political, and economic systems in which companies operate and gain their legitimacy (Philippe,2010). While David et al (2019) claims that institutional theory explains how formal organizational structures, such as written policies, standard practices, and innovative organizational forms, are adopted and unfolded (David et al,2019). Therefore, in Namibia

institutions that established to assist MSMEs shall be visible in constituencies and not only in well-established towns. This implies that creating and strengthening institutions of research and development and ensuring collaboration with the business community, it enables countries to make informed decisions based on sound scientific evidence (David et al, 2019).

### **c) Endogenous growth theory**

Ackerman and Wells (2022) stated that the Endogenous growth theory suggests that government policies can boost economic growth by promoting market competition and encouraging innovation in goods and service (Ackerman and Wells, 2022). Endogenous growth theory extends the principles of neoclassical theory by asserting that economic growth not only a result of external resources but also influenced by internal factors such as human capital, innovation, and knowledge generation. This theory posits that government policies that promote education, research and development (R&D), and technology transfer can significantly enhance the innovative capacities of SMEs (Romer,1986). According to Gordon, (2023) endogenous theory termed as a financial theory, argues that financial or economic growth is generated from internal procedures and input such as human capital, research, and innovative technologies (Gordon,2023). On the impact of public policy on improving economic growth Chirwa & Odhiambo (2018) suggest that capital invested in innovative endeavours can demonstrate economies of scale, leading to the observed variations in international productivity (Chirwa & Odhiambo,2018). This can be determined and influenced by the relationship between knowledge, human capital, and research development (Chirwa & Odhiambo, 2018). The consequences of this theory in the Namibian context advocate that implementing policies aimed at strengthening education and R&D can lead to a healthy economic outcome as MSMEs become more competitive and innovative. In reality MSMEs supposed to absorb all the unemployed people offered by labour market, if they have skills, well trained and infrastructure such as MSMEs parks, incubation centre and cash carry market are developed.

### **d) Resources-based theory**

According to Fahy & Smithe (1999) resources-based view (RBV) is a concept of achieving sustainable competitive advantage is much to consider strategic management and marketing literature (Fahy & Smithe, 1999). The RBV focuses on the internal resources and capabilities of a firm as determinants of its competitive advantage and overall success. Akey insight from (RBV) is that resources vary in the significance, not all resources offer the same potential for maintaining a lasting competitive advantage (Fahy&Smithe,1999). It can be used as guiding principles in determining the best public policies that can assist MSMEs in accessing financial resources and opportunities to enhance their capabilities to achieve sustained economic growth. Kozlenkova, Samaha & Palmatier, (2014) argue that the resource-based theory examines how internal organizational resources contribute to the success or failure of leveraging activities (Kozlenkova, Samaha & Palmatier, 2014). It placed a significant emphasis on the role of the resources and capabilities possessed by MSMEs in stimulating economic growth. The theory put more weight on identifying valuable and unique resources that can potentially lead to extensive-term competitive advantage (Barney,1991). In the context of MSMEs in Namibia, the resource-based



view highlights the importance of government policies that support capacity building, access to finance, and resource allocation.

#### **e) Game Theory**

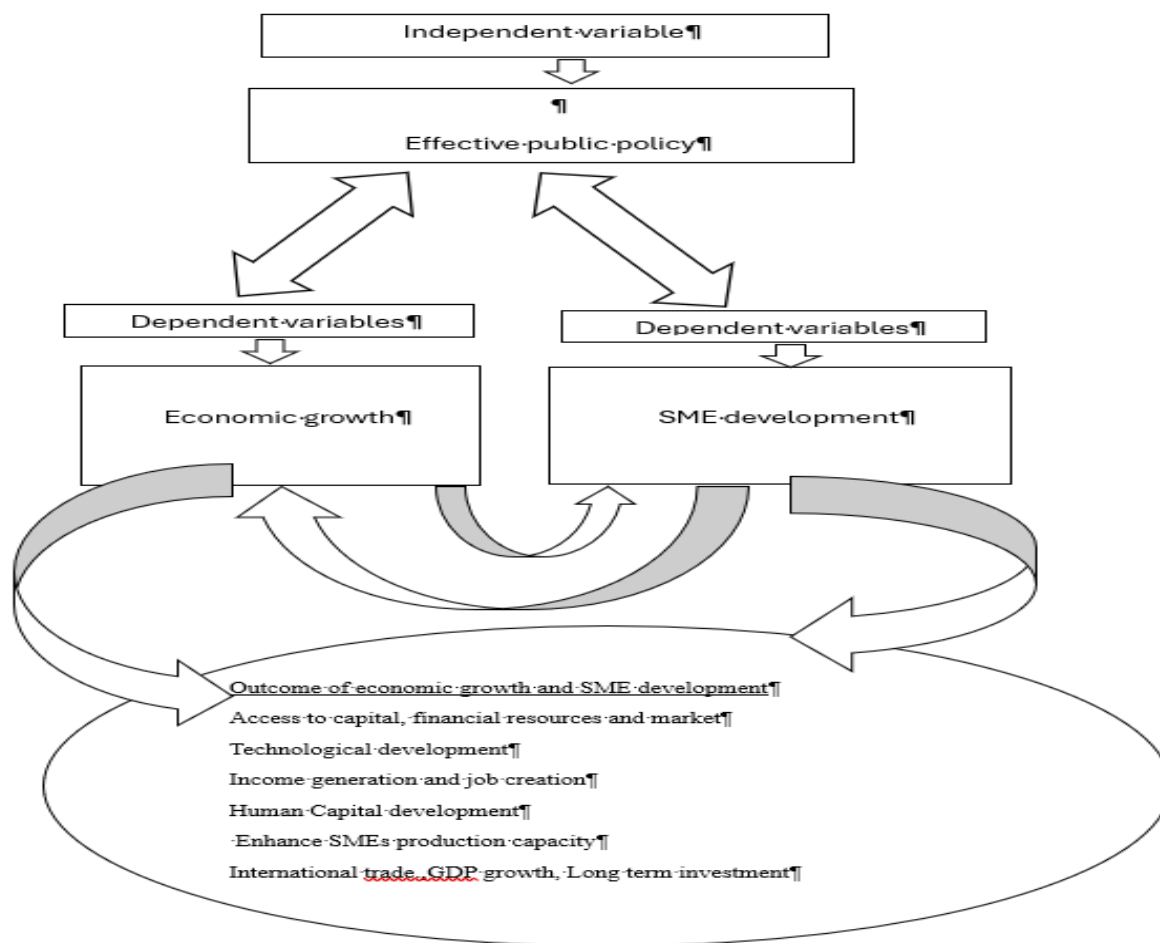
Game theory, developed by John von Neumann and Oskar Morgenstern, offers a structure for analysing strategic interactions between rational decision-makers (Hanappi,2013) This theoretical framework can utilized across a range of disciplines, such as economics, political science. Meyerson (1991) suggest that game theory is the examination of mathematical frameworks that analyse strategic interaction among individual or organizations (Meyerson,1991) Forsyth (2023) denoted that in practical, game theory is utilised to analyse scenario such as pricing competition and product development among competing firms (Forsyth,2023). There is an indication that competition is good for business like the study finding indicate that local business found it difficult to compete with foreign business. MSMEs of Namibia just need to empower with the game theory so that they can compete effectively and the essence of making business. Forsyth (2023) describes game theory as a model for understanding interactions among competing players (Forsyth,2023). This scenario can be expanded to include the interaction among MSMEs in emerging towns and those in well-established towns areas.

#### **f) Herbert Simon's Decision-Making Theory**

Simon (1979) introduced the concept of "bounded rationality," suggesting that decision-makers operate under constraints that limit their access to information and cognitive capacity. In the context of SMEs, this theory highlights the challenges that entrepreneurs may face when navigating complex regulatory environments and making strategic business decisions (Simon,1979). Public policies can mitigate these challenges by providing clear information, guidance, and resources that simplify the decision-making process for MSMEs. Campitelli and Gobet (2010) suggest that Simon's approach to decision-making is based on three key assumptions. First, decisions are not made by perfectly rational agents, but they are made by agents who operate with bounded rationality, meaning their capacity to make decisions is limited by the information they have and their cognitive abilities. Secondly, the quality of the decisions made can vary depending on the expertise of the decision-makers and lastly, accurately to fully understand decision-making, it is essential to examine the cognitive processes involved, as relying solely on an analysis of outcomes is inadequate (Campitelli &Gobet,2010). This is a confirmation that having public policies in place not capturing the situation of localities where is underdeveloped as identified by the study, the country can be in a difficult position to overcome the disparities among upcoming towns and rural areas.

## 2.2 CONCEPTUAL FRAMEWORK

The conceptual framework serves as a narrative or graphical representation of the research being studied. It comprises the study's dependent and independent variables and illustrated in Fig 1 below shows the expected interaction between the variables (Miles et al.,2014).



**Fig. 1. Conceptual framework to show the relationship between independent variable and dependent variables.**

The figure1 represents a conceptual framework showing the relationship between independent variable and dependent variables. Effective Public Policy serves as the independent variable, representing the policies and strategies implemented by the government or relevant authorities. Economic Growth and SME development are dependent variables that positively influenced by the effective public policies. Economic growth is the comprehensive measure of overall economic development, influenced by effective public policy. Arrows indicates the directional relationship, signifying that effective public policy has an impact on SMEs development and economic growth.

This shows that an improvement in the independent variable leads to an increase in the dependent variables. There is also direct relationship between economic growth and SME development shown by the arrows curved up as they are interconnected. Growth in one lead to growth on the other and vice versa. The outcome of economic growth and SME development depicted by curved arrows point figure to the oval shape where access to finance, capital and market, technological development, income generation and job creation, human capital development enhance MSMEs production capacity international trade, GDP growth, and long-term investment. Effective public policies that address these dimensions can create a conducive environment for MSMEs and contribute to the overall economic growth of a country. Bryan (2013) claims that public policy plays a crucial role in shaping entrepreneurship and driving economic growth (Bryan,2013).

### **3. RESEARCH METHODOLOGY**

Research methodology encompasses the overarching approach and strategic framework used to achieve the study's objectives (Sutrisna, 2009). The study explores the role of effective public policy in fostering economic growth, particularly within MSMEs sector in Namibia. A qualitative research approach was adopted, incorporating an epistemological interpretative framework that facilitates an in-depth examination of the relationship between public policies and SME development. According to Maxwell (2019), qualitative research offers significant advantages in three key areas: perspectives, engagement, and policy development practices. The research methodology entailed a thorough review of existing theories, scholarly articles, and policy documents to assess the impact of public policies on SMEs

#### **3.1 Research Design**

A research design serves as a structured framework that systematically guides the empirical investigation of research questions (McCombs, 2021). This study employed a phenomenological research design, which is particularly suitable as it enables a comprehensive exploration of the lived experiences of key stakeholders, including SME owners and managers, government officials, and representatives from financial institutions. Pathak (2017) explains that a phenomenological research design seeks to understand how individuals perceive and interpret specific phenomena by focusing on their lived experiences (Pathak,2016). Unlike quantitative approaches, which may overlook individual narratives, qualitative phenomenology prioritizes subjective perspectives, facilitating a deeper comprehension of how public policies are perceived and their subsequent implications for economic growth. This alignment strengthens the validity and reliability of the research findings (Creswell, 2013). Given that SMEs play a pivotal role in the economic landscape, assessing the impact of public policies on their growth is vital for policymakers, entrepreneurs, and researchers alike (Ayyagari, Beck, & Demirgüç-Kunt, 2007). By synthesizing their insights, the study aims to provide a clearer understanding of how policy measures influence SME development.



### **3.2 Research Approach**

Phenomenology, initially introduced by Husserl (1931), serves as the foundational qualitative research approach adopted in this study (Husserl, 1931). The research applies an interpretative approach, prioritizing an in-depth comprehension of public policy's role in shaping the economic growth of SMEs in Namibia. The phenomenological approach is deeply rooted in philosophical traditions that emphasize human experience as a primary source of knowledge (Moustakas, 1994). It focuses on how individuals assign meaning to their lived experiences, making it a suitable framework for analyzing how SMEs perceive and respond to public policy. This study employs Interpretative Phenomenological Analysis (IPA) as a key analytical component. Through this methodology, the research delves beyond descriptive accounts to uncover deeper themes that inform both academic discourse and practical policymaking. Burck (2005) emphasizes that IPA allows for a thorough examination of the emotional and psychological dimensions of participants' experiences, shedding light on the challenges and opportunities SMEs encounter in navigating policy landscapes. The core objective of phenomenological research is to uncover the embedded meanings in participants' experiences and articulate these in a manner that reflects their realities (Creswell, 2013). Ethical considerations were adhered to throughout the research process. Approval was obtained from relevant management and ethical review committees before data collection commenced.

### **3.3 Population and Sample size**

Population refers to the specific group of individuals or entities that a study seeks to examine (Majid, 2018). In Namibia, MSMEs constitute a significant segment of the economy, with an estimated 40,000 businesses operating across various industries. As outlined by Garg (2016), inclusion criteria in research ensure consistency, reliability, and objectivity. The selection criteria for this study include sector representation and geographic coverage to enhance the applicability of findings across Namibia's SME sector. According to Mikecz (2012), purposive sampling facilitates the identification of respondents through publicly available professional information, particularly when the research population has high visibility. Participants were required to provide informed consent, and institutional heads authorized their employees' participation. The sample size for this study was determined using purposive sampling to ensure the collected perspectives effectively address the research objectives on public policy's impact on economic growth within Namibia's MSME sector. Unlike quantitative research, which requires large samples for statistical representation, qualitative studies emphasize depth and rich insights over breadth (Kaluza, 2023). The study's sample includes 12 participants from government ministries and financial institutions, whose perspectives are essential for understanding policy frameworks and support mechanisms for SMEs. Additionally, 38 SME owners and managers were selected to offer direct insights into how policies impact their operations, growth opportunities, and overall business environment.

### **3.4 Sampling Design**

Purposive sampling was selected as the most suitable method for this qualitative study due to its ability to focus on individuals with direct knowledge of SME policies and economic growth (Patton, 2002). According to Coyne (1997), purposive sampling is a deliberate method that enables

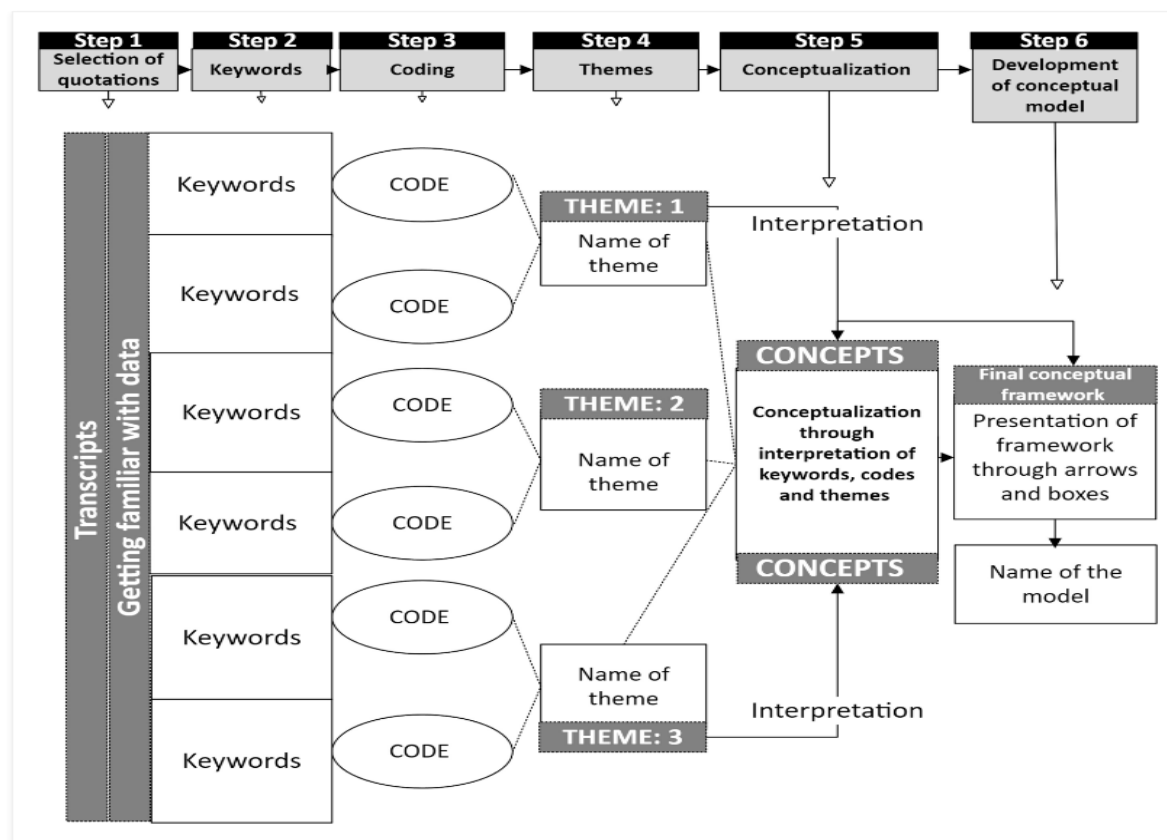
researchers to obtain detailed, contextual data from knowledgeable individuals. Best and Kahn (2016) highlight that while random sampling is widely used in quantitative research, its application in qualitative studies is often impractical due to the need for specialized knowledge among participants (Best and Kahn, 2016). The final sample includes staff members from the Ministry of Urban and Rural Development, Ministry of Finance and Public Enterprises, National Planning Commission, Ministry of Industrialization, Trade and SME Development, Development Bank of Namibia, Bank of Namibia, regional councils, local authorities, and SME owners. This approach aligns with the broader objective of evaluating how policy frameworks either facilitate or hinder SME growth (Mazzarol & Reboud, 2020). Patton (2002) emphasizes that purposive sampling is a widely accepted technique in qualitative research, allowing for the strategic selection of participants who can provide rich and relevant data within the constraints of limited resources. Maxwell (2019) further highlights that qualitative research is strengthened by considering the local context in the analysis and interpretation of findings.

#### **4. DATA PRESENTATION AND ANALYSIS**

This is to present what the study found (Omid, 2017) when explores the impact of effective public policy on economic growth. The data were analysed using thematic analysis to identify common themes and patterns and narrative inquiry. Therefore, conclusions drawn from this research provide valuable insights and recommendations for fostering SME development and overall prosperity in Namibia Profiles. The analysis was made by using Microsoft word of entering all the information generated on a private desktop where 195 codes was generated. The codes were reorganised by finding the similarity until come at 98 codes before it cascaded to 27. The study reduced the code and themes less than 20 and 5 based on the objectives of study inclusive of the dependent and independent variables. The information provided by participants is bulky since the question were set for three categories such as SMEs owners, public institutions and the prime financial institutions. 50 people of the key informants participated in the study which is equal to 100% response. The sample size enables the scholar to capture a diverse range of perspectives from SMEs across different industries, regions, and offices ministries and agencies, while ensuring the feasibility of the study within the given parameters. Hence the purposive sampling approach generate rich, contextual data that complement the existing quantitative evidence on the topic.

##### **4.1. THEMATIC ANALYSIS AND INTERPRETATION**

In analysing the qualitative data using thematic analysis to explore the effective of public policy on improving economic growth and MSMEs, a robust theoretical framework built by integrating various theories. The analysis was made using the systematic thematic analysis process adopted from Naeem & Ozuem (2023), the following outlines a novel six phase methodology designed for the development of conceptual model in qualitative research as shown below in Fig.2



**Fig. 2. A six phase of innovative process for the development of conceptual model (Naeem & Ozuem, 2023)**

Briefly explanation of the phases on the analysis process based on the step provided in the table 2 below as adopted from a six phase of innovative process for the development of the conceptual model.

**Table 1 A six phase of innovation process by Naeem & Ozuem (2023)**

Phases 1	Selection of quotations
Phase 2	keywords
Phase 3	Coding
Phase 3	Theme
Phase 4	Conceptualization
Phase 5	Developmental of conceptual model

**Phase 1 Quotations.** The first phase is to know the data by familiarising with to select quotation for the preparation of coding (Naeem, 2023). In this phase, the scholar compiled the information from all the questionnaires and interviews in Microsoft word and read through to understand the meaning of the data collected. Selection of quotations was derived and presented below in theme derived from the findings as guided by the innovation process adopted by the study (Naeem, 2023).

For themes illustrated below through participant reflections of which only one or two salient quotations are highlighted below.

#### **4.1.1 Theme 1. Clear definition of effective public policy (EPP)**

**1. Support favorable regulatory frameworks**, this is just to highlight the importance of favorable regulatory frameworks, such that it encourages innovation and growth as they are crucial for effective public policies in promoting economic growth and development. Participant stated that “Effective policy supposed to be policies that responsive and aiding the economic growth of SMEs in the country. In terms of supportive as systems and processes capacity building including mentorship, training, exhibition and expo” “The council supposed to identify local economic development policy, to standardise the operation at regional level. But due to lack of national LED policy, it has hinder the growth of SMEs in Namibia as a country”

**2. Collaboration of government with various institutions.** There is a need to put more emphasis on collaboration between the government institutions with various institutions such NGOs, Civic Organization and other international organizations to tackle the problem MSMEs is facing. “Collaboration is lacking in some regions where Public Private Partnership is not being familiar with some officials, and it delay local economic development”

“The policy which I want it to change, is the one which does not allow us to construct our business at the proclaimed upcoming town. I applied a plot at Settlement and at that time there were money available that can be secured from the Development Bank of Namibia, to put up a shopping mall. How can we contribute to Local Economic Development if we are not given a chance? and I don't think that I am the only one who experienced this resistance and delay”

**3. Simplify bureaucratic procedures.** The research findings stressed the need to simplify bureaucratic procedures to facilitate efficient implementation of policies. As participants remarked, “the process of registering a business to do business is complicated and sometime take so long and one have to pay someone to read and fill in the form on behalf of some SMEs, thus why some SMEs are not registering their business” “why locality that are proclaimed to be town but still people are not giving us a chance to construct their houses with subsidy, why bureaucracy procedure in consultation with public policy are not simplified to fast track those local economic development and give us job”.

**4. Stakeholders involvement in policy formulation** was deemed crucial from the findings, when some participants felt excluded from the process of formulation public policy. Participants stating that “Inclusion of stakeholders in the policy formulation process ensures diverse perspectives and increases the chances of having policy attend to our needs and to understand what policy all about.” “Yes, public policies are in place, but the interpretation and implementation of the policy to some institutions is delay the productivity that slowing down economic growth”

**5. "Value addition/chain.** The research findings highlighted the importance of value addition and value chains in policies. Participants stating that, “Effective policies should focus on promoting value addition and especially on the traditional products we were using in our households” “We

have been eating foods from our field, we use to eat beans cooked in different way, spinach, dry fish, omagungu. We had been using marula oil, mankenti oil and Kalahari melon oil and the best part of it, these oil you can use it for cooking, body lotion and hair moisturizer and hair food. This oil was the best oil as can be used even to small babies, and it give them warmth.”

#### **4.1.2 Theme 2 Contribution of SMEs to employment and economic growth, services availability.**

**1. Job opportunities;** The research findings highlighted the success of SMEs on how impacted the local community in terms of employment, made services available and contributed to economic growth. Participants stating that “As us SMEs we provide job opportunities everywhere even in deep rural areas., particularly in sectors such as retail, services, agriculture and construction at the same time we also make products and services available in those communities.” “SMEs mostly employs technical and unskilled labours which would not easily get employment in other organizations”.

**2. SMEs are the backbone of the economy,** The research finding confirmed that SMEs are the backbone of the economy. Participants remarked, "SMEs play a vital role in driving economic growth, through innovation by ensuring goods and services are available, and ensure consumers has variety of products to choose from". “The market should be regulated at such who to sell at what level of wholesale, manufacture and retail to give each other an opportunity to trade. Foreign companies who are advanced with the technology shall not compete with us at growth point and in rural areas, they shall be at the level of wholesales”

**3.Cash flow in the informal market.** The study noted that the contribution of SMEs, whenever they facilitate the movement of physical cash in the growth point and upcoming town where formal bank options do not exist and support economic activity in those communities. Participants noted that “my filling station is making a difference by providing the needed services, people receive

money through wallets, and they can also send money especially with First National Bank and NamPost.I believe this is because of effectiveness of public policies.” “We appreciate the government for making us to do business in the rural areas as some do not travel anymore to big towns, they just buy daily needs at our shops unlike before.” “There shall be a policy of rewarding businesspeople timely”

#### **4.1.3 Theme 3 The impact of SME policy on economic growth**

a) On the positive impact, 1. **Establish conducive setting for SMEs,** the study findings highlighted the positive effects of establishing a conducive environment for SMEs, by creating a supportive policy environment based on the needs of the SMEs. “I really appreciate the government policy for assist me to establish my business, but it was a struggle when I started, with difficult of accessing right information and financial resources, but when I grow at certain level, I



am doing well now, I am in retail, manufacturing and construction” and “my proposal there is a need to concentrate in agriculture to produce our own food especially millet, maize and rice. I just want to go in agriculture, but the operating space is scarce as you need a place close to water..”.

**2.Training program by road authority to local contractors who can construct bitumen roads and maintain roads.** Another participant emphasized the positive impact of training programs from institutions who have resources, stating, "The training program provided by the road authority to local contractors enhances their skills and capacity, enabling them to participate in road construction projects and provide quality work.”.

**3.Enhance SMEs productivity** was identified by the study as significant, with a participants remarked, "Policies aimed at enhancing SME productivity and efficiency contribute to overall economic growth and competitiveness especially the Ministry of Urban and Rural Development on, The federation, Regional Councils on micro finance and Ministry Of Industrialization and Trade that provide machinery and other capital resources”

“Yes, the SME policy enhance our productivity, however Foreign Investment Act is disadvantaging the domestic entrepreneurs. I am proposing to be revised by considering our view and inviting us to be part of the review process”

**1. Unfair competition with foreign large companies.** During the study period participants highlighted the consequences of unfair competition with large foreign companies, stating, "The Foreign Investment Act (FIA) need to be changed is the one make SMEs to suffer when they are competing with large foreign companies when they are operating in small town and in rural areas because their products are very cheaper and we don't know how do they bring their products in the country and sell cheaper” “The FIA must reviewed to make them to operate at the level of wholesale and to have a mechanism which can assist SMEs and does not disadvantage the foreign companies too”

**2. Confiscating goods from SMEs at border posts and inside the country without compensation”.** The research also noted some of the challenges related to the confiscation of goods from SMEs. Participants indicate that “Why our products are burned down but is the same products in the foreign companies shop but no one is removing them, and we don't understand this, it seems like they are better off than us or is corruption”. "The confiscation of goods at border posts is a significant blow to MSMEs. We need policies that support, not hinder, our ability to trade legally and fairly."

**3. Limited access to farming techniques and technologies.** The research noted that access to farming techniques and technologies hindered the potential of SMEs in the agricultural sector. Participants quotations, "Limited access to modern farming techniques and technologies limits the productivity and growth of SMEs in the agricultural sector, however if there is public policy for investing in agricultural sector need to review to accommodate the unemployed people to be channeled to those irrigation schemes in the country as currently, they are underutilized, Tshatikongolo, Etunda and Kaliyambezi and maybe others.”

#### **4.1.4 Theme 4 Financial and non-financial support for SME growth**

**1. Assist SME in promoting local products and tradition/cultural practices.** Participants emphasized the role of support in promoting local products and tradition/cultural practices, with participants stating, "Assisting SMEs in showcasing and promoting local products and cultural practices preserves our heritage make everyone to participate to the local economic development" "There is not enough money circulating in the constituency, as there are a lot of people who do not have a job."

**2. A platform for SME to showcase and trade.** The creation of a platform for SMEs to showcase and trade their goods and services was highlighted Participants remarked, "Providing SMEs with a platform for SMEs to engage in trade activities, networking, present potential business opportunities" and "creating platforms for showcasing and trading our products opens doors that many MSMEs struggle to access. This visibility is crucial for our growth."

**3. "SME financing initiatives,"** SME financing initiatives were recognized as crucial for their growth. Participants highlighted this, "access to finance is really hindering the business of small business to grow, because they don't have pays lip and have no collateral which is required by the bank. Things have changed as there was one organization that use to give funds to the SMEs under the name "Koshi yomuti meaning "under the tree" organization without collateral but should be a member of an organized businesspeople group." This is an indication that the availability and accessible financing options based on the SMEs needs can significantly support their expansion plans and fuel economic growth to overcome inequality.

**4. Technological development.** The study also noted the integration of technological development as an essential aspect of support for SME growth. Participants noted, "Acceptance technological improvements and preparing SMEs with the necessary instruments and capital facilitate them to adjust their operations, foster productivity, and remain driven in an advancing market" "My proposal for public policies to be effective and empower us SME who deal with traditional products, they must assist us with the technology by using graduates from Agriculture institutions, because we can't afford machinery to process our products."

#### **4.1.5 Theme 5 The challenges faced by SMEs and proposed interventions for their development and prosperity.**

**1. Bureaucracy** The study noted that SMEs experienced obstacles which were posed by **bureaucracy**. With participants stating, "The cumbersome bureaucratic processes undermine the progress of SMEs, information which is supposed to be known by the SMEs and public is not accessible." "Government should facilitate to have information canter creation in region to decentralized to constituencies, unemployment is really in rural area, and youth are asking us to give them job or money so that they can be able to attend interview or hunting job". "As a SME I

can't employ all of the unemployed people in my area, as we are struggling to expand our business but too much bureaucracy and forced to pay extra money to get information or to be assisted"

**2. Limited access to financial resources.** The study identified limited access to financial resources as a significant challenge for SMEs. Participants quotations, "Without adequate access to financial resources, SMEs face difficulties in securing capital for expansion, leading to limited growth and impact on economic development especially in upcoming town" "people are not having access to financial resources and capital because they are not submitting or don't have what required. Financial institutions are not decentralized and there is no bank targeting SMEs, though they are recognized as the backbone of the country economic growth".

**3. Lack of technical skills the study noted** the lack of skill in doing business is significant. Participants remarked, " I am running a small shop in a rural area, but I have no means to expand my business, I don't know how to write a business proposal, no knowledge in bookkeeping, no public policy is assisting us to have what required by the bank to get funds" "One of the significant barriers we face is the lack of technical skills among MSME owners and staff. Investing in skill development is crucial for our growth."

**To address these challenges, proposed interventions were put forth by the participants.**

1. They highlighted the importance of **encouragement and promotion a culture of entrepreneurship**, as they stated, "Creating an environment that promotes and encourage a culture of entrepreneurship will inspire revolution and risk-taking, leading to the inclusive growth and prosperity of SMEs." "Our population is very small, the ministries dealing with regulation, or planning supposed to craft a regulation with incentives to woman who are giving birth to increase the population. Incentives should be given to woman as small children require caring because Indian, China and Nigeria are doing well because of their populations and created wealth people within their economies."

2.The study also suggested the **creation of regional agencies focused on SMEs**. Participant mentioned, "Create a national agency fully or primarily focused on supporting SMEs growth. Promote a culture of entrepreneurship. Facilitating access to local and global market. Improving the productivity of SMEs is a worthwhile endeavor. Better access to global markets and knowledge networks can strengthen SMEs contributions" "The Development Bank of Namibia (DBN) must create tailored financial products that cater specifically to the unique circumstances of MSMEs."

**Phase 2 Keywords.** The second step is where the process shifts to the choosing of the keywords (find appendix A attached) from the gathered information. The phase is significant as it facilitates process of interpretation for the findings of the study. Quotation will be used as evidence in the qualitative study as confirmed by Naeem et al (2023) that it is crucial for conducting a comprehensive evaluation of essential principles that ensure scientific rigor, such as validity and reliability (Naeemi, 2023).

**Phase 3 Coding.** The third step is to focus on keywords that chosen from the findings which were up to 187. Among the 187 some were similar and later were cascading to 95, the scholar focused on the reduction as it is significant to enhance the clarity to derive coding framework. This phase is also crucial as it will bring insightful manageable unit which help in the converting of data for further scrutiny (Naeem et al.,2023).

**Phase 4 Themes Formulation.** Formulating themes from the coded data. The fourth phase is preparing the themes, the scholar formulates the theme based on the 95 codes selected from the data by aligning them with the study objectives. However, 95 codes to be analysed would be overwhelming, the scholar identified five themes therefore in each theme the best 4 to 6 codes were selected as the focus of the analysis of the study is to address the research questions. This was confirmed by the study of Naeem et al (2023) which stated that a theme formulation objective is for the provision of connection of the data gathered from research questions (Naeem,2023) for the process to remains coherent and relevant. (Carey ,2017) posits that the development of themes from codes is based on the scholar's reflection and observation combined with the theoretical structure (Carey,2017). The table below presents phases 3 &4 for coding and development of themes respectively.

The table below elucidates the relationship between Phases 3 and 4, showcasing how the coding framework supports the subsequent theme development

**Table. 2. Theme and Coding, Author**

Theme	Coding
<b>Clear definition of Effective /public policies</b>	1.Support favourable regulatory frameworks 2.Collaboration of government with various institutions 3.simplify bureaucratic procedure 4. stakeholder involvement in policy formulation 5. Value addition/chain
<b>The contribution of SME to employment, economic growth and service accessible</b>	1. Job opportunities 2. SMEs backbone economy 1 3. SMEs provided needed cashflow in informal market at location, settlement and upcoming tow
<b>The impact of SME policy on economic growth</b>	<b>Positive impact</b> 1. Establish conducive setting for SMEs2.Training program by road authority Local contracts who can construct bitumen roads and maintaining roads 3.Enhance SMEs productivity 5 <b>Negative impact.</b> Unfair competition with foreign large companies 2. Confiscating goods from SME at border post or inside the country 3. limited to access farming techniques and technologies 3
<b>Financial and non-financial to support SME growth</b>	1. Assist SME in promoting local products tradition/cultural practices 2. platform showcase and trading 3. Intensifying coaching to enhance financial literacy 4. SME financing initiatives", 5. Technology development

<b>Challenges &amp; proposed intervention for development and prosperity</b>	<b>Challenges</b> 1.Bureaucracy 2. Limited access to financial resources 3. Lack of technical skills", <b>Proposed</b> 1. Foster and nurture culture of entrepreneurship 2. Creation of a regional agency focused on SME 3. DBN to devise financial products that speak to the need of the SME
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**Phase 5 Conceptualization.** The fifth phase is to be analysing the keyword to form a conceptual understanding and redefining the themes to come up with concepts (Naeem,2023)

The scholar redefines and redesigning the theme to see if it is related to the objectives of the study. This has been confirmed by Bigham (2023) that the research come up with some phrases as a strategy to connect the findings to the theoretical framework and to the existing research (Bigham,2023) For a qualitative study exploring the impact of effective public policies on improving economic growth in Namibia's SMEs, Grodal et al. (2021) emphasize that developing a conceptual framework is a key task for researchers.

**Phase 6 Development of conceptual model.** The sixth step is to formulating a conceptual model from the 5 themes that created under the fourth phase of the innovative process. Naeem and Ozuem (2022a) stated that comprehensive framework establishes and guides the process of raw data to be easily transition to conceptual model development (Naeem &Ozuem,2022).

#### 4.1.6 Conceptual model development

The study come up with conceptual model below illustrates the relationship between effective public policies and economic growth through Small and Medium-sized Enterprises MSMEs in Namibia. This comprehensive approach ensures that the qualitative research transitions seamlessly from raw data to a well-articulated conceptual model as shown in Fig. 3. The resulting model serves as a visual representation of the research findings, providing clarity and insight for stakeholders and policymakers in Namibia.

The MSMEs conceptual model integrates the five key concepts derived from the thematic analysis as illustrated in Fig. 3 below



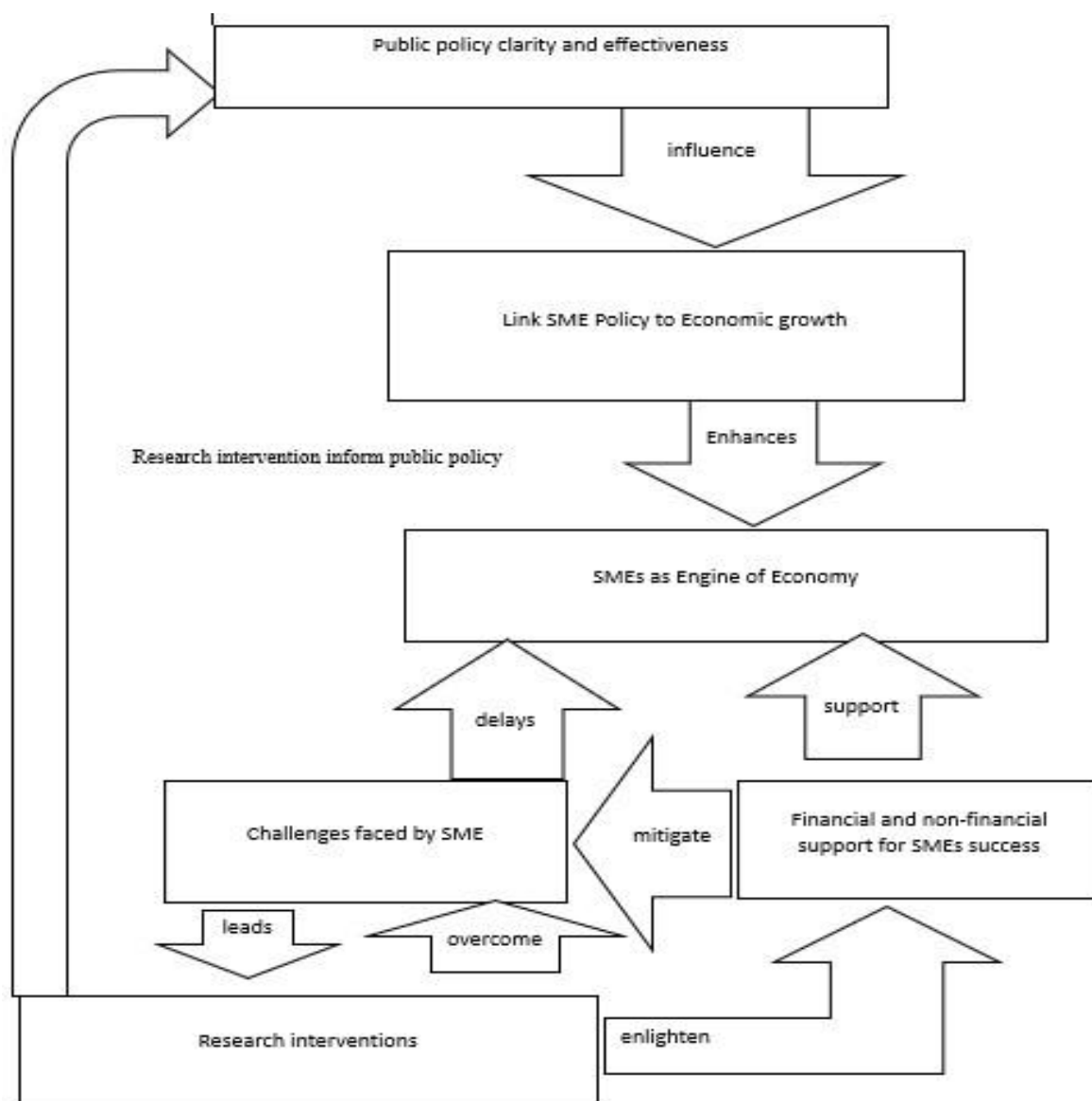


Fig. 3. MSME conceptual model

The MSMEs conceptual model above shows the interconnection of the concepts as a post reflection of the conceptual framework adopted. The study findings confirmed the relationship as presented by conceptual model as follows:

**Public Policies Clarity and Effectiveness:** The arrow from Clarity and effectiveness of public policies rectangle pointing down to link SMEs policy to economic growth rectangle. This will influence the operational environment of SMEs, affecting their ability to act as engines of economic growth.

**Link MSME Policy to Economic Growth:** The arrow from link SMEs policy to Economic Growth pointing down SMEs as engine of economy. That says effective SME policies need financial and nonfinancial support to directly contribute to economic growth by fostering a supportive environment for SME developments. **SMEs as Engines of Economic Growth:** Th arrow from SMEs as Engine of Economic Growth pointed directly to financial and nonfinancial support to success rectangle. This says when supported by clear and effective policies, financial and non-financial support SMEs to succeed can significantly drive economic growth that resulting job creation, employment opportunities, and substantial contributions to GDP.

**Financial and Non-Financial Support for SME Success:** The arrow from Financial and non-financial support for SMEs success rectangle pointed directly to challenges faced by SME rectangle. That says adequate financial and non-financial resources mitigate challenges faced by SMEs, and support SME as an engine of economy by promoting their growth and success.

**Challenges Faced by SMEs:** The arrow from challenges faced by SMEs rectangle shows that it delays SMEs therefore it leads to research intervention rectangle where identified challenges can be overcome.

**Research interventions:** the arrows from research intervention rectangle points directly to inform public policy formulation to overcome the challenges. **The intervention should be** designed to provide actionable solutions, which in turn inform and refine public policies that addressing the challenge SMEs face crucial for their success SMEs to act as engine of economy in totality. Effective research interventions help identify gaps and provide evidence-based recommendations to improve public policies, ensuring they enlighten the financial and non-financial support to support SME growth.

## **5. DISCUSSION, AND RECOMMENDATIONS**

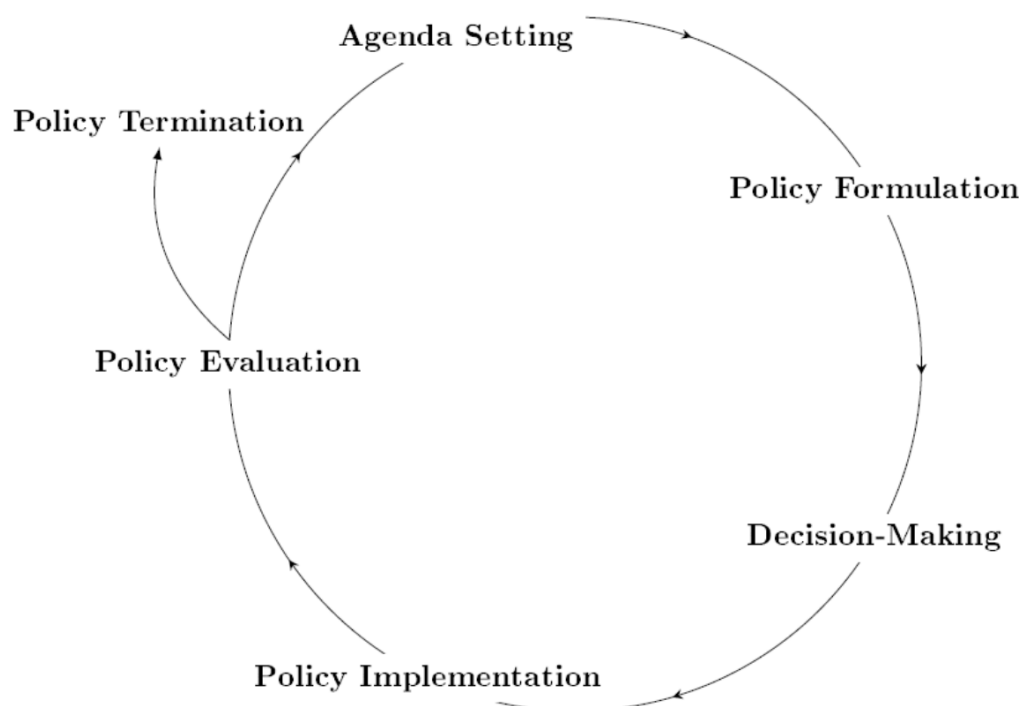
Is to explain the meaning of the result which was presented above in relation to the literature documented by other researchers (Omid, 2017) on the thematic insight of public policy on improving economic growth. Based on the study, public policy was defined as a set of regulations, laws, and guidelines created by the government to govern economic activities, address societal issues, and promote economic growth through MSMEs.,

### **5.1.1 Policy Clarity and Effectiveness**

Policy clarity and effectiveness refer to the clear understanding and communication of the objectives, guidelines, and regulations related to MSMEs. Public policy effectiveness, on the other hand, refers to the successful implementation and achievement of desired outcomes. Public policies with clear objectives and regulations understood in the indigenous language, can facilitate a favourable environment for MSMEs in Namibia.

This qualitative study examines how public policy can leverage the power MSMEs to drive economic growth in Namibia. Policy clarity and effectiveness require a thorough understanding of the issue on the ground and its root causes, along with the appropriate use of instruments to address as this was highlighted by the study done by Bali, Capano, and Ramesh (2019). Capano and Pavas examine how current digital communication technologies can aid in designing effective policies and in any conditions, they are most beneficial (Schito,2023).

The study embracing an interpretative paradigm to provide a deeper and more holistic understanding of the phenomena under investigation by narrating the stages of public policy adopted from Schito,( 2023) as follows(Schito,2023).



**Fig. 4. Stages of policy cycle adopted from Schito (2022).**

#### **Public policy process as shown in fig 4 .**

1. Agenda setting marks the initial phase of policy cycle process. According Schito (2022) emphasise that government cannot enact a policy without first recognizing a problem (Schito,2022). Public policy must address the challenges faced by its citizen. The agenda-setting process begins when an issue emerges and captures the government's attention. (Howlett, et al., 2020). The clarity and effectiveness of public policy identified by the study rotate on identification of the problem as some challenges are unique to specific location or region of a country.

2. Policy formulation, interpreted as the second stage in the cycle, involves the development of the policy and the refining of the problem so that all stakeholders can comprehend it. This stage focuses on policy development, setting objectives, and choosing the best alternatives from the available options, as well as determining the instruments to be used to resolve the issue (Howlett, 2018). Hence all the stakeholders are key to public policy engagement to ensure effectiveness includes academic community. Cairney (2016) highlights the critical nature of this stage, emphasizing that policymakers must engage epistemic communities and all stakeholders to ensure evidence-based policymaking (Cairney, 2016). This is an indication that public policies should be crafted with the involvement of the targeted beneficiaries as they are the experts on the issues affecting them and they might know what the best way they can be addressed.

3. Decision-making is a third crucial stage where the methodologies for implementation are decided to ensure smooth execution. This is the phase where policies are legitimized by legislators (Howlett et al., 2020). On this stage is where all alternatives to find solution are spelled out with their consequences and select the one can yield more results.

4. Despite the significance of all stages in the public policy cycle, the implementation phase as the fourth stage holds additional merits and according to Schito (2022), an unimplemented policy is worthless (Schito, 2022). In practice, the challenges meant to be addressed by the policy may evolve over time, this is a sign that timely implementation is crucial for a complete public policy cycle.

5. The policy evaluation which is the fifth phase comes into play only after the policy is implemented. Cairney (2019) and Howlett et al. (2020) stress that evaluation assesses the policy's success during implementation. The practical evaluation reviews what went wrong, whether the problem was correctly formulated, and the instruments appropriately utilized, as well as what went right, focusing on outcomes, impacts, and success stories. This stage can determine subsequent actions, such as setting for a new agenda, maintaining, or terminating the policy. It provides a basis for policymakers to derive theories from the lessons learned through monitoring, offering a valuable opportunity for experience sharing and situational insights (Howlett et al., 2020; Howlett & Giest, 2018). On the other hand, those derived theories, lesson learned and case studies from the policy evaluation can be used as modules to the institution of high learning when a curriculum of public policy incorporated. Although there is no singular best way to address identified problems, policy evaluation should always inform public policy discussions. The clarity and effectiveness of public policy in the context of the study lay the foundation for MSME success and economic growth.

6. Policy termination is considered only when a policy has achieved all its goals and answered all the questions that prompted its formulation. Some governments sometimes choose not to terminate but to maintain and possibly modify existing policies, as the initial policy discussions might be unclear. Literature confirms that governments often inherit policies from previous administrations and continue with them because changing them would be economically and politically costly (Schito, 2023) Therefore, policy termination is not always included in the policy framework of

some government. It is against this background, some challenges still persistent and it may affect those who are target beneficiaries.

### **5.1.2 Link between SMEs policies to Economic Growth**

This refers to the exploration of the relationship between policies targeting MSMEs and the overall economic growth of a region and a country. This is emphasized by institutional theory, which highlights the importance of a supportive institutional framework in fostering SME growth and, consequently, economic growth. Schito (2022) argues that government policies cannot be developed if there is no problem identified and formulated. He noted that a policy is only valuable if it is implemented (Schito,2022). Practically there is no policy that is good if it is not feasible for implementation that makes it difficult to measure its effectiveness if not put into practice. Namibia has the following public policies below with clear mandate to support MSMEs, but also need to be reviewed to capture the current issues.

**1.The Public Procurement Act 15 of 2015** in Namibia has a comprehensive public procurement aimed at regulating and streamlining the procurement of goods, works, and services by public entities. One of their key objectives is to promote the empowerment of Namibian registered small and medium enterprises, as well as women and youth-owned businesses, by creating economic opportunities and enhancing their participation in the mainstream economy (Public Procurement Act, 2015).

**2.The National Rural Development Policy of 2012.** Created to facilitate, and guide coordinated planning and implementation for rural development initiatives across all sectors of the economy in Namibia, in response to various challenges faced by rural populations (National Rural Development Policy,2012)

**3. The Decentralization Enabling Act of 2000.** It regulates the decentralization of functions from line ministries to Regional Councils and Local Authority Councils, ensuring effective governance and service delivery at the local level (Decentralization Enabling Act,2000

**4. The Trust Fund for Regional Development and Equity Provision Act No. 22 of 2000** The policy focuses on providing financial support for regional and local authority development projects, as well as managing business ventures on behalf of regional and local councils (Trust Fund for Regional Development and Equity Provision, 2000).

**5. The Decentralization, Development, and Democracy Policy of 1997.** It emphasizes participatory democracy, empowering communities to make decisions on their political, cultural, social, and development needs. It aims to decentralize basic public services to Regional Councils and Local Authorities for efficient service delivery (Decentralization, Development and Democracy Policy ,1997)



6. **The National SME Policy of 1997, later revised and become the National Policy on Micro, Small, and Medium Enterprises (MSME) 2016 - 2021.** To prioritizes the transformation of the MSME sector to drive economic growth and poverty reduction in Namibia by addressing challenges in policy frameworks, infrastructure, access to finance, business development services, innovation and technology adoption and market opportunities (**National Policy on Micro, Small, and Medium Enterprises ,2015**) The regulatory framework is in place for SMEs, but it is not favourable for everyone, especially those living in upcoming towns and rural area. There are ministries responsible for offering capacity building and training, but there is no institution specifically dedicated to this, nor is there a school of business management to offer basic business training.

As the Republic of Namibia proposed a new definition for Micro, Small and Medium enterprises in 2015 are as follows in table 3:

Table. 3. MSME new definition (**National Policy on Micro, Small, and Medium Enterprises, 2015**)

Category	No of full-time employees	And or	Annual turnover
Micro enterprises	1 to 10	And or	0 to 300 000
Small enterprises	11 to 30	And or	300 001to 3000 000
Medium enterprises	31 to 100	And or	3 000 001 to 10 000 000

7. **The Namibia Housing Policy (NHP) of 1991.**currently under review post-2009, positions housing as a vital component for economic growth in Namibia, aiming to contribute significantly to the country's economic development strategy (NHP of 1991).

8. **The Foreign Investment Act No. 27 of 1990** encourages foreign investment in Namibia to stimulate economic growth, job creation, and technology transfer (**Foreign Investment Act ,1990**). The Namibia Investment Promotion Act 9 of 2016 (GG 6110) repeals both Act 27 of 1990 and its amending legislation, Act 24 of 1993. (Namibia Investment Promotion Act, 2016) The objectives of the Foreign Investment Act focus on attracting foreign capital and expertise, which enhances competitiveness in various sectors, including housing. Its key objectives include: Encouraging Foreign Direct Investment (FDI): Attracting capital that catalyzes domestic economic development (UNCTAD, 2019).

## **5.2 RECOMMENDATIONS**

Despite government initiatives, SMEs in rural and developing areas continue to face constraints. To address these challenges and harness the full potential of MSMEs for economic development in Namibia, the following recommendations are proposed.

### **1. Establish a regional agency for SMEs support.**

Launching a dedicated regional agency focusing on SME development and will serve as a pivotal point for resource distribution, information dissemination, and advocacy. This agency should provide a one-stop-shop for entrepreneurs seeking guidance on funding opportunities, business development, and market access.

### **2. DBN and BoN to make financial and non-financial available for MSMEs**

The DBN and BoN should collaborate to design and offer financial products specifically customised to the needs of MSMEs, particularly in emerging towns and rural areas. This could include low-interest loans, micro-financing options, and flexible credit lines that reflect the realities of MSME operations.

### **3. Inclusive Policy Translation to indigenous languages for public policy dissemination.**

The study recommend that public policies shall be accessible to all Namibians, therefore it is essential to translate these policies into at least seven vernacular languages, including Oshiwambo, Otjiherero, Damara/Nama, Setswana, Rukwangali, Silozi, and Khoekhoe.

### **4. Identification of Suitable Agricultural Sites for mass food and clothing production.**

Conducting research to identify fertile regions for crops like millet, sorghum, maize, cassava, and rice is vital for establishing mass food and clothing production sites. This initiative would not only ensure food security for local consumption but also position Namibia as a potential exporter of these staples' food.

### **5. Revamping Local Economic Development Administration**

The slow pace of local economic development in emerging towns/settlements must be addressed by reorganizing the administration of these areas to be transferred and placed under the Ministry of Urban and Rural Development in collaboration with the National Planning Commission. The issues of operating space and slow pace of local economic development in some place as it pointed out by the findings will be resolved automatically.

## **6.Establishment of MSME Parks, cash and carry market and incubation centres by Ministry Industrialisation and trade**

Terming specific areas as MSME parks and incubation centres in emerging towns will create and customised environments conducive to business growth. Prioritizing these centres when declaring new towns will facilitate local economic development by fostering entrepreneurship right from the start. In the same vein Cash and Carry market should also established in rural communities to promote the MSMEs in constituencies.

## **7. Utilization of the MSME Conceptual Model**

The MSME conceptual model developed in this study should be employed as a benchmark to emphasize the clarity and effectiveness of public policy. By utilizing this model, all actors in economy can better understand the importance of sustainable practices and the role of empirical research in ensuring that policies meet the needs of MSMEs and local communities effectively.

## **8. Accelerating Policy Finalization by MURD**

It is critical to expedite the finalization of intergovernmental policy, white papers on LED and investment promotion strategies with the inclusion of the aspects of domestic investment, sector reservations. These policy directives such intergovernmental policy aimed at equitable resource distribution among regions and should be made available.

## **5.3 CONCLUSION**

The study's findings indicate that effective public policy has a positive impact on the growth and development of MSMEs, particularly in major towns and cities where information and resources are more readily available. However, some of MSMEs located in emerging towns and rural areas face significant challenges, including access to finance and capital resources, bureaucracy, lack of infrastructure development, and asymmetric information, and slow pace of local economic development. To address these disparities and unlock the full potential of MSMEs for economic growth in Namibia, the study made some policy recommendations. To harness the transformative power of MSMEs to drive sustainable economic growth and development, particularly in underserved rural and upcoming towns is to benchmarking MSMEs conceptual model derived through the study.

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## Appendix A Keywords on the findings on the impact of effective public policy

regulatory frameworks	Wealth creation	interest rate
Labour and marketing	Affordability	stakeholder involvement
Market share	Credit guarantee	NDPs and SDGs
Horticulture	capital and financial resources	data provision
rural development centre	work for graduates	information
Financial assistance	Retail	Economic growth
Research institution	Manufacturing	policy
regulatory burdens	Agriculture	trade
Offering incentives	Hospitality	public policy
Collaboration	Tourism	Grown product
Technical support	Agri enterprises	Attract investment
market opportunities	Technical and Vocational Training	Foster innovation policy
development environment	Horticultural	Knowledge transfer
innovation	Access	Intergovernmental fiscal
Job	finance and capital resources	. guideline for fund
employer in the informal sector	Credit guarantee scheme)	Public-Private Partnership
Value addition/chain	basic services	Collateral issues
financial incentives	Wealth creation	Decentralization policy
operating space	Poverty reduction	Start-up capital
Entrepreneurial acumen /skills	Procurement	effective instrument
market	Employment creation	Training
financial products	Income generation	Non-Governmental Organization
Intensifying coaching	Artisan skills	Entrepreneurship and management
Basic skills	Basis skills finance	Technology transfer
income generation	Coaching, mentoring	setting up cash and carry
Employment creation	doing business	market rate for SMEs
Public procurement	bureaucratic procedure	Sustainable growth
Poverty reduction	grants or MEs	productivity of SMEs
Youth expo	gardening	Business expo
Pageant	Annual festival	



market/global market	Land ownership (e.g., rural area) for SMEs,	capacity building
regional agency	meat, eggs, and chicken	local identity
Resource allocation	Materials and equipment,	platform showcase
Monitoring and evaluation	Red line,	Infrastructure development
Research development 5	money circulates	new market for SME
stakeholders	productivity	SME development
welding, fashion and design, bricklaying, joinery, and plumbing	Slow cash low	economic growth
One region, one initiative	Economy development	technology and innovation
Technology	Backbone economy	SMEs productivity
Microfinance	essential services	local and international market
Public procurement Act	informal market	Business expansion
secure contract.	paying tax	Increased production
Support network	Impact LED	joint venture
Incubation programs	breadwinners	setting for SME
challenges	SME provides	Collaboration
success.	remote areas	workshop and mentorship opportunities
Prioritize SMEs	restrictions	Construction and maintenance
financing initiatives	agricultural credit	Training program
BIPA,	construction	HIV awareness
technical skills	rural roads	Local contra
domestic demand	irrigation system	village and upcoming town
people with disabilities	farming	trading
low level of education	investment	culture of entrepreneurship
Slowdown of economic	value chain	Bureaucracy
goods and services	input supply	Red tape
Unfair competition (e.g., Chinese and Indian)	farming	Complex regulation
retail sector	processing	Limited access
Tax regime,	packaging	competing with public official
credit facilities	transportation	information
public bid,	marketing	population growth
Land ownership (e.g., rural area) for SMEs,	local product	give birth
meat, eggs, and chicken	Tradition cultural practices	drought relief

## About the Author



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