DEVELOPMENT OF WOODCARVING SMALL AND MEDIUM-SIZED ENTERPRISES IN OKAHANDJA, NAMIBIA
DEVELOPMENT OF WOODCARVING SMALL AND MEDIUM-SIZED ENTERPRISES IN OKAHANDJA, NAMIBIA

An Interactive Qualifying Project Report submitted to the Faculty of WORCESTER POLYTECHNIC INSTITUTE in partial fulfilment of the requirements for the Degree of Bachelor of Science
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Report submitted to:
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EXECUTIVE SUMMARY

The United Nations acknowledges that small and medium-sized enterprises (SMEs) are an essential part of the development of a country in transition (Schmögnerová, 2002). Namibia has recently made development of small and medium-sized enterprises (SMEs) a matter of national importance. As part of this initiative, the government is offering entrepreneurial training programs, marketing, and financial assistance (MTI, 1997). SMEs create jobs, increase modernization, and assist in growth of transitional economies, and they also require financial resources, infrastructure, and individuals with business knowledge (Dallago, 2003).

The local government of Okahandja, Namibia is concerned about the success of its woodcarvers markets and seeks to improve them as part of the national SME initiative. These woodcarvers markets are informal businesses consisting primarily of crafters from northern Namibia and Okahandja who sell their goods to tourists passing through the town. Improvement of these businesses will uplift the economy of the municipality, contribute to the national economy, and improve the standard of living for the members of the woodcarving community.

The outcome of this project is a set of recommendations for improving and expanding the economies of the Okahandja woodcarving markets. Successful woodcarvers markets would bring more people to Okahandja and create the opportunity for other SMEs, thereby reducing unemployment. We first worked with the communities and Municipality to determine the obstacles hindering the growth of these businesses. Following the completion of this problem identification phase, we set four specific objectives for our research:
**Objective 1:** Improve communication between the Municipality of Okahandja and each of the woodcarving markets.

**Objective 2:** Develop a plan for future training in business skills such as pricing, record keeping, cost management, and marketing.

**Objective 3:** Make recommendations about the physical layout of the marketplaces.

**Objective 4:** Create a plan for future marketing of the products and marketplaces.

To meet these objectives, we employed a community-based approach, consisting of a variety of social science research methodologies including community meetings and interviews. The nature of our method was to implement change throughout the research process; therefore our objectives frequently shifted as new developments occurred.

**Communication**

Through the course of our research, we have identified communication between the Municipality of Okahandja and the two woodcarvers markets as a serious problem, which could inhibit future development of the markets. The Municipality of Okahandja has stated that they requested this research in order that they may use the recommendations to improve the businesses of the woodcarvers markets. However, the vendors and leaders of the markets expressed a great deal of scepticism about the intentions of the Municipality. As long as the vendors did not believe that the Municipality has their interests in mind, they were resistant to the Municipality’s efforts to develop the woodcarvers markets. Therefore, communication between the Municipality of Okahandja and the vendors was essential to the growth of the economies of the woodcarving SMEs. We held meetings between each of the two woodcarvers
markets and the Municipality, and we made some gains in developing communication and trust.

**Business Training**

We conducted business skills assessment surveys of 25 percent of the vendors at each market, and we found that 23 percent of vendors have not had any formal education at all and only 37 percent of vendors have a secondary school education. Vendors sometimes have to sell at a loss to satisfy immediate needs, particularly during the low tourist seasons. Of the thirty-six vendors surveyed, thirty-four expressed an interest in receiving business training to help them learn to maximize profits and better manage their finances.

Selling products at a loss, not only hurts the vendor during that transaction, but also creates an unrealistic expectation of low prices for the customer and competition among vendors. Half of the Mbangura Woodcarvers Cooperative (MWC) vendors and 32 percent of the Namibia Wood Carvers Association (NWCA) surveyed consider cost of purchase or production when pricing the item. The pricing strategy used by the vendors seems ineffective, since 71 percent of MWC and 73 percent of NWCA vendors indicated that they often or sometimes have to sell their goods at a loss.

A number of organizations are already providing business training similar to that needed by the vendors at the Okahandja woodcarving markets. The Namibian National Chamber of Commerce and Industry (NNCCI), National Chamber of Crafts (NCC), Desert Research Foundation of Namibia (DRFN), and Rössing Foundation all have experience with business training in the informal crafts sector and have indicated that they would be able to organize business training for the vendors of Okahandja if funding
were available (Aiff, personal interview, 29 April 2004; Botma, personal interview, 26 April 2004; Gaseb, personal interview, 19 April 2004; Kaapanda, personal interview, 15 April 2004). Based on our recommendations, the Polytechnic of Namibia (PoN) is currently trying to obtain approval for a business training volunteer program for the woodcarvers markets in Okahandja (Mutjavikua, personal interview, 3 May 2004). The Centre for Entrepreneurial Development at PoN would administer the program in which third-year students would perform the training under the close supervision of PoN professors.

**Marketplace Layout**

Vendors at the Mbangura Cooperative identified concern with the impact of their current market layout and lack of parking on customer movement. Our study of the market layout will also be used by the Municipality in their plans for new marketplaces for the woodcarvers. We investigated the movement of customers through the market to determine the validity of the Mbangura vendors concern about the advantages of certain stall locations, assess the need for a temporary solution to the current market layout, and gather information pertinent to the future design of the new marketplaces. We studied the walking paths and pattern of stops of fifteen customers in the Mbangura market using direct observation.

The data collected by tracking customers showed a positive correlation between proximity to the parking lot and main road and the number of customers stopping at the stalls. From this information, we determined an immediate need to address the issue of customer flow through the Mbangura market. We held meetings with members of the Municipality, Roads Authority, and Mbangura representatives to discuss the urgency of
the lack of legal, safe, and convenient parking for the market. This caused the Municipality to set a high priority on finding a more suitable location for the marketplace.

**Marketing**

Marketing was identified by vendors at both markets as an area in need of improvement. We gathered data from post-transaction surveys of customers to determine how they learned of the markets and their perceptions of product quality. We also used data from the business skills assessment vendor survey to determine what marketing strategies are currently employed by vendors.

The MWC and NWCA currently do almost no marketing for their businesses. The data collected from our post-transaction surveys show that many customers do not know about the markets before driving through Okahandja.

Our surveys suggest that customers underestimate the time it takes to carve an item. The misperception of production time suggests customer do not place as high a value on the crafts as appropriate; this may cause them to try to bargain to lower prices than they otherwise would. This suggests that marketing is needed to build the customer’s understanding of the value of the items.

**Recommendations**

Through a proactive community-based approach, we facilitated communication between the woodcarving markets and the Municipality and empowered the community to take control of their own development. Nevertheless, we strongly recommend that the Municipality of Okahandja, the Namibia Wood Carvers Association, and the Mbangura Woodcarvers Cooperative focus on further improving communication. We have developed a number of recommendations, focusing on marketing ideas, for each of the
markets, and recommend that the Municipality provide support for these initiatives. We also recommend that the Municipality focus on the following goals:

1. Design new facilities for the woodcarving markets that include toilet facilities, ample parking, layout that facilitates free moment of customers, means of securing goods at night, shipping facilities, ample space for carving and maintenance, and an area for a historical and cultural display. We believe that most of this can be done for a relatively low cost.

2. Consult with the communities at each of the woodcarving markets to obtain their input on the designs for new facilities.

3. Procure funds for business training for vendors at NWCA and MWC from sources such as the Ministry of Trade and Industry.

4. Organize a woodcarving festival celebrating the art and history of the two markets in order to promote them. This festival would draw visitors to Okahandja and attract more attention to the woodcarvers markets.

5. Provide advice and institutional support for vendors seeking small business loans.

6. Secure the resources for a web page for the markets.
ABSTRACT

This project, conducted for the Municipality of Okahandja, Namibia was a community development effort focusing on improving and expanding the businesses of the woodcarvers markets of that town. Our specific objectives were to improve communication between the Municipality of Okahandja and each of the woodcarving markets, make recommendations about the physical layout of the marketplaces, develop a plan for business skills training for the vendors, and generate ideas for future marketing. Through the course of this project, we improved communication, initiated vendor training in business skills by the Polytechnic of Namibia, affected the layout for planned new marketplaces, and established committees of vendors to pursue marketing initiatives.
AUTHORSHIP

Emily Anesta, Alvaro Caceda, and Samantha Michalka shared responsibility for Chapter 1 Introduction, Chapter 4 Results, and Chapter 5 Conclusion. Emily Anesta bears primary responsibility for Chapter 2 Literature Review and Appendices L and M. Alvaro Caceda had primary responsibility for Appendices A through D and G through K. Samantha Michalka bears primary responsibility for the Chapter 3 Methodology and Appendices E and F.
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Chapter 1. INTRODUCTION

Nations transitioning from colonialism, dictatorship, and apartheid to democracy struggle to compete in the global economy. It is common knowledge that these nations usually have a technological as well as educational disadvantage compared to other nations, which may hinder them from following the constant rhythm of development in the world. Poverty and inequity plague economies where power has been transferred from a small minority to the majority, while more mature economies sometimes employ protectionist practices such as tariffs and large government subsidies to tilt the balance of competition in their own favour (Hodur, 2003). Large international corporations such as Ramatex move their businesses into developing nations only as long as regulations and wages are to the corporations’ best advantage (Barnard, 2004).

The nations of Sub-Saharan Africa feel these effects very strongly. In 1999, forty-nine percent of the population of Sub-Saharan Africa had a purchasing power parity of less than $1 (U.S.) per day; this percentage is more than double that of any other region in the world (United Nations Statistics Division, 2003). Recent political unrest in places like Angola and Zimbabwe exacerbate the economic challenges, discouraging tourism and foreign investment. The need for this research is to contribute to the economic development of Namibia, one such Sub-Saharan developing nation.

Namibia, a post-apartheid developing nation, faces many challenges in improving its economy. Geographical conditions can lead to a number of issues with transportation and general living conditions. The desert climate and lack of internal rivers create a shortage of water in most of the country (CIA, 2003). Namibia’s few exports come from its natural resources and include mining of diamonds and other minerals, agriculture, and
fishing (CIA, 2003). International corporations such as Vandenbergh Foods and DeBeers have opened facilities in Namibia, but Vandenbergh closed its factory in February and DeBeers struggles to succeed as the cost of doing business in the country increases (Lazare Kaplan Signs, 2004; Barnard, 2004).

Developing countries need to improve the economies of their domestically owned businesses in order to achieve sustainable economic success. The United Nations acknowledges that small and medium-sized enterprises (SMEs) are an essential part of the development of a country in transition (Schmögnerová, 2002). SMEs create jobs, increase modernization, and assist in growth of transitional economies, but they also require financial resources, infrastructure, and individuals with business knowledge (Dallago, 2003).

Namibia gained its independence from South Africa in 1990, and initially the new government’s focus was on large scale, government-owned industry (Frese, 2002). The development of small and medium-sized enterprises has recently become a major concern of the national government, leading to a government-sponsored initiative to facilitate these SMEs. Namibia’s Ministry of Trade and Industry (MTI) has stated that small businesses and the manufacturing and export of niche products can make a significant contribution to the growth of Namibia’s economy (1997). The MTI requires that the local governments demonstrate an interest in their SMEs before they are eligible for assistance through the national initiative (Alugodhi, personal interview, 1 April 2004).

The Namibian town of Okahandja, located approximately 70 kilometres north of the capital Windhoek, faces many of the same problems as the entire country, but some aspects may be more extreme in the town. Okahandja has an 80 percent unemployment
rate, compared to the 35 percent overall unemployment rate for the country (Lamont, 2003; CIA, 2003). Many of Okahandja’s small and medium-sized enterprises are the woodcarvers markets, informal businesses consisting primarily of craftspeople from northeastern Namibia. Okahandja is mentioned in a number of Namibian tourism books for its beautiful handmade carvings and other crafts, but public awareness is still limited. By surveying tourists, we have found that many are unaware of the town and markets prior to their tour bus stopping there.

Tourists stopping at the markets often take advantage of the lack of education of the vendors, as well as their generally unfavourable economic situation, by offering vendors low prices for their products. Since these woodcarvers’ basic needs often depend on their everyday earnings, they are forced to sell at low prices, creating self-destructive competition.

The street vendors in the city of Windhoek create tough competition for Okahandja’s woodcarvers. Tourists often stay overnight in Windhoek, a more developed city than Okahandja, but few tourists stay overnight in Okahandja. The Windhoek street vendors have the advantage of being seen first and more frequently by tourists than the markets of Okahandja, which they may only pass through twice on their way to and from northern and coastal destinations.

In addition to the competition from Windhoek, woodcarvers in Okahandja also compete with each other for the attention of the limited number of tourists passing through the town. Lack of organization and proper facilities at the sites of the woodcarvers market may deter customers in making purchases during their stops. Therefore, the municipality of Okahandja is currently working on a project to rebuild the
market stalls and add sanitary facilities for the use of the vendors and customers (Ramakhutla, personal communication, 12 February 2004).

The local government of Okahandja is concerned about the success of the woodcarvers markets and seeks to improve them as part of the national SME initiative. Improvement of these businesses will uplift the economy of the town and contribute to the national economy as well.

Therefore, the goal of this project was the generation of recommendations for improving and expanding the businesses of the Okahandja woodcarvers markets. The specific objectives of this development project were to improve communication between the Municipality of Okahandja and each of the woodcarvers markets; develop a plan for future training in business skills such as pricing, record keeping, cost management, and marketing; make recommendations about the physical layout of the marketplaces; and create a plan for future marketing of the products and marketplaces. Through a proactive, community-based approach, we facilitated communication between the woodcarvers markets and the Municipality and empowered the community to take control of their own development.
Chapter 2. LITERATURE REVIEW

Since the purpose of this study is to improve the economic situation for the woodcarving small and medium-sized enterprises (SMEs) in Okahandja, we start the chapter by explaining relevant information about the current economic conditions and business environment of Namibia and Okahandja specifically. The woodcarvers markets of Okahandja are part of the tourism sector; we have provided a detailed look at the tourism industry as it relates to the economic development of Namibia. We discuss the importance of SMEs to the developing economy and the SME initiative of the Namibian government, since the woodcarvers fall directly under this category.

Then the woodcarvers markets are discussed in detail, mostly with information from personal interviews since there is little published about these markets. We then discuss the customer appeal of Okahandja, since tourists are the primary customers of the woodcarvers markets.

The next section is a review of existing studies about the problems facing SMEs, particularly in the informal sector which includes businesses like the woodcarvers markets. Then, we examine the impact of business and entrepreneurial training on the success of SMEs and how that applies to the woodcarvers markets of Okahandja.

To provide a model of success that has similarities to Okahandja, we have included a brief discussion about the crafts markets of Sarchi, Costa Rica. Next, we discuss the burgeoning online industry of indigenous crafts vending over the World Wide Web. Finally, we give a brief summary of the current limitations on the wood supply of Namibia and how that may affect the future of the woodcarving industry.
Economic Conditions and Business Environment

Namibia is a young, developing nation with many economic challenges. Unemployment in Namibia is at 35 percent and the GDP is 13.15 billion, or $6,900 per capita (CIA, 2003). Exports from Namibia are increasing, but still make up a very small percentage of sales at 5.7 percent (NEPRU & NCCI, 2002). Industries include meatpacking, fish processing, dairy products, and mining (diamond, lead, zinc, tin, silver, tungsten, uranium, copper), but the tourism industry has been growing rapidly (Suich, 2002).

Despite the variety of industries present, Okahandja has an 80 percent unemployment rate (Lamont, 2003). Workers in the informal sector, such as the woodcarvers, are regarded as unemployed because they do not have a stable source of income. There is no statistical data available about the number of people involved in the informal business sector of Okahandja (Alugodhi, personal interview, 16 March 2004). Okahandja industries vary from Namgem, a diamond cutting factory, to Meatco, a cattle slaughtering plant, to RCC, the Roads Contractor Company (Ramakhutla, personal communication, 27 January 2004). The Municipality of Okahandja aspires to attract additional manufacturing businesses (Alugodhi, personal interview, 16 March 2004).

Economic Impact of Tourism

According to the Namibia Ministry of Environment and Tourism (2004), tourism is the largest industry in the country. A 1999 article indicates that tourism grew at a rate of 15 percent between 1993 and 1999; this is corroborated by a 2002 study indicating that tourism grew at a rate of 14 percent between 1991 and 1996 (Nevin, 1999; Suich, 2002).
More specific or accurate data about the size and growth of the tourism industry in Namibia is not available (Suich, 2002).

Tourism to southern Africa is expected to grow faster than tourism to other African regions; it is projected that, by 2020, half of all tourists to Africa will be to southern Africa (Nevin, 2003). Tourists from South Africa and other nations are attracted to Namibia’s vast landscape and sparse population: 1,927,447 people on 825,000 sq km (CIA, 2003; Nevin, 1999). Contrary to the apparent growth of the tourist industry, the business climate index, a measure of perceptions on the part of business people, indicates that tourism has experienced a negative trend (NEPRU & NCCI, 2002).

Tourism businesses in Namibia were controlled by a small minority of private owners until 1998 when legislation was passed promoting sustainable, community-based tourism (Nevin, 1999). The administrator of this program, Namibia Community Based Tourism Association (NACOBTA), helps communities to develop their own tourism industries by providing marketing, training, funding, advocacy, and business expertise (http://www.nacobta.com.na/en/About.htm).

**Economic Significance of Small and Medium-Sized Enterprises**

Small scale enterprises represent a significant part of the Namibian economy. The Namibian Economic Policy Research Unit (NEPRU) and Namibian Chamber of Commerce and Industry (NCCI) publish a biannual survey of the Namibian business climate. According to this study, small scale enterprises dominate the formal business sector (NEPRU & NCCI, 2002). As seen in Figure 1, approximately 34 percent of formal businesses have five or fewer employees, 21 percent have six to ten employees, and 26 percent have eleven to twenty-four employees (NEPRU & NCCI, 2002). Though the
vast majority of businesses in Namibia are small and medium-sized, the estimated contribution of this sector to the national Gross Domestic Product is only 7 to 9 percent (LaRRI & NEPRU, 2002).

Informal businesses, such as the Okahandja woodcarvers markets, comprise the majority of small and medium-sized enterprises in Namibia. In 1997, the Ministry of Trade and Industry (MTI) approximated the number of participants in the informal small business sector to be 100,000 part-time and 50,000 full-time, while formal businesses only have approximately 10,000 full-time participants and no part-time participants (MTI, 1997). A LaRRI and NEPRU study of SMEs (2002) estimates that there are more than 30,000 small businesses in Namibia, but the study asserts that the number might be as high as 50,000 and that more accurate data is not available.

Figure 1 Number of employees in formal sector Namibian businesses
(Adapted from NEPRU & NCCI, 2002)
According to the MTI (1997), the majority of informal entrepreneurs would prefer wage employment where they would be more likely to earn a higher income. Similarly, the LaRRI and NEPRU study (2002) suggests that most people working in SMEs are employed by these enterprises, because they were unable to find alternative employment.

Though immediately after independence the Namibian government focused on large and government-owned business, the government has recently made development of small and medium-sized enterprises (SMEs) a matter of national importance (Frese, 2002). In 1997, the Ministry of Trade and Industry launched an initiative to promote these enterprises by addressing the impediments to small business growth so that these businesses could lead the country’s economic development (MTI, 1997). As part of that initiative, the government offers entrepreneurial training programs, marketing, and financial assistance to SMEs (MTI, 1997). Despite the government’s SME support programs, informal business owners are pessimistic about their economic outlook (NEPRU & NCCI, 2002).

Namibia is not alone in its emphasis on small and medium-sized enterprises. The government-funded, non-profit Hellenic Organization for Medium and Small-Sized Enterprises and Handicrafts (EOMMEX) was founded in 1977 (Dana, 1999). EOMMEX is devoted to creating an environment conducive to the growth and success of small and medium-sized enterprises, particularly those in the handicrafts industry (Dana, 1999). The handicrafts industry is emphasized by this organization because of its contribution to preserving culture and history (Dana, 1999). EOMMEX provides support in the form of training, financing, and marketing; all services are free of charge (Dana, 1999).
Okahandja Woodcarvers Markets

The location of our research was Okahandja, a small town of 14,039 people, in the developing nation of Namibia (Republic of Namibia Central Bureau of Statistics, 2001). Okahandja is located 70km north of Namibia’s capital, Windhoek, and can be seen in Figure 2.

![Modified map of Namibia provided by Go2africa.com](image)

Figure 2 Modified map of Namibia provided by Go2africa.com

Okahandja’s convenient location at the intersection of roads to Swakopmund and Walvis Bay on the west coast, Otjiwarongo to the north, and Windhoek to the south.
makes it a common stopping place for travellers in Namibia. The tourism industry includes woodcarvers markets and a small number of hospitality businesses such as restaurants, lodges, and guest farms (Swaney, 2002). Many tours and safaris include shopping at the woodcarvers markets of Okahandja (The Cardboard Box, 2004). However, while tourist books mention Okahandja, the town does not seem to be considered a destination, but instead is a stopping point (Swaney, 2002; Santcross 2001).

There are approximately 153 stalls in which vendors sell woodcarvings and other crafts in the two woodcarvers markets in Okahandja. The primary audience for these products is the tourists who must pass through the centrally-located town on their way to the popular northern and coastal destinations of Namibia. Though no statistics are available for Okahandja specifically, national handicraft sales grossed N$8 million in 1991, and by 1996 reached N$17 million (Suich, 2002). The woodcarving trade historically comes from the Rundu and Caprivi regions of northern Namibia and most of the current craftspeople and products are still from these regions.

The woodcarvers markets of Okahandja do not have an optimal public image. Tourist books discuss the markets, but warn visitors about “lower quality” items from Zimbabwe that are also sold there (Swaney 2002; Santcross 2001). These descriptions cast a negative light on the market, making tourist suspicious of the products at the markets and diminishing their perceived quality. Our interviews with customers indicate that some travellers feel overwhelmed by assertive vendors at the markets, while others find the environment lively and enjoyable.

The two crafts markets in Okahandja are run by distinct organizations with very different cultures and business strategies. Until ten years ago, only the Mbangura
Woodcarvers Cooperative market existed in Okahandja. Tension due to political differences caused one faction to leave the Mbangura Woodcarvers Cooperative and form the Namibia Wood Carvers Association (Alugodhi, personal interview, 16 March 2004; Kapula, personal interview, 24 March 2004; Ndumba, personal interview, 23 March 2004). The organizations have different views on sales etiquette and teaching the trade of woodcarving (Kapula, personal interview, 16 March 2004; Ndumba, personal interview, 23 March 2004). The history of the markets is described in greater detail in Appendix B.

The Mbangura market consists of approximately sixty-five stalls and is adjacent to a tourist information centre. The market is located near railroad tracks on a national highway from Windhoek to Otjiwarongo, Etosha, and other northern Namibian destinations. The southern border of the market is created by a road from Okahandja to Swakopmund. The Mbangura market consists primarily of third-party vendors, and very little production is done on-site. Mbangura vendors sell domestic products and foreign goods from countries such as Zimbabwe, Botswana, Zambia, Democratic Republic of the Congo, and Angola. The organization of the Mbangura Woodcarvers Cooperative is described in greater detail in Appendix C.

The Namibia Wood Carvers Association is the larger of the two sites with eighty-eight vendor stalls. The market is located in the southernmost region of Okahandja and is the first market seen when arriving from Windhoek. The NWCA provides an area for crafters to work on-site. Often, the tasks of selling and carving are divided; with family members sharing responsibility or vendors purchasing the carvings from the craftspeople. Many of the products offered by vendors of the NWCA were produced by their relatives in Rundu and Caprivi. Those craftspeople who carve on-site obtain wood from Rundu
and Omaruru. Due to increased restrictions on the cutting of trees in Namibia, the national government and the leaders of the NWCA are encouraging members to learn the trade of stone carving (Ndumba, personal interview, 23 March 2004). The organization of the Namibia Wood Carvers Association is discussed in greater detail in Appendix C.

Other tourist attractions in Okahandja could increase the flow of potential customers to the markets; however there seems to be little tourist awareness about Okahandja’s rich history and culture. Okahandja has several tourist attractions and events including national monuments, historic ceremonies, and the two woodcarvers markets (Ramakhutla, personal communication, 27 January 2004). Originally populated by the Nama, Okahandja was settled by the Herero people at the end of the 18th century (Santcross, 2001). Only in 1894 was German Okahandja founded (Swaney, 2002; Santcross, 2001). The town has gravesites honouring a number of historical figures, which include Nama heroes, democratic revolutionaries, and Herero leaders (Swaney, 2002). Two ceremonies occur annually to honour fallen chiefs, people killed in battle, and the unity of tribes. The more famous of these ceremonies is Maherero Day on August 26th. The Herero people conduct a procession of over one hundred members in traditional dress: men in military uniforms and women wearing traditional Herero dresses (Swaney, 2002). This colourful Red flag ceremony draws many tourists to the town (Ramakhutla, personal communication, 27 January 2004). The Mbanderu, known as Green Flag Herero, conduct a similar ceremony on the weekend nearest to June 11th (Swaney, 2002).
Small and Medium-Sized Enterprises in the Informal Sector

To comprehend the possible problems facing the woodcarvers markets of Okahandja, we have analyzed previous research on SMEs as well as the informal sector specifically. The NNCCI (1997) identified the following issues as common to the informal small business sector: language problems; lack of toilets; lack of security; price regulation; lack of water and electricity; transportation difficulties; need for technical planning and location of suitable sites; and lack of storage facilities. A 1995 study found that the needs of the informal sector include financing, business skills, development of entrepreneurial attributes, social and general education, post-training follow-up, technology, adequate work facilities and tools, marketing, and state support in the form of favourable legislation, policies, and attitudes (McGrath, 1995).

Financing

According to the NEPRU & NCCI business climate survey (2002), most informal businesses in Namibia do not depend on formal financial institutions for start-up capital. Of all informal business owners in Namibia, 70 percent started their operations with personal savings, 13 percent with money from relatives, 5 percent with loans from individuals, and an insignificant number using loans from banks and micro lenders (NEPRU & NCCI, 2002). The reason very few informal entrepreneurs use bank or micro lenders could be loan requirements such as collateral or proof of full-time employment for three months (NEPRU & NCCI, 2002). Another 2002 study of SMEs in Namibia indicates that only 10 percent of SMEs, informal and formal, that attempted to obtain financing were successful (LaRRI & NEPRU, 2002). A Bank Windhoek publication states that the SMEs are sometimes considered unattractive to lenders because the
enterprises are often unregistered, informal, inadequately managed, and most importantly, without collateral (Don & Hamp, 2003). However, the MTI’s SME initiative provides for a credit guarantee facility which enables institutions like Bank Windhoek to overcome the latter obstacle (Don & Ham, 2003).

**Competition**

The density of craft vendors in Okahandja suggests that competition among vendors may be a problem. The handicrafts industry of La Palma, El Salvador has not helped to reduce poverty in the area due to competition among the approximately 100 shops (Sainz, 2003). High density of vendors causes destructive competition due to the similarity of products and pricing strategies based on charging less than neighbouring vendors (Sainz, 2003).

**Marketing**

Marketing alliances, such as MWC and NWCA in Okahandja, help businesses in this sector to overcome barriers to growth, such as lack of financial resources and insufficient exposure in domestic and international markets (Torres, 2001; McGrath, 1995). These networks allow small enterprises to gather the funds needed for promotion and save money by sharing the costs of production (Torres, 2001). A study of the crafts SME sector in Ireland suggests factors for network success including a clear and periodically re-evaluated focus, frequent communication and use of a facilitator when appropriate, suitable management, and clear rules and criteria for membership (Torres, 2001).
Entrepreneurial and Business Training Programs for Informal SMEs

The Ministry of Trade and Industry has found that the vast majority of entrepreneurs in the informal sector have not had training in business management (1997). In addition to business skills, there is a need for training in entrepreneurial traits such as ambition, risk taking, and initiative (Frese, 2002; McGrath, 1995). According to a 1999 study of entrepreneurs in Windhoek, Namibia, complete planning and entrepreneurial orientation both positively influence the success of small businesses (Frese, 2002). That study defined entrepreneurial orientation as “autonomy, innovativeness, competitive aggressiveness and risk taking” and indicated that these qualities are most important in a difficult business environment (Frese, 2002). The authors of the study have determined that entrepreneurial training programs could give business owners the skills to make their enterprises more successful (Frese, 2002). The Achievement Motivation Training (AMT) model of developing these traits is based on personal awareness, self-confidence, personal goals, and achievement strategies (McGrath, 1995). This model has been used in India and Ghana but its success is unproven (McGrath, 1995).

The findings of the MTI, Frese, and McGrath suggest that training in business and entrepreneurial skills could benefit the woodcarvers markets. Funding and organizational support for this type of training may be available through the SMEs initiative training programs (MTI, 1997). Existing training programs can provide guidelines to understand how such a program could be implemented with the woodcarvers markets of Okahandja.

In Colombia, Development of Small and Micro-Enterprises (DESAP) provides training programs for entrepreneurs (McGrath, 1995). This evening program consists of
a seven one-week modules on management techniques as they apply to the informal sector (McGrath, 1995). The program includes sixteen hours of individual tutoring and two years of follow-up services (McGrath, 1995). One key factor for success of this program is that the trainers and advisors have practical experience with the local informal sector to complement their theoretical knowledge (McGrath, 1995). Course fees are high to limit participants (McGrath, 1995), but this strategy would be inappropriate for the woodcarvers markets in Okahandja as our research indicates that no vendors would be able or willing to pay a high price for training. The Euro-Action Acord Small-Scale Enterprise Programme in Port Sudan perhaps provides a more suitable example as its target audience is poor, however they still charge a fee for their services (McGrath, 1995). An innovative approach by the Kenya Management Assistance Programme (K-MAP) reduces costs by using managers of large businesses as volunteers to train entrepreneurs in the informal sector (McGrath, 1995).

**Sarchi, Costa Rica: A Model of Craft Market Success**

The crafts markets of Sarchi, Costa Rica provide a model of success for Okahandja’s development. Sarchi, approximately 65 km northwest of the capital, San Jose, is a well-known location for tourists to purchase souvenir woodcarvings (Sarchi, 2001). The similar distances between these towns and their respective capitals as well as the presence of woodcarvers markets provide a good basis for comparison. However, Okahandja seems to have more historical sites and other tourist attractions than Sarchi, possibly providing an even greater opportunity for development of the tourism industry.

General information about this place and what it offers can be found in every guide book and tour agency (Gerstenfeld, personal interview, 29 April 2004). Sarchi
built its reputation as a woodcarving town in Costa Rica by offering a wide variety of high quality goods (Gerstenfeld, personal interview, 29 April 2004). This image made the markets an obligatory stop on almost every one-day tour in the direction of Sarchi. Sarchi’s image is enhanced by the fact that many of the goods available cannot be obtained elsewhere in Costa Rica. This is in contrast to the markets of Okahandja, since similar products are offered in other Namibian cities such as Windhoek, Swakopmund, and Walvis Bay.

Unlike Okahandja, many of the woodcarving vendors in Sarchi are organized into one very large store and several smaller stores (Costa Rica Travel, 2002). The markets in Sarchi offer a well organized and clean environment, as well as facilities not offered in either of the Okahandja markets such as toilets, restaurants, and a central cashier who accepts credit cards. Certain vendors such as Barry Biesanz have been able to distinguish themselves as master craftsmen, charging hundreds of American dollars for their woodcarvings (Dobri, 2002). Biesanz sells his wares at a Sarchi shop, but also exports them to stores such as Northwest Gallery of Fine Woodworking in Seattle, Washington (Dobri, 2002). Though Biesanz’s example may be applicable in Okahandja, not all of the woodcarvers will be able to distinguish themselves as master artisans.

**Enhancing Business through Internet Sales**

Some craftspeople in developing nations have had success selling their wares over the Internet. Sites, such as the National Geographic’s Novica, sell crafts and artwork from developing countries to customers throughout the world. Nana Frimpong of Ghana, King Otumfuo Osei Tutu II’s official woodcarver, has tripled his income by selling his products through Novica (Foster 2001).
In Namibia, Internet selling is uncommon but has been slowly increasing. The number of formal businesses that use the internet to sell goods or services rose by 2 percent to 12.15 percent from 2000 to 2002 (NEPRU & NCCI, 2002). Access to technology and shipping infrastructure are key concerns for the feasibility of such an industry.

**Limitations on the Wood Supply in Namibia**

Though it is not the central focus of our research, the limited wood supply available for carving has too significant an impact on the businesses of the Okahandja woodcarvers markets to be ignored. In November 2003, the Namibian Ministry of Environment and Tourism placed a moratorium on the cutting of trees in an effort to prevent deforestation (Hailwa, personal interview, 19 April 2004). Little published quantitative data are available about national deforestation in Namibia (Hailwa, personal interview, 19 April 2004; Geldenhuys, 1997). According to a 1996 study, 20,000 m³ of wood could be utilized in a sustainable way in Namibia (Awa, 1996). According to another study, 3.9 million tons of timber per year would be sustainable (Geldenhuys, 1997).

According to the Director of Forestry for Namibia, Mr. Joseph Hailwa, the main cause of deforestation is the clearing of land for agricultural uses (personal interview, 19 April 2004). Since the soil in Namibia is very poor for agriculture, the decomposed leaves of the trees are essential to make the land viable (Hailwa, personal interview, 19 April 2004). When these trees are cleared, the land usually becomes sterile and must be abandoned after two to three years (Hailwa, personal interview, 19 April 2004). Another
cause of deforestation is timber use by large-scale industries (Hailwa, personal interview, 19 April 2004).

The woodcarvings from Okahandja are often produced with Namibian wood from the Kavango region, particularly Rundu. The most popular domestic wood for carvings is Kiaat, or African Teak, with the Latin name Pterocarpus angolensis (Roodt, 1998). Kiaat is also the name given to Rhodesian Teak, or Baikiaea plurijuga (Venter, 1996). Kiaat is regarded as high in value for its wood, which is used for furniture, panelling, parquet floors, canoes, paddles, and spears, as well as carvings (Roodt, 1998; Venter, 1996).

According to a 1992 study, the Kavango region has the most woodland area in Namibia, 2,400,000 ha (Geldenhuys, 1997). Mr. Hailwa does not consider the woodcarvers of the Kavango region to be a significant contributor to deforestation in the area (personal interview, 19 April 2004). However, Mr. Hailwa suggests that the increased use of recycled wood materials and species that propagate easily such as eucalyptus for woodcarvings would be more sustainable (personal interview, 19 April 2004).

Mr. Hailwa asserts that some of the forests in the Kavango area will be declared community forests (personal interview, 19 April 2004). According to the Forest Act of 2001, community forests will be managed by the local community, who will be responsible for issuing permits and collecting fees from the woodcarvers who wish to harvest trees in these forests. The Directorate of Forestry is currently in the process of developing a plan to implement these community forests (Hailwa, personal interview, 19 April 2004).
Chapter 3. METHODOLOGY

The goal of this project was to generate recommendations for improving and expanding the businesses of the Okahandja woodcarvers markets. To achieve this goal we assessed the needs of the woodcarving community; this was the “problem identification” phase of our research. The second phase of our research can be called "solution assessment" and required us to uncover potential solutions identified in the first phase and analyze their viability and appropriateness for the community.

Following the completion of the problem identification phase, we set four specific objectives for our research:

Objective 1: Improve communication between the Municipality of Okahandja and each of the woodcarving markets.

Objective 2: Make recommendations about the physical layout of the marketplaces.

Objective 3: Develop a plan for future training in business skills such as pricing, record keeping, cost management, and marketing.

Objective 4: Create a plan for future marketing of the products and marketplaces.

To meet these objectives, we employed a community-based, action research approach consisting of a variety of social science research methodologies including community meetings and interviews. Our goal remained consistent throughout the duration of the research, but because of our use of action research, our objectives frequently changed as new developments occurred.

We chose to adopt a grassroots approach to the development of the woodcarving community of Okahandja. Though it was the Municipality of Okahandja who requested the research, we involved the community directly and addressed their needs and concerns
through our research. By directly involving the stakeholders of our research, the woodcarvers and vendors of Okahandja, we gained their support and interest in our research, motivating them to take direct responsibility for their own development. More information on action research and community development can be found in Appendix E.

Two Distinct Communities

The Okahandja woodcarvers markets are two separate physical marketplaces: the Mbangura Woodcarvers Cooperative and the Namibia Wood Carvers Association. Each of these markets has a distinct culture and tribal heritage. The Mbangura Woodcarvers Cooperative is headquartered in Rundu, Namibia and consists primarily of vendors selling others’ carvings. The Namibia Wood Carvers Association differs in that it has on-site carving workshops and living quarters. These groups have a history of political disagreements and vary in their sales strategies, business structures, size, and physical layouts. They have requested, and it seemed appropriate based on their differences, that the research performed at each market be treated distinctly and not aggregated.

Problem Identification

By observation, we were able to quickly gather pertinent information such as the general layout of the marketplace, condition of vendor stalls, presence of sanitary facilities, and relative location of ATMs and other conveniences. These observations provided the researchers with a context in which to understand the issues raised by vendors at the initial community meeting. The three of us took independent field notes, which were discussed after this initial period of observation (Berg, 2004).

We conducted informal and open-ended interviews with six of the sixty-five vendors of the Mbangura Woodcarvers Cooperative and twenty-five of the one hundred
vendors of the Namibia Wood Carvers Association. This number of interviews allowed us to obtain sufficient depth of background information quickly. In these interviews, we gained detailed information about business organization, infrastructure, living and working conditions, the economic success or lack thereof, needs and problems within the vendor community, and the general level of satisfaction that the vendors have with being at the markets. A second purpose of the preliminary interviews was to develop rapport with members of the community before the initial community meetings. Sample questions from the vendor interviews can be found in Appendix G.

Leads for interviews were acquired through purposive sampling of community leaders and then by snowball sampling. Purposive sampling is the selection of specific members of the population in order to represent a population (Berg, 2004); in this case, we selected community leaders as a display of our respect and because they understood the problems faced by members of the market. Snowball sampling is a method by which referrals for subsequent interviews are obtained from current interviewees. We were introduced to the community leaders by officials from the Municipality of Okahandja. The community leaders of each market introduced us to a small number of vendors who subsequently introduced us to others. Introductions eased our relations with the vendors giving us credibility and making them more open to speaking with us. We conducted interviews with individuals and small groups of vendors when nearby vendors joined interviews in progress. Interviews were conducted in English, with translation by the community leaders and other vendors as necessary.

We held one initial community meeting with each of the two markets in order to identify the common challenges facing the vendors’ businesses. These meetings were
conducted with the community of woodcarvers and vendors available, not with members of the entire town. The meetings were conducted in English, with translations into the common language of the community.

The initial community meeting allowed vendors to describe the problems facing their businesses. At the community meeting for the Mbangura Cooperative, 61 of 65 vendors attended; but at the NWCA meeting, only 35 of the total 100 vendors were present. The methods we used for the community meeting were based on the work of Professor Richard Ford via a publication entitled Villagers Building Communities (2003). The strategy outlined by Professor Ford is one of a variety of community development strategies. We allowed each community member to contribute if they chose to and did not end the meeting until the community had decided that they had voiced all of their concerns.

All three members of the research team participated in the introduction, when we explained the purpose of our research and of the meeting. For the open discussion, one researcher facilitated discussion, another researcher listed the concerns of the community on a large display pad of paper, and the third researcher took notes about the dynamics of the meeting including any points of argument or consensus. Though the purpose of the meeting was to identify problems, some community members contributed ideas for solutions. These were recorded separately for later use.

At the initial community meetings, we placed a strong emphasis on properly communicating our group’s role in the future development of the woodcarvers markets. Our goal was to assist the woodcarvers in identifying their most prominent concerns and to guide them in creating their own solutions. We described our role explicitly to the
woodcarvers so not to create false expectations, which could have lead to disappointment, mistrust, and confusion among members of the community. It was imperative for us to communicate the fact that we were not going to solve all of the problems of the woodcarvers markets for them, but instead that we planned to assemble a comprehensive understanding of the woodcarvers’ own views of the problems that they face.

Prioritizing the Problems Facing the Woodcarvers Markets

The vendors of the each market identified a number of problems at the initial community meetings. Because of time constraints, we were required to select particular issues to address. A number of factors contributed to this decision, including apparent consensus among vendors at each of the markets, desire of the Municipality of Okahandja for broad recommendations concerning improvements at the marketplace, plans already in progress for redesign of the marketplace and stalls, and the most effective use of our time to create a lasting contribution. The issues were prioritized separately for each of the two marketplaces according to their particular needs. We created a plan for each community based on the highest priority issues.

To prioritize the problems, we considered the urgency, priority among stakeholders, effectiveness of effort, and situational factors of each issue. We debated the prioritization of each issue that we could focus on until we found consensus among the three of us. Because of our use of action research, developments were continuously occurring at the markets and our knowledge of the vendors’ needs was modified.

Assessing the Need for Business Training

Vendors at both the MWC and the NWCA identified a lack of business skills as a problem within the markets. At the MWC, vendors cited selling below cost and price
competition as major problems. Resulting from these discussions, the need of training was identified at the initial community meeting and emphasized at a meeting with the community leaders directly afterwards. At the NWCA, the facilitator of the initial community meeting inquired if business training was an area of interest and, if so, on which topics the vendors would like training to focus. The facilitator chose to ask directly about need for business training at the NWCA, because time to identify problems and discuss potential solutions was limited due to postponement of the initial community meeting.

**Business Skills Assessment Survey**

To address the need for business training we conducted surveys of vendors at approximately 25 percent of occupied stalls about their business practices and skills. We surveyed twenty-two vendors at NWCA and fourteen vendors at MWC. We designed a business skills assessment questionnaire to collect information about previous education, interest in training, marketing methods, record keeping habits, and pricing strategies. The questionnaire, which can be found in Appendix I, allowed us to gather information pertinent to our own assessment of the training needs of the vendors and to a proposal for potential sponsors and training providers. The questionnaire was created for the aforementioned purpose and approved by Mr. Richards Kakona, Projects Officer CEO in the Centre for Entrepreneurial Development of the Polytechnic of Namibia. Interviews were conducted in English, with translation by the community leaders and other vendors when necessary. We chose the sample of vendors based on previous rapport, willingness, availability, and recommendations by community leaders. Since questions about pricing
strategies and selling at a loss could be perceived as intrusive by the vendors, we attempted to select vendors who would be likely to be honest and open.

**Verbal Price-Reduction Survey**

In order to study the pricing strategies of vendors, we conducted a verbal price-reduction survey of nine vendors at NWCA and eight vendors at MWC about their starting and lowest acceptable price for a variety of items. Vendors shared their starting price and the lowest price they would accept for a variety of items in response to our close-ended inquires. We gathered data for twenty-seven items from eight Mbangura vendors and thirty-five items from nine NWCA vendors.

We unsuccessfully attempted to use purposive sampling in order to ensure that we surveyed a cross-section of vendors that received high, low, or average prices for their goods, because community leaders and members of the Mbangura Cooperative were reluctant to comment on the transactions of other vendors. We explained our goal of creating a cross-section sample to the community leaders and translators at each market and they assisted us in determining a proper sample population without revealing their personal impressions of other vendors’ bargaining practices. While we cannot verify that the selected sample fully reflects the cross-section we wanted, this method was our most appropriate option. The sample population was intended to help us to understand general bargaining policies, not to provide statistically significant data.

**Post-Transaction Surveys**

To triangulate this pricing data, we conducted post-transaction surveys of vendors and customers about the starting and final price for the item purchased. These surveys were conducted over a period of five days, the maximum time possible that would still
allow the researchers time for analysis. The surveys were conducted during various days of the week and times of day. Due to the difficulty of obtaining willing subjects for the survey, our sample sizes were very small. We conducted ten post-transaction surveys at NWCA and four at MWC. After a transaction, we interviewed both the vendor and customer involved to determine the starting and final price, customer perceptions of product quality, comparison of actual production time to customers’ estimate of production time, and how the tourist learned of the market. Some of these data also relate to the marketing objective.

Customers for the post-transaction survey were chosen using the ‘first to pass’ (Finn, 2000) method of non-probability sampling which attempts to eliminate researcher bias in selecting subjects. When using the ‘first to pass’ method, the researcher observed the first customer to enter an imaginary boundary around the market. This subject was observed until he or she exited the market. The next subject to be observed was the person entering the marketplace consecutively after the previous person being observed exited (Finn, 2000). Non-probability sampling was required since the number of customers coming to the marketplace each day cannot be determined in advance. A detailed explanation of the ‘first to pass’ method of non-probability sampling can be found in Appendix F.

**Studying the Impact of Market Layout on Customer Behaviour**

The study of market layout on customer behaviour provides information for two prime areas of concern. First, vendors at the Mbangura Cooperative identified a problem with available parking at the marketplace. Second, the Municipality of Okahandja is in the process of designing new markets for the vendors and expressed an interest in our
input with the design. We chose to investigate the movement of customers through the market to determine the validity of the Mbangura vendors concern, assess the need for a temporary solution to the current market layout at the Mbangura market, and gather information pertinent to the future design of the new marketplaces.

Direct Observation of Customer Movement through Mbangura Market

In order to understand how market layout influenced customer behaviours at the Mbangura Cooperative, we studied customer movement through the physical marketplace. We used direct observation, recording both customer paths and stops in stalls. To record the movement of customers, we created a hand-sketched map of the marketplace showing the stalls, parking area, and tourist information centre. We indicated where stalls were located in relation to one another and where walkways existed through which customers could pass. Each vendor stall or table was assigned a number for ease of tracking by the researchers.

We recorded the paths of individual customers on the map, indicating where customers parked, walked, stopped, and purchased. The path of each customer observed was recorded on a clean copy of the map on which was also recorded the date, time, and duration of the visit to the marketplace. Customers to be observed were selected by using the ‘first to pass’ method (Finn, 2000). See Appendix F, as indicated earlier, for discussion of this method.

All the movement patterns were compiled onto one map in order to find trends of movement and favoured locations. If one customer walked on the same path repeatedly, it was only counted once, because we wanted the data collected to represent the general patterns of flow of shoppers at the market. If we were to represent the number of times a
Influencing Future Market Design

The Municipality developed a plan to reconstruct the woodcarvers markets in Okahandja and contracted an architect to design new stalls for this plan. We met with Ms. Deidre de Waal, the architect in charge of designing the Municipality’s proposed new markets, and gathered information about the current status of the plans. We interviewed the architect about the factors that she was taking into account in designing the new stalls and market layout. We also intended to provoke further thought in her about customer flow through the markets. After completing our research of customer movement through the Mbangura market, we shared our data with the architect and the Municipality. The interactions with the architect and Municipality followed our theme of action research; since during the research process, we influenced the organization of the proposed market.

Assessing Marketing Needs

Marketing was identified by both the MWC and NWCA as an area of potential improvement. At community meetings and during informal interviews, we discussed the vendors’ ideas for marketing. We also used data from the post-transaction surveys to determine how the customer learned about the market and their perceptions of product quality. We also used data from the business skills assessment vendor survey to determine what marketing the vendors currently do.
Follow-up Community Meetings

During the final week of our research, we conducted a follow-up community meeting with each of the two woodcarvers markets. These community meetings provided a venue for us to share and discuss the information, ideas, and possible solutions that arose through the entire research process. The number of members present fluctuated throughout the meetings, but approximately thirty-five vendors attended the community meeting at the NWCA market and approximately twenty-six members of the community attended the meeting at the MWC. Many of the vendors attending the follow-up community meetings were also present at the initial community meetings.

The follow-up community meetings were run by all three members of the research team. One member served as facilitator, introducing the group, setting up committees, and closing comments. At the MWC, the facilitator also discussed the market layout information. Another one of us explained the research we conducted about business training and asked follow-up questions. The third researcher shared the marketing ideas and explained the general process needed to execute each idea. At these meetings we set goals for developmental changes and established community support for this development. Responsibility for the ongoing development was transferred to the vendor leaders and committees as well as the Municipality when appropriate.
Chapter 4. RESULTS AND ANALYSIS

Our project utilized action research to create positive social change in the communities of the Okahandja woodcarvers throughout the research process. We were able to make recommendations to the vendors, Municipality, and other involved parties as we conducted our research. Some of our recommendations were immediately adopted by the stakeholders. As expected in action research, we had to continuously redefine our focus because of changes that were implemented throughout our research process. Data collection from our other research methods provided support for recommendations made both during and after the research process.

Through the course of our research, we have identified communication between the Municipality of Okahandja and the two woodcarvers markets as a serious problem which could inhibit future development of the markets. The Municipality of Okahandja has stated that they requested this research in order that they may use the recommendations to improve the businesses of the woodcarvers markets. However, when we discussed this with the vendors and leaders of the markets, they expressed a great deal of scepticism, primarily due to lack of tangible results in previous interactions with the Municipality. As long as the vendors do not believe that the Municipality has their interests in mind, they will resist the Municipality’s efforts to develop the woodcarvers markets. Therefore, communication between the Municipality of Okahandja and the vendors is essential to the growth of the economies of the woodcarving SMEs.
The Question of Two Markets

When we began our research, the CEO of Okahandja, Ms. Regina Alugodhi expressed a vision for combining the two existing markets into one physical marketplace (personal interview, 16 March 2004). Upon our first visits, community leaders at both marketplaces clearly stated that they wanted separate markets and that the distinct cultures of the markets could not be successfully mixed. From Ms. Alugodhi’s meetings with the leaders of the Namibia Wood Carvers Association and information we relayed from our meetings with the Mbangura Woodcarvers Cooperative, she determined that the differences between the markets are such that to combine the two would cause unnecessary conflict. Due to our involvement, Ms. Alugodhi has now determined that allowing the two markets to maintain their current, distinct organizations would be best.

Problems Identified at the Mbangura Woodcarvers Cooperative Community Meeting

In our second week in Okahandja, we held a community meeting open to all vendors at the Mbangura Woodcarvers Cooperative. The purpose of the meeting was to learn from the vendors about the problems and needs they have. Sixty-one vendors of the Cooperative attended the meeting.

The vendors described problems that can be categorized into eight primary areas of concern: non-ideal layout of physical market; unmet basic needs such as the provision of toilets; lack of business training in areas such as pricing; lack of complementary businesses such as shipping companies; insufficient supply of wood; difficulty obtaining funds such as loans; lack of marketing; and too much competition.

1) Poor layout of the physical market
Vendors and community leaders complained to us during the initial community meeting that poles had been installed by the Municipality to prohibit customers from parking directly in front of the marketplace. These poles can be seen in Figure 3. Customers are now forced to park across a busy road or in a lot adjacent to the market. Vendors expressed concern that customers might be concerned about theft if they parked adjacent to the market, and thus could not keep their car in view while shopping. Additionally, Okahandja street-children loiter in this lot, sometimes asking tourists for money or food.

![Figure 3 Safety poles at Mbangura Woodcarvers Cooperative](image)

The Mbangura market is shaped like a long rectangle, with one long side facing the road. Stalls are stacked up to five deep from the road. Some vendors were concerned that the layout favoured stalls towards the road speculating that fewer customers might venture to the back stalls. Some vendors were concerned that customers would be most
inclined to visit stalls close to the side parking area, putting other stalls at a disadvantage. Vendors also suggested that customers could not easily move through the whole market because stalls are placed closely together. Narrow walking areas might deter customers from exploring the market.

2) Unmet basic needs

Vendors at the community meeting stated that one important problem was the lack of sanitary facilities on-premises. Vendors wanted toilets available for themselves and customers. Currently, vendors and customers use the facilities at a service station located across a busy road from the market.

3) Insufficient marketing

Vendors have placed a strong emphasis on the need for increased and improved marketing of their businesses. Vendors believe that the supply of woodcarvings and other crafts sold at the market currently outweighs the demand. Tourists in Namibia are often unaware of the market, and once they enter Okahandja, there is poor signage indicating the market. Descriptions of the Okahandja markets in tourist guidebooks are insufficient. Vendors want the marketplace to be promoted in lodges and at tourist centres throughout Namibia. In addition, vendors seek an international awareness of their market so that they can export products for sale in other countries.

4) Too much competition

Vendors are unhappy about competition with other vendors in the main tourist areas such as Windhoek and Swakopmund. They feel that proximity to Windhoek is a disadvantage and that the craft vendors there have greater access to more tourists. Souvenir shops at lodges within Okahandja and throughout Namibia also compete for
tourist business. Competition with the other market in Okahandja, the Namibia Wood Carvers Association, was also mentioned as a problem.

Another kind of competition exists within the marketplace. Though the vendors generally have a cooperative relationship, price differences for similar products sold by different vendors sometimes causes tension among the vendors. When one vendor sells an item at a price below its value, this changes customer expectations for the prices throughout the market. Price competition among vendors was cited as a problem by vendors at the community meeting.

5) Lack of business skills

Community leaders expressed a strong desire for vendor training in business skills. Vendors have varying levels of business savvy and education, but interviews indicated that vendors are interested in receiving more training regardless of current level of knowledge and experience. Community leaders explained that training in bookkeeping and pricing methods could help vendors to manage their costs and ensure that they always make a profit. Budgeting skills would assist vendors who have trouble making ends meet during the low tourist season.

6) Need for partnerships with complementary industries

Vendors indicated that the lack of shipping facilities sometimes prohibited sales, particularly of items too large for tourists to carry in their luggage. Relationships with shipping companies are desired by the vendors.

7) Lack of available funds such as loans

Vendors indicate that they cannot obtain small business loans from banks since they have no proof of their employment and their income is variable.
8) Insufficient supply of wood

Vendors indicate lack of supply of wood as a problem for their businesses. Fees, permits, and transportation costs required for cutting trees in Rundu and a ban on cutting live trees in Okahandja increases the cost to manufacture their products.

The vendors at Mbangura market readily volunteered to speak about the challenges facing their businesses. The community leaders and a variety of woodcarvers shared their concerns and hopes for their enterprises. It should be noted that one vendor expressed scepticism about the role of the researchers and Municipality. There was disagreement among the vendors about whether the Municipality had the Cooperative’s interests in mind and whether the research was worthwhile. Most, however, seemed to agree that the research was worthwhile and were hopeful that the Municipality would take an interest in their businesses.

**Problems Identified at the Namibia Wood Carvers Association Community Meeting**

Like at the Mbangura market, we held a community meeting open to all vendors at the Namibia Wood Carvers Association. The purpose of that meeting was the same as for the Mbangura vendors: to learn from the vendors about the problems and needs they have. Of the 100 vendors of the Namibia Wood Carvers Association, 35 attended the community meeting.

The vendors described problems that can be categorized into twelve primary areas of concern: unmet basic needs such as the provision of toilets; inappropriate shelter; lack of security; lack of business training in areas such as pricing; lack of complementary businesses such as shipping companies; cost and lack of supply of wood; difficulty
obtaining funds such as loans; lack of marketing; slow production process of woodcarvings; need of machinery for expansion; difficulty of transportation from Rundu; and too much competition. The problems identified by the NWCA were similar to those described by the Mbangura Cooperative, except the NWCA did not complain about the layout of their physical marketplace. Problems at the NWCA that were not mentioned by the Mbangura market included appropriate shelter; lack of security; slow production of woodcarvings; need of machinery for expansion; and difficulty of transportation from Rundu.

1) Lack of supply of wood

Vendors indicate that obtaining the wood from Rundu is difficult due to the permits and fees required. The restrictions on cutting live trees in Okahandja also contributes to the scarcity of wood.

2) Machinery for carving stone

In order to reduce the consumption of wood in Namibia, the national government has suggested they start carving other materials such as soapstone. The vendors indicate that they need machinery to carve these materials, but they cannot afford it.

3) Slow production process

Power tools would also help to improve their productivity when carving wood.

4) Competition

Member of the Namibia Wood Carvers Association claimed that the market is overcrowded with vendors and carvers, creating excessive competition within the Association. Vendors coming to Namibia from other countries such as Zambia and Zimbabwe create additional competition for them.
5) Insufficient marketing

A strong emphasis was placed on the need for marketing overseas, especially in Europe and the United States. Vendors claim that, since the Namibia Wood Carvers Association is known in places such as Europe and the United States, marketing through the Internet would improve their sales.

6) Lack of available funds such as loans

The vendors indicate that they often face economic problems since they are not able to obtain loans. These problems include not having enough money to buy materials.

7) Inappropriate shelter

Some of the workers in the Namibia Wood Carvers Association live in the informal settlement on the premises of the market. These structures are not sufficient, and the vendors desire upgraded housing.

8) Unmet basic needs

Vendors claimed that one of the biggest problems they face is the lack of sanitary facilities. The showers and toilets that were built in 1994 stopped functioning within that same year, and have not functioned since. The people working at NWCA have to use the service station toilets. Those that live on premises must bathe in the bush adjacent to their living quarters.

9) Lack of security

Since the Namibia Wood Carvers Association has no security system during the night, theft occasionally occurs.
10) Unaffordable transport costs

The members of the NWCA explained that they had difficulty with transportation of goods and raw materials from the Kavango region to Okahandja and from Okahandja to distant markets, such as those in South Africa. Most vendors hitchhike for a fee because of lack of availability of organized and affordable transport.

11) Need for partnerships with complementary industries

Vendors claimed that customer purchases of large items are limited by a lack of convenient shipping facilities. The market has no formal shipping facilities; thus shipping overseas is a problem.

12) Lack of business skills

Vendors complain that they are sometimes compelled to accept low prices because they need immediate cash. Pricing, budgeting, and cost management are problems identified by the vendors at this market.

Our initial community meeting with the Namibia Wood Carvers Association was more difficult to arrange and conduct than the initial meeting with the Mbangura Woodcarvers Cooperative. The community meeting at the Namibia Wood Carvers Association was held two weeks after the community meeting of the MWC, because of a delay caused by fear of the effects of our research and miscommunication and political differences between the NWCA and the Municipality of Okahandja. When the member of our team acting as the community meeting facilitator asked the woodcarvers to describe problems that they were having, the carvers had little response.
The facilitator asked questions based on the problems identified at the Mbangura Woodcarvers Cooperative to initiate discussion among the members of the Namibia Wood Carvers Association. Asking if certain topics such as lack of business training were issues could have skewed the results of the problem identification at the NWCA to be more similar to that of the Mbangura market.

In order to confirm that the members of the NWCA present at the community meeting were not merely agreeing to suggestions of the facilitator, the facilitator also asked questions about problems such as water availability, which the facilitator knew was not an issue. The attendees at the NWCA community meeting dismissed the idea of problems with water availability, showing that they were not just agreeing with the possibly suggestive questions of the facilitator.

**Setting Research Priorities**

Using the methodology of *action research*, we chose to address only a portion of the problems identified by the vendors. In determining which issues to focus on, we considered the most pressing needs of the woodcarvers, the development currently being planned by the Municipality, and the areas in which we could effect change while performing research that also would be effective in helping the vendors and Municipality. Because of the nature of *action research*, the prioritization of issues to be addressed shifted a number of times as information was gathered and changes were implemented.

We determined that communication problems between the Municipality and each of the markets would have a significant impact on any development projects the Municipality tried to undertake. For this reason, we set communication as a top priority for the project. However, we did not undertake a specific research methodology for this
area of concern. Rather, we addressed the communication issue throughout the research process, facilitating meetings between the Municipality and the markets.

The lack of business skills among vendors at both markets was determined to be an issue of high priority. At the community meetings and interviews, some vendors indicated that they would sell products below value, even at a loss, when they were in need of immediate cash. Later interviews with vendors also revealed a lack of budgeting so that money earned during the peak tourist season was not carrying them through the low tourist season.

Restricted customer movement through the Mbangura market and layout of stalls at the new marketplaces for both the MWC and NWCA were of high importance. We chose to immediately address the issue of customer movement through the Mbangura market, because of the large number of vendors complaining that their businesses were suffering as a result of safety poles preventing customers from parking directly in front of the market. The layout of stalls at the new marketplace became an area of focus, because the Municipality of Okahandja already had plans in progress to reconstruct the marketplaces. Interviews with the Municipality and the architect hired by the Municipality revealed that a draft of stall designs had already been completed, but the layout of stalls in the marketplaces was not yet finished. The Municipality and the architect expressed interest in receiving input into optimal market layout.

Both the markets and the Municipality of Okahandja identified a desire for marketing strategies to increase tourist presence and purchases at the markets. We ranked broad recommendations for marketing as a priority after those for business
training, because improved marketing would be most effective if the vendors are well-prepared to capitalize on them.

Initially, we set the issue of lack of toilets as a high priority item, but we later decided not to address this issue. Upon consulting with the Municipality, we found that provision of toilets was currently a planned part of the development of the new markets and that the Municipality was not interested in providing a temporary facility in the meantime. In addition, community leaders of the markets indicated that their budgets could not allow for additional expenses and vendors would not be able to contribute sufficient funds. The vendors at both markets currently use the toilets at nearby service stations and therefore do have toilets available. For these reasons, we determined that as long as the toilets are considered to be an essential aspect of the Municipality’s new designs for the market, we did not need to address this need through our research.

Assessing Business Skills of Vendors

Both Mbangura Woodcarvers Cooperative and Namibia Wood Carvers Association identified aspects of business training as needs for their communities. Vendors and community leaders identified pricing and bargaining as well as marketing as important skills for the success of their businesses.

Pricing and Bargaining at Mbangura Woodcarvers Cooperative

At our initial community meeting, vendors asked the researchers why the customers started bargaining at 50 percent of the asking price. Some vendors complained that other vendors charged too little for certain products, skewing the norm for the rest of the market. Other vendors claimed that this is their prerogative. The Mbangura leaders, Mr. Kapula, Mr. Livinga, and Ms. Visoni, told us that the vendors expect customers to
pay what they are asked, but that customers did not seem to respect the quality of the
carvings or appreciate the effort involved in producing them. The leaders suggested that
a price reduction to about 80 percent was acceptable, but that some vendors were
accepting prices as low as 30 percent of the asking price, taking a loss, in order to obtain
immediate cash (personal interviews, 24 March 2004).

We conducted verbal assessment surveys of eight Mbangura vendors to find out
how low they would bargain on particular products. This sample size is too small to
provide any statistical significance, but does provide an indication of the range of
acceptable bargaining and the differences that exist among vendors in their willingness to
bargain. Vendors ranged in level of bargaining from 33.33 percent of the starting price to
88.89 percent of the starting price. Vendors also varied in the degree to which they
would bargain on a product-by-product basis. For instance, one vendor ranged from 56
percent to 72 percent of the starting price depending on the item. The detailed data can
be found in Table 1.
We conducted post-transaction surveys with vendors and customers for four Mbangura transactions. By finding out the starting and final prices for actual transactions, we triangulated the verbal assessment interviews. The results of our survey
(Appendix K) indicate that the range of bargaining and inconsistency in degree of bargaining exists as suggested by the interviews.

There is a clear inconsistency in bargaining practices both among various vendors and for one vendor among different products. The Mbangura leaders’ assertion that the lowest acceptable price for an item would be 80 percent of the starting price is not supported by our results. No generalization can be made with regards to the lowest percentage of the starting price that will be acceptable to the vendor. Because of this inconsistency, the customer can have no clear expectation of an appropriate level of bargaining and so it is up to the vendor to ensure that he or she receives a high enough payment for each item.

Since the vendor is responsible for setting prices that allow them the make a sufficient profit, we examined the business skills including pricing strategies of fourteen Mbangura vendors. As seen in Table 2, half of the vendors surveyed consider cost of purchase or production when pricing the item. Vendors surveyed indicated other factors contributing to pricing decisions include the size of the item (29 percent of vendors), the specific profit they would like to gain (36 percent), and the customer or anticipated bargaining (36 percent). The pricing strategy described by the fourteen Mbangura vendors seems ineffective, since 71 percent of these vendors indicated that they often or sometimes have to sell their goods at a loss. We also learned from the assessment survey that there is a high interest in receiving business skills training among vendors (13 of 14).
Table 2 Summarized results of business skills assessment of fourteen Mbangura vendors

<table>
<thead>
<tr>
<th>Highest Education Level</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>None or Primary School</td>
<td>6</td>
<td>43% of 14 respondents</td>
</tr>
<tr>
<td>Senior Secondary School</td>
<td>5</td>
<td>36% of 14 respondents</td>
</tr>
<tr>
<td>Interested in Training</td>
<td>13</td>
<td>93% of 14 respondents</td>
</tr>
<tr>
<td>Keeps Records</td>
<td>11</td>
<td>79% of 14 respondents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criteria for Setting Prices</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Wood</td>
<td>2</td>
<td>14% of 14 respondents</td>
</tr>
<tr>
<td>Quality of Carving</td>
<td>1</td>
<td>7% of 14 respondents</td>
</tr>
<tr>
<td>Time to Carve</td>
<td>1</td>
<td>7% of 14 respondents</td>
</tr>
<tr>
<td>Size</td>
<td>4</td>
<td>29% of 14 respondents</td>
</tr>
<tr>
<td>Customer/Bargaining</td>
<td>5</td>
<td>36% of 14 respondents</td>
</tr>
<tr>
<td>Cost</td>
<td>7</td>
<td>50% of 14 respondents</td>
</tr>
<tr>
<td>Any Profit</td>
<td>1</td>
<td>7% of 14 respondents</td>
</tr>
<tr>
<td>Specific Profit</td>
<td>5</td>
<td>36% of 14 respondents</td>
</tr>
<tr>
<td>Competition</td>
<td>1</td>
<td>7% of 14 respondents</td>
</tr>
<tr>
<td>Instinct</td>
<td>1</td>
<td>7% of 14 respondents</td>
</tr>
<tr>
<td>Selling at a Loss</td>
<td>10</td>
<td>71% of 14 respondents</td>
</tr>
<tr>
<td>Often</td>
<td>2</td>
<td>14% of 14 respondents</td>
</tr>
<tr>
<td>Sometimes</td>
<td>8</td>
<td>57% of 14 respondents</td>
</tr>
<tr>
<td>Why: Need</td>
<td>8</td>
<td>57% of 10 vendors who sell at a loss sometimes or often</td>
</tr>
</tbody>
</table>

Pricing and Bargaining at Namibia Wood Carvers Association

Through interviews and community meetings, we learned that vendors at NWCA were concerned about competition with each other as well as with other markets in Namibia. Lack of business skills such as pricing and marketing exacerbate the effects of competition on the vendors.

As we had done at the Mbangura market, we surveyed nine vendors at the NWCA about their starting and final price for a variety of items. As seen in Table 3, these show that the average acceptable lowest price was 70 percent of the starting price.
<table>
<thead>
<tr>
<th>Vendor Code</th>
<th>Item</th>
<th>Wood Type</th>
<th>Starting Price (N$)</th>
<th>Lowest Acceptable Price (N$)</th>
<th>Percentage of Starting Price</th>
<th>Stall Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>N1</td>
<td>Giraffe</td>
<td>Olive Wood</td>
<td>300</td>
<td>150</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Hippo</td>
<td>Kiaat</td>
<td>80</td>
<td>40</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Big Hippo</td>
<td>Iron Wood</td>
<td>500</td>
<td>250</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>N2</td>
<td>Elephant</td>
<td>Kiaat</td>
<td>300</td>
<td>150</td>
<td>50%</td>
<td>56.5%</td>
</tr>
<tr>
<td></td>
<td>Candle Stick</td>
<td>Urban Wood</td>
<td>250</td>
<td>200</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Giraffe</td>
<td>Olive Wood</td>
<td>250</td>
<td>120</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hippo</td>
<td>Kiaat</td>
<td>250</td>
<td>120</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>N3</td>
<td>Candle Stick</td>
<td>Urban Wood</td>
<td>100</td>
<td>80</td>
<td>80%</td>
<td>79.17%</td>
</tr>
<tr>
<td></td>
<td>Elephant</td>
<td>Teak Wood</td>
<td>200</td>
<td>180</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bowl</td>
<td>Olive Wood</td>
<td>50</td>
<td>40</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Giraffe</td>
<td>Olive Wood</td>
<td>150</td>
<td>100</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>N4</td>
<td>Candle Stick</td>
<td>Urban Wood</td>
<td>300</td>
<td>150</td>
<td>50%</td>
<td>64.58%</td>
</tr>
<tr>
<td></td>
<td>Elephant</td>
<td>Kiaat</td>
<td>150</td>
<td>100</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Giraffe</td>
<td>Olive Wood</td>
<td>200</td>
<td>150</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hippo</td>
<td>Kiaat</td>
<td>150</td>
<td>100</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>N5</td>
<td>Ostrich Egg</td>
<td></td>
<td>400</td>
<td>280</td>
<td>70%</td>
<td>71.67%</td>
</tr>
<tr>
<td></td>
<td>Mask</td>
<td>Kiaat</td>
<td>120</td>
<td>80</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chess Board</td>
<td>Iron Wood</td>
<td>600</td>
<td>400</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Candle Stick</td>
<td>Urban Wood</td>
<td>200</td>
<td>150</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cloth</td>
<td></td>
<td>350</td>
<td>280</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>N6</td>
<td>Candle Stick</td>
<td>Urban Wood</td>
<td>60</td>
<td>50</td>
<td>84%</td>
<td>67.08%</td>
</tr>
<tr>
<td></td>
<td>Mask</td>
<td>Kiaat</td>
<td>80</td>
<td>60</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Elephant</td>
<td>Kiaat</td>
<td>500</td>
<td>250</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Giraffe</td>
<td>Olive Wood</td>
<td>100</td>
<td>60</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>N7</td>
<td>Ostrich Egg</td>
<td></td>
<td>400</td>
<td>300</td>
<td>75%</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td>Chess Board</td>
<td>Iron Wood</td>
<td>500</td>
<td>450</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cloth</td>
<td></td>
<td>200</td>
<td>180</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Candle Stick</td>
<td>Urban Wood</td>
<td>100</td>
<td>80</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mask</td>
<td>Kiaat</td>
<td>250</td>
<td>200</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>N8</td>
<td>Elephant</td>
<td>Iron Wood</td>
<td>70</td>
<td>50</td>
<td>72%</td>
<td>81.14%</td>
</tr>
<tr>
<td></td>
<td>Drums</td>
<td>Olive Wood</td>
<td>150</td>
<td>120</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bowl</td>
<td>Olive Wood</td>
<td>50</td>
<td>46</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>Vendor Code</td>
<td>Item</td>
<td>Wood Type</td>
<td>Starting Price (N$)</td>
<td>Lowest Acceptable Price (N$)</td>
<td>Percentage of Starting Price</td>
<td>Stall Average</td>
</tr>
<tr>
<td>-------------</td>
<td>--------</td>
<td>-------------</td>
<td>---------------------</td>
<td>-------------------------------</td>
<td>-----------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>N9</td>
<td>Giraffe</td>
<td>Olive Wood</td>
<td>500</td>
<td>300</td>
<td>60%</td>
<td>71.11%</td>
</tr>
<tr>
<td></td>
<td>Bowl</td>
<td>Olive Wood</td>
<td>120</td>
<td>100</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Elephant</td>
<td>Iron Wood</td>
<td>100</td>
<td>70</td>
<td>70%</td>
<td></td>
</tr>
</tbody>
</table>

Like at the Mbangura market, the results of our survey (Appendix K) support the assertion that pricing and bargaining are inconsistent. In surveying twenty-two NWCA vendors, we found that of the vendors surveyed, 32 percent consider cost of purchase or production when pricing the item as seen in Table 4. Other factors indicated by a significant portion of the vendors surveyed are the size of the item (18 percent), the specific profit they would like to gain (23 percent), and the customer or anticipated bargaining (23 percent). Again, this pricing strategy seems to fall short since 73 percent of vendors surveyed indicate that they often or sometimes have to sell their goods at a loss. We also learned from the assessment survey that there is a significant interest in receiving business skills training among vendors (21 of 22).
Table 4 Summarized results of business skills assessment of twenty-two NWCA vendors

<table>
<thead>
<tr>
<th>Highest Education Level</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>None or Primary School</td>
<td>6</td>
<td>29%</td>
</tr>
<tr>
<td>Senior Secondary School</td>
<td>8</td>
<td>36%</td>
</tr>
<tr>
<td>Interested in Training</td>
<td>21</td>
<td>95%</td>
</tr>
<tr>
<td>Keeps Records</td>
<td>17</td>
<td>77%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criteria for Setting Prices</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Wood</td>
<td>2</td>
<td>10%</td>
</tr>
<tr>
<td>Quality of Carving</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Time to Carve</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Size</td>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td>Customer/Bargaining</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>Cost</td>
<td>7</td>
<td>35%</td>
</tr>
<tr>
<td>Any Profit</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Specific Profit</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>Competition</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Instinct</td>
<td>1</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selling at a Loss</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Often</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>16</td>
<td>75%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Why: Need</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16</td>
<td>100%</td>
</tr>
</tbody>
</table>

Obtaining Business Training for Vendors

A number of organizations are already providing business training similar to that required by the vendors at the Okahandja woodcarvers markets. The Namibian National Chamber of Commerce and Industry (NNCCI) has worked together with the National Chamber of Crafts (NCC) to provide business training for the crafts sector (Kaapanda, personal interview, 15 April 2004). In 1994, the NCC provided such training to members of the Mbangura Woodcarvers Cooperative in Rundu, Namibia (Aiff, personal interview, 29 April 2004). Materials from this training are available and not under copyright and so may be reused for future trainings (Aiff, personal interview, 29 April 2004). In 2003, the Desert Research Foundation of Namibia (DRFN) provided business training in the
informal crafts sector using trainers from the Rössing Foundation (Gaseb, personal interview, 19 April 2004). The NNCCI, NCC, DRFN, and Rössing Foundation have all indicated that they would be able to organize business training for the vendors of Okahandja if funding were available (Aiff, personal interview, 29 April 2004; Botma, personal interview, 26 April 2004; Gaseb, personal interview, 19 April 2004; Kaapanda, personal interview, 15 April 2004).

In order to receive assistance for business training through the National SME initiative, businesses must apply to the Ministry of Trade and Industry. Requests for training should be submitted to the Permanent Secretary via a letter identifying need (Upindi, personal interview, 23 April 2004).

No funds have yet been secured by the Municipality for vendor training in business skills. We met with the Polytechnic of Namibia (PoN) to determine if they would be interested in providing business training to the vendors as a community service. The Centre for Entrepreneurial Development at the PoN is currently seeking approval for a program in which third-year students, closely supervised by professors, would train the vendors in business skills (Mutjivikua, personal interview, 3 May 2004). This service would be provided to the vendors at no charge.

**Parking Control at Mbangura Woodcarvers Cooperative**

A concern expressed by the leadership and many vendors at the Mbangura Woodcarvers Cooperative was the presence of poles which preventing parking directly in front of the market. The poles were installed by the Municipality of Okahandja in 2001 as a safety measure to separate the market area from the busy road on which it is located. According to the leaders of Mbangura, they were not consulted prior to installation of
these poles and no explanation was offered until they pursued the issue with the Municipality. The Mbangura vendors feel that the safety poles inhibit convenient access to their marketplace, deterring customers and skewing sales in favour of the vendors closest to the parking located on one side of the market. We collected data on customer movement through the market to address these concerns.

**Customer Tracking Data Analysis**

Data collected by tracking fifteen customers at the Mbangura market can be found in Figure 4 and 5. Figure 4 shows the possible pathways where customers can walk while shopping at the MWC. Although pathways through stalls are included in 4, the number of customers walking through a stall does not necessarily represent the number of customers that stopped to shop in that stall. The vendor stalls, parking lot, main road, and obstacles preventing customers from walking are shown as grey; the safety poles installed by the Municipality of Okahandja are seen in black. The number of customers walking in a particular region is indicated by the number inside each of the coloured regions. These regions are colour-coded to display the number of customers that walked on a particular path. Colours range from solid red to pale yellow. Solid red highlights paths that received at least ten of the fifteen customers observed; dark orange shows paths with
Figure 4 Concentration of customer movement on pathways at Mbangura market
(n = 15)
seven to nine shoppers; light orange displays the walkways that received four to six customers; yellow represents pathways that received only one to three customers; and light yellow is used to show pathways that are not used. The fraction of customers that walked on a particular path ranged from zero customers to fourteen customers.

From Figure 4, we can see the linear relationship between proximity to the parking lot and number of customers walking on the pathway; the relationship is especially obvious in the pathway closest to the main road. The path between the main road and the first ten stalls closest to the parking lot received an average of twelve of the fifteen customers observed. The path between the main road and the ten stalls farthest from the parking lot received six customers, only 50 percent of the customers received by the path in front of the first ten stalls.

We can also see in Figure 4 that stalls in close proximity to the main road have an increased number of customers who pass by. The relationship between proximity to the road and number of customers walking on the path can be demonstrated by calculating the average number of customers on the walkway closest to the road and the path farthest from the road. The calculations were done by averaging the number of customer on each path from the fourth stall to the last stall; because the path farthest from the main road is not continuous, the most continuous path in the back rows was used. Regions where no customers walked were omitted from the calculation of the average number of customers walking on the path through the back rows. Of the fifteen observed customers, the path closest to the main road received an average of nine shoppers compared to the path farthest from the main road that received an average of four customers. A correlation,
but not a causal relationship, can be determined between proximity to road and number of customers on a path.

The exception to the generalization of increased traffic close to the parking lot and road is the two large thatched roof stalls with six vendor displays under each. These stalls are represented in Figure 4 by boxes with dotted texture. The pathways behind the thatched roof stalls receive more traffic than those of similar distance to the road and parking lot. The pathways through and around the thatched roof stall farther from the parking lot received more customers than the stalls closer to both the main road and parking lot. From these trends, we can see the tendency of customers to be attracted to the high quality thatched roof stalls.

From our data collected by tracking customers, we were able to discover the number of customers that each vendor stall received. This data displayed in Figure 5 shows the regions of the marketplace where shoppers stop most often.

Figure 5 Stopping frequency of customers for individual stalls at Mbangura market
(n = 15)

The number of customers who stopped at a given stall, of the fifteen customers observed, is shown by the numbers in the blue boxes. The represented stalls are categorized by the number of customers that stopped and are colour-coded range from dark to very light
blue. The darkest blue represents the stalls that received more than seven of the fifteen customers; the medium blue shows the stalls visited by four to six of the customers; the light blue displays the stalls that were visited by one to three of the customers; and the very light blue highlights the stalls that received zero customers. The vendor tables located under the large thatched structures are represented by the dotted texture over the blue boxes. The light yellow areas show possible pathways for shoppers, excluding the paths through the vendor stalls. The parking lot, main road, and obstacles blocking customer movement are shown in grey.

The information gathered by recording the number of customers who stop at vendors’ stalls can be used to determine if the stalls closest to the parking lot and road receive more shoppers or are just conveniently located on the path to the stalls in the back rows. Figure 4 shows that shoppers are stopping more often at the stalls closest to the parking lot and road as well as at those displays under the thatched roofs, as we hypothesized. In the front row, the first ten stalls closest to the parking lot received an average of seven of the fifteen customers each; and the ten stalls farthest from the parking lot received an average of approximately three customers each.

From this data, we can determine that the stalls closest to the parking lot receive more shoppers than those farther away from the parking lot. The front row parallel to the main road averaged five of the fifteen customers per stall; and the last row from the road averaged only two of the fifteen customers per stall. The average number of customers stopping at displays under the thatched roofs was 5.1 customers compared to the overall average of 3.8 customers per stall not under a thatched roof. Because some stalls were vacant during the selected time of observation, the average number of customer stops in
each area of stalls did not include stalls where no customers stopped. The data shows that stalls close to the parking lot and road and displays under the thatched roofs average more customer stops than stalls farther from the parking lot and road.

The data collected by tracking customers has not been tested for statistical significance because of the small sample size and use of non-probability sampling. Despite the lack of statistical significance, our assessment of the impact of stall and parking layout on customer shopping patterns provided an overview of customer flow through the Mbangura market and allowed us to make recommendations to facilitate access into and through the physical marketplace.

**Marketing**

Many tourists do not know about the markets before driving through Okahandja. The results of the tourist and vendor post-transaction surveys show that two of the four tourists surveyed did not know about the Mbangura Woodcarvers Cooperative until their arrival in Okahandja. Five of ten tourists surveyed at Namibia Wood Carvers Association did not know of the market until seeing it in Okahandja. Responses to the surveys can be found in Appendix K.

In the post-transaction surveys, we asked the estimated production time for the purchased item. We compared the estimated production time to the actual production time obtained from the vendor. At Mbangura, all three customers, who responded, underestimated the time to produce an item by at least 33.33 percent and an average of 70 percent. Of the ten customers surveyed at Namibia Wood Carvers Association, nine customers underestimated the time to produce an item by an average of 80 percent, and the other customer estimated production time accurately. The fact that customers
underestimate the time it takes to carve an item suggests that they do not place as high a value on the product as would be appropriate. This ignorance to the production process could cause them to try to bargain to lower prices than they might otherwise. This demonstrates a need for better marketing to convey the value of the items. Based on business skills assessment surveys, we have found that no marketing is currently being done.

Communication between Municipality and Markets

Miscommunication with Namibia Wood Carvers Association

On our first day on-site, the Municipality arranged to introduce us to the community leaders and inform them of our research. The leaders of the Mbangura Woodcarvers Market seemed to accept us readily and provided us with a translator in order that we could tour the market and speak with the vendors. We were easily able to schedule a community meeting of vendors for the following week. The leaders of the Namibia Wood Carvers Association expressed concern about the Municipality’s plans for development and refused to allow us to perform research at their market.

The Municipality arranged for a meeting with the Namibia Wood Carvers Association leader, Mr. Petrus Ndumba, in order to explain our research and gain access for us into the market. We were not present for this meeting, but one week after our first visit to the market, the Municipality informed us that we were free to perform research at the market. The Municipality stated that Mr. Ndumba had mistakenly thought that our intention was not to help the NWCA but to merely gather information about the woodcarving business that we could use to enhance similar companies in the United States of America. The Municipality reintroduced us to Mr. Ndumba, who was
extremely forthcoming in providing information. Mr. Ndumba assured us that we would be free to interview the vendors and carvers, and we scheduled a community meeting for the following week. As we began to perform preliminary interviews at the market, it became apparent that Mr. Ndumba and the vendors at the NWCA were under the impression that we were going to provide sources of money for future development and create a trade relationship between the NWCA and the United States. When we attempted to clarify our intentions at the market, the leaders of the market became unsettled and requested that we postpone the community meeting until another meeting with the Municipality could take place. Another meeting was held with the governing committee of the marketplace (see Appendix C). The CEO of Okahandja, Ms. Regina Alugodhi, and the Manager of Community Services, Mr. Vincent Sazita, again explained our role as students and researchers. Also present at the meeting was Mr. Ismael Khoëseb, Sanitation Supervisor, who has worked at the Municipality for eleven years and has a good relationship with Mr. Ndumba (see Appendix A). Mr. Khoëseb emphasized that we were not businesspersons and clarified our role by explaining the meaning of the word “research.” We asked the community leaders to ask us any questions so that we might fully clarify our intent and role. This meeting finally established an understanding between the Municipality and the Namibia Wood Carvers Association. We were permitted to conduct our research.

**Analysis of Communication**

Communication between the Municipality of Okahandja and each of the woodcarvers markets was the main focus of the community development. We successfully initiated the creation of open lines of communication between the
Municipality and Mbangura Cooperative. We also worked to improve communication between the Municipality and the Namibia Wood Carvers Association, but we were less successful than with the Mbangura Cooperative. Although a history of communication problems hindered the development of the relationship between the Municipality and the NWCA, we prompted the initial communications, which serve as a foundation for future communication development.

Language and cultural differences pose a significant barrier to communications between the Municipality and community leaders. In the case of Namibia Wood Carvers Association, most discussions were translated by a member of the NWCA. Due to the imprecision of translation, information seemed most clearly understood when it was repeated a few times with varying word choice.

By improving communication between the markets and the Municipality, we influenced the Municipality of Okahandja to reconsider its plans to combine the two marketplaces. Because communication was enhanced, the Municipality became aware of the negative repercussions of combining the two groups of woodcarvers and decided not to combine the market. This allowed us to revise our goals to no longer include directing the Municipality toward an understanding of the importance of separating the markets. With the Mbangura Cooperative, we not only improved communication with the Municipality, but also guided them in creating alternative solutions to setbacks faced with customer parking problems.

The misunderstandings and eventual understandings demonstrate the need for direct meetings and communication between the leadership of Okahandja and that of the woodcarvers markets. When the concerns and desires of both parties are thoroughly
discussed, they can come to a mutual understanding of the situation and take appropriate actions. It is important to note that established rapport, such as that Mr. Khoëseb of the Municipality has with Mr. Ndumba of Namibia Wood Carvers Association, facilitating this communication.

At our initial Mbangura community meeting, the vendors informed us that other researchers had studied the marketplace on previous occasions with no tangible results for the market. The community expressed a strong desire to see results in return for their contribution of time and effort towards the research. The recommendations which we have created for the Municipality of Okahandja are intended to address long-term changes and are not expected to take effect immediately since fundraising and plans are still in progress. In order to develop trust between the Municipality and the woodcarvers markets, the Municipality should seek to implement some of the recommendations immediately.
Chapter 5. CONCLUSIONS, RECOMMENDATIONS, AND FUTURE DIRECTIONS

After identifying and studying a number of problems faced by vendors and woodcarvers in Okahandja, we have developed recommendations for improvements within the markets. As a result of our methodology of action research, many of our recommendations were made throughout the research process. These recommendations can be found throughout Chapter 3 and Chapter 4, because they were implemented immediately as part of community development.

Conclusions

Business Training

At both the Mbangura Woodcarvers Cooperative and the Namibia Wood Carvers Association, there is a strong need and desire for business training. This finding agrees with prior research by the Namibian National Chamber of Commerce and Industry (NNCCI, 1997) as well as the 1995 study of training for the informal sector (McGrath, 1995) as discussed in the Chapter 2 of this report. Business training is a priority because fundamentally no other improvements can increase the profitability of the vendors if the prices at which they are selling their products are below the cost of production and distribution.

The Gobabeb training done in 2003 in conjunction with the Desert Research Foundation of Namibia and the Rössing Foundation (DRFN, 2003) as well as trainings previously conducted by the NNCCI and NCC provide models for how this can be accomplished. Our discussions with these agencies and the Ministry of Trade and Industry (MTI) suggest that any of the agencies would be able and willing to organize
training for the Okahandja woodcarvers’ community, and that the main challenge will be to secure funding for such training. We have identified the most promising source of funding to be the MTI through their initiative to promote the development of SMEs. However, we would encourage the Municipality of Okahandja and the woodcarvers markets to pursue all potential funding sources. One possibility that might not require outside funding would be training provided by the Centre for Entrepreneurial Development at the Polytechnic of Namibia.

**Design of New Marketplaces**

With regard to the Municipality’s current plan to build new marketplaces for the woodcarvers markets, we have found that there is a strong need for a layout that allows for sufficient and secure parking and free movement of customers. Our studies of the layout problems at the Mbangura Woodcarvers Cooperative show that the linear format with parking at one of the marketplaces is not conducive to equitable customer movement among the stalls. The data we collected suggests that aesthetically pleasing stall formats such as the large thatched-roof structures at MWC attract customers. Customers that we observed tended to visit the front stalls, closest to the road; the stalls closest to the parking area; and the two large thatched-roof stalls. In addition, the lack of convenient and secure parking is a deterrent for customers to stop at all.

**Marketing**

We have found that there is little to no marketing currently done at either Namibia Wood Carvers Association or Mbangura Woodcarvers Cooperative. Our research indicates that tourists visit the markets primarily when directed by their tour guides. Tourists have a very limited awareness of the markets before arriving at them.
Product marketing could help the vendors receive better prices for their goods. From interviews with customers and vendors, we have suggested that customers believe the goods to be of high quality, but tend to underestimate the time and effort involved in producing these crafts. If the customer awareness of the complexity of the carving process was raised, the customer might be willing to pay more for the goods.

**Communication between Municipality and Markets**

We have identified that there is a lack of communication between the Municipality of Okahandja and each of the two markets. Both Mbangura Woodcarvers Cooperative and Namibia Wood Carvers Association harbour feelings of mistrust and lack of faith in the Municipality. This problem is more severe at NWCA. Through open face-to-face discussions and meetings between the markets and the Municipality, communication has been improved throughout the course of our research.

After a succession of meetings between the Municipality and the Mbangura Woodcarvers Cooperative, they have reached a mutual understanding regarding the lack of parking at the market. The Municipality now understands the negative impact of the current lack of parking on the businesses and lives of these vendors. The MWC vendors now understand the Roads Authority regulations requiring the poles which prevent customers from parking directly in front of the market. Another positive outcome of these communications is the mutual sense that there is now an open dialog between the two parties. The vendors have stated that they now feel able and welcomed to bring their complaints directly to the Municipality.

The Namibia Wood Carvers Association has a history of mistrust of the Municipality, which will take time to repair, even as communication improves. We have
identified a miscommunication about funding in 1994 to be a major source of NWCA distrust and suspicion of the Municipality. The leader of the Namibia Wood Carvers Association believes that the Municipality of Okahandja intervened with funding that the NWCA was supposed to receive from an outside source. Details of this miscommunication are not clear.

**Recommendations**

**General Recommendations for the Municipality**

1. Strive to maintain open and frequent communication with the woodcarvers markets.

2. Keep the current plan of maintaining separate marketplaces for NWCA and MWC.

3. Design new facilities for the woodcarvers markets that include the following:
   a. Toilet facilities for vendors, carvers, and customers.
   b. Ample parking.
   c. A layout that facilitates free movement of the customers.
   d. An attractive and professional appearance.
   e. A means of securing the goods at night.
   f. Shipping facilities for tourists who wish to send large items.
   g. Ample space for carving and maintenance of products.
   h. Space for a historical and cultural display of craft items with descriptions.

4. Consult with the communities at each of the woodcarvers markets to obtain their input on the designs for new facilities.
5. Organize and procure funds for business training for vendors at NWCA and MWC; the Centre for Entrepreneurial Development at Polytechnic of Namibia may provide this training without funding.

6. Organize a woodcarving festival celebrating the art and history of the two markets in order to promote them.

7. Provide support for marketing initiatives such as brochures and web pages to increase awareness of Okahandja as the premiere location for woodcarvings.

8. Resolve NWCA funding issue of 1994 through clear communication with the leader of the Association.

9. Provide advice and institutional support for vendors seeking small business loans.

10. Secure the resources for a web page for the markets.

**Namibia Wood Carvers Association Recommendations**

1. Maintain open and frequent communication with the Municipality.

2. Obtain business training for vendors.

3. Add value to the items sold by distributing informative leaflets describing the history and culture of the woodcarvers.

4. Improve displays within the stalls.
   a. Display only a few similar items, not the entire stock.
   b. Unfold some of the decorative cloths as a means of display as well as decorating the stall.

5. Make shipping available to customers.

6. Market customization and inscription options to customers.
Mbangura Woodcarvers Cooperative Recommendations

1. Maintain open and frequent communication with the Municipality.

2. Follow-up with Municipality regarding new location for market.

3. Obtain business training for vendors.

4. Add value to the items sold by distributing informative leaflets describing the history and culture of the woodcarvers.

5. Improve displays within the stalls.
   a. Display only a few similar items, not the entire stock.
   b. Unfold some of the decorative cloths as a means of display as well as decorating the stall.

6. Create a brochure including photographs to distribute to hotels and tourist facilities in Windhoek, Swakopmund, Walvis Bay, and other tourist destinations.

7. Provide security at the existing parking area to allow customers to feel comfortable leaving their vehicles.

8. Pursue additional parking compromises with the Municipality and Roads Authority.

9. Design signs advertising the market.

10. Find legal and high-visibility locations for signs.

11. Create a display showing the meaning, culture, and history of woodcarving in Namibia.

12. Create an attraction at the end of the market far from the parking area to entice customers to walk through the entire market.

13. Make shipping available to customers.

14. Market customization and inscription options to customers.
15. Foster an environment of good customer care in order that customers will spend more time at the markets.

16. Offer customers information about the meaning and history of products in order to enhance their value.

17. Create an informative web page about the market.

18. Follow-up on committees and task assignments created during the final community meeting.

**Business Training for Vendors**

Based on interviews with vendors and discussions at our follow-up community meetings, we have developed a set of guidelines for the recommended business training. In order to address the needs and interests of the vendors, the training should cover the topics of record keeping, pricing, budgeting, marketing, and customer care. Training should be administered in Rukwangali and English to best meet the language needs of vendors. Since the vendors might have to close their businesses during training sessions, losing some income, participation will depend on meeting their scheduling needs. Based on vendor input, we recommend that the training be offered three days per week (Tuesday, Wednesday, and Thursday) over a period of at least two weeks. The Centre for Entrepreneurial Development at Polytechnic of Namibia suggests that three modules of 20 to 40 hours each (Mutjavikua, personal interview, 3 May 2004). Due to the high cost of transportation and lodging and the fact that some vendors will have family and other obligations at home, day programs in Okahandja are the optimal format for vendor training. If funds allow, we recommend multiple training sessions through the year so that all the interested vendors could receive training without shutting down the entire
market at once. Alternatively, vendors have agreed that the community could select a few vendors to receive the training and pass the information along to the rest. Based on our research about similar business trainings, we recommend that the trainers provide some follow-up support for a period of at least one-year (McGrath, 1995; DRFN, 2003). Additional recommendations about the logistics of providing business training can be found in Appendix L.

Design of New Marketplaces

We recommend that the plans for redesigned marketplace have a different layout than the current layout at both the Mbangura and Namibia Wood Carvers Markets. It is imperative that the vendors from the markets be involved in the design of their respective marketplaces. Involvement in the design process will create a sense of ownership and pride, which will encourage the vendors to maintain and expand upon the new markets. The Municipality of Okahandja should work with each vendor cooperative to develop a rent payment plan. One suggestion for this payment plan is to create rent prices that correspond to the seasonal highs and lows for tourism and the sale of woodcarvings since most vendors are not able to save enough to last through the low seasons.

Marketing Strategies

We are recommending marketing strategies to raise awareness about the markets in general as well as add value to the products offered. We recommend that vendors work in small groups focusing on marketing strategies of interest to them. Regular community meetings to share ideas and report progress of marketing projects would help to sustain motivation and assist committees when necessary.
The first marketing idea to implement in the short term is the improvement of the display of items in the stalls. Vendors may opt to display only a few similar items rather than the entire stock of items. When many similar items are displayed at once, the customer does not view the item as unique, thus diminishing their perception of the quality of the product. Other items such as cloth pieces should be shown unfolded so that the customer can see the design as well as the size of it. At the same time, displayed cloth pieces could enhance the appearance of the stalls.

Diversification of product line could reduce the competition among vendors and make the items sold seem more unique to the customer. If new products are introduced, the vendors should track the sales trends to determine the success of each test product before investing extensive time and money.

Vendors should promote options of customization and inscriptions to the customers. Although some vendors already offer customization, the customer may not be aware of the option. Vendors can charge a premium for inscriptions and customizations. In order to facilitate custom orders, vendors should make their contact information available to the customers.

Marketing literature or informational tours of the carving facility could enhance the customers perceptions of the effort and time involved in the production process. Similarly, marketing literature describing the cultural and historical significance of the products could increase the customer’s appreciation of crafts’ value.

The Mbangura Woodcarvers Cooperative, in particular, needs signs indicating their location. From our research, we could find that people are not aware of the markets until they drive by them, if they are not brought there by a guide. Therefore, clear signs
indicating the existence and location of the markets could increase tourist awareness of the markets. The markets need to consult with the Municipality as well as the Roads Authority with regard to finding legal and beneficial locations for signs.

We recommend the distribution of brochures, indicating the location of the markets as well as a description and history of them. These brochures should be distributed to the customers at the time a transaction is completed and also at hotels and tourist facilities throughout Namibia. A brochure could also be made available electronically in the form of an informational web site.

The creation of a product catalogue, either print or on the Internet, is a more long-term possibility. This catalogue should include pictures of the items as well as prices, discounts available for bulk orders, information about the size and customization options of the items, and contact information. To help customers visualize the decorating potential of the crafts, catalogues should include visual example of decorating ideas, such as photographs of living rooms decorated with woodcarvings. Catalogue and Internet sales involve a greater investment not only to start-up, but in maintenance, shipping, and marketing.

**Communication between Municipality and Markets**

We strongly recommend that the Municipality of Okahandja, the Namibia Wood Carvers Association, and the Mbangura Woodcarvers Cooperative focus on improving communication between each market and the Municipality. We recommend that the Municipality of Okahandja puts effort into establishing rapport with both groups of vendors. One way develop rapport with the vendors is to begin having meetings with facilitated by a member of the Municipality that has a strong previously established
relationship with the leaders of the marketplaces. As a further method of developing
communication and building trust with the markets, the Municipality should seek to
implement some of the recommendations immediately in order to demonstrate their
interest in helping the businesses of the woodcarvers markets.

**Future Directions**

Additional research should be done with regard to marketing of the Okahandja
woodcarvers markets. Detailed analysis of the efficacy of various marketing strategies
would enable the markets to receive the most value from their limited funds. This
research could involve testing of marketing strategies as well as an analysis of the
marketing strategies used for similar businesses around the world.

The Municipality of Okahandja can apply this research to other small and
medium-sized enterprises. As discussed in Chapter 2, the needs of the SME and informal
sectors are common and these marketing and training strategies in particular could prove
useful for the development of new businesses in Okahandja. In addition, the knowledge
gained by the Municipality of Okahandja regarding communication with the markets can
be applied to other relationships of the Municipality.

We recommend that the Municipality seeks to create new SMEs in Okahandja
such as a shipping facility in order that customers at the woodcarvers markets may easily
ship large purchases home. More amenities for tourists such as lodges and restaurants
could be established as a means to attract tourists to Okahandja.
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INDEX OF INTERVIEWS

Aiff, Michael. Project Coordinator, Namibia Chamber of Crafts.
   Mr. Aiff has previous experience training woodcarvers in Rundu. He is in charge of implementing new training sites.

Alugodhi, Regina. CEO, Municipality of Okahandja.
   Ms. Alugodhi was our primary liaison at the Municipality of Okahandja

   Ms. Botma in charge of implementing the projects of the Rössing Foundation.

   Architect hired by the Municipality of Okahandja to design new marketplaces.

Gaseb, Arnold. Field Facilitator, Desert Research Foundation of Namibia.
   Mr. Gaseb acted as a facilitator during the DRFN’s 2003 training workshop.

   Professor Gerstenfeld has travelled extensively in his roles as on-site advisor for WPI project centres around the world. He provided us with firsthand insights about the woodcarvers markets of Sarchi, Costa Rica.

Hailwa, Joseph. Director of Forestry, Ministry of Environment and Tourism

Jordaan, Johannes. Engineering Services Department, Municipality of Okahandja. As the supervisor of the Roads and Civil Work department, Mr. Jordaan installed safety poles three years ago at the Mbangura Woodcarvers Cooperative.

Kaapanda, Puli. Namibian National Chamber of Commerce and Industry

Kakona, Richards. Projects Officer, Centre for Entrepreneurial Development, Polytechnic of Namibia

Kapula, Emanuel. Secretary, Mbangura Woodcarvers Cooperative

Koëseb, Ismael. Sanitation Supervisor, Municipality of Okahandja
   Mr. Koëseb was previously the supervisor of the Health Department and has been involved with the Municipality’s interactions with the woodcarvers markets.

Livinga, Bernard. Treasurer, Mbangura Woodcarvers Cooperative

Mutjavikua, Lawrence. Projects Administrator, Centre for Entrepreneurial Development, Polytechnic of Namibia

Ndumba, Petrus. Leader, Namibia Wood Carvers Association
Ramakhutla, Rossie. Secretary, Municipality of Okahandja
   Ms. Ramakhutla was our former liaison before arriving to Namibia.

Sazita, Vincent. Manager of Community Services and Health Inspector, Municipality of Okahandja

Upindi, John. Principal Economist, Ministry of Trade and Industry

Visoni, Fernanda. Chairperson, Mbangura Woodcarvers Cooperative
APPENDIX A. OKAHANDJA TOWN GOVERNMENT

The Municipality of Okahandja is led by a Town Council with the Mayor as its Chairperson. The Town Council is elected every five years by residents of Okahandja. Any person who has resided in Okahandja for at least twelve months is eligible to vote. The next elections will be held on 14 May 2004.

The Town Council appoints a Chief Executive Officer (CEO) for the Municipality. Four departments report directly to the CEO: Community Services, General Administration, Engineering Services, and Finance Administration. The CEO reports to the Town Council.

Currently, the Municipality of Okahandja is concerned with development of small and medium-sized enterprises (SMEs). The main SMEs of Okahandja are the two woodcarvers markets. As part of their efforts to develop SMEs, the Municipality is planning to redesign the two woodcarvers markets as well as to add a third market for Okahandja residents who would like to sell other types of goods. Other current projects of the Municipality are the expansion of the Five Rand informal settlement, implementation of prepaid water and electricity systems in the settlements, installation of stadium lights in settlements for safety purposes, and development of five extensions in the town.

For the purpose of our project, we are working primarily with Ms. Regina Alugodhi, CEO, and Mr. Vincent Sazita, Manager of the Community Services. Ms. Alugodhi was appointed CEO in 2003. Mr. Sazita has worked for the Municipality of Okahandja since 2001. Another Municipality representative who has been involved in our research is Mr. Ismael Khoëseb. Mr. Khoëseb has worked for the Municipality of
Okahandja for the last eleven years; therefore he has developed knowledge of the history of the woodcarvers markets and the Municipality’s relationship with them. We have also gathered information about Municipality, town planning, and community relations from other members of the General Administration Department, namely Mr. Pieter Malestky, Building Inspector, and Mr. Gideon Maletsy, Fire Chief. The organization chart including these individuals is shown in Figure 6.

The Municipality has limited sources of revenue. Currently, income comes from property taxes, rent, land sales, permits, sewage charges, refuse collection charges, and small surcharges on utilities such as water and electricity. The Municipality often relies on outside donors, such as the Finnish government, to fund its development projects.
APPENDIX B. BRIEF HISTORY OF THE OKAHANDJA WOODCARVERS MARKETS

This is a brief history of the Okahandja woodcarving industry as related to us by Mr. Petrus Ndumba, the leader of the Namibia Wood Carvers Association. Information about the role of the Municipality of Okahandja was provided by Mr. Vincent Sazita and Mr. Ismael Khoëseb of the Municipality.

According to Mr. Petrus Ndumba, his father Mr. Abraham Ndumba started the Namibian woodcarving craft in 1940 in Rundu, a town in Northeastern Namibia. Mr. Petrus Ndumba asserts that before that time woodcarving was not a common activity, and little demand existed for the products. Mr. Abraham Ndumba’s first customers were missionaries from Europe for whom he carved crosses in different sizes, colours, and styles. He was first paid with clothing and then began to accept payment of fifty cents for each cross. Ndumba received enough money to cover all the costs of production as well as his living expenses. During these years Mr. Abraham Ndumba improved his skills and started teaching his son, Mr. Petrus Ndumba, the woodcarving craft.

Fifty years later, Abraham Ndumba decided to expand this activity by sending his son, Petrus Ndumba, to another part of Namibia. They chose Okahandja as a desirable town in which to sell their crafts because many tourists pass through on their way to and from Windhoek, the coast, and the North.

Mr. Petrus Ndumba established the first woodcarvers market in Okahandja, the Mbangura Woodcarvers Cooperative. The market is located in the northern part of Okahandja on land rented from TransNamib. Since the market was first established in 1990, many woodcarvers from Rundu have joined the Cooperative.
Three years after this market was founded, internal conflicts and ethnic disputes among vendors caused Mr. Petrus Ndumba to leave the Cooperative. At this time, the CEO of the Municipality of Okahandja, Mr. Oppermann, authorized the Health Department Supervisor, Mr. Ismael Khoëseb, to allow Mr. Petrus Ndumba to establish a second market on a piece of land in the southern part of the town. This new market is the Namibia Wood Carvers Association. Mr. Petrus Ndumba is the current leader of the NWCA and views himself as a teacher and mentor to those who wish to relocate to Okahandja to learn the woodcarving trade. To date, the Mbangura Woodcarvers Cooperative and Namibia Wood Carvers Association are both operating in Okahandja.
APPENDIX C. ORGANIZATION OF THE WOODCARVERS MARKETS

Mbangura Woodcarvers Cooperative

The Secretary of the Mbangura Woodcarvers Cooperative in Okahandja, Mr. Emanuel Kapula, provided us with an overview of the managing bodies and regulations of the Cooperative.

The head office of the Mbangura Woodcarvers Cooperative, as well as a small market and teaching and development centre for woodcarvers, are located in the northern Namibian town of Rundu. This office is composed of a Chairman, Mr. John Lumbala, a Secretary, Mr. Zacharias, and a Treasurer, Mr. Jacob Skapuzi. This Executive Committee is elected by the woodcarvers every three years. The last election was in 2003. Once this committee is elected, it designates three local vendors to run the Okahandja branch of the Cooperative. This local committee is composed of a Chairperson Ms. Fernanda Visoni, Secretary Mr. Emanuel Kapula, and Treasurer Mr. Bernard Livinga.

The Mbangura Woodcarvers Cooperative serves vendors from many different tribes, such as Nyemba, Rukwangali, Ovambo, and Herero. Each of the sixty-five Cooperative members rents a plot from the Cooperative and must build their own stall with the exception of two large thatch-roofed stalls. The monthly rent for a stall is N$26.50 for a small stall or N$42.50 for a large stall with an additional monthly security fee of N$7 per month, which is used to pay the night security guard.
The Cooperative rents the land in Okahandja from TransNamib for a monthly fee of N$1,000. In addition, the Cooperative pays the Municipality of Okahandja a water usage fee of N$50 per month. There is no sewage or septic tank for the Cooperative.

**Regulations of the Mbangura Woodcarvers Cooperative:**

- No fighting is allowed among vendors
- No drinking or drunk people allowed
- No smoking allowed
- No theft allowed
- No insulting allowed
- No customer is forced to buy
- People must be 18 years old at least to work at the market
- Workers must have a valid ID, Visa or any other document that guarantees a proper legal status
- Vendors are not allowed to sell their goods outside of the market area

**The Namibia Wood Carvers Association**

Information about the Namibia Wood Carvers Association was provided by the leader, Mr. Petrus Ndumba as translated by Mr. Daniel Jackson.

Mr. Petrus Ndumba independently runs to the Namibia Wood Carvers Association. He has designated the seven best and most experienced woodcarvers to be on the governing committee. He has the power to revoke the position of any member on the Committee at any time. Each of the seven committee members is equally ranked. They include Mr. Sox Nyangana, Mr. Matias Kahona, Mr. Johannes Mutoma, Mr. Israel Miaso, Mr. Johannes Kasweka, Mr. Daniel Makaza, and Mr. Anton Zelu. One of these
Committee members will be selected by Mr. Ndumba to succeed him after he is no longer able to work.

Members of the Namibia Wood Carvers Association are mostly of the Luchasi and Chokwe tribes. Each of the 100 vendors pays a fee of N$50 to open a stall, but no rent is paid after that time. Vendors build their own stalls. There is space on-premises for carving and electricity for power tools. Vendors also may reside in shacks built behind the marketplace.

The Namibia Wood Carvers Association is located on land owned by the Municipality of Okahandja and no rent is paid to the Municipality. The Association pays the Municipality of Okahandja a monthly water usage fee of N$50. Namibia Wood Carvers Association pays the town a monthly electricity fee of N$1500. There is a septic tank at the market, but the toilets and showers have not functioned since 1994.

**Regulations of the Namibia Wood Carvers Association:**

- No drinking on premises
- No marijuana smoking
APPENDIX D. A BRIEF OVERVIEW OF THE WOODCARVING PRODUCTION PROCESS

This overview of the woodcarving production process is based on personal interviews with Andreas Levin at Mbangura Woodcarvers Cooperative (23 April 2004) and Elias Mizi at Namibia Woodcarvers Association (26 April 2004).

The woodcarving production process starts as the woodcarver leaves Okahandja to obtain wood from Rundu. The woodcarvers pay approximately N$120 for a bus ticket, or they hitchhike and pay the drivers a lower fare. Once in Rundu, the woodcarvers have to go to the local Ministry of Forestry and pay N$125 for a permit that allows them to cut a single tree of any kind and size. An average-sized tree provides enough wood to carve fifty 15cm X 15cm elephants. After cutting the tree, another permit of N$15 is required to remove the wood from the region. This process, depending on the number of trees the woodcarver acquires, ranges from two to seven days in length. During this time woodcarvers have to provide their own food, which is estimated at N$100.

After this, the tree is cut into pieces from which the products will be carved. Each piece has to be peeled to eliminate the tree bark. The next step is to start carving the wooden piece with an axe to give the wood an initial rough shape. This step is followed by carving with a smaller axe and finally with a knife for the details.
When the carving process is completed, the woodcarvers return to Okahandja. The fare for transporting the carvings from Rundu to Okahandja varies from N$150 to N$1500, depending on the number of pieces as well as on their size. Hitchhiking is the most common form of transportation among vendors.

Once in Okahandja, the finishing process begins. First the items are sanded until a certain level of softness is reached. Since the wood often cracks, the holes are repaired with a mix of glue and sawdust. After this the carving has to be sanded again. To create the realistic skin effect of certain pieces such as rhinos and elephants, the carver makes small cuts with a saw on the carving surface.

The woodcarvers add the final details such as eyes or marks on the skin with hot nails. The nails are heated on a fire and then used to burn the wood, leaving black marks on it. When this process is done, the carving is ready to be coloured with shoe polish and then waxed. Carvings stored inside the vendor stalls do not required constant polishing since they are not exposed to the sunlight. However, carvings exhibited outside the stalls...
require polish every two days in order to avoid darkening and discoloration. The finishing process can be seen below in Figure 8.
APPENDIX E. COMMUNITY DEVELOPMENT THROUGH ACTION RESEARCH

Our strategy for studying the woodcarvers markets in Okahandja was *action research*, a collaborative approach which directly involves the study subjects as researchers and participants themselves (Berg, 2004). The principle behind *action research* is the creation of change during the research process. With this project, we began implementing change in a number of ways prior to completing our research. By conveying the findings of our research back to the participants throughout the process, we were able to stimulate some immediate changes during the research period. One advantage of this *action research* approach was that we earned the trust of our research subjects by demonstrating our sincerity and showing the positive change that could result from the research.
APPENDIX F. FIRST-TO-PASS SAMPLING

The total population of customers visiting the markets on a particular day, or the sample frame, is not available a priori (Finn, 2000). Because the sample frame is not available, it is not possible to use probability sampling, so non-probability sampling must be used. Finn refers to a method of non-probability sampling called ‘first to pass’ sampling. This method attempts to eliminate the bias that can be created when an interviewer must select the sample population while conducting the experiment. First to pass sampling has been recommended by the Tourism and Recreation Research Unit in their *Recreation Site Survey Manual: Methods and Techniques for Conducting Visitor Surveys* (1993) as the optimal system for conducting surveys at tourist sites.
APPENDIX G. VENDOR INTERVIEWS

These sample interviews reflect the general content of the informal interviews conducted with the vendors at the woodcarvers markets. These interviews provided background information for our community meeting.

Sample Interview with Vendors at Woodcarvers Markets

**Demographic Information**
Do you come from a town other than Okahandja?
Of what tribe are you member?

**Business Structure and Details**
What is your role? (Carver, vendor, etc.)
Who else works with you?
What do they do?
How long have you been coming to this market?
How long are you here for?
How often do you come here?
Why did you come to Okahandja to sell your things?
Do you go to any other markets like this one to sell?
What does it cost to be here?
How much profit do you usually make?
Do you make enough to pay for what you need?

**Education**
How did you learn about woodcarving?
Did you work as an apprentice?
Do others in your family also carve?
Do you ever use a computer?
Do you use the internet or e-mail?

**Working Conditions**
Did you provide the vendor stall for yourself?
What do you think of the stall?
Does the stall meet your requirements?
Are there sufficient sanitary facilities here?
Is it safe at the markets?
Have you ever known any vendor who was a victim of theft here?
Do you think that the market is a good place to work?
What benefits are there from being in the markets?
What is bad about the markets?
Record keeping, cash handling, and credit cards
Do you keep records of sales?
What kind of bookkeeping do you do?
Do you have a cash register?/How do you keep track of your cash?
Do you accept credit cards?

Transportation
Where do you live when you are here?
Where do you live when you are not here?
How much do you spend on transportation?

Sales and Tourist Patterns
How many tourists do you usually see in a day?
Does the number of tourists vary a lot from day to day and season to season?
Do you have good sales all year long?
Do you make most of your sales during the Red Flag ceremony?
If you have a day where you do not sell anything, what happens? (Are you still able to eat dinner?)

Personal satisfaction
Do you like being here?
What do you think would help your business?
Is this your profession of choice?
APPENDIX H. POST-TRANSACTION SURVEYS

Customer Survey
Where are you from?
How did you find out about this market? Have you been here before?
Did you shop at any other woodcarvers market in Namibia? If so, where?
What did you buy or considered buying?
Do you feel you paid (or were offered) a fair price?
What was the price you paid (or offered) for the item?
Who started the bargaining?
What do you think of the quality of the item?
How long do you think it took to carve the item?

Vendor Survey
Item description:
Did you get (or were you offered) a fair price? Was it enough for you?
What was the final price or offer?
What was the starting price?
Who started the bargaining?
How long did it take you to produce this carving?
APPENDIX I. BUSINESS SKILLS ASSESSMENT QUESTIONNAIRE

Where are you from/ currently live (town, region, country)?

Age: Under 18  19-25  26-30  31-40  41-50  51-60  61-70  Over 70

What level of education have you completed?

- Lower Primary
- Junior Secondary
- Diploma
- Senior Primary
- Senior Secondary
- College Degree

Are you interested in receiving business training? If so, what topics are you most interested in?

- Record keeping
- Marketing
- Setting Prices
- Budgeting
- Other______________

What language(s) would you prefer to receive business training in?

How would business training help you?

Which of the following do you keep records of?

- Product inventory (items you have)
- Customer Information
- Business expenses/costs
- Trends of sales
- Personal expenses
- Profit/Loss
- Sales transactions

Do you have a bank account?

How do you market your products?

Do you or your company advertise outside of the marketplace? Why/ why not?

How do you set prices?

Do you ever have to sell products at a lower price than you produced or bought them for? Why?

How do you get your products or raw materials to Okahandja?

Do you have a way for customers to contact you?

Do you have a bank account?
APPENDIX J. BUSINESS SKILLS ASSESSMENT RESULTS

These are the results from a survey administered to 14 woodcarving vendors at the Mbangura Woodcarvers Cooperative and 22 vendors at Namibia Wood Carvers Association. Each column represents one vendor’s responses. Since some of the content of the survey is on sensitive topics, the individual vendors are not identified. The results are coded according to the following key.

KEY

Age
A  Under 18
B  18-25
C  26-30
D  31-40
E  41-50
F  51-60
G  Over 60

Education
N  None
LP  Lower Primary (1-3)
SP  Senior Primary (4-6)
JS  Junior Secondary (7-9)
SS  Senior Secondary (10-12)

Language
A  Afrikaans
C  Chokwe
E  English
F  French
G  German
N  Nyemba
P  Portuguese
R  Rukwangali

Selling at a Loss
O  Often
S  Sometimes
N  Never

For all other categories
Y  Yes
N  No
## Mbangura Woodcarvers Cooperative

### Table 5 Business assessment survey results for 14 Mbangura vendors

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**TRAINING**

| Interested in Training | Y  | Y  | Y  | Y  | N  | Y  | Y  | Y  | Y  | Y   | Y   | Y   |     |     |
| Language: Best         | N  | N  | A  | E  | E  | E  | E  | R  | A  | E   | E   | E   | R   | R   |
| Language: Others       | E  | R  | R  | E  |     |     |     |     |     |     |     |     |     |     |

**Training Topics of Interest**

| Record keeping         | Y  | Y  |     |     |     |     |     |     |     |     |     |     |     |     |
| Marketing              | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |     |
| Pricing                |     | Y  | Y  |     |     |     |     |     |     |     |     |     |     |     |
| Budgeting              | Y  | Y  |     |     |     |     |     |     |     |     |     |     |     |     |
| Other: Sales           | Y  | Y  |     |     |     |     |     |     |     |     |     |     |     |     |
| Other: Computers       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Other: Loans           |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Other: Investing       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Other: Run business    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |

**RECORD KEEPING**

| Keeps Records          | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | N   | Y   | N   | N   |     |
| Types of Records Kept  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Inventory             | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |
| Business Expenses      | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |
| Personal Expenses      | Y  |     | Y  | Y  | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |
| Sales Transaction      | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |
| Sales Trends           | Y  | Y  | Y  |     | Y  | Y  |     |     |     |     |     |     |     |     |
| Profit and Loss        | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |
| Customer Information   | Y  | Y  |     |     | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |

**Criteria for Setting Prices**

<p>| Quality of Wood        | Y  |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Quality of Carving     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Time to Carve          | Y  |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Size                   | Y  | Y  | Y  | Y  |     |     |     |     |     |     |     |     |     |     |
| Customer/Bargaining    | Y  | Y  |     |     |     |     |     |     |     |     |     |     |     |     |
| Expense                |     |     | Y  | Y  | Y  | Y  | Y  |     |     |     |     |     |     |     |
| Any Profit             |     |     |     |     |     |     |     |     |     |     |     |     |     | Y   |
| Specific Profit        |     |     |     |     |     |     |     |     |     |     |     |     |     | Y   |
| Competition            |     |     |     |     |     |     |     |     |     |     |     |     |     | Y   |</p>
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**Namibia Wood Carvers Association**

**Table 6 Business assessment survey results for 22 NWCA vendors**

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APPENDIX K. POST-TRANSACTION SURVEY RESULTS

Mbangura Woodcarvers Cooperative

Table 7 Results from 4 Mbangura post-transaction surveys

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<tr>
<td>Discount</td>
<td>50.00%</td>
<td>46.67%</td>
<td>70.00%</td>
<td>53.33%</td>
<td>70.00%</td>
<td>27.27%</td>
<td>23.08%</td>
<td>55.00%</td>
<td>12.50%</td>
<td>37.50%</td>
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<tr>
<td>Fair price? (vendor)</td>
<td>yes</td>
<td>No</td>
<td>No</td>
<td>no</td>
<td>No</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
<td>no</td>
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<tr>
<td>Fair price? (customer)</td>
<td>yes</td>
<td>No</td>
<td>yes</td>
<td>no</td>
<td>No</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
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<tr>
<td>Perceived quality (customer)</td>
<td>good</td>
<td>good</td>
<td>fair</td>
<td>good</td>
<td>Bad</td>
<td>good</td>
<td>good</td>
<td>good</td>
<td>good</td>
<td>fair</td>
</tr>
<tr>
<td>Estimated time to produce (customer)</td>
<td>1</td>
<td>d</td>
<td>1</td>
<td>d</td>
<td>3</td>
<td>d</td>
<td>2</td>
<td>d</td>
<td>0.25</td>
<td>d</td>
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<tr>
<td>Actual time to produce (vendor)</td>
<td>1</td>
<td>d</td>
<td>7</td>
<td>d</td>
<td>60</td>
<td>d</td>
<td>8</td>
<td>d</td>
<td>3</td>
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<td>Time difference</td>
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<td>6</td>
<td>d</td>
<td>57</td>
<td>d</td>
<td>6</td>
<td>d</td>
<td>2.75</td>
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<td>Error percentage</td>
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<td>85.71%</td>
<td>95.00%</td>
<td>75.00%</td>
<td>91.67%</td>
<td>42.86%</td>
<td>90.00%</td>
<td>60.00%</td>
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<td>Average time error percentage</td>
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<tr>
<td>Total loss</td>
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<tr>
<td>Average discount</td>
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<td>Average percentage of original price</td>
<td>55.47%</td>
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* Legend
GB: Guide Book
D: Drove by
O: Other

** Where time was given in days, 12 hours were assumed. This is based on carver interviews about their working hours.
APPENDIX L. BUSINESS SKILLS TRAINING PLAN

Based on interviews with vendors and discussions at our follow-up community meetings, we have developed a set of guidelines for the recommended business training. In order to address the needs and interests of the vendors, the training should cover the topics of record keeping, pricing, budgeting, marketing, and customer care. Training should be administered in Rukwangali and English to best meet the language needs of vendors. If a Rukwangali translator is unavailable, members of each woodcarvers market may be able to translate. Using members of the woodcarvers market as translators should be considered a last resort since the quality of the translations cannot be assured.

Since the vendors might have to close their businesses during training sessions, losing some income, participation will depend on meeting their scheduling needs. Based on vendor input, we recommend that the training be offered three days per week (Tuesday, Wednesday, and Thursday) over a period of at least two weeks. Due to the high cost of transportation and lodging and the fact that some vendors will have family and other obligations at home, day programs in Okahandja are the optimal format for vendor training.

If funds allow, we recommend multiple training sessions through the year so that all the interested vendors could receive training without shutting down the entire market at once. Alternatively, vendors have agreed that the community could select a few vendors to receive the training and pass the information along to the rest. Based on our research about similar business trainings, we recommend that the trainers provide some follow-up support for a period of at least one-year (McGrath, 1995; DRFN, 2003).
Training can be organized by the Desert Research Foundation of Namibia, Namibia Chamber of Crafts, Rössing Foundation, or Centre for Entrepreneurial Development at Polytechnic of Namibia.
**APPENDIX M. ACRONYMS AND ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Abbreviation</th>
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<tbody>
<tr>
<td>DRFN</td>
<td>Desert Research Foundation of Namibia</td>
</tr>
<tr>
<td>EOMMEX</td>
<td>Hellenic Organization for Medium and Small-Sized Enterprises and Handicrafts</td>
</tr>
<tr>
<td>JCC</td>
<td>Joint Consultative Committee</td>
</tr>
<tr>
<td>LaRRI</td>
<td>Labour Resource and Research Institute</td>
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<tr>
<td>MTI</td>
<td>Ministry of Trade and Industry</td>
</tr>
<tr>
<td>MWC</td>
<td>Mbangura Woodcarvers Cooperative</td>
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<tr>
<td>NCC</td>
<td>Namibia Chamber of Crafts</td>
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<tr>
<td>NNCCI</td>
<td>Namibian National Chamber of Commerce and Industry</td>
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<tr>
<td>NWCA</td>
<td>Namibia Wood Carvers Association</td>
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<tr>
<td>PoN</td>
<td>Polytechnic of Namibia</td>
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<tr>
<td>SME</td>
<td>Small and Medium-Sized Enterprises</td>
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