BREEDING FAT CATS
AFFIRMATIVE ACTION, BLACK ECONOMIC EMPOWERMENT, AND NAMIBIA’S POST-COLONIAL ELITE FORMATION

Henning Melber
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Henning Melber is Research Director at the Nordic Africa Institute, Uppsala, Sweden.
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Abstract

The Independence of Namibia came about in 1990 as the result of a negotiated decolonisation process. The controlled change implied a perpetuation of the existing socio-economic inequalities under the former liberation movement as the new government. The country’s constitution endorsed the status quo in terms of property rights. Ever since then Namibia has remained the country with the highest income discrepancies in the world. In the absence of any coherent socio-economic re-distributive measures for the formerly colonised majority, strategies such as affirmative action and Black Economic Empowerment have claimed to uplift the previously disadvantaged groups. The paper shows, that this has so far resulted merely in a slight diversification of the local class structure, with the new political office bearers and its clientele as the beneficiaries. They secure material privileges and individual gains by means of access to the state apparatus and control over resources, while the majority of the people remain poor. Consequently, Namibia’s BEE so far translates merely into a class-based interest policy to legitimise the (self-)enrichment of a new small black elite.
In Namibia, ... we are clear ...
No exploitation of man by man.
That will not be allowed here.
Namibia's first Head of State Sam Nujoma
during an interview (Nujoma 2003:xiii)

They have failed to eliminate poverty,
now they want to eradicate the poor)

Introduction

Ever since the proclamation of Independence (in March 1990), the government of Namibia has held the exploitative and discriminatory nature of the country's century of firm occupation under first German and then South African settler colonialism and the infamous system of Apartheid responsible for the gross inequalities still characterising the current post-colonial social disparities. Indeed, the point of departure in terms of the inherited socio-economic structures placed a heavy burden on the shoulders of the erstwhile freedom fighters within the ranks of the South West African People's Organisation (SWAPO of Namibia) seizing legitimate political power and being in absolute political control over the country in ever growing dimensions since then. The challenges ahead were anything but eased by the compromises entered at the outset to secure the final stage of the decolonisation process as a transition and transfer of political power under an arrangement of controlled change. After all, the way to Independence required an acceptance of the socio-economic structures in existence by constitutionally endorsing the status quo in terms of ownership and property rights. The scope of social changes was as part of the negotiated settlement confined to reforms operating inside this constitutional framework guided by a policy of “national reconciliation”.

Notwithstanding these limitations to politics claiming to be guided by the notion of fundamental emancipation, the consolidation of the liberation movement resulted from the mid-1990s onward in a democratically secured two-thirds majority in Parliament and complete control over the institutionalised political decision-making process. The former comrades in

1 From a song by the popular Zimbabwean artist Hosiah Chipanga. I owe this quote to my colleague Amin Kamete.
struggle were now as political office bearers confronted with the mammoth task of social delivery through reforms to the previously colonised and marginalized majority. After all, the anti-colonial movement’s proclaimed goals and perspectives were not only about fighting the oppressive and exploitative system of Apartheid colonialism. The liberation struggle was at the same time about creating conditions for a better life after Apartheid - not only in terms of political and human rights but also with regard to the inextricably linked material dimensions to human well being and a decent living of those previously marginalized and excluded from the benefits of wealth that was created to a large extent by them.

Given the dimensions of chronic poverty existing at Independence, the formulation and subsequent implementation of a rigorous strategy towards a coherent and cohesive social protection policy could have been expected at the forefront of post-colonial efforts towards further emancipation. Government’s responsibility for its electorate would have been reflected in concerted attempts to transform the socio-economic environment with the aim to combine the further exploitation of the country’s natural resource base with re-distributive interventions in the interest of the majority population. Namibia’s Constitution, adopted in early 1990, entrusts in Article 23(2) the elected law-makers in Parliament to pass legislation aimed at redressing “social, economic or educational imbalances in the Namibian society arising out of past discriminatory laws or practices”. But painfully little has changed since then, when it comes to the scandalous inequalities in society, as this paper firstly seeks to document and then takes the liberty to comment upon critically.

1. Namibia’s Poverty Profile

In terms of conventional econometric measurements of income inequality (the Lorenz curve and its related numerical index, the Gini coefficient), Namibia ranks in the top category of countries with the deepest social divides. Based on data in the mid-1990s, Namibia had with 0.701 not only an extremely unequal distribution of income, but in fact the highest Gini

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2 See for a recent debate of chronic poverty and social protection in a general context but of direct relevance also to the Namibian case Barrientos and Hulme (2005) and Barrientos, Hulme and Shepherd (2005).

3 It is the revised and updated shorter version of an article published as “Namibia’s post-colonial socio-economic (non-)transformation: Business as usual?” Nord Süd aktuell, vol. 19, nos.3&4, 2005, pp. 306-321.
The deep internal socio-
economical divides runs along both regional-ethnic as well as class structures. Geographical
disparities were exacerbated by the legacy of a migrant labor system, which during the 20th
century promoted the rural-urban bias and the further marginalisation of whole regions with
lasting effects (cf. Frayne 2005; Tvedten 2004; Winterfeldt 2002). Economic data and statistics
gathered since Independence confirm that the luxury of a small elite contrasts with abject
poverty of the majority of the people. A large scale National Household Income and Expend-
iture Survey (NHIES) undertaken during 1993/1994 concluded that “there are vast disparities
between a small, wealthy minority and a big majority of which many live below the poverty
line” (Central Statistics Office 1996, p. 4). According to the report, 10% of the households
(amounting to 5.3% of the population) totaled 44% of the private household consumption
while the remaining 90% of households (amounting to 94.7% of Namibia’s population) con-
sumed 56% (ibid., p. 15). The figures also show that the average Namibian, in economic
terms, does not exist. Reference to an average income becomes rather meaningless when half
the population survives on approximately 10% of such fictive average income while 5% of the
population enjoys an income more than five times higher than this abstract average, which
since the early 1990s amounts to around US$ 2,000 annually. As a direct result of the inequal-
ities, more than 40% of the households were rated below the poverty line, and Namibia has
sadly enough the highest malnutrition level of any country in the world with an average per
capita income above US$ 1,000. Studies based on the data offer nowadays further sufficient
evidence concerning the degree of challenges posed by the massive scale of poverty (cf. Hans-

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4 See for background information on measuring inequality in the Namibian context Hastings (1999). The Gini
coefficient can range in theory from 0 to 1, where the former would indicate that every person has the exactly
same income (total equality), and in the latter case one individual would receive all income (total inequality).
Notably, the degree of (in)equality measured does not allow any conclusions concerning the absolute amount of
per capita income. This is illustrated by the fact that Namibia is ranked with the highest Gini coefficient, while
the (generally poorer) Bangladesh had in the mid-1990s one of the lowest Gini coefficients with less than 0.3. In
contrast to Bangladesh’s status as a Least Developed Country, however, the average annual per capita income of
Namibia in the vicinity of US$ 2000 places it in the category as a lower middle-income country. Not surprisingly,
Namibia has one of the biggest discrepancies to offer between its ranking in terms of average annual per capita
income and its Human Development Index. As the resident representative of UNDP pointed out during the
launch of Namibia’s first Human Development Report, Estonia in 1996 had a lower per capita income than
Namibia but ranked 48 positions higher in terms of human development. Except the oil enclaves of Qatar, Ku-
wait, Oman and Gabon, Namibia had the highest disparity between its real GDP per capita and human develop-
ment rankings (Adei 1996, p. 3).
Wages Survey of 2002, tabled in Parliament in June 2006, shows the gross income inequalities in salaried employment: 14.9% of employees earn below N$ 600 (about US$ 100) a month, while only 0.1% of employees earn above N$ 33,000 (about US$ 5,500) a month, with the majority of salaries ranging between N$ 1,000 and N$ 5,000 (Dentlinger 2006).

As the Human Development Report (HDR) published for Namibia for the first time in 1996 by the local UNDP office concluded: “Namibia is one of the worst performers in the world in terms of human development levels relative to national income” (UNDP 1996, p. 73). With an Human Development Index (HDI) of 0.573 in 1996, the report commented with regard to the country’s ranking in the world that “considerable advances still have to be realized before Namibia rises from its current position of 116th (out of 174) to its GDP ranking of 79th” (ibid., p. 74). The breakdown of the aggregated figures on the basis of the data presented by the NHIES also disclosed that the social reality is fragmented along a combination of both class structures as well as ethnic-regional factors. As a result of settler colonialism, class structures had an ethnic-regional correlation: the language groups existing among whites were far better off than those groups speaking local vernaculars. As the HDR put it:

It is clear that the Afrikaans, English and German language speaking groups are the most privileged in terms of education, health and income. All three groups exceed the cut-off of 0.80 for classification as high human development. Speakers of African indigenous languages are relatively deprived with an average index value of 0.548 compared to that of 0.857 for all other groups. [...] The worst off language group, the San, have an HDI of only 0.233. The highest HDI by language group, at 0.902, is that of the German speakers. (UNDP 1996, p. 14)

The NHIES estimated the combined rates of unemployment and underemployment (including subsistence farmers) to be as high as 60 per cent of the labour force, with 263,000 out of 435,000 adults either unemployed or keen to do more work (and hence classified as underemployed). According to a document on National Employment Policies, published in June 1997 by the Ministry of Labour, the work force increased by 64,000 people between 1991 and 1994. During the same period, employment in the formal sector increased by 24,000 posts, leaving 40,000 additional people competing on the labour market (Republic of Namibia / Ministry of Works, Transport and Communication 1999, p. 6). The Namibia Labour Force Survey 2004, tabled in Parliament in June 2006, put the official unemployment rate at 36.7%, while the gendered breakdown indicates that more men (56.4%) than women (40.7%) are in employment (Dentlinger 2006).
Unemployment as a direct contributing factor to poverty has indeed become one of the most burning social issues demanding attention and combined efforts to contribute to its solution. The pace of the economic growth rate so far, being on average between 4% and 5% annually since Independence, does not in itself offer a solution. Even less so in the light of a population growth rate of around 3% annually, reducing the real economic growth rate considerably. That the demographic composition of Namibia’s population is currently undergoing dramatic changes due to the escalating Aids-related mortality rates is anything but of comfort and will produce even more devastating effects in terms of the human well-being (or actually the lack thereof) for growing parts of the country’s population. A gloomy scenario is already predicted by the local UNDP office in its HDR 1997 (UNDP 1997).

According to the social and demographic indicators presented in an overview table within a recent assessment of the International Monetary Fund (2005, p. 30) the latest available World Bank figures suggest for 2004 a GDP per capita (in constant 1995 prices) of 2,184 US$, while figures of the latest household income and expenditure survey undertaken by the Namibian authorities highlight the scandalous degree of unabated skewed income distribution patters: the wealthiest fifth of the population controls an income share of 78.7%, the poorest fifth has to live on a mere 1.4%. Even the people in neighbouring South Africa (with a GDP per capita of US$ 4,020) have a less radical social divide with 66.5% and 2.0% respectively and hence a broader band of social strata in between the extreme haves and have-nots. The main source of income to the close to 350,000 private households officially registered for 2001 (with an average size of five persons per household, 45% of which were female headed) reflected the continued non-industrial character of the economy: 41% of households lived mainly from wages and salaries, 28% from farming income, 11% from pensions, 9% from non-farming businesses and 6% were mainly dependent upon cash remittances (Central Bureau of Statistics / National Planning Commission 2003, p. 4). Little, as the data suggest, had actually changed in terms of the general distribution of wealth and poverty among the country’s population, of which too many live in destitution.
2. Planning for Development

Towards the end of the first decade of Namibia’s Independence, a number of stocktaking exercises had started to summarise a variety of aspects related to socio-economic and institutional developments. Namibia’s policy emerged hand in hand with the establishment and consolidation of the structures of a sovereign Namibian state. The First National Development Plan (NDP 1) as essential framework document for the country’s development strategy and capital investment programme for 1995/1996 to 1999/2000 (National Planning Commission 1995) identified and highlighted four major development objectives:

a) a 5% annual growth rate for the economy;
b) the creation of ample opportunities for employment;
c) the reduction of inequalities in income distribution; and
d) the design of economic and social programmes to help alleviate poverty and to help vulnerable groups in society.

These four main aims are closely interrelated key aspects. However, only economic growth had a regular and comprehensive system of monitoring, and figures for the financial years 1990/1991 to 1998/1999 indicated that the average growth rate was not meeting the target. The other three aims were not measured in any regular, systematic way. The figures and data available through a variety of sources (as unreliable, erratic, and even contradictory as they at times might be), suggest that none of the objectives were met.

Similarly, the efforts to draft the Second National Development Plan (NDP 2) were clearly delayed, with policy guidelines formulated only towards the end of NDP 1 (National Planning Commission 1999). Instead, new parallel parameters had been created with the introduction of a “Vision 2030”, announced by the Head of State and qualified by the NPCS as “the country’s first long-term vision” (ibid., p. 27). It was obviously unclear at that stage, to what extent “Vision 2030” was supposed to replace, substitute, modify or simply add to the NPCS efforts of formulating a comprehensive developmental strategy. There is of course a marked difference between a vision and a plan. While equity in development was highlighted by the NPCS

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5 These include Halbach (2000), several contributions to Melber (2000), as well as the annual sub-chapters for 1990 to 2000 on socio-economic developments in Melber (2002).
as a principal and strategic goal of the new “Vision 2030”, the challenge remains to offer the necessary steps for its realization.

NDP 2 was ultimately presented with delay as the country’s strategic developmental blue print for the period 2001/2002 to 2005/2006 (National Planning Commission undated/2002). It identifies ambitious aims and goals, pursuing a similar approach to the preceding NDP 1, but admits that most goals of the previous plan were not met. The targets not achieved by the year 2000 included:

- an average growth in real Gross Domestic Product (GDP) of 5%;
- a budget deficit limited to a maximum of 3%;
- an increase of real Gross National Income (GNI) per capita by 12%.

NDP 2 formulates as a point of departure for its strategy the vision for “sustainable and equitable improvement in the quality of life of all people in Namibia” (ibid., vol. 1, p. 50). It lists the following national development objectives (ibid.): poverty reduction, employment creation, the promotion of economic empowerment, economic growth, a reduction of inequalities in income distribution, a reduction of regional development inequalities, the promotion of gender equality and equity, the enhancement of environmental and ecological sustainability and to combat the further spread of HIV/AIDS. The national development targets defined within this catalogue for the period 2001 to 2006 include an average growth rate in real GDP of 4.3% annually; increased investment rates; cutting the proportion of the primary commodities of the country’s total exports by 50% (at 82% in 1999); keeping the budget deficit at a maximum of 3% annually; and increasing real GNI per capita by 12%. In addition, other targets aim at reducing the Gini-coefficient to less than 0.6; doubling the contribution of small and medium enterprises (SMEs) to 10% of GDP; increasing employment at the same rate as the population growth; tripling employment in the manufacturing sector to 20% of the total employment; reducing the proportion of poor households by 10% and those of severely poor households by 5%; and increasing parliamentary representation of women from currently 19% to then 35% (ibid., vol. 1, p. 53).

Even more ambitious and unrealistic is the country’s designated long-term “Vision 2030”. It was officially launched on 2 June 2004, i.e. six years after President Nujoma had initiated the blueprint as his brainchild. It declares as its aim to place the quality of life of all Namibians on a par with people in the developed world by 2030. A population then estimated at no less than
three million people (currently just below two million) despite the high HIV infection rate\(^6\) with an unemployment rate of less than 5\% of the work force (currently estimated between 30\% to 40\%, depending on the criteria). According to this vision, Namibia will be within the next 25 years

a healthy and food-secured nation in which all preventable, infectious and parasitic diseases are under secure control; people enjoy a high standard of living, good quality of life and have access to quality education, health and other vital services. All of these translate into long life expectancy and sustainable population growth (Republic of Namibia 2004, p. 20).

In sharp contrast to this vision, shockwaves were sent through the country in mid-2006 when confronted with a new polio outbreak while the disease was believed eradicated since years. Ignoring for a moment its missing sense of reality, however, “Vision 2030” indeed diagnosed a very true dilemma. It names a challenge the SWAPO government has to reckon with, if it wants to retain its legitimacy and credibility among the electorate, when stating:

The goals of the Namibian struggle for Independence were framed in terms of social justice, popular rule and socio-economic transformation, thus the legitimacy of the post apartheid system of governance rests on its ability to deliver transformation or, at any rate, to redirect resources to address the socio-economic causes of poverty and potential conflict. [...] Continued prevalence of widespread poverty would, in the eyes of those affected, imply government’s unwillingness to change the status quo, or its inability to improve their economic conditions. Therefore, the challenge calls for a functioning social-democratic framework, underpinned by a robust and sustainable system of equitable social provisioning for the basic human needs of all citizens, in terms of, among others, education, health, housing, water, sanitation, land, etc. (Office of the President 2004, pp. 174 and 175).

\(^6\) The ILO report presented at the Bangkok AIDS Conference on 14 July 2004 estimated that more than 150,000 people among the country’s labor force were HIV positive. It further projected that life expectancy (in previous years well above 60 years) had been reduced to 44 years, far below the level prior to Independence. UNAIDS figures for 2005 suggest that more than 20\% of the population between 15 and 44 years of age is HIV positive.
As a ‘Sub-Vision’ it is hence declared that “Namibia develops a significantly more equitable distribution of social well-being, through the sustainable utilization of natural resources in a mixed economy, characteristic of higher income countries, primarily through stronger growth and poverty-reduction” (ibid., p. 177).

The separate designing of a Poverty Reduction Strategy was based on a Cabinet decision taken at the end of 1998. Since its adoption and proclamation (Republic of Namibia undated and 2002), little has been recorded in terms of monitoring the achievements. Thus emerges the picture of a government eagerly compiling assessments and drafting strategic plans, but failing to achieve the declared goals these documents declare to pursue. Despite visible initiatives by ministries designing programmatic policy-oriented developmental blueprints through a variety of official documents, a notable lack of any coherent development strategy and even more so the absence of a translation of existing concepts into concerted action remain a striking feature. As a country report of the Swedish Development Agency diagnosed:

On the whole, several development policies, plans and structures are in place in Namibia for the Government to take on a more coherent and efficient poverty reduction programme, but all too often, efforts seem more to be focused on reviewing plans rather than implementing them. (Sida/ Embassy of Sweden, Namibia 2004, p. 6)

3. Transformation without Emancipation

16 years into Independence, the balance sheet of the Republic of Namibia is for both the politically institutionalised culture (cf. Melber 2003a) and the culture of the political institutions (Melber 2005b) as well as the socio-economic performance (cf. de Waal et. al. 2002) at best mixed. “One Namibia, two nations” reported a local journalist and quoted the first HDR by the local UNDP office presented almost a decade ago: “given the right policies, Namibia could translate its high per capita income into improved living standards for the majority of the population at a faster rate” (Sutherland 1996). Ten years later, Namibians wait for the results of another NHIES, undertaken during 2003/2004 to see to what extent the gap had been reduced. While the data are still processed and not yet accessible, it is difficult even for optimists to expect positive trends. According to the UN HDR for 2005 released in September, Namibia remains the most unequal country in the world. Only a week earlier a UN
country assessment warned of an unfolding humanitarian crisis due to the combination of HIV/AIDS, food insecurity and the ineffective delivery of critical social services to the most vulnerable groups (Dentlinger 2005). And a recent report by the World Bank on the (lack of) achievements in terms of expanding the so-called human capital summarized:

> Inequalities inherited at independence persist, despite major efforts to eradicate them. They are evident in the distribution of access, learning outcomes, and resource inputs. These inequalities [...] represent a threat to national cohesion, peace, and political stability, and a failure to realize the productive potential of a large proportion of the population. (Marope 2005, p. xviii)

As the conservative estimate of an official Labour Force Survey of 2000 suggested, at least a third of the country’s workforce remains unemployed. While half of the country’s households rely mainly on salaries and wages as main source of income, every tenth household is mainly dependent on pensions.\(^7\) The report hence concludes,

> the economic policies of the Government in recent years have not been sufficiently employment friendly to make a dent in the rate of unemployment. The seriousness of the situation cannot be overemphasised. (Ministry of Labour / Republic of Namibia 2002, p. 81)

While the international financial institutions and potential foreign investors praise the Namibian tax system’s efforts to be internationally attractive and competitive, it has actually failed to make use of its potential to induce redistribution of wealth in any way. In contrast to “the prevalence of redistribution as a guiding motive in the design of tax systems in developed countries”, Namibia seems to be not different from most other less developed countries, in which “poverty and/ or inequality considerations have generally been of secondary importance, at best, in [...] fiscal reforms” (Gemmell and Morrissey 2005, p. 131 f.). Instead of such disinterest, which in its ultimate consequence favours the better off once again, “redistribution

\(^7\) Namibia already at Independence had a non-contributory pension scheme for handicapped and elderly people (above the age of 60), which discriminated along racial categories. The monthly pension in now uniform and amounts currently to N$ 300.- (roughly 50 US$). It has over the years despite several adjustments declined in real purchasing power. Nevertheless: “This system plays an important role in poverty alleviation, as it is a major income source for the poor, reaching via the extended family beyond the beneficiaries. Drawbacks in terms of poverty alleviation are the fact that it is not targeted (the non-poor also benefit), and that not all eligible persons actually receive their benefit.” (Hansohm et. al. 2002, p. 174ff)
as an effect should be targeted deliberately, and not be treated as an automatic by-product of political and economic reform” (Nel 2005, p. 36). While taxation has been of little interest in the literature so far (see Hansohm et. al. 2002), there is sufficient evidence that the tax system in place ignores the considerable dimensions of profit generating activities at the margins of the formal economy in the prosperous parts of an “informal” but highly successful business sector (operating particularly at the home base of the party in power in the Northern Ovambo speaking regions) and “has not been utilised as a redistributive mechanism to any significant extent” (Rakner 2001, p. 142). It took 16 years since Independence before the still predominantly white commercial farmers were taxed for their land.8

An analysis of the first 15 state budgets since Independence saw “little reason to believe that public spending is becoming more equitable and more focused on the poor”, but “that public spending is becoming more rather than less inequitable” (Mbai and Sherbourne 2004, p. 1). Even worse, there are reasons for “a strong suspicion that public spending is increasingly being channeled to more privileged groups in society employed in activities that bring little in the way of return through higher economic growth, such as in defence, paramilitary security, intelligence and poorly performing parastatals” (ibid., p. 13ff). This critical local assessment concluded that “it is quite possible that poverty and inequality have worsened and that the national budget has done little to offset this trend” (ibid., p. 14).

“Do We Have Cause For Celebration?” asked the editorial of the independent English local daily on occasion of Namibia’s “Heroes Day” celebrated on 26th August 2005 to mark the 39th anniversary of the beginning of the armed struggle by SWAPO in 1966. Its sober conclusion: “our goals of a just and equitable society seem far out of reach; our stated aims of bridging the gap between rich and poor diminish even further and only serve to further widen the rift between the haves and the have-nots” (The Namibian, 25 August 2005). In preparation of the UN summit discussing the achievements on the MDGs, the Namibian NGO Forum (NANGOF) tabled a shadow report contrasting the official government position. It spelled out the challenges being confronted with destitution and abject poverty and expressed “grave concern regarding the performance of government”. NANGOF called “for a critical review of the policies, strategies and approaches and structural tools adopted to remedy the situation with major emphasis on their dysfunctionalities and capacity gaps in adequately responding to the problem” (quoted in Kakololo 2005).

8 Some suggest that one of the reasons for such a delay might lie in the fact that already by the mid-1990s a considerable portion of cabinet members and other lawmakers had acquired commercial farms themselves.
4. Power, Poverty and Class

Notwithstanding the time bomb ticking, Namibia continues to score above average in direct comparison with most other countries of Sub Saharan Africa in terms of its political system and stability. The “Freedom House Index” of 2004, which assigned to a total of 192 countries a ranking of between 1 (free) and 7 (un-free) for political rights and civil liberties ranked Namibia rather positively (2/2), while the “Bertelsmann Transformation Index” (compiling data more oriented to socio-economic and formal political criteria for 1998 to 2003 from 116 so-called transformation countries) put it in a status and a management index on positions 20 and 47. But Transparency International despite rather positive ranking also notes a slight decline of the country on its index over the last years. So does the latest Swedish country assessment when commenting on the misuse of public funds:

Many scandals have surfaced during the year, and some of the most prominent examples are the large-scale financial irregularities that have taken place at the Social Security Commission and the Road Fund Administration and the Roads Authority. [...] Many critical comments have been raised in the media about a seemingly substantial increase in Namibia of mal-administration, misappropriation and outright corruption in the public sector. (Sida/ Embassy of Sweden 2004, p. 9f.)

Declared efforts to eradicate inequalities have to be critically scrutinized and questioned with regard to the visible outcome so far under the given constraints of a framework limiting social change to government induced reform policies. As a partial result of a combined approach of “national reconciliation” and “affirmative action” (Schmid 2002), the class structure has been slightly modified and the privileged segment of society became less exclusive in terms of pigmentation. However, as the sobering results of an assessment for the period 2000-2004 suggested:
Very few changes occurred in the composition of senior management. Based on
the available data, it seems that white men even increased their disproportionately
large share of senior managers to almost 60%. (LaRRI 2005, p. 19)9

Instead, so-called affirmative action measures were a convenient vehicle to cover up illegitimate
access to resources. “Corruption and nepotism under the disguise of affirmative action will
destroy the reputation of the policy”, warned the same LaRRI-report. “Affirmative action
must not become a new form of discrimination but an instrument to overcome the legacies
(and still widespread practice) of racism and gender discrimination.” (ibid., p. 110)

To that extent the blatantly racist power structures and property relations have gradually been
replaced by a more color-blind class agenda. Like the “comrades in business” (Adam et. al.
1997) in neighbouring South Africa, the “colour of business” (Adam 2000) by means of Black
Economic Empowerment (BEE) serves the class interests of a new bureaucratic elite from the
ranks of the erstwhile liberation movement. These “liberators” profitably cashed their access
to the country’s resources through their political and public service offices secured at and
since Independence. The results have been sobering for the country’s still underprivileged
majority. On behalf of the organized labour force the Mineworkers Union of Namibia
(MUN), expressed public concern over the state of BEE. The union declared that it “was not
happy to witness a process where only the elite was in the driving seat” (The Namibian, 7 Sep-
tember 2005).

A recent stock taking exercise undertaken by a local NGO on reported cases of corruption
since Independence reaches the conclusion that “Namibia as a small economy has substantial
volumes of corruption”, which in most cases “involve Government agencies […] where more
resources are available and were controls are weakest” (Namibian Institute for Democracy
2005, p. 20). The Deputy Director in the Office of the Auditor General shared publicly his
frustration about the leniency concerning checks and balances in public accounting and trans-
parency when he stated that instructions were “totally ignored without any fear” by top civil
servants, including Permanent Secretaries (Maletsky 2005). This has been confirmed with the

9 According to the Namibian Employers’ Federation (NEF), the Affirmative Action Act had so far resulted in a
few well educated Namibians from the so-called previously disadvantaged group, who use their status “to hop
from one job to another in search of greener pastures” (Tjaronda 2006). Such conclusion tends to overlook,
however, that the (still predominantly white) Namibian private companies did not show much enthusiasm for
supporting a structured transfer of skills to enhance internal upward mobility among employees.
The emergence of several high calibre cases of misappropriation of public funds. In one case, N$ 100 m seem to have disappeared in a “black box” abroad by means of a shady investment transaction through officials supposed to enhance foreign direct investment through an export processing zone scheme (expected to import capital instead of exporting it). A second case suggested that investments by the Government Institutions Pensions Fund (GIPF) into dubious black empowerment projects amounted to N$ 650 m in losses (Grobler 2005a). The report was subsequently corrected by government officials: according to their estimates the losses would total “only” some N$ 350 m. The third case is the latest in a series of publicly known scandals involving high political office bearers. It saw N$ 30 m transferred without any guarantees from the Social Security Commission (SSC) for speculative purposes to a private financial institution with politically good connections but an increasingly dented financial reputation. A spectacular court case, started in mid-July 2005, presented a dramatic disclosure of a network of politically connected “comrades”. Their shady business practices seemed to illustrate in a textbook way the infamous “fat cat syndrome” prevailing, and attracted the interest not only of the media but drew a wide audience into the court room, who at times tended to turn the hearings into a Hollywood drama.

The so far most prominent fraud saga of Namibia’s history since Independence escalated just two days ahead of the annual Heroes’ Day celebrated as a public holiday: within hours, a key witness and accused shot himself in the presence of policemen after being arrested, while a deputy minister resigned from the office he was sworn in only five months earlier (reports in The Namibian, 25 August 2005). Even the Secretary of the SWAPO Party’s Elder Council found harsh words at a press conference for these scandalous disclosures he described as a monster of avarice and avidity, which “is eating the national cake greedily, excessively, with impunity”. As he concluded: “Corrupt practices have become the order of the day” (quoted in Shigwedha 2005). Namibia’s Prime Minister shared similar sentiments when commenting on the abuse of the several hundred million N$ from the GIPF pension funds on get-rich-quick schemes masquerading as BEE, which he called “just asset-stripping” contributing to an even bigger rich-poor-divide: “We have to be careful, otherwise we are going to end up having a class war in this country”, he warned (quoted in Grobler 2005b). Cabinet since then amended and expanded the declared policy by renaming its current strategy Transformational Economic and Social Empowerment Framework (TESEF), which “through schemes such as Affirmative Action loans, fish quota allocations, land resettlement and employment equity must reflect positive changes in the lives of not only a few individuals” (Maletsky 2006).

Based on experiences so far, there are enough reasons to remain sceptical. According even to the chairperson of the Standing Committee of the Namibia Chamber of Commerce and
Industry (NCCI), “a culture of envy and jealousy is spreading” among black empowerment stakeholders and players in the country, which breeds economic failure of schemes (quoted in Sibeene 2006). The relatively massive remuneration of managers in parastatals and municipalities (often having salaries which double the one of the Head of State) is another indicator of rent-seeking strategies by members of the new political elite. They base their access to the country’s public purse on political or public sector offices and benefit from direct preferential treatment. As a result, differences in salary packages created a three-tier labour market. A study by the trade union affiliated research institution LaRRI empirically illustrated the radically segmented workforce, which is composed of “a small elite enjoying a standard of living comparable to first-world countries, a significant group of formal sector workers with permanent jobs and low-to-middle incomes and a growing number of casual, informal and unemployed workers” (Katswara 2005).

Another case in point is the so-called Namibianisation of the fisheries sector, which translates to a large extent into the privatisation of natural resources and siphoning off of profits by allocating fishing quota to comrades – who generate income by transferring the utilisation of the quota to pro-forma Namibian but internationally managed and owned companies while spending their share out of the deal on non-productive, consumptive purposes (Melber 2003b). As a result Namibia finds itself amongst the cases where

in the absence of property-rights protection, societies with a more unequal distribution of wealth and characterized by a small fraction of people who can afford entry into rent seeking will also be ones with greater social polarization and entrenched rent seeking by few at the expense of the majority. (Chakraborty and Dabla-Norris 2005, p. 20)

A similar translation of “affirmative action” into further privileging the new elite can be witnessed within the current redistribution policy misleadingly labelled as (necessary and overdue but yet still absent) land reform (Melber 2005a). The notion of national reconciliation declared a guiding principle for the consolidation of post-colonial Namibia translates to a large extent into a pact among old and new elites, where the latter ones were co-opted as the beneficiaries into the existing structures.
In the latest revelations of self-enrichment schemes at the expense of the public purse and the individual consumers, another “horde of black economic empowerment groups in Namibia”\textsuperscript{10} is since mid-2006 coming under increased scrutiny. The deal set up between the South African oil giant Sasol and a conglomerate of locally created firms without any proper offices has as main beneficiaries among the Namibian counterparts a former trade union leader and several high-ranking government officials (Amupadhi 2006). As the previous trade unionist declared in defence of the deal, the shareholders were “just black entrepreneurs who needed the money and took advantage of a given situation” (quoted in Grobler 2006).

A popular school of thought, possibly finding additional concrete evidence in the aspects of the Namibian case study presented here, holds the view that “it is the concentration of economic and political power in the hands of narrow privileged groups that produces inequalities and poverties” (Miller 1996, p. 581). According to such an understanding, “the analysis of power is fundamental to any examination of poverty” (Wilson et. al. 2001, p. 10). A recent IMF Working Paper stated that widespread poverty in Sub-Saharan Africa is not only dehumanising but “made even more disturbing by lack of progress in reducing it and by ostentatious income inequities personalized by rich, dominant local elites” (Lopes 2005, p. 19). Such privatisation of public resources results firstly in political-administrative power as personalized power, secondly in politics as kind of business enterprise, and thirdly in vertical clientele relationships of a neo-patrimonial nature: “In sum, the result is authoritarian and incompetent states that rarely respond to public pressure” (Wilson et. al. 2001, p. 10). But it also results after some incubation period in a growing dissent among the erstwhile supportive masses.

A look into the local print media offers striking documentary evidence of the country’s sobering current realities. Following a visit to a town in the impoverished Namibian South the editor-in-chief of a local weekly wrote in his column:

In Warmbad last week a reporter heard how a woman in his presence with a sigh stated regrettable, that not all of us have an aged person in our homes. [...] The message [...] was clear. Social welfare pensions for the aged are a great source of livelihood however rudimentary. A few essential commodities like maize meal, goat milk and

\textsuperscript{10} Quoted from the subheading of a report entitled “The mother of all empowerment deals” – published in the local monthly magazine Insight of March 2006, pp. 28-29. The report disclosed an intimate network of higher ranking officials and their relatives involved in the deal as “an intricate web” (ibid., pp. 30-31).
a little meat secure the morrow no matter the emphatically simplicity and sparseness of the meal. (Smith 2005; original emphasis)

He concluded: “We have no enemy but it looks as if we want one” (ibid.).

The ongoing exclusion of the impoverished and marginalised from the benefits of the country’s wealth and resources, however, is not only any longer a result of the structural legacy left behind by Apartheid, as so conveniently claimed by the new post-colonial elites. To that extent the official position, which continues to put the blame squarely on settler colonialism alone, is misleading and shying away from the real issues at stake. The editor of the autonomous local English daily “The Namibian”, summarised in her weekly column the current challenges when pointing out, that

the term ‘previously disadvantaged’ [...] is being misused to the advantage of those who already have more than enough. [...] We’d do better to concentrate on efforts on the ‘presently disadvantaged’ because only then will we make a real difference in our very economically divided society. (Lister 2005)

The current rent-seeking strategy of a minority among the erstwhile colonised majority, cashing in on its politically consolidated base by abusing its control over state assets and deciding upon their allocation, has recently been challenged even in an opinion article published in the state-owned daily newspaper:

There is simply no reason, for example, why the fishing sector cannot be revamped and reorganized to benefit society at large instead of the small clique that have access to the fishing quotas year in year out. The absence of a progressive policy in this regard cannot be blamed on the policy of national reconciliation, nor the liberal constitution, nor on nation building, or on the nature of transition to independence etc. It is simply a question of a country, perhaps unconsciously, following the wrong policies. (Kaure 2005)

Put slightly differently: sixteen years into Namibian post-colonial reality the visible results of the state’s policy direction are not really indicating a political will to serve the poor. The purpose is not redistribution of (relative) wealth, nor tackling chronic poverty by means of social protection, but rather self-enrichment. In other words: it is business as usual. As the assessment of a trade union affiliated local think tank warned:
Affirmative action does not necessarily eradicate socio-economic inequalities. Instead, inequalities may merely be shifted from the basis of race, ethnicity or gender to the basis of class. Affirmative action may promote the redistribution of opportunities in favour of previously disadvantaged groups, but it’s not the principal mechanism to redistribute wealth or to overcome poverty. (LaRRI 2005, p. 11)

So far, Namibia’s post-colonial development has not produced any meaningful “patriotic bourgeoisie”. What has been emerging instead, is at best a crypto-capitalist, petty-minded self-enriching new black elite, which spends its energy on exploiting the public purse. As a critical political observer concluded: “what we have done so far is to create a truly parasitic class that depends on public resources to lead an un-earned lifestyle” (Kaure 2006).

In the absence of a meaningful, profit-generating industrial sector, in which capital would be accumulated through production, surplus generation relies on the privatisation of natural resources (mainly in the sectors of fishing, mining, agriculture and tourism) or benefits generated by access to privileges in the public sector and the state owned enterprises (in particular concerning the public utilities such as water and electricity, but also telecommunication and transport). Public procurement and other outsourcing activities by those in control over the state agencies turn “affirmative action” and “black economic empowerment” into a self-rewarding scheme based on “struggle credibility” among the activists of the erstwhile liberation movement. The skewed class character of Namibia’s society, however, has 16 years into Independence not fundamentally changed. Cooptation into the ruling segments of an already existing socio-economic system is far from social transformation. Both Affirmative Action and Black Economic Empowerment continue to cultivate human and natural exploitation for the benefits of few at the expenses of too many.
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