Assessing Namibia’s performance two decades after independence
Part 2: Sectoral analysis
Thomas Christiansen

Abstract
This paper presents the second part of a review of Namibia’s performance since independence in March 1990. The first part of this review served as an introduction to the topic, summarised the historical background and assessed Namibia’s overall performance on the basis of the results of the Mo-Ibrahim-Index of Good Governance. This second part looks in more detail at three main development sectors: political and civil society development, economic development, and social development. Based on the findings of both articles, this review concludes here with a final overall evaluation of Namibia’s performance since 1990.

Introduction
This article presents the second and final part of a study, the first part of which was published in Vol. 10 of the Journal of Namibian Studies.1 The overall objective of the project is a holistic review of Namibia’s development since its independence on 21 March 1990 and a fair and balanced assessment of its achievements and failures. The first part served as an introduction to the topic and summarised the methodical difficulties in measuring the performance of a country objectively and evaluating its development from a historical and a regional perspective.2

Part 1 summarised Namibia’s relatively favourable point of departure in 1990 when the country finally prevailed over the South African apartheid regime after a long and bloody struggle for independence. The analysis showed that in comparison with other states Namibia — despite some serious development constraints — had of a number of advantages, both economically and politically. It also pointed out that in the aftermath of the first free elections in 1989, the country enjoyed the “goodwill of virtually every other country in the world”, which manifested itself in extremely generous development

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2 The term ‘historical perspective’ refers to the almost 23 years since independence, while ‘regional perspective’ refers to a check of Namibia’s achievements against those of its neighbour countries in Southern Africa.
funding from the international donor community. Finally, Part 1 analysed in detail Namibia’s overall performance, based on the results of the Mo-Ibrahim Index of Good Governance. The Namibian results were impressive. In the first ‘good governance’ ranking of all African countries in year 2000, Namibia achieved an impressive 6th place in Africa which corresponded to Rank 3 in Southern Africa. Namibia defended both ranks in all subsequent years. Hence, Part 1 concluded that Namibia has done relatively well if the country’s development is assessed from an overall perspective and checked against the ‘good governance’ achievements of its neighbouring countries.

This second part of the article goes into more detail. It looks more closely at three main development sectors, namely political and civil society development, the economic development and, finally, Namibia’s social and socio-economic development. Based on a combined evaluation of the results of Parts 1 and 2, the paper concludes with a final overall appraisal of Namibia’s achievements and failures and the lessons learned for the future development of the country.

Political and civil society development

Of the three development sectors to be examined in the following, development in political and civil society is the area where the appraisal is most likely to be subjective. Economic and social / socio-economic developments can be assessed on the basis of ‘hard’ statistical data such as GDP per capita, export / import figures, unemployment and inflation rate etc. Political performance and the development of civil society are more complex and more difficult to assess, because achievements are ‘soft’ and consequently difficult to measure objectively. Moreover, a performance assessment in this field is, at least to a certain extent, bound to be biased by the evaluator’s personal expectations, hopes and fears. Hence, the evaluation of the same facts may well result in quite different conclusions, depending on the evaluators perspective and expectations.

Critical observers of Namibia’s development such as Henning Melber blame various shortcomings and failings on Namibian politics with good reason. Melber rightly points out that the ruling SWAPO party is intolerant of deviating political opinions and of other...

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political parties. According to Melber and other authors, SWAPO has not yet accepted that in a democracy the governing political party has a merely temporary mandate and that no political party can consider itself and the state/government as one and the same, no matter what that party has done for the country in the past. SWAPO’s somewhat pre-democratic understanding of its role in a post-colonial society is illustrated by the following statement of Sam Nujoma, Namibia’s first president:

As future leaders of your country, you should act [...] to always promote the interests of the SWAPO Party and the national interests before your own. It is only through that manner that the SWAPO Party will grow from strength to strength and continue to rule Namibia for the next ONE THOUSAND YEARS.6

Another major criticism is that the ruling SWAPO party missed the opportunity for comprehensive national reconciliation. Its leading politicians did not show the courage to initiate a public discourse on SWAPO’s own human right violations during the liberation struggle.7 The Caprivi rebellion in 1999 was also handled poorly and involved further human rights violations. Even now – almost 14 years after the uprising – dozens of secessionists remain in custody without having been legally convicted while their trial continues to drag on.8

Finally, there are numerous examples of the negative impact of two decades of one-party rule. Cases of incompetence, mismanagement and corruption in public institutions and particularly in many of the numerous parastatals regularly make headlines in the press. Many of the roughly 60 Namibian parastatals are notorious for their lack of organisation, poor management and appalling customer service, as well as for frequent labour disputes, strikes, and corruption. Among the worst are NBC (Namibia Broadcasting Corporation), Air Namibia, GIPF (Government Institutions Pension Fund), TransNamib (the national railway), and NAMPA (the Namibia News Agency).9

Among the government institutions the Ministry of Home Affairs, the Ministry of Finance and the Ministry of Education in particular are regularly accused of inefficiency and poor customer service.10 There are, of course, exceptions to the rule. In particular the Bank of

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6 Quoted from a speech of Sam Nujoma in 2010 in which he addressed the SWAPO Youth League, quoted in Melber, “Namibia: A Trust”: 103 (capitalization by Melber).
7 See Melber, “Culture”: 171.
Namibia and the Polytechnic of Namibia have established excellent reputations and the same holds true for NamWater, the national water supply parastatal. However, though Namibia definitely has its deficits, there are also a number of promising developments. Firstly, the young country has enjoyed extraordinary political stability which few people would have predicted at the time of independence in 1990. The country is, of course, dominated by one political party and the lack of political alternatives may well be one of the reasons for some of the country’s problems. On the other hand, the lack of alternatives has resulted in remarkable political and economic stability for more than 20 years, a rare achievement in Africa. This de-facto one-party rule for over two decades is the result of repeated success in five democratic elections. Despite occasional allegations of electoral irregularities, not even SWAPO opponents seriously claim that the impressive 74% to 76% of the votes, which SWAPO received in the last four elections, are the result of vote-rigging or that the SWAPO dominance does not represent the political will of a large majority of the population.11

Secondly, the country has managed critical political transition phases very well. The first critical phase, the handover of power from white to black after independence, took place remarkably smoothly and without the feared retaliations against the white minority. Within an amazingly short time a new constitution was developed and enacted, based on a broad consensus of all parties, a constitution which is widely admired as one of the most modern constitutions worldwide.12 A second critical phase was mastered in 2005 when Samuel Nujoma, the Founding Father of the Nation, had to step down as president after three terms in office. Nujoma promoted his favourite confidant Hifikepunye Pohamba as his successor.13 When Pohamba eventually became Namibia’s second president, the change in office took place in a remarkably efficient and smooth manner. Once Pohamba had taken over the presidency, he not only reconciled (at least superficially) the various factions within SWAPO, but also managed to step out of the long shadow of his predecessor.14 Hence, in November 2009, Pohamba was re-elected for a second term with an overwhelming 75.25 % of the votes, a greater share than the SWAPO party received in the National Assembly elections.15 The preparations for the second smooth handover of the presidency have been taking place recently. During the

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12 For a detailed discussion see Melber, “Culture”: 166-172.
13 In the run-up to the nomination, Nujoma antagonised several other potential candidates, including Hidipo Hamutenya, the former Minister of Foreign Affairs. As a consequence, Hamutenya later left SWAPO and, in 2007, founded his own political party, the RDP (Rally for Democracy and Progress). For more detailed information, cf. Henning Melber, “Ein Land – zwei Präsidenten? Das erste Jahr des Hifikepunye Pohamba”, Afrika-Süd, 2, 2006: 22-24.
14 Ibid.
15 Cooper, “Namibian Elections”.

SWAPO congress in early December 2012, Hage Geingob, Namibia’s former Prime Minister from 1990 until 2002, was re-elected as SWAPO Vice-President in a transparent and democratic internal election procedure. This positioned him for nomination as SWAPO’s candidate for presidency in the 2013 elections and thus to become Pohamba’s successor and Namibia’s third president in 2014.\(^{16}\) The fact that Hage Geingob, not being Ovambo himself, was nominated against two Ovambo competitors shows substantial political maturity considering that the Ovambo account for almost half of Namibia’s population.

Looking back at the early years after independence, there are additional achievements which should be remembered. For example, Namibia successfully managed to assimilate and integrate into the fledgling state the numerous Namibian repatriates, who had been scattered all over the world during the years of the independence struggle. Another major achievement was the peaceful integration of the former PLAN fighters into the newly formed Namibian Defence Forces. This is a task which has caused huge problems in many other African countries, and indeed has even led to civil war.\(^{17}\)

The progress of Namibia’s nation-building process is another major achievement. Despite occasional flare-ups of tribalism the majority of the population now sees themselves as Namibians firstly and only secondly as members of their respective ethnic group.\(^{18}\) From a white perspective it should also be appreciated that the young state has been remarkably tolerant towards its colonial heritage. Colonial monuments such as the Reiterdenkmal were not demolished, as was the case in many other countries in similar situations and most of street names have been retained, even those commemorating German military leaders during the Herero War.\(^{19}\) Namibia has also been remarkably cautious on the highly sensitive question of land ownership. Despite the extremely skewed land distribution and the enormous income inequalities, the SWAPO-dominated governments have (with very few exceptions) refrained from populist measures, such as expropriations of farm land or other assets.\(^{20}\)


\(^{17}\) In southern Africa the post-colonial history of Angola and Mozambique are cautionary tales of such failed political transition phases.


\(^{19}\) In Munich ‘von-Trotha-Straße’ was renamed in ‘Herero-Straße’, but in Klein-Windhoek a ‘Trotha-Street’ still exists. Considering that von Trotha was the German general who gave the infamous genocide order during the Herero War, this shows a quite remarkable tolerance.

\(^{20}\) Until March 2010, a total of only five (!) farms were expropriated since independence although § 16 of the Namibian constitution in principle allows for (legal) land expropriation “in the public interest”, cf. Eberhard Hofmann, “Landreform: Entscheidungsträger müssen von der Realität ausgehen”, Allgemeine Zeitung, 26.03.2010.
Another achievement Namibia can be proud of is the development of an impressively multi-faceted, diverse and self-confident civil society landscape, including various trade unions, NGOs, research institutions, think tanks and political foundations. In the absence of effective government control through a functioning parliamentary opposition these institutions of civil society, together with the free press, have taken on an important check and balance function.\(^2\) While the weak and poorly organised parliamentary opposition is ineffective as a control mechanism for the executive, institutions such as the Legal Assistance Centre (LAC), the Namibian Institute for Democracy (NID), the Institute for Public Policy Research (IPPR), NamRights, political foundations, the universities, and the trade unions have become the main drivers of the public political discourse.\(^2\)

A powerful complement to these organisations is the remarkably free press. According to the 2011 ranking of Reporters without Borders, Namibia holds the second best ‘freedom of press’ rank in Africa and an impressive 20th rank in the world, only four places behind Germany. Namibia is ranked far above its neighbours South Africa and Botswana (both on rank 42), Zambia (86), Zimbabwe (117), and Angola (132).\(^3\) Quite untypically for a developing country is that not only the press but also high-ranking government officials regularly criticise in a very outspoken way unsatisfactory developments in the country or mismanagement and poor performance in the public sector.\(^4\) In other words: In Namibia a spade can be called a spade and this freedom is used extensively by the press, civil society and even by high-ranking politicians of the ruling party.

This openness also extends to the sensitive topic of corruption in the public sector. In the 2011 Transparency International Report, Namibia’s Corruption Perception Index (CPI) is ranked 53 out of 183 countries with a CPI score of 4.4 out of 10. While at first sight 53rd place may seem unimpressive, it should be remembered that this is the 6th best ranking in Africa, the second best in Southern Africa and is significantly better than the ranking of, for example, Italy and Greece. Namibia’s corruption index is also significantly better than those of all neighbour countries except for Botswana.

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21 Eberhard Hofmann, “Land der Anforderung 2012”, Allgemeine Zeitung, 30.12.2012. In the present National Assembly SWAPO holds 60 out 78 seats. Out of these 60 SWAPO mandates, more than 40 are held by members of parliament who simultaneously work as ministers and deputy ministers, thus being part of the executive. It is evident that such a parliament cannot fulfil its constitutional role of controlling the government.

22 For more detailed information see on these organisations and their activities see the internet pages of LAC (http://www.lac.org.na/), NID (http://www.nid.org.na/), NEPRU (http://www.nepru.org.na/), IPPR (http://www.ippr.org.na/), NamRights (http://www.nshr.org.na/).


Table 1: Transparency International Corruption Perception Index 2011

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>CPI-Score</th>
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<td>1</td>
<td>New Zealand</td>
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<td>2</td>
<td>Denmark</td>
<td>9.4</td>
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<tr>
<td>3</td>
<td>Finland</td>
<td>9.4</td>
<td></td>
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<tr>
<td>14</td>
<td>Germany</td>
<td>8.0</td>
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<tr>
<td>24</td>
<td>USA</td>
<td>7.1</td>
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<tr>
<td>32</td>
<td>Botswana</td>
<td>6.1</td>
<td>1st in Africa</td>
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<td>41</td>
<td>Cape Verde</td>
<td>5.5</td>
<td>2nd in Africa</td>
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<tr>
<td>48</td>
<td>Mauritius</td>
<td>5.1</td>
<td>3rd in Africa</td>
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<td>49</td>
<td>Rwanda</td>
<td>5.0</td>
<td>4th in Africa</td>
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<tr>
<td>50</td>
<td>Seychelles</td>
<td>4.8</td>
<td>5th in Africa</td>
</tr>
<tr>
<td>57</td>
<td>Czech Republic</td>
<td>4.4</td>
<td></td>
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<tr>
<td>57</td>
<td>Namibia</td>
<td>4.4</td>
<td>6th rank in Africa, 2nd rank in Southern Africa</td>
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<tr>
<td>57</td>
<td>Saudi Arabia</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>South Africa</td>
<td>4.1</td>
<td>6th rank in Africa, 3rd rank in Southern Africa</td>
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<tr>
<td>69</td>
<td>Italy</td>
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<td></td>
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<tr>
<td>80</td>
<td>Greece</td>
<td>3.4</td>
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<tr>
<td>91</td>
<td>Zambia</td>
<td>3.2</td>
<td>11th in Africa</td>
</tr>
<tr>
<td>154</td>
<td>Zimbabwe</td>
<td>2.2</td>
<td>35th in Africa</td>
</tr>
<tr>
<td>168</td>
<td>Angola</td>
<td>2.0</td>
<td>42nd in Africa</td>
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</table>

Source: Own compilation, based on data extracted from Transparency International 2011.25

Moreover, Namibia is one of the few countries which have established a formal anti-corruption authority, the so-called Anti-Corruption Commission (ACC).26 According to its director, the ACC received information about 470 possible cases of corruption in 2011 alone. Of these, about 65% turned out to be complaints about poor services provided by public institutions from discontented citizens, rather than incidents of real corruption.

but this still left about 165 cases which the ACC followed up in some way.\textsuperscript{27} The ACC also conducts public-opinion polls on corruption. According to the results, corruption is still a major issue but has become less of a problem since the establishment of the ACC.\textsuperscript{28} Apart from the ACC, the press and various NGOs also keep an eye on corruption. In particular the tabloid \textit{Informante} and the SMS page of the \textit{The Namibian} expose cases mercilessly.\textsuperscript{29}

It is not only this freedom of the press which is a sign of a free and tolerant society, but other indicators reflect this as well. According to the ‘Freedom Ranking’ of the Namibia Country Profile 2011, Namibia scores a '2' in both, the ‘Political Rights’ and the ‘Civil Liberty’ categories (cf. Table 2). In Africa, only Cape Verde (PR=1/CL=1), Ghana (PR=1, CL=2), and Mauritius (PR=1, CL=2) have better values than Namibia.

\begin{table}[h]
\centering
\caption{Freedom Ranking (Political Rights and Civil Liberties) 2011 for selected countries}
\begin{tabular}{|l|c|c|l|}
\hline
Country & PR-Value & CL-Value & Freedom Status \\
\hline
Angola & 6 & 5 & Not Free \\
Botswana & 3 & 2 & Free \\
Germany & 1 & 1 & Free \\
Namibia & 2 & 2 & Free \\
South Africa & 2 & 2 & Free \\
USA & 1 & 1 & Free \\
Zambia & 3 & 3 & Partly Free \\
Zimbabwe & 6 & 6 & Not Free \\
\hline
\end{tabular}
\end{table}

Source: Own compilation, data extracted from the Freedom Ranking Table of the Country Profile Namibia [2011 Edition].\textsuperscript{30} 1 = most free, 7 = least free. The freedom rating reflects overall judgement, based on survey results.\textsuperscript{31}

To summarise, Namibia’s performance in political and civil society development as well as in the field of personal and political freedom is definitely better than many critics \textsuperscript{27}

\textsuperscript{27} Stefan Fischer, “Fast 500 Fälle für die ACC”, \textit{Allgemeine Zeitung}, 10.12.2011. A comprehensive review of the ACC performance is given by a recent IPPR report. For more details see Tjirera and Hopwood, “ACC in Action”.

\textsuperscript{28} Heinrich, “Bestechlichkeit”.

\textsuperscript{29} Each issue of the Namibian includes a page with unfiltered short-text messages (SMS) from its readers. Most of these SMS are used to complain about mismanagement and poor service of public sector institutions and to comment in a very outspoken manner on politics and politicians.


\textsuperscript{31} Ibid.: 37.
From a domestic Namibian perspective, the negative impression may pre-dominate, but looking at the country from without and comparing its development against that of other countries in the region, the positives prevail. The impressive freedom of the press, the diverse and active civil society and the personal freedom in general place Namibia among the top countries in Africa in this category.

**Economic development**

A detailed analysis of the Namibian economy and its development over two decades is beyond the scope of a country performance review such as this. Moreover, Robin Sherbourne, Namibia’s leading economist, recently published a comprehensive analysis of Namibia’s economy.32 Hence, this chapter is not designed to be a complete assessment, but rather a cross-sectional economic overview, providing a big picture rather than details.

Earlier analyses of Namibia’s economic development were carried out ten years after independence by a NEPRU Publication *Namibia a Decade of Independence*, and a similar study was compiled at about the same time by the International Institute for Applied System Analysis (IIASA) in cooperation with the University of Namibia.33 Information on the latest economic developments and regularly updated key indicators can be extracted from various online databases such as the CIA World Factbook and the World Bank Development Indicators.34 Excellent country profiles on Namibia are available through the Country Reviews of Country Watch Inc. and monthly country reports by the Economic Intelligence Unit (EIU) of the British magazine *The Economist*.35 Finally, various Namibian think tanks such as the Institute for Public Policy Research (IPPR) and the research department of the Bank of Namibia regularly publish a wide range of economic reviews and special purpose studies on various topics.36

**Macroeconomic development**

Shortly after independence, Namibia’s per capita income was very impressive (about US$2,200 in 1994), four times higher than the average in sub-Saharan Africa. This meant

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36 For details see the homepages of IPPR (http://www.ippr.org.na) and the Bank of Namibia (https://www.bon.com.na).
that Namibia was categorised among the “lower-middle income countries”. Average annual GDP growth rates over the first years were also impressive, but most of the increase was offset by population growth. The per capita income thus remained at more or less the same level for the rest of the first decade. Namibia’s economy was characterised by a “dualistic labour market with high unemployment”. Both productivity and wages were higher than in the neighbouring countries but productivity declined. Namibia was a typical producer and provider of raw materials, with the main export products being diamonds and other minerals, fish, beef, and fruits.

Between 1990 and 1996, the GDP composition showed some structural changes. The importance of agriculture and the mining sector declined, while the GDP-contribution of fishing, manufacturing, and finance (in particular government services) increased. Namibia experienced substantial growth in the tertiary sector while the primary sector’s share declined. However, the expansion of the tertiary sector was mainly driven by the expansion of government services (27% of GDP in 1997). The contribution of the secondary sector was low (18% in 1991) and decreased even further to 17.5% in 1997. Most of the secondary sector GDP-contribution came from the processing of meat and fish, while manufacturing of capital goods was almost non-existent. Namibia’s economy was (and still is) closely interlinked with South Africa’s economy. In 1993, 87.1% of the imports came from South Africa, which in turn received only 27.4% of Namibia’s exports. Apart from South Africa, Namibia’s main trade partner was Great Britain which accounted for 20% of Namibia’s imports and 34.4% of its exports in 1993.

39 Hansohm, “Framework”: 23. “Dualistic” here refers to the fact that Namibia has a formal as well as an informal labour market.
40 Ibid.: 22.
41 Ibid.: 23.
42 Hansohm, “Paths”: 168f., esp. Figure 4.
43 ‘Primary Sector’ refers to primary production, such as agriculture, fishing, forestry and mining. ‘Secondary Sector’ refers to manufacturing and product processing (including processing minerals and on-shore processing of fish), construction, and power generation. ‘Tertiary Sector’ includes all ‘services’ such as tourism, transport and logistics and also includes all services provided by the public service (administration, government services etc.).
46 Hansohm, “Paths”: 169.
Hansohm concluded in his study that the “Namibian economy is essentially driven by a large non-tradable sector (government services) and an export-oriented primary sector of fishing, agriculture and mining”.48 In 1994, diamonds (31.4%), other minerals (incl. uranium 18.8%), and processed and unprocessed fish (27.3%) together accounted for 77.5% of Namibia’s exports. Main import products were food & beverages (24%), vehicles and transport equipment (17.3%), mineral fuels & lubricants (12.3%), machinery and electrical goods (11.7%), and chemicals & plastics (8.7%).49 Up until 1999, the export structure did not change much; dependence on the same few products has intensified. In 1999, diamonds made up 26.0% of the GDP, other minerals (incl. uranium) accounted for 13.3%, food & live animals for 12.9% and manufactured products (including most fish exports) for 29.7%. Together these products accounted for about 85.0% of Namibia’s export.50 Despite its low contribution to the GDP (roughly 10%) agriculture provided the largest number of jobs (around 190,000) by far, followed by ‘services’ with about 90,000 jobs, mainly in government and civil service institutions.51

Comparing the employment figures in the different sectors with their respective GDP-shares, one must conclude that the bulk of the tradable GDP was produced by a small fraction of the countries workforce.52 Hansohm’s figures and graphs show that in 1996 roughly 50% of Namibia’s GDP was produced by no more than 50,000 people. This corresponded to a mere 12.5% of the workforce of approximately 400,000 and just about 3% (!) of the population at that time (about 1.66 million).53 On the other hand, the 190,000 Namibians working in the agricultural sector produced less than 10% of the total GDP value. Foreign Direct Investments (FDI) increased considerably after independence and Hansohm concluded that “Namibia belongs to the success stories in sub-Saharan Africa”.54 At the end of his review paper Hansohm came to a rather positive overall conclusion on economic development but emphasised that this positive development is not sufficient to solve Namibia’s main problems:

The Namibian economy has shown a growth record over its first decade that is impressing compared to both the previous decade and to the average of sub-Saharan Africa. However, it remains insufficient to make a substantive dent into the heritages of apartheid – poverty and inequality.55

52 Ibid.
53 World Bank, “World”.
In the same book, Melber investigated “Public Sector and Fiscal Policy” and came to a much less positive conclusion:

There is plenty of evidence that the new state is continuing to establish itself everywhere. [...] the public sector is absorbing increasing proportions of national income and establishing itself as the major employer and consumer in the economy. [...] At present, about fifty per cent of the government’s annual budget is spent on employees in the public service. [...] Namibia’s public service is by all standards blown out of proportion.56

According to Melber, the number of posts in the public service increased by 50% in just five years, going up from 42,500 in 1990 to 62,500 in October 1995.57 He concluded that this (largely unproductive) bloating of the civil service is the main reason for the growth of tertiary sector and its share of the GDP. However, the most important economic development in the first decade was the handing over of Walvis Bay by South Africa to Namibia in 1994. Overnight Namibia had acquired a well equipped and favourably located deep-water port.58 This not only opened up exciting new possibilities but also changed the country’s economic centre of gravity and influenced the spatial distribution of its economy considerably (see Map 1 and 2). Based on the rapid expansion and upgrading of Walvis Bay harbour, the western coastal region around Walvis Bay – Swakopmund – Arandis prospered and quickly became Namibia’s second most important economic centre, a growth process which is still ongoing.59 Lüderitz, formerly Namibia’s only seaport has lost out as a result of this. At a disadvantage because of its remoteness from the country’s economic centres, the town rapidly lost its strategic position as main port to the far more accessible Walvis Bay.

During the second decade after independence, the most important macro-economic indicators showed further improvements. Figure 1 illustrates that – apart from a short dip during the global economic crisis in 2009 – the country’s GDP continued to grow impressively. The inflation-corrected average yearly GDP-growth totalled 4.1 % for the period 1990 – 2000 and even reached 4.5% for the following decade (2001 – 2012), resulting in an overall average (1990 – 2012) of 4.3%.60 The figures for the GDP per capita growth are somewhat lower, but again the second decade was better than the first: 1.4% for 1990 – 2000, 2.5% for 2001 – 2009, resulting in an overall average of 1.9%.61

57 Ibid.
59 See Map 2.
60 Data for 2011 and 2012 are based on estimations (2011) and projections (2012), cf. EIU, "Namibia July 2011": 15.
61 All per capita data were calculated from estimated population figures, based on projections of the 2001 census results.
Figure 1: Inflation-corrected yearly GDP growth 1990 – 2012 and GDP per capita growth 1990 – 2009


Figure 2: GDP growth 1990 – 2012 in different currencies


As illustrated by Figure 2 and Table 3, GDP in Namibia grew from N$ 6.1 billion in 1990 (US$ 2.4 billion) to N$ 92.2 billion (US$ 12.9 billion) in 2010. Though the GDP increased by a factor of 15 (in N$) or 5.4 (calculated in US$) between 1990 and 2010, the Namibian economy is still tiny by international standards. The CIA World Factbook estimated Namibia’s GDP for 2010 at 14.6 billion US$ (about € 10 billion) and ranks the

63 Ibid.
country at 138th (of 227 countries) in the world.\textsuperscript{64} To put this in perspective: This is the equivalent of the 2010 net profit of Rio Tinto, one of the largest mining companies and the main shareholder in the Rössing Mine or to the average quarterly net profit of Apple Inc.\textsuperscript{65}

Table 3: GDP 1990 – 2012 (selected years) in different currencies

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<td>27.1</td>
<td>46.2</td>
<td>92.2</td>
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<td>GDP (billion current US$)</td>
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<td>GDP (billion current €)</td>
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</table>


Low government spending reduced the inflation rate. During the first decade, the rate still hovered around 10% (average 1990 – 2000: 9.9%), but then fell to an average of 6.6% (2001 – 2012), and even fell to 2 – 3 % some years. Even more impressive is the low level of Namibia’s national debt. The combined total public debt of 14.8% of the GDP in 2009 and 20.1% in 2010 would cause envy in most countries in the world.\textsuperscript{66} By comparison: According to the CIA World Factbook, in 2011 Germany had a public debt of about 83% of its GDP, Ireland 95%, Italy 119%, Greece 143%, and Japan 200%. By contrast, the World Factbook’s ranking of country debts listed Namibia on place 109 out of 133 countries which is impressive proof of a cautious and moderate public spending practice. Within southern Africa, only Botswana enjoys a higher ranking (rank 110, 19.9% of GDP), while South Africa is ranked 85\textsuperscript{th} (33.4%), Zambia 97\textsuperscript{th} (26.7%), and Angola (despite its high oil revenues) 106\textsuperscript{th} (21.4%). Zimbabwe is again the negative example. With public debt corresponding to 233% of its GDP, Zimbabwe heads the list of the world’s most indebted countries.\textsuperscript{67} When one considers the macroeconomic key

\textsuperscript{64} CIA, “Factbook: Namibia”.
indicators only, one must conclude that Namibia’s economy has seen a rather positive development over the last 23 years. This is a result of stable political and economic conditions and of cautious public spending.

Figure 3: Average yearly inflation rate 1991 – 2012 and total public debts (foreign and domestic)

Source: Own compilation, based on data extracted from various EIU Country Reports for Namibia (January 1996 – July 2011), figures for 2011 and 2012 are estimations or forecasts.68

Sectoral development

As mentioned at the beginning of this chapter, a comprehensive review of the primary, secondary and tertiary sector is beyond the scope of this paper. The following remarks will therefore be limited to a summary of the main developments and trends. Looking back at the general development of the Namibian economy since 1990, one can see obvious changes but the principal structure of the economy has not changed substantially. In the primary sector, communal and commercial agriculture still provide the bulk of employment but contribute little to the country’s GDP. According to surveys by the Population and Housing Census (PHC) 2001 and the Namibia Labour Force Survey (NFLS) 2004, between 65,000 and 110,000 people worked in agriculture.69 This accounts for between 16% and 25% of the current jobs in Namibia, about 400,000 in total.70 However, agriculture contributes only 5 – 6% to GDP and it grew a meagre

68 Cf. for example EIU, “Namibia July 2011”.
69 Figures quoted by Sherbourne, Guide: 65f. The rather different results in these two surveys are due to different survey years, the use of different survey standards and different definitions for ‘communal farmer’ and ‘unpaid family worker’.
70 Ibid.: 65.
1.7% per year between 1995 and 2007. The development of fishing industry was also
disappointing and has not met expectations. Its contribution to GDP has varied between
4.5% and 7.8% and annual growth was negative in half of the years between 1990 and
2008. According to the PHC (2001) and NFLS (2004) surveys, the fishing industry
provides employment for 9,000 (PHC) or 12,600 (NFLS) people, excluding on-shore
fish processing.

Table 4: Existing and planned uranium mines in Namibia

<table>
<thead>
<tr>
<th>Name</th>
<th>Main Owner(s)</th>
<th>Production Capacity (tU/yr)</th>
<th>(Planned) Production Start</th>
<th>Production until (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rössing</td>
<td>Rio Tinto Ltd. (Australia)</td>
<td>4000</td>
<td>1976</td>
<td>2016</td>
</tr>
<tr>
<td>Langer Heinrich</td>
<td>Paladin Energy (Australia)</td>
<td>3850</td>
<td>2006</td>
<td>about 2026</td>
</tr>
<tr>
<td>Trekkopje</td>
<td>Areva (France)</td>
<td>3200</td>
<td>2011 (presently put on hold)</td>
<td>about 2027</td>
</tr>
<tr>
<td>Valencia</td>
<td>Forsys Metal Corp. (Canada)</td>
<td>220</td>
<td>2012 (behind schedule)</td>
<td>about 2030</td>
</tr>
<tr>
<td>Husab</td>
<td>Extract Resources / Kalahari Minerals / Taurus Minerals (Australia, China)</td>
<td>5700</td>
<td>2014</td>
<td>about 2047</td>
</tr>
<tr>
<td>Marenica</td>
<td>Marenica Energy</td>
<td>1350</td>
<td>2014</td>
<td>2027</td>
</tr>
<tr>
<td>Omahola (incl. two mines: Inca and Tumas)</td>
<td>Deep Yellow (Reptile Uranium) (Australia)</td>
<td>960</td>
<td>2014</td>
<td>about 2050</td>
</tr>
<tr>
<td>Etango</td>
<td>Bannermann Resources Ltd. (Australia)</td>
<td>2000 – 2500</td>
<td>2015</td>
<td>about 2035</td>
</tr>
</tbody>
</table>

Source: Own compilation, based on data extracted from various uranium internet pages.

The mining sector with its main products diamonds and uranium oxide (‘yellow cake’)
has done better. Mining was and still is the “main driver of growth in the Namibian economy”. The contribution of mining to GDP varies from year to year between 8%

72 Cf. Sherbourne, Guide: 105-107. Annual growth figures include on-shore fish processing which actually belongs to the secondary sector.
73 Ibid.: 68.
75 Ibid.: 133.
and 20%, but mining products account (on average) for about half of Namibia’s exports.\textsuperscript{76} The numbers employed in the mining sector are low and declined from about 14,000 in 1990 to about 7,600 in 2004.\textsuperscript{77} With the current expansion of mining activities in Namibia, in particular uranium mining but also mining for gold, copper and other minerals, this figure is likely to increase considerably in the near future, and continue to stay on a high level for the next 15 to 20 years. As mentioned before, Namibia is on the brink of an enormous uranium rush which is likely to change the face of the west coast around Walvis Bay / Swakopmund, provided that the numerous projects, which are currently either in implementation or in planning, are realised. In addition to the mines ‘Rössing’ and ‘Langer Heinrich’ which are already in operation, up to seven new uranium mines are being planned or are already under construction (approximate mine locations see Map 3). According to various internet sources, most of these new uranium mines will start producing in 2014 or 2015 (see Table 4). However, the profitability of these planned mines depends directly on the highly volatile world market price for uranium. Decreasing uranium prices may cause changes or delays to these projects at short notice.\textsuperscript{78}

In conclusion, one must say that the primary sector has bright and dark sides. While mining continues to develop rapidly, agricultural production is stagnating and fishing revenues have not met expectations. The secondary sector is definitely the problem child of the Namibian economy, although, at first sight, economic indicators seem to suggest otherwise. With N$ 10.95 billion (about € 1.01 billion) for 2010 and a projected N$ 11.37 billion (€ 1.05 billion) for 2011, the secondary sector’s contribution to GDP has overtaken that of the primary sector (N$ 6.47 billion respectively € 0.6 billion for 2010, N$ 6.95 or € 0.64 billion projected for 2011).\textsuperscript{79} Within the secondary sector, manufacturing is now the biggest contributor, accounting for N$ 7.53 billion (€ 0.7 billion) in 2011 and thus contributing more to GDP than the entire primary sector. What these aggregated figures do not show is that the bulk of the manufacturing is still based solely on food processing and beverage production. In 1990, the range of manufactured goods produced in Namibia (apart from ‘yellow cake’) basically consisted of beer and processed meat and fish. 23 years later, this extremely narrow range of products has grown somewhat to include some leather processing, diamond cutting and more recently cement production.\textsuperscript{80}

\textsuperscript{76} CIA, “Factbook: Namibia”.
\textsuperscript{77} Sherbourne, \textit{Guide} : 68f.
\textsuperscript{78} For example, the Valencia Mine implementation is behind its original schedule and the Trekkopje Mine, which had started pilot production in 2011, was recently put on hold as a reaction to the drop in world market price for uranium, see Wilhelm Leuschner, “Areva exportiert Gestein”, \textit{Allgemeine Zeitung}, 01.11.2012.
\textsuperscript{80} Cf. also Clemens von Alten, “Schlettwein räumt auf”, \textit{Allgemeine Zeitung}, 05.02.2013. In this newspaper article, Calle Schlettwein, the recently appointed new Minister of Trade, is quoted to have stated that
Map 1: Present situation

Map 3: Projects at and near the coast

Sources:
Base map data: Information extracted from selected data sets of different Namibian GIS-databases and from the Digital Atlas of Namibia (University of Cologne & Ministry of Environment (2002))

Project information: Various internet sources and newspaper reports

Map 1 shows the present situation: the three main land categories, the 13 administrative regions, and selected important infrastructure.

Map 3 illustrates the approximate location of the existing and planned uranium mines in the area and some existing, planned or discussed processing plants. The indicated locations of the planned mines are approximate only, based on fairly unspecific location data extracted from various newspaper reports and internet sources.

"Namibia ist eine koloniale Wirtschaft" ("Namibia is a colonial economy"), depending on "Export von Rohstoffen and Import von Konsumgütern" ("export of raw materials and import of consumer goods").
However, manufacturing of or adding value to more sophisticated products, such as chemical and pharmaceutical goods, electronic components, hard- and software, mechanical engineering items, or even shoes and textiles are still virtually non-
existential. Developments in the building and construction industry, worth N$ 2.13 billion (€ 1.1 billion) in 2011 and the second most important contributor to the secondary sector, have not been positive either. The construction business has gradually been taken over by Chinese companies which, if one is to believe the newspaper reports, are awarded most of the important government contracts, often, apparently, under questionable circumstances and in violation of Namibian laws and labour standards.

However, the greatest deficit in Namibia’s secondary sector is the total failure of its power supply policy. Namibia’s growing energy needs have been a matter of public knowledge for years. A particularly prominent and embarrassing example is the situation surrounding the additional demand to be created by the planned uranium mines, which due to an incomprehensible lack of foresight in planning by NamPower Namibia will not be in a position to meet. Indeed, the country will face severe electricity shortages in the very near future. Despite recurrent and insistent warnings from all sides, NamPower, until very recently, ignored entirely the global trend towards solar and wind energy, for which Namibia’s natural environment is ideal and almost unrivalled anywhere else in the world. NamPower has failed utterly to invest in or promote solar and wind energy production or to encourage energy saving measures. In a harum-scarum last-minute bid to cater for Namibia’s utterly predictable growth in demand for electricity, a large coal power plant near Arandis is apparently now in planning.

As in the primary sector, there have also been positive and negative developments in the tertiary sector. Once again the macroeconomic indicators tell only part of the story. An economic review of the last ten years by the 4th National Development Plan (NDP4) seems to suggest that the tertiary sector as a whole has developed quite favourably. Over the past five years, the tertiary sector has seen an annual growth rate of 5.4%, which clearly exceeds the GDP growth of 3.6%. However, as the NDP4 authors point

81 An attempt by a Malaysian investor group to establish a big textile factory in Windhoek (Ramatex) failed miserably after about two years and ended in an economic, social and ecological disaster; cf. Eberhard Hofmann, “Ramatex im Gericht aufgelöst”, Allgemeine Zeitung, 09.05.2008.
82 Fischer, “Wachstum”.
84 Aurecon Namibia Ltd. (Pty), “Environmental and Socio-Economic Impact Assessment for a Coal-Fired Power Station in the Erongo Region of Namibia. Final Scoping Report”, Windhoek, NamPower, 2012, 28-32, see in particular Fig. 11 and 12 on page 31.
87 Ibid.: 10.
out, the bulk of this growth is attributed to the expansion of the government sector.\textsuperscript{88} “However, there is concern over the size of the tertiary industries accounted for by the Government, and the focus should be on private sector contribution to GDP.”\textsuperscript{89}

A country’s wealth, however, grows when production of tradable goods and services is boosted and not when measures are introduced which merely bloat (non-tradable and largely unproductive) government services. During the NDP3 phase (2007/8 to 2011/12) government services expanded by 6.5% per year, almost three times as much as planned (2.5%). During the same period, the (revenue-producing) sub-sectors ‘tourism’ and ‘transport & communication’ have clearly fallen short of the NDP3 targets.\textsuperscript{90} On the other hand, looking beyond the last five years at the entire two decades, the sub-sectors ‘tourism’ and ‘transport & logistics’ are probably Namibia’s greatest economic success stories. After becoming independent in 1990, Namibia seized the opportunities offered by the country’s breath-taking scenery and its natural, cultural and wildlife attractions, such as Etosha, Sossusvlei, Fish River Canyon, Namib Naukluft, Skeleton Coast, Kaokoveld, and the Capriv to name but a few. Within a short space of time Namibia built up a very professionally run, multifaceted tourism industry and boosted the number of tourist visits from abroad from 255,000 in 1993 to 984,000 in 2010.\textsuperscript{91} Tourism now accounts for about 4.4% of the GDP (direct impact) and as much as 20.3% if all indirect effects are considered. This translates into 29,500 direct jobs in tourism and 116,000 jobs if all indirect impacts of tourism activities are taken into account. Going by these figures roughly every fourth job in Namibia now depends directly or indirectly on the tourism sector.\textsuperscript{92}

Despite the fact that it has not met growth expectations recently the transport and logistics industry is another Namibian success story. The main momentum in this sector comes from the expansion of Walvis Bay port which is currently being developed as a freight hub for Namibia’s land-locked neighbours Zambia, Zimbabwe and Botswana.\textsuperscript{93} Benefiting from its strategically favourable location, which reduces transport time for vessels to and from Europe and North America, its short turnaround times and the excellent roads into the hinterland, Walvis Bay has developed into one the most efficient

\textsuperscript{88} Exactly the same point was stressed already 13 years ago by Hansohm’s economic analysis, cf. “Framework”.
\textsuperscript{89} Republic of Namibia, “Development Plan”: 13.
\textsuperscript{90} Cf. ibid.: 12, Table 5.
\textsuperscript{91} Ministry of Environment and Tourism, “Tourist Statistical Report 2010”, edited by Directorate of Tourism, Windhoek, 2010: 11. Please note that a considerable part of these ‘tourist arrivals’ are actually not real tourists. For example, the 2010 figures list 338,000 ‘tourist arrivals’ from Angola and 316,000 from South Africa. It is evident that many of the Angolans and South Africans are not tourists in the strict sense of the word, but come for other reasons, such as business, shopping or trade.
\textsuperscript{92} Figures extracted from World Travel and Tourism Council, “Travel & Tourism. Economic Impact 2012. Namibia”, London 2012. For additional information see also Christiansen, “Teil 4a / 5”.
\textsuperscript{93} Cf. Map 1 and 2.
and fastest growing ports in Africa.\textsuperscript{94} Between 2002 and 2008 the cargo volume grew from 2.3 to 3.95 million tons / year. This corresponds to an average increase of about 11.6\% per year and a total increase of 71.7\% in six years. At the end of 2011, the port handled about five million tons of cargo per year and still has capacity for an additional two to three million tons.\textsuperscript{95}

Geographical distribution of Namibia’s economy

From a geographical perspective Namibian economic development has been relatively evenly spread. While in many developing countries the capital is the dominant (and often only) economic centre, in Namibia three major economic growth poles, complemented by various smaller economic nuclei (see Map 1, 2 and 3) have developed.\textsuperscript{96} With a current population of 350,000, Windhoek is and will remain the country’s most important economic centre, but the most dynamic growth pole is the west coast uranium triangle between Walvis Bay / Swakopmund, Henties Bay, and Arandis. The planned new uranium mines, the off-shore phosphate and potential off-shore oil resources and the plans for a huge chemical plant near Swakopmund and a large coal power plant near Arandis mean that this area is set to become Namibia’s boom region for at least two decades, provided, of course, that all these projects actually become reality. However, it remains to be seen if this hasty and poorly coordinated rush of economic development will (in the long run) be for the better of this region or if it will spoil the regional ecology and tourism industry irreversibly.\textsuperscript{97} A third, smaller economic growth pole is developing in the so-called Otavi-Triangle between Otavi – Tsumeb – Grootfontein. The main drivers of the economy in this area are the (relatively) favourable conditions for agriculture, mineral processing facilities in Tsumeb, the army base in Grootfontein and the recently opened Ohorongo Cement Plant. Discussions are ongoing on the establishment of a Micro Steel Plant which would further strengthen the economic weight of this region.

Conclusion: Economic development

Vision 2030, a national, long-term, strategic framework for the country’s future development was approved about ten years ago.\textsuperscript{98} Vision 2030 defined not only

\textsuperscript{94} 12 to 15 hours for container vessels and 24 to 48 hours for bulk vessels, cf. National Port Authority of Namibia (Namport), Homepage, http://www.namport.com.na [13.01.2012].

\textsuperscript{95} All figures extracted from the Namport Homepage, see ibid. and the internet pages of the Walvis Bay Corridor Group (http://www.wbcg.com.na).

\textsuperscript{96} The three maps are slightly revised and updated versions of the maps presented in Part 1 of this study, see Christiansen, “Assessing”.


economic objectives but social, socio-economic, ecological and political goals as well. The economic objectives, however, form the core and most crucial part of Vision 2030, because the other objectives can only be achieved if the Namibian economy is able to provide the required financial means. Among the economic goals set out by Vision 2030 are the following:

- becoming an industrial country with permanently high economic growth,\(^9\)
- belonging to the 'high income countries',\(^10\)
- manufacturing and services accounting for 80% of the GDP and ‘value-added’ products for 70% of the exports;\(^11\)
- unemployment rate of less than 5%;\(^12\)
- becoming a knowledge-based society with the world’s largest and fastest wireless data communication system;\(^13\)
- information and communication becoming the most important economic sector,
- exporting a substantial amount of client-customized hard- and software.\(^14\)

Looking at the actual achievements of Namibia’s economy nine years after Vision 2030 was launched in June 2004, many of the long-term economic objectives will be very difficult (if not impossible) to achieve by 2030. This does not mean that economic development has failed entirely. The overall economic performance has been mixed and includes a number of successes and achievements but also numerous omissions, failures and missed chances. On the macroeconomic side Namibia has behaved in exemplary fashion. The country has experienced solid and almost continuous economic growth and, at the same time, kept the inflation rate and national debt in check, with very conservative government spending playing a major role. Furthermore, Namibia has broadened its economic base successfully by expanding the tourism and the transport & logistics sectors.

On the other hand, however, the country has failed to transform its economy from a producer of raw materials with limited manufacturing of consumer goods to an economy which is based on producing more sophisticated, value-added capital goods and offering high-value services. Instead, the country is still heavily dependent on the mining

\(^9\) Ibid.: 15. The average annual GDP growth is supposed to grow from 3.7% per year for the period 2006 – 2010 over 4.5% for the period 2011 – 2015, 6.3% per year for 2016 – 2020, 7.3% for 2021 – 2025 and finally up to 9.4% for 2026 – 2030, cf. ibid.: 25.

\(^10\) Ibid.: 15.

\(^11\) Ibid.

\(^12\) Ibid. The ‘true’ unemployment rate in Namibia has recently been the topic of controversial debates. The Namibia Labour Force Survey in 2008 arrived at a shocking figure of 51.2%, up from 37% in 1997. Other experts express severe doubts that the 51.2% reflect the reality and estimate the ‘true’ unemployment rate at about 40%.

\(^13\) Ibid.: 29, 69.

\(^14\) Ibid.: 69.
industry, fishing, meat production and tourism. Development in the manufacturing sector has been particularly slow with hardly any progress towards a more diversified product palette.\(^{105}\) The building and construction industry has been more or less taken over by Chinese companies and in the energy sector Namibia has failed entirely to make use of the country’s enormous potential for solar and wind energy. Finally, the ambitious goal of transforming Namibia into a competitive player in information and communication technology (ICT) by 2030 now seems unrealistic. While many other countries (especially in Asia) have established ICT industries very rapidly, Namibia has not even developed the basic pre-stages of ICT business and up to now there have been no signs that this situation will change in the near future.\(^{106}\)

### Social and socio-economic development

Compared with the other two sectors, evaluating Namibia’s social and socio-economic development is relatively straightforward. Analysing development in political and civil society was difficult because of the dearth of hard data in that sector and the potential for personal expectations or opinions to influence judgements. Evaluating economic development was also not uncomplicated because of the sheer volume of information to be taken into account and the fact that achievements and failures more or less balanced each other out.

There are no such problems when evaluating Namibia’s social and socio-economic development. There is ample, reliable social and socio-economic data available and these data point, almost without exception, in one direction. Table 5 presents a selection of key social data for Namibia, its neighbouring countries and, as a reference, for Germany as well. All data were extracted from the CIA World Factbook.\(^{107}\) This data sample clearly shows how disastrously slow progress has been in Namibia: low life expectancy, an extremely high unemployment rate, high infant mortality, horrifying HIV/AIDS rate, a devastating poverty rate and the most unequal income distribution in the world.\(^{108}\) All statistical indicators are unambiguous proof how little progress there has been on social and socio-economic development in Namibia. Plenty of other indicators, which have not been included in Table 5 underline this conclusion. Namibia’s suicide rate is almost 50% higher than the world average and Aids has become the No. 1 cause of death in the country.\(^{109}\) The Namibian population is exposed to an alarmingly

\(^{105}\) As mentioned before briefly the only major initiative, the attempt to establish a big, labour-intensive textile factory, failed totally, see Hofmann, “Ramatex”.

\(^{106}\) For example call-centres, electronic components assembly, simple data processing etc.

\(^{107}\) CIA, “Factbook: Namibia”.

\(^{108}\) In order to get a consistent compilation of directly comparable data for the countries considered in Table 5, all figures were extracted from the same source, the CIA World Factbook. It should be noted that the recently published National Development Plan 4 gives slightly different data for some of the Namibia figures. For example, NDP 4 pegs the Gini-Index for Namibia (for 2009/10) at 0.58 only which is a clear difference to the 0.70 given by the CIA World Factbook, cf. Republic of Namibia, “Development Plan”: 9.

\(^{109}\) Jana-Mari Smith, “Suicide in Nam a Crisis”, The Namibian, 10.08.2011.
high crime rate which includes frequent cases of assault, murder, rape and other violence against women and children.

Table 5: Selected social and socio-economic key indicators

<table>
<thead>
<tr>
<th></th>
<th>NAM</th>
<th>BOT</th>
<th>RSA</th>
<th>ANG</th>
<th>ZAM</th>
<th>ZIM</th>
<th>GER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Mio.)</td>
<td>2.1</td>
<td>2</td>
<td>48.8</td>
<td>18</td>
<td>14.3</td>
<td>12.6</td>
<td>81.3</td>
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<td>Infant mortality (&lt; 1 year / 1000 birth)</td>
<td>45.6</td>
<td>10.5</td>
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<td>55</td>
<td>8</td>
<td>23</td>
<td>72</td>
<td>208</td>
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<tr>
<td>Life expectancy at birth (years)</td>
<td>52.2</td>
<td>55.7</td>
<td>49.4</td>
<td>54.6</td>
<td>52.6</td>
<td>51.8</td>
<td>80.2</td>
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<td>219</td>
<td>201</td>
<td>207</td>
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<tr>
<td>Health expenses (% of GDP)</td>
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<td>10.3</td>
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<td>45</td>
<td>146</td>
<td>12</td>
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<tr>
<td>Doctors (per 1000 people)</td>
<td>0.37</td>
<td>0.37</td>
<td>0.77</td>
<td>0.08</td>
<td>0.06</td>
<td>0.16</td>
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<td>Hospital beds (per 1000 people)</td>
<td>2.7</td>
<td>1.81</td>
<td>2.84</td>
<td>0.8</td>
<td>1.9</td>
<td>3</td>
<td>8.2</td>
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<td>109</td>
<td>81</td>
<td>155</td>
<td>106</td>
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<tr>
<td>HIV/AIDS (% of population 15 - 49 years)</td>
<td>13.1</td>
<td>24.8</td>
<td>17.8</td>
<td>2.0</td>
<td>13.5</td>
<td>14.3</td>
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<td>AIDS deaths (2009, estimated)</td>
<td>6,700</td>
<td>5,800</td>
<td>310,000</td>
<td>11,000</td>
<td>45,000</td>
<td>83,000</td>
<td>&lt; 1,000</td>
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<td>5</td>
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<td>Alphabetisation (in % of population &gt; 15 years)</td>
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<td>81.2</td>
<td>86.4</td>
<td>67.4</td>
<td>80.6</td>
<td>90.7</td>
<td>99.0</td>
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<tr>
<td>Education expenditures (in % of GDP)</td>
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<td>8.9</td>
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<td>159</td>
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<tr>
<td>Unemployment rate (%)</td>
<td>51.2</td>
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</tr>
<tr>
<td>Percentage of population below poverty line</td>
<td>55.8</td>
<td>30.3</td>
<td>50</td>
<td>40.5</td>
<td>64</td>
<td>68</td>
<td>15.5</td>
</tr>
<tr>
<td>Income inequality (Gini-index)</td>
<td>70.7</td>
<td>63.0</td>
<td>65.0</td>
<td>no data</td>
<td>50.8</td>
<td>50.1</td>
<td>27.0</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>no data</td>
<td>21</td>
<td>25</td>
<td>128</td>
</tr>
</tbody>
</table>

Source: CIA World Factbook 2012. The data partly refer to different years, mostly from 2009 – 2011. Some data are based on extrapolations or estimations.

However, the most disappointing finding is that very little seems to have changed for the better since independence. Between 1990 and 2001, average life expectancy actually
fell temporarily by almost 10 years and has only recently climbed back to 1990 levels.\textsuperscript{110} The unemployment rate has risen from about 35% in 1990 to more than 50% today and Namibia still has the most unequal income distribution of any country in the world.\textsuperscript{111} Such disappointing results are also seen in the graph for the country’s Human Development Index (HDI) since independence. As illustrated by Figure 4, Namibia’s HDI value has improved only minimally over the last 23 years and even dropped temporarily between 1995 and 2000.\textsuperscript{112} Between 1990 and 2010, the HDI world average has grown by 18% while Namibia’s HDI grew by a mere 9.6%. This is not only a mere 50% of the world average, but it is even lower than the average HDI-growth of all sub-Saharan countries (9.8%).\textsuperscript{113} All the available data underline Namibia’s extremely poor record in the social and socio-economic development sector.

![Figure 4: Human Development Index (HDI) 1990 - 2011](image)

Looking at this disappointing development, it may be tempting to put all the blame on bad governance, but the reality is more complicated. A detailed analysis of the complex reasons for this poor performance is beyond the scope of this paper, but for the sake of fairness at least some important facts and constraints should be outlined briefly. Firstly, the HIV/AIDS pandemic had (and is still having) a devastating impact on many aspects of

\textsuperscript{110} This deterioration is mainly due to the impact of the HIV/AIDS pandemic, cf. World Bank, “World”.

\textsuperscript{111} For more detailed information on the social development see also Christiansen, “Teil 5 / 5”; Henning Melber, *Transitions in Namibia: Which Changes for Whom?*, Uppsala, Nordiska Afrikainstitutet, 2007; idem, *Decade*.


\textsuperscript{113} The relatively high absolute HDI value is mainly caused by the strong economic development. Namibia’s gross national income per capita lifts the country’s HDI to this relatively high level.

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Namibia’s social situation and this cannot be blamed on poor governance. A second major development constraint is the poor primary and secondary education system. The government identified the poor school system as one of the main obstacles to development a long time ago and has invested heavily in education ever since. For example, in the financial year 2011/12, N$ 8.3 billion (about € 830 million or 23% of the national budget) were earmarked for education, the Ministry of Education thus receiving the biggest budget of all ministries.\(^\text{114}\)

Over the years, various measures have been taken to tackle the high rate of unemployment: promotion of small and medium enterprises, introduction of micro-credit schemes, numerous training activities and, more recently, with the Target Intervention Programme for Employment and Economic Growth (TIPEEG).\(^\text{115}\) Namibia also runs various social welfare programmes which support specific population groups such as senior citizens, disabled people, distressed children, foster parents, and veterans. According to the National Pension Act from 1992, Namibia pays an unconditional old age pension of N$ 500 (about € 50) per months to Namibians older than 64, of which there are at present about 138,000.\(^\text{116}\) Over the few last years the proposed introduction of an unconditional Basic Income Grant (BIG) of N$ 100 (€ 10) per month and person has been a matter of heated public debate.\(^\text{117}\) The result was that, for various reasons, the government does not consider BIG as a suitable measure to tackle poverty in Namibia. Besides various other reservations, the high costs for such a programme are probably far beyond the means of the country.\(^\text{118}\) Unfortunately, the bottom line is that despite the will to tackle the poverty and unemployment problem, despite the substantial strategic investments made in education and other fields and despite the numerous initiatives launched, the government has not achieved any substantial improvements in the social situation in the country.

**Conclusion and outlook**

When Namibia gained independence 23 years ago, there were numerous optimists who hoped that that the country would become a role model for Africa. There were also numerous ‘gloom & doom’ prophets who predicted that the country would follow the example of many other African states, which fell into political turmoil and economic

\(^{114}\) Cf. Hofmann, “Geld”.


\(^{116}\) With Namibia’s Budget for 2013/14, which was recently presented in the National Assembly, the old age pension was raised to N$ 550 per month.


\(^{118}\) The former Permanent Secretary of the Ministry of Environment and Tourism expressed rather bluntly the reservations of the Namibian government. He calculated the annual costs of a N$ 100 BIG per person at N$ 11 billion (€ 1.1 billion), cf. Kalumbi Shangula, “The proposed BIG: What are the facts?”, The Namibian, 24.09.2011.
chaos after gaining their independence. After all, the history of Angola, Mozambique and Zimbabwe, to name but a few, demonstrated that this fear was not unsubstantiated. However, neither of the two predictions became reality.

As is often the case the realists, who had not expected too much, but hoped for the best, were proven right. At the end of the day, Namibia has developed more positively than the pessimists had feared, though not as well as the optimists had hoped. More than two decades after independence, the optimists have probably been sobered by the actual development and maybe a bit frustrated by the slower than expected progress and obvious failures in various fields. At the same time, the pessimists have most likely learned to appreciate the stable political situation, the relatively positive economic development and the fact that Namibia, all problems and failures notwithstanding, has developed into a country where the individual enjoys more personal freedom than in most other countries in the world. The initial research question of this study was whether 23 years after independence for Namibia ‘the glass is half-full or half-empty’. At the end of this study it is still not possible to give clear-cut, indisputable answer. The final assessment of how well Namibia has done as country depends on the individual beholder’s situation, perspective and expectations. Yet one tends to agree with Henning Melber, who summarised the country’s overall development since 1990 fittingly with the metaphor “Licht und Schatten” (“light and shadow”).

In the author’s personal opinion, Namibia has done well in the field of political and civil society development and at least moderately well economically. Namibia’s (relatively) good economic development has lifted the country into the category ‘Upper Middle-Income Countries’ and the strong economy, together with the (all in all) positive development in political and civil society, has secured Namibia a solid 6th rank among the top performers in Africa, as documented year by year by the results of the Mo Ibrahim Good Governance ranking. However, at the same time, Namibia has performed poorly, even miserably, in one (and perhaps the most important) field, social and socio-economic development. Up to now, the country has failed to achieve the substantial structural changes, especially in its economy, which are a prerequisite for a major improvement in living standards for the large majority of Namibians.

More than two decades after independence Namibia is still a deeply divided society. On the sunny side small, well-qualified white and black elites produce most of the nation’s income and enjoy a very high standard of living. But in the shadow, the majority of the population is falling further and further behind. These people are unemployed or hold poorly-paid jobs, have no perspective for a better life and live in conditions which are as poor as 23 years ago. In between these two extremes is a still small (but thankfully growing) middle-class which is at least able to make ends meet. There are no fast and easy solutions for Namibia’s problems. For the sort of progress and development from

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which the majority of the population would benefit a transformation of the Namibian economy would seem to be a conditio sine qua non. Of utmost importance would be the creation of more employment opportunities (such as in manufacturing) for unskilled and semi-skilled youth. Without such changes in the economy the number of jobs will not increase substantially and that will leave the unskilled and poorly skilled Namibians reliant on welfare programmes which Namibia cannot afford. The last sentences of Robin Sherbourne’s introductory chapter to his Guide to the Namibian Economy 2010 sum up Namibia’s past performance and its development dilemma:

Yet continuing on the same path as the last twenty years for the next twenty years is unlikely to yield anything very different: modest growth based on a vibrant mineral sector that benefits the fortunate few. It could be worse. But policymakers should surely be asking: shouldn’t it be so much better?121

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