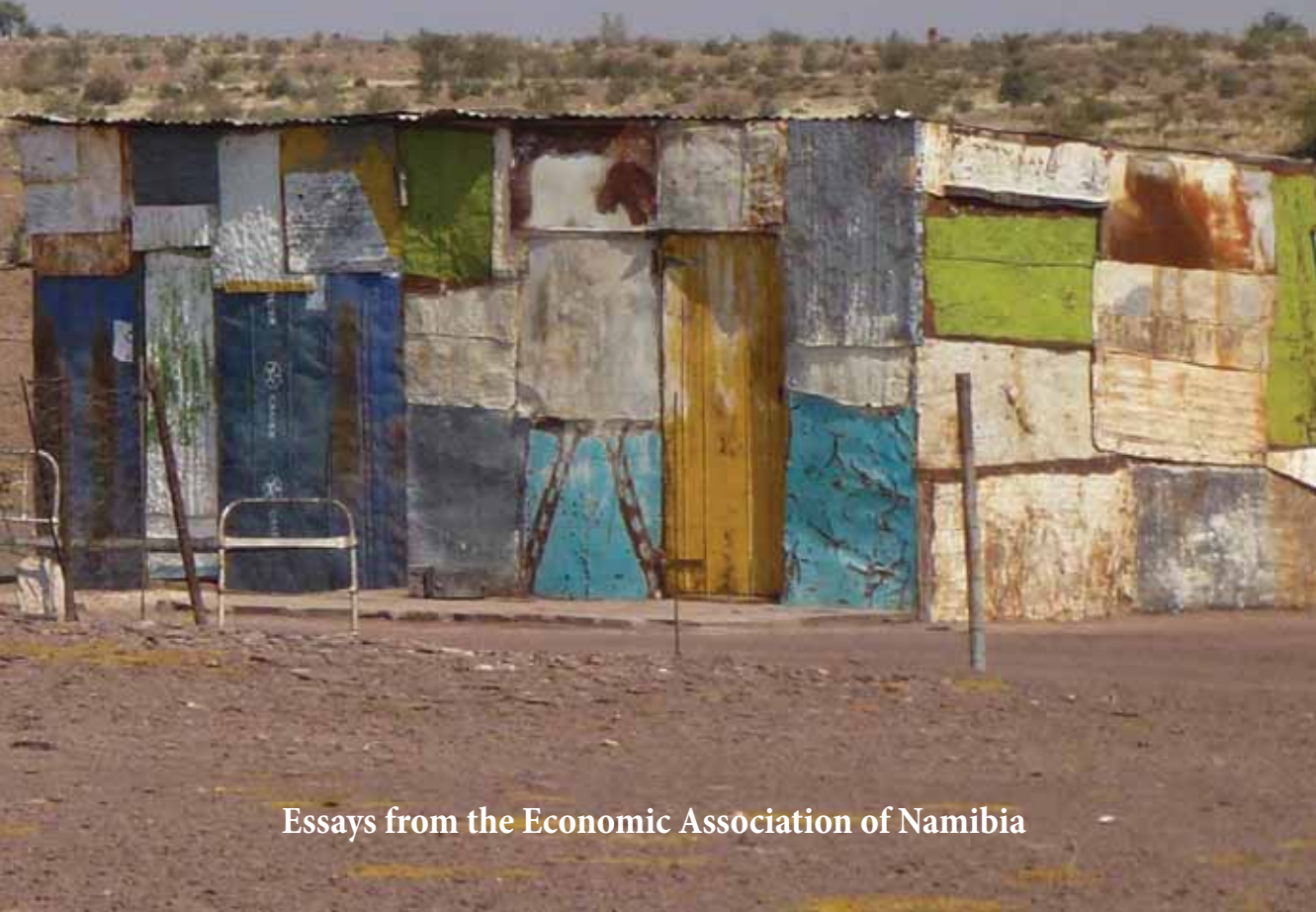


Land and Livelihoods in Namibia



Essays from the Economic Association of Namibia

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2018

Windhoek, Namibia



Land and Livelihoods in Namibia: Essays from the Economic Association of Namibia

First published in 2018 by Economic Association of Namibia (EAN)

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First published 2018

Copyright in text and images: Economic Association of Namibia

Design and layout: Gerhard Crafford, John Meinert Printing

Printed by John Meinert Printing

ISBN 978-99945-87-97-1

Preface

The Economic Association of Namibia (EAN) has published a great number of articles on issues of economic importance in Namibia over a number of years. Many of the articles relate to matters concerned with land and livelihoods, which are issues that feature heavily in our debate and discourse. This booklet reproduces those articles in a single volume, for ease of consumption and reference.

For many years, the Association has espoused the benefits of focusing on policy interventions that unshackle the potential of the Namibian people, catalysing this potential towards greater development, building capacity and wealth, and ultimately breaking the chains of poverty and inequality that continue to hamper far too many Namibians. Key interventions such as improving access to ownership of urban land (rather than providing houses); increasing land ownership opportunities in communal areas; enhancing access to savings mechanisms; stimulating cash-multipliers in rural societies; and strategic, evidence based, intervention and restitution on communal and commercial land form but a few of the proposals tabled by the EAN.

Many of these proposals are now being given the consideration that they clearly deserve. The EAN is proud of its contribution in making these and other proposals, as well as its track record of sparking discourse and debate to improve the lives of Namibians, however challenging these debates may be.

In this regard, the EAN regularly takes an independent and objective position on critical and emotional issues, where such views are founded in research and evidence. However, at the same time, the Association appreciates the human, often emotional, factors at play in decision making and public opinion.

This booklet on Land and Livelihoods comes at an important time, as the Namibian economy shows lacklustre performance at best, and as unemployment, inequality and poverty show undesirable trends. The contents of this booklet provide extensive insight and recommendations on policy interventions and options that can help lead Namibia out of these challenging times.

Some positions taken by the authors of the articles, all members or associates of the EAN, have been challenged by commentators, politicians, and, of course, other economists. After all, as the old joke goes, if you have two economists in a room, you are bound to have at least three opinions. However, more and more, we see a movement towards these ideas and proposals as key solutions to some of Namibia's pervasive socio-economic challenges. In large part this is because the articles in this booklet are all products of extensive thought and study into critical issues, and often challenge conventional wisdom and views. This is indeed the aim of the Association, and as ever, we trust that they will spark debate and discussion, ultimately helping to shape Namibia's policy environment for the betterment of the Namibian people.

Finally, it is a pleasure to acknowledge the long-term support provided to EAN by the Hanns Seidel Foundation (HSF), Namibia Media Holdings (NMH) and The Namibian newspaper.

Rowland Brown, Chairman: Economic Association of Namibia
September 2018

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URBAN LAND AND MIGRATION

Rural-urban migration – a blessing in disguise

By Klaus Schade, published by NMH as an EAN Business 7 contribution, 8 March 2017

Namibia's urban population increased from 28 percent of the total population in 1991 to 47 percent in 2015 and is expected to rise further to 60 percent in 2030. This trend is not unique for Namibia, but can be observed in developing countries across the world. The visible signs of this trend are among others the mushrooming informal settlements at the outskirts of towns. Rural-urban migration is often perceived as being negative, because of these shacks.

However, there are a number of positive aspects to it as well. Providing basic services such as education and health facilities, water & sewerage, electricity, communication and transport is less costly in densely populated areas than in rural areas with a dispersed population. In addition to easier access to these services for the urban population, other government services such as civil registration, business registration, driver's licenses, etc. are more accessible to the urban than the rural population.

One other important aspect is often overlooked. While rural unemployment was lower than urban until 2012, this has changed. Since 2013, the urban unemployment rate dropped below rural unemployment at an increasing margin. Major public and private sector construction activities since then suggest that the trend has continued until recently when the construction boom came to an end. The regions that experienced the highest population growth rates between 1991 and 2011, namely the Erongo and Khomas regions, were the regions with the lowest (Khomas) and third lowest (Erongo) unemployment rate in 2014. Although average per-capita consumption in both regions increased below national average, the Khomas region remained the region with the highest per-capita consumption followed by the Erongo region. It can be assumed that the high per-capita consumption conceals strong differences between the consumption of the poor and rich.

This brief snapshot, however, suggests that administrative and industrial centres have the capacity to absorb migrants, integrate them into the – formal or informal – labour market and create income and wealth. Although policies are needed to develop rural areas in order to address poverty and to raise the standard of living, these policies will not stop rural-urban migration. In order to manage the consequences of migration better, we need to develop medium- to long-term strategies in line with the population projections to provide the necessary infrastructure such as housing, transport, water, electricity, health and education facilities. The timely provision of infrastructure can mitigate the negative consequences of migration, such as poor housing conditions and hygienic standards, lack of safety and lack of basic services. Last, but not least, we need policies that incentivise domestic and foreign direct investment and job creation in order to provide rural migrants with opportunities to improve their standard of living and live a meaningful life.

Urban migration: The Good, the Bad and the Ugly

By Martin Mendelsohn, Published in The Namibian, 14 September 2018

Over 50% of the world is urbanised. Namibia is just under that, although we are fast approaching this landmark. All conventional wisdom shows that urbanisation is highly correlated with many development indicators, such as education, wealth, and health. However, there is a fear that a flood of urban migration will result in huge stress on infrastructure and services. Dread and the need to keep rural people out, leads to stigmatization, which is detrimental to us as a nation. But, do we really understand what supporting urban migration may or may not mean for Namibia? Let's consider the repercussions of allowing, discouraging or facilitating urban migration.

The first scenario: continuing along the current path: Given present trends, the urban influx will not stop. Soon, the number of informal urban houses will equal the formal houses and then outnumber them. Thus, most Namibians living in urban areas will soon be living on land they do not own, with no, or minimal services. There are several good reasons why allowing migration to continue in this manner would be a terrible thing.

The cost of providing minimal services will continue to increase without a reciprocal inflow into local authority revenues. Thus, less money will be available for all urban priorities.

More importantly though, are the immediate concerns for those living without access to land. Generally discussed in terms of poverty, health, and education, it would be better if we thought of human lives. The lifespan of someone living informally is shorter than that of someone living formally. This is because there is no access to

clean running water, a toilet, shower, adequate protection from the elements, and security, all of which affects the span of a life. In this environment, the spread of disease is hastened, and lifespans are shortened. By denying people opportunities to create decent housing for themselves through denying them access to land, we choose to shorten their lives, we implicitly "allow" them to die. Continuing this status quo is unacceptable.

The second scenario: What if we discouraged urban migration by strengthening rural development instead? Much Namibian development policy is already focused on the rural and this is not inherently bad. But our rural areas are dry, soils unproductive, and distances to markets far. Across our continent, people living rurally are worse off than urban dwellers, and Namibia's rural areas are at a comparative disadvantage to most of the continent. Can we realistically expect that rural Namibians would have a good quality of life?

Rural development is also more costly than urban. Supplies need to be transported and people travel further to access goods or services so, time and cost are increased. Qualified, motivated staff who want to live and work outside of urban areas are also harder to find.

Continuing a focus on rural development is not cost effective. It keeps many Namibians poor, contributes little economically, and people's lives are much harder than they could be otherwise. We should not ignore rural development, but our prime focus should fall where the benefits of our interventions will be greatest, in urban areas.

The third scenario: What would happen if we resolved to embark upon a policy of urbanization - to provide all current migrants living informally as well as all new urban migrants with a piece of land? Financially this is feasible. Most undeveloped urban land owned by local authorities is free and currently without value. To provide a minimally serviced erf costs about N\$50,000. Given that our defence budget was around six billion Namibian dollars this year, spending half of this would provide 60,000 erven serviced with water, electricity and sewage. As a result, an extra 60,000 families would have access to water, electricity and sewage. Or, 204,000 Namibians would have lives significantly better than they have today. At this rate, every (current) urban Namibian house now without legal access to land and opportunity could gain a piece of land in just 3 years.

But would the free provision of erven not incite a flood of urban migration? This may happen, but it is not known for certain. People will only move with the hope of improving their lives. By saying that land should not be provided to stop the influx of people, we are admittedly actively trying to keep people poor – if it wasn't better they wouldn't want to come. This sounds like Apartheid.

City dwellers' fear of being swamped by rural Namibians causes them to forget that urban population growth, coupled with provision of land would be good economically, socially, and environmentally. Economically, things happen in cities. There are many opportunities to start businesses and to build wealth – almost all innovation occurs in urban areas. New tenured land

will decrease property and rent prices and create wealth overall – a rent bill will do the same but destroy wealth. People who previously had nothing would have an important capital asset. As they improve their land, its value will increase further. At present, the land that they live on (and do not own) has negligible value. It cannot be sold or used as collateral. But most importantly, there is very little reason to spend money to improve land that one does not own! Not only does building a brick structure and investing in long-term improvements add financial value, it improves quality of life and lifespan. The beneficial effects of urban living are further enhanced through increased access to social services at a reduced cost per person. Such services are also within easy reach and can accommodate many more people. The economy is also strengthened more when a dollar is spent in an urban area, where it jumps quickly from hand to hand. This benefits each person along the way, creating more jobs. The result is increased taxes, which lead to the provision of better services to people and more economic growth. In every way, urban life allows incremental gains.

Last, but not least, there are environmental benefits. Having people move to urban areas frees productive land, allowing it to be farmed more efficiently or used for conservation or tourism (which is increasingly valuable).

The provision of urban land is quite possibly the most cost-effective, dignified, easiest, and best long-term solution to economic, social, and environmental development we have in Namibia. This should be our priority.

Too Poor to Own Land

By Martin Mendelsohn, Published by NMH as an EAN Business 7 contribution, 31 May 2017

North Central Namibia is interesting, and exciting for so many reasons. For me the best is driving through the informal clusters of small colourful cuca shops, flats, brick-makers, restaurants, tailors and more.

While not perfect, tenure arrangements allow people to create these clusters of enterprise. Traders have enough security and confidence to build their businesses. Owners invest in their enterprises; growing them from tin into formal structures, and adding value to the local and national economy. Property is informally titled but permanent, protected.

Fast forward to modern Windhoek (and other formal towns) and informal is forbidden. You might say that it is good that there is no room for informal chaos or scruffy businesses in Windhoek. But cumbersome (and very old) red tape, obsessions with unrealistic standards, and the need to supply costly services before tenure all slow land provision and drive up its prices. These are the tools we use for 'development' but they keep the poor, poor. They stop those living informally from building better lives for themselves.

We can learn from the 'North' by giving individuals a piece of land where they can build an enterprise, build a home, and build a life. All this can be started without individual water, sewerage, electricity or even a proper road.

Just 4 pegs are needed to mark where each property starts and ends, this gives everyone big reason to add and create value. Perhaps people aren't given the best services straight away, but their lives today are better than yesterday. The other stuff will come later, what they have today is something, yesterday they had nothing.

People move to towns for services and to create wealth. The city should be giving them a chance to do this, to benefit themselves, the city and the country. Giving individuals the right to property (a basic human right) today will solve more problems in the long run than not doing so now, because from today wealth that will grow in future will be created.

If we wait another 10 or 15 years informal numbers will rise even more, no value will be created, and the city will be trying to support an even greater poor population that has been excluded from the opportunity to create wealth for themselves. Give every resident a piece of land and the opportunity to make Namibia a rich country... for everyone.

Namibia's housing problem is not hard to address

By Rowland Brown, published by NMH as an EAN Business 7 contribution

Namibia has fewer houses than families, with roughly 25% of our population still living in improvised housing. This basic fact forms the cause of enormous consternation, frustration and suffering in the country. The root cause of this problem is simple: we have been woefully inadequate in our provision of serviced land, particularly in and around Windhoek. This undersupply has driven the shortage of housing, which has in turn resulted in the major price increases to which we have been witnesses over recent years. The consequences of these shortages are extensive, complicated and at times, dire - but their cause is simple.

The undersupply of serviced land stems from one key factor: we have entrenched monopolies in the supply of serviced land in urban areas. The various municipalities are exclusively responsible for deciding what land gets serviced and when. As is often the case with monopolies, a perverse incentive exists for these institutions to undersupply the market, as this drives prices up, and as a result we get exactly what one expects from a monopoly – bad service at a high price.

Addressing this issue is simple, however. By removing the monopoly over servicing land, a competitive market would both increase its availability, and reduce its price. This simple approach would take the weight of addressing the issue off Government's shoulders, and would also likely reduce the time it takes to address the shortfall. Moreover, for less than 3% of the national budget expenditure over a 10-year period, every Namibian could be given a piece of serviced land on which to build. In my mind, this would be the most effective development activity Namibia could undertake, helping the people to build a capital asset for themselves, reducing poverty now as well as intergenerational poverty, reducing inequality and addressing many social, educational and sanitation issues all at once.

Why do so many Namibians have to live in urban shacks?

By John Mendelsohn, published by NMH as a Market Watch contribution, 3 August 2018

Namibia had roughly 10,500 urban shacks in 1991. By the end of 2018, there will be about 150,000 of them, with approximately 15,000 shacks being added each year. At that rate of growth, there will be more urban shacks than all formal urban houses and all rural houses by 2025. That is just eight years from now.

This enormous growth is due to the influx of urban migrants, but migration itself isn't a problem. Nor should it be thought of as one. The problem is rather that central and local government have done little to accommodate people moving to towns. Since independence government and NGO housing programmes have only managed to provide an average of 1,100 plots of land in towns per year (some of these have included houses). This is less than 8% of the average annual growth of urban shacks. Why has so little been done to accommodate urban migration?

At least part of the failure to act stems from assumptions and ignorance about a variety of aspects of land, housing and society. First, much of our thinking about housing is clouded by misunderstandings on why rural people move to town. We are surprised by the scale of urban migration, often assuming that migrants would be better off staying 'at home' in rural areas.

Our assumptions are driven by a poor understanding of the limited productivity of Namibia's rural environment, and just how hard it is to eke out a living from farm produce. Food self-sufficiency may sometimes be possible in communal areas, but cash needs must be met from off-farm sources, such as pensions, local retail, business, and remittances. This is why most people move to towns to make a better living for themselves and to send money home to family members who remain 'in the village'.

Needs for cash incomes are also underestimated. Clothes, modern medicines, access to transport services, mobile phones, cosmetics, *et cetera* all require cash. All Namibians now compete in this cash-based consumer society but living rurally makes this near impossible. Small wonder that

urban life is increasingly attractive, as discussed in the essay on page 18.

To the misconceptions that rural life is attractive to the poor, have been added assumptions by our political leadership that Namibia's economy and future is rooted in agriculture. Much development policy has thus fixated on rural development and farm production, leaving very little on job creation or on urban development. Namibia would gain much if our politicians understood soil fertility, crop yields, carrying capacity, drought, input costs, market access or other factors that affect the productive potential of rural areas.

Second is the problem of prejudice. We who are privileged are unsettled by the many lower-class arrivals from communal areas. We fear more crime, poverty, social unrest, environmental degradation and littering. We are told these people don't belong in towns, that they are simple people, with negligible needs for income or cash security. Racial divides have been replaced by class divisions, which are flagrantly demonstrated by the contrasts between informal and formal housing areas in many Namibian towns.

Third, many observers have almost no idea of the scale of migration and the expansion of shacks. *Demand* for housing is often said to have outstripped its *supply*, implying that demand has grown in some unnatural, unexpected way. Subsequently, *demand* is cast as the antisocial problem, a view strengthened by our discomfort with demand being driven by lower class migrants from communal areas. If there were less prejudice and more understanding of the reasons for urbanisation, much more would be done to increase the *supply* of properties.

Fourth, our knowledge of life in informal settlements is limited and we often make negative assumptions about their nature. On the one hand, there is much to dismay us, but there is also much to appreciate. Here is the energy, enterprise and spirit of community often quite lacking in formal urban areas. It is also a fallacy to assume that poverty and environmental degradation in

informal settlements is greater than in rural areas. The difference is that squalor is concentrated and visible in informal settlements, whereas it is dispersed and harder to recognise in impoverished rural areas.

Rural environmental degradation is also easier on the eye, for instance when we focus on fields of green crops but fail to note that fields have been cleared by deforesting natural areas.

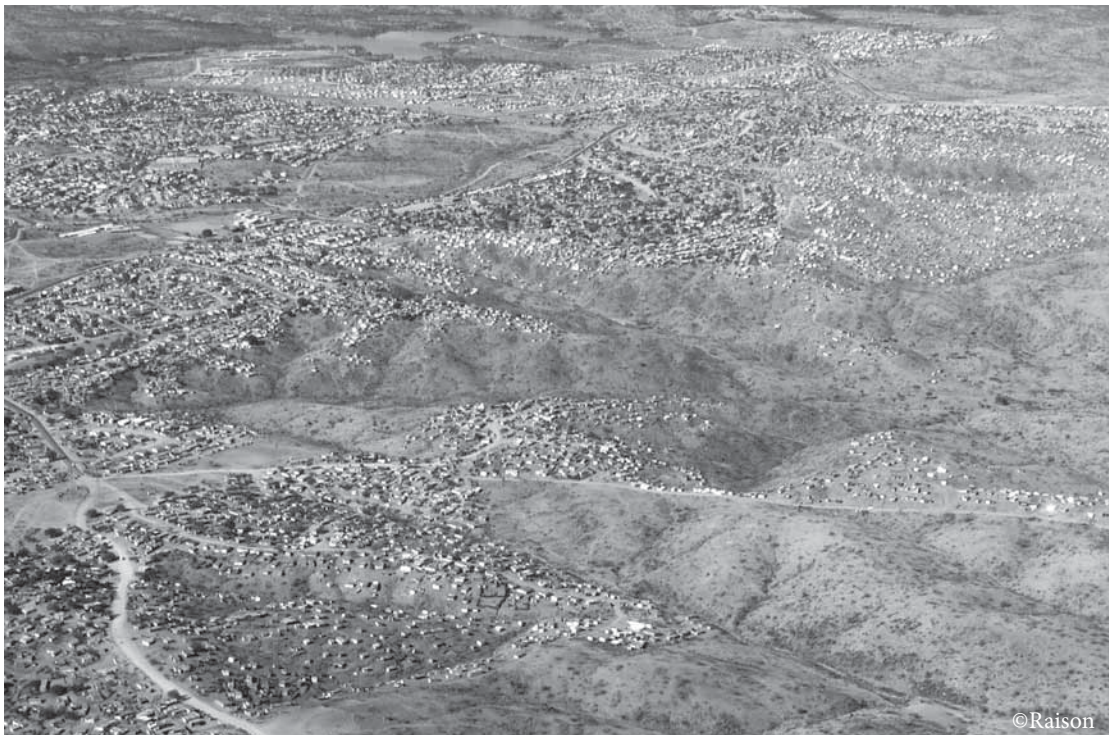
Fifth, local authorities deliberately limit the supply of land that would be affordable to most urban migrants because larger profits can be generated by regulating the supply of land. Thus, priority is given to selling land for middle to lower income housing. This is also much more profitable to the land and housing developers and others who obtain lucrative commissions and kick-backs from the developments. Most poor shack-dwellers have therefore been left landless. In a less profiteering environment, local authorities could instead provide land first and services later, thus giving people a formal base from where they can begin to be an active part of the formal economy.

Sixth – and finally – discussion is concentrated on the *'problem'* of housing and migration. That there are challenges is obvious, but migration should be viewed positively – particularly in Namibia.

It provides opportunities to reduce poverty, to foster entrepreneurship and small businesses, to provide better services more efficiently to larger congregations of people, and to provide property which brings investment openings, security, confidence and better access to collateral.

When people own property, they become home owners, and they also become new tax and rate payers. In short, urban areas offer Namibia the best chances of reducing her poverty and growing her wealth.

Urban migrants vote with their feet, and hundreds of thousands have cast their votes over the years. Many more are coming. Perhaps we should listen and respond to the voters who will soon otherwise occupy more shacks than other houses in our democracy!



Windhoek: A Tale of Two Cities

By Martin Mendelsohn, published in The Namibian, 28 September 2018

One may think of Windhoek as a city, but there are two distinct cities within it. Each has their own administrations, and functions very differently. One is reputedly the cleanest city in Africa, the other is not.

In one of these cities administration is done collectively, but with minimal authority. It is characterized by naturally structured urban growth, large numbers of new businesses, and public spaces that are full of people. Many parts of this Windhoek are compact and as a result energy is concentrated here, whether it is in the form of movement or money, because interconnection helps to form communities. You might find this sort of energy and vibrancy in the plazas, high-streets and markets of old cities across the globe. But this Windhoek is not without its problems. No one who lives here can own their land, and so they cannot invest any of their savings into improving it. Here, no rates and taxes are levied, so, no one has access to water, sanitation or electricity in their homes. Common or public space is not upgraded and no value is added to it. Despite the high levels of energy these Windhoek residents are often very poor because they cannot build their own wealth or that of their neighbourhood. This is the informal city of Windhoek. Making inexpensive but incisive changes to this city would dramatically improve the lives of its residents. If they could own the land they live on, they could pay towards improving their common environment and their access to infrastructure.

The other Windhoek is much more static and inflexible. It has grown far less. Its administration is highly structured, centralized, and dominated by regulation. This city focuses on providing ideal 'ready to go' urban land or housing, or not providing it at all. In contrast to the informal city it relies on regulation to control development and create strict order. This order is regulated by enforcing minimum standards, designed as a 'one size fits all' approach.

The city separates businesses from residential properties, ensures that buildings are surrounded with open spaces and limits their size uniform-

ly across the city. Buildings are 'set back' from the streets to create more space. All shops have to provide spaces for parking, but not paved sidewalks for pedestrians. All streets conform to a minimum width and all new sidewalks make up a width within that street. Even the smallest streets are divided into sidewalks and lanes for cars. There is empty space everywhere: excessive road reserves, public spaces or reserved for future development, but these are seldom used. The regulations are well intended but they spread things out and slow the growth of the city.

All the order dissipates the energy within the city, spreading it and the people within over much greater areas. Thus large parts of formal Windhoek have a public environment that is vacant, where opportunities for new economic and residential growth are prohibited and disincentivised. The dispersed people in this city don't interact with neighbours in the street – there is little opportunity to meet them in these vacant places. As a result, a sense of community and identity is seldom developed in this city. These provisions make changing of land uses slow and difficult, slow economic growth and ensure the exclusion of many. This is formal Windhoek.

The two cities of Windhoek have both been created by people, but they operate very differently. In formal Windhoek most residents have access to services, and if they have the money they can own the land they live on. The public realm is maintained by the rates that the city collects. As a result of access to services and ownership, many Namibians who live in informal Windhoek would dearly like to move to formal Windhoek. However, the cost of recreating formal Windhoek is unsustainably high. This makes it almost impossible – yet formal Windhoek continues to believe that its backward regulation is the answer.

A large part of formal Windhoek's slow growth is a result of following strict land use regulation. Conversely, informal Windhoek grows at the speed it needs. It has been created, and is remade daily, autonomously. It is based on a free market that relies on economic opportunity and the

negotiations within communities to decide where and what happens in its spaces. This means that shops and high streets form naturally where there is real demand, and spur economic growth. The two cities are extreme in the different ways they approach land use management.

It is now widely accepted amongst planners globally that the form of land use regulation used in formal Windhoek is highly problematic. But it is not feasible to adopt the *laissez faire* approach from informal Windhoek. Instead, Windhoek should approach regulation based on creating forms or intensity, and providing incentives rather than uniformly limiting all of these and land functions. The city will also need to approach the way in which common space such as streets are formed more flexibly. It is neither viable nor necessary to provide large accesses to the tightly knit communities such as those already found in informal Windhoek. These changes in strategy are widely and successfully implemented elsewhere in the world. They are thus tried and tested and completely viable. Changing our outdated approaches will allow people across the city to respond rapidly to the demand for land uses as and where they arise. Thus we, too could create a better human-scaled environment that provides

more equal opportunity if it were not for current regulation.

At 2016 estimates, there were approximately 42,000 houses in informal Windhoek. If each person were given the land they live on, and taxed no more than N\$150 per month, the city would gain an extra revenue of about N\$75,000,000 per year. At present, many of these residents pay rentals of around N\$500 to lease houses on land that is not owned by the city.

If Windhoek is to be a successful, good city that meets the needs of its populace, that provides opportunities, and is financially stable, it must take qualities from the two cities of Windhoek. The dynamism and public realm of informal Windhoek is of a form that builds good communities and provides equal opportunities to all its citizens. At the same time, it is essential that the residents of informal Windhoek be provided with the opportunity to own land and gain access to infrastructure and public space which is managed and improved. This will allow the citizens living in informal Windhoek to start to build wealth, wealth which will benefit not only them, but the city, nation, and generations to come.



©Development Workshop Namibia

House prices not just expensive, but unaffordable

By Daniel Kavishe, published by NMH as an EAN Business 7 contribution, 30 June 2016

The issue in Namibia that most consumers are facing is that house prices are simply not affordable. Your salary needs to have increased by at least 52% in order for you to have comfortably bought the same type of property that was sold in the market in 2007. This is according to the FNB's latest affordability tracker which looks at real wages versus increasing prices of housing utilities and other consumer expenses.

The affordability report was prompted as a result of the fast paced growth in property prices and looked at more than just housing. In Namibia, an average consumer's income would have to increase by 30% in order to afford water comfortably and by 40% in order to afford electricity.

The data further suggests that for the housing market to remain profitable for those who are leasing property, rental figures would have had to quadruple since 2007 in order for most investors to get decent returns from their investment.

On an annual basis this suggests that consumers' salaries would have had to have been adjusted by inflation plus an additional 8% in order for them to adjust to the rising prices of houses. This adjustment would also have allowed consumers to comfortably afford water and electricity and other basic goods and services.

If you couple all of the above with a rising debt servicing ratio as reported by the Bank of Namibia, an average consumer in the housing market is simply not a happy camper.

Would a Land Value Tax reduce the housing backlog?

By Klaus Schade, published by NMH as an EAN Business 7 contribution, 1 November 2017

Much has been said and written about the lack of housing in Namibia that is often linked to the slow pace of serviced land delivery. In addition, high land prices and high costs of servicing land limit the affordability of housing. However, we do not use serviced land optimally. Some mixed-use developments in Windhoek where the lower floors are used for commercial purposes such as shops and offices, while the upper floors are used for residential purposes indicate a shift in the use of a scarce resource – serviced land.

However, in the suburbs, we are continuing to use land sub-optimally by constructing single-family houses. The costs of providing basic infrastructure to family houses are high. Every house needs to be connected to the sewerage, water and electricity infrastructure and be accessible by a road. Increasing the density of buildings such as the multi-storey flats in and near the city centre would reduce the costs of infrastructure per household since the same length of a road, water or sewerage pipe and electricity cable would serve many more households than is currently the case. At the same time, the higher density will accelerate the supply of residential space, since the new infrastructure enables the construction of multi-storey flats instead of single houses.

Tens of families can be accommodated on space that is currently occupied by two or three families. Denser residential areas also increase the viability of public transport, since a bus stop will serve more people and hence can attract more customers than in the case of family houses. Alternatively, they reduce the need for travelling, since the workplace, the shop or the service provider is just around the corner or even in the same building.

The introduction of a Land Value Tax could provide incentives for developers to plan suburbs differently, increase the density of urban land and reduce the cost and time of delivery of housing. It is not only the buildings on the land, but the land itself that has a value owing to its proximity to other facilities. The tax is based on the value of the land, less the value of the buildings on that

land. Therefore, the higher the value of the buildings, the lower the tax base and consequently the amount of tax paid. The value of the buildings will increase with increased density. Hence, the introduction of a land value tax could result in a more optimal use of a scarce resource – serviced land – and accelerate the supply of housing at lower costs.

Why is Namibia changing rapidly from a rural to an urban society?

By John Mendelsohn, published by NMH as a Market Watch contribution, 30 June 2018

Namibia is changing rapidly, from a society centred very largely on rural livelihoods to one based on urban jobs and homes. The dimensions of the change are substantial, and the questions are many. What drives rural people to towns? Why is cash security becoming more important than food security? Why are small nuclear families replacing traditional extended family networks? Why do people forsake the multiple ownership of village land and capital for individual ownership of properties?

In the early 1900s, about 10% of all Namibians lived in towns. That percentage had grown to 25% by 1981, and to 32% in 1991, one year after independence. Since then, urban populations have skyrocketed further: in 2016, 48% of all people and 55% of households were in towns, according to the results of the most recent Inter-Censal Demographic Survey.

Yet, few of us seem to understand fully why these changes are happening. And many deny the extent or permanence of the changes. Migration is seen to be a mistake, especially when apparently serene rural settings are compared with the squalor in informal settlements. Some leaders have even suggested the need to reinstate influx control, or the need for the poor to be returned to rural areas. Much of this ignorance and denial comes from class prejudice.

There is now a real need for Namibia to grasp the push and pull between rural and urban life. It is not going away. The sooner there is a clear understanding of the changes the better. Several challenges in rural areas push people towards an urban life, while other advantages pull people towards it.

Let's start with circumstances in rural areas. Namibia has very little arable soil, let alone soil that is properly fertile. About half the country is covered in sterile, wind-blown sand, while much of the rest consists of extremely shallow soils overlying solid rock. Our climate is also largely against farming, mainly as a result of high rates of evaporation, low rainfall and its irregular, unreliable nature.

As a result of our poor soils and harsh climate, yields of rain-fed crops are the lowest in Africa (see <https://datamarket.com/data/set/1noc/millet-yield-kg-per-hectare>). It simply doesn't make sense for a farmer to invest in fertilisers and costly inputs if the risk of harvest failure is high. In good years, small-holder farmers store any surpluses as savings in case future harvests fail. Crop produce is therefore generally not for sale. Small-scale farming like that in Namibia is characterised by risk aversion and prudence, adaptations quite opposite from those in farming systems that maximise production for commercial gain.

Livestock farming is also tricky. Again, our soil and climate work against us. Large areas are needed to support economically viable numbers of cattle, goats or sheep. Moreover, most livestock are kept as savings, security or investments, as will be explained in the next article. These animals are not for regular sale and do not contribute to their owners' incomes. Relatively few people can therefore be supported by livestock farming or keeping.

As a product of all these constraints, most rural people have and almost certainly always will have few means to earn any incomes, let alone ones that provide for the necessities of the 21st Century. Rural homes may be food secure, but cash security and the type of life that can be lived with money is often a distant dream.

Access to above-average education, health and other public services is also limited in rural areas. Facilities may be present, but most professional and dedicated public servants prefer to live in towns. Towns offer better services, jobs, careers and business opportunities. Town folk have comforts that are normally impossible to have in rural areas, and they have figurative and literal connections to the rest of the world. These are the pull factors of urban life – a better life, where there is money to be made (including money to send home for family members who remain 'in the village').

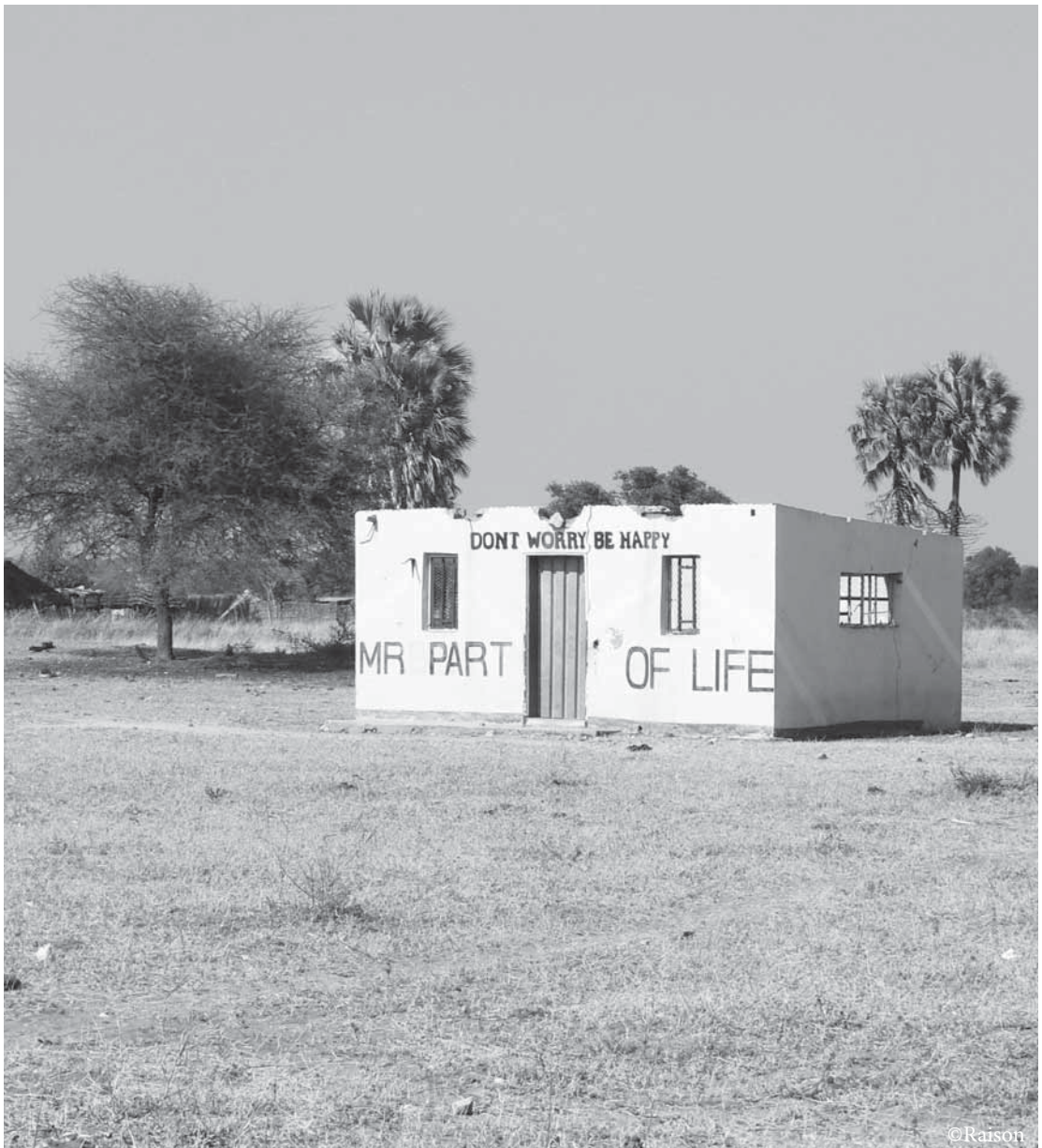
The various circumstances that cause people to leave their rural homes and build new lives in towns are not going to change soon. Indeed, they will be fuelled by our growing compulsion for the consumption of bought goods, and they may be exacerbated by changes in climate.

These circumstances also provide perspectives on how long people will be in towns; under what

conditions they wish to, or should live; and what sort of property rights they should be able to acquire.

There is also no doubt that urbanisation offers the rural poor their best escape from poverty.

The sooner our cities and towns are prepared to welcome our rural compatriots the better.



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Public spaces create business opportunities

By Klaus Schade, published by NMH in an EAN Business 7 contribution, 15 August 2017

The purpose of urban development and planning is not only to provide serviced or un-serviced land for business or residential purposes and to provide necessary infrastructure (transport, water, electricity, communication). It should also support social cohesion, innovation, creativity, as well as business and employment opportunities though. Instead of separating residential from businesses areas, which consequently results in increasing demands for transport services and infrastructure, these should be combined in mixed developments including residential (low to upper income), office and light manufacturing areas as well as public services such as education, health and civil registration and other amenities such as shops. Such a design would reduce the need for ever larger roads separating neighbourhoods and incentivise other forms of transport including non-motorised transport (walking, cycling). Furthermore, increasing the density of residential areas by building multi-storey flats will not only increase the efficient use of scarce serviced land, but will reduce construction costs and increase the viability of public transport since bus stops serve a larger number of potential passengers.

In addition, urban planning needs to create public spaces in neighbourhoods and city centres, where people from all walks of life can mingle. Beyond connecting people within neighbourhoods, public spaces can create new business opportunities. For instance, closing the Independence Avenue in Windhoek between the Hilton Hotel and the Kudu for traffic (only allowing access for delivery vans in the early morning hours and small municipality busses during the day) will not only reduce air and noise pollution – and would most likely increase the value of properties because the centre becomes even more attractive – but it could create opportunities for a number of income-generating activities and make the centre more lively: Musicians could play their music and sell their CDs, fashion designers can display their latest creations, acrobats can entertain the public and receive a token of appreciation, artists can sell their crafts and paintings and other vendors all kind of other things to locals and tourists. Moreover, the newly created space can attract special-

ised small shops, cafés, restaurants, etc. that all create jobs and generate income (and maybe even generate tax revenue).

The same holds for the proposed (dry) river walk, promoted a few years ago that would run from the Goreangab Dam to the Avis Dam. It will not only connect very diverse communities and strengthen social cohesion, create space for outdoor activities, but again provide income-generating opportunities like in the proposed pedestrian mall. A more innovative, creative and inclusive approach to urban development will ensure that we create sustainable cities in line with the Sustainable Development Goal 11 and create business opportunities.

How Manhattan solved its housing problem in the 1800s

By Martin Mendelsohn, published in The Namibian, 25 September 2018

New York started as a small settlement on the island of Manhattan, at the mouth of the Hudson River. Before it was named was New York, it was New Amsterdam. The settlement ran from the southern tip of the island to the north, where a defensive wall stopped the town from growing any further. Along this wall ran a street that you may have heard of – Wall Street.

The Wall Street boundary didn't last for long though; large numbers of migrants were moving to New York, much as they do to Windhoek or Oshakati today. The settlement doubled in size from 30 000 to 60 000 people between 1790 and 1800, expanding in the only direction left on the island, northwards. More people flooded in, searching for new, better lives. The formal town simply couldn't grow fast enough.

Many of the farms on the rest of the island of Manhattan started to divide their land into portions, to sell them as 'private towns'. The administration started to explore other options to solve the housing crisis. In 1811 the Commissioner's Plan was created. It planned a regular grid of evenly sized blocks and plots to cover the entire island. The available, titled land in New York quadrupled overnight! Of course, the construction of new streets and the provision of services developed much more gradually. Although none of the infrastructure and amenities existed, land and title were immediately made available to those who wanted it. The plan was the largest ever undertaken in New York's 350 years. Its brilliance in acknowledging the incremental, constantly changing nature of cities which need to be well structured, was pivotal in creating one of the largest, wealthiest metropolises in the world!

The use of a simple grid in planning the city was pivotal to its success. A simple street grid provides equal opportunities to people and shortens distances between different parts of the city evenly.

Initially there was no zoning scheme in New York, so restrictions over what people could do with their land were minimal. If there was an opportunity or demand to open a business, school, or

apartments you could do that on your property. A natural spatial order has developed in Manhattan that has been able to respond to changes in demands for different land uses flexibly. Manhattan now has a zoning code, but this was introduced in 1926. Almost half (40 percent) of the buildings in the city today contravene this code and could not have been constructed if it had been in place.

Another crucial decision in the planning of New York had to do with plot size. The entire city was laid out with plots that ranged in size from between 185 to 240 square meters. You can still see this today in the size of apartment buildings across the city. The approach meant that there was enough land for everyone. It also created density that turned land into a commodity, spurring development, providing equal opportunity, and enriching the people and the government.

In New York many plots are roughly half the size of the smallest permissible residential plots in Namibia, yet they house many more people. These small and numerous plots encouraged fast growth and facilitated the rise of valuable apartment blocks and businesses. With humble beginnings – small plots arranged in a simple grid – New York developed into one of the most successful cities of the world, that is worth 1,7 trillion US dollars today - over 100 times our GDP.

The restrictive regulation that a single residential erf may not be smaller than 300 m² is supposedly a "soft" regulation, requiring simple ministerial approval to create smaller plots. But this is not the case. In several instances, this process of 'simple approval' has been drawn out over years, thus denying people the dignity of owning a piece of land. In truth, general residential properties in Namibia smaller than 1,000 square meters are seldom permitted and the number of people that they are allowed to house is heavily restricted. This stifles economic growth and means that many in the city go without land.

Most of the current Namibian planning is subject to stringent land use zoning, hierarchies of streets, and restrictions on accesses and erf sizes. These

overly strict regulations not only stifle growth, but also disproportionately favour the wealthy and connected who can afford and have the knowledge to buy, rezone and negotiate for larger well-located pieces of land - to then develop or sell them on at a profit. Much of this regulation has been created and is maintained by the Ministry of Urban and Rural Development. In this way the ministry has actively reinforced the economic inequality in Namibia and kept many Namibians poor and without land.

There are a few simple steps that we can implement immediately, and viably. Many of these are regulatory, they require removing outdated, prejudiced standards such as minimum erf size requirements and harsh zoning requirements. Others require longer term enactment, like the provision of land on a grand scale. For many decades, many Namibian migrants have lived in towns without secure access to land or economic opportunities. How much longer will our ministries and government keep them without it?



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Housing market moves to buyers' market

By Daniel Kavishe, published by NMH in an EAN Business 7 contribution

The recent downturn in the economy has invariably led to a significant structural dip in the construction sector. This is evidenced in the market through lower demand for infrastructure projects and with fewer building plans being approved. The result of the recession, although unknowingly, has further led to a drop in property prices as consumers shy away from participation due to the uncertainty of the current market. Persistently weak economic growth, rising unemployment and weak household disposable income growth, have begun to weaken property prices.

Month on month, property prices have been contracting since December as the sector continues to fumble to generate any meaningful growth. The pressures are highly concentrated in the upper price segments, which remain oversupplied, at a time when demand is retreating. This has led to growth in property prices declining from 24% annual growth in 2014 to the current 6% on an annual basis. Meanwhile, the volume of transactions have decreased for the past 17 consecutive months with 95% percent of owners selling their property for less than their initial asking price. This has caused prospective sellers to either hold on to their properties, or settle for a price potentially lower than the property's valuation. There further seems to be a shift in behaviour as property stands spend an average of 25 weeks on the market compared to 17 weeks recorded last year. The recent switch has meant that the market has moved from being a sellers' market to a buyers' market.

According to the Estate Agency Survey, overall activity in the market is down 37% annually. Furthermore, most sellers are selling their properties due to either financial stress or to move into lower-priced apartments, strong signs that the market is under stress. Although interest rates are unwinding, the expected deleveraging will keep price movements in check, with possible downside risks from the mass housing program, as 1,942 mass housing units are ready for occupation and a further 4,012 are currently under construction. Furthermore, current discussions around the rent control bill can be seen as one of the reasons

that fewer people are buying property with the intention to let with fears that the property may no longer serve as a strong investment tool compared to other asset classes. The premature implementation of the loan to value restrictions has additionally discouraged buyers from the market acting as a further catalyst to the slowdown.

The mounting pressures to the property market will, therefore, serve as a natural correction to the previously buoyant growth in prices. Whilst property prices are expected to remain positive due to the enormous backlog that exists in the market, certain towns and market segments will definitely experience a drop in the average prices. A more cautious approach is therefore expected from potential buyers and investors.

Roads vs Streets: the Economic and Social Cost

By Martin Mendelsohn, published by NMH in an EAN Business 7 contribution, 13 March 2017

A few years ago, I read that Namibia has the highest number of deaths per capita from vehicle accidents in the world. I decided that there probably aren't statistics for the worse off places, but it's something that's been bothering me ever since... I've slowly come to realise why Namibia may have such a high traffic fatality rate. It's our streets. They aren't streets actually; they're roads.

Take a walk down Robert Mugabe Avenue and you will clearly see that most vehicles drive much faster than the legal speed limit. Then take a walk down a residential 'street' and you're likely to see the same thing. If you walk often enough you'll soon realise that our streets aren't safe for anyone and are largely empty. A busy street would be a safer street. This means that much of our public space is not public space but excluded, empty space. Places in the city where no one really wants to be or go to, that aren't comfortable, or safe, great places for crime where there are only walls to watch you and a BIG waste of space! Of course, I'm not only talking about roads. River beds face the same challenges. To fix these spaces we need people to use them, but no one is going to use places that are not designed to be comfortable.

But "so what!" you say, "It is important that cars can move quickly to get to the distant places they need to go, so that people can do things". To this, I say that these places are so far away, in part, because of how wide our 'streets' are. The more space they take up, the more spread out and distant everything becomes. The more spread out everything becomes; the more cars are needed and the longer they are on the roads for. The more cars on the road for longer, the more our roads become congested. This is induced demand, and it's only going to get worse in Namibia.

Another common argument is that our roads need to be wide for engineering services, but numerous studies across the world have shown that the extra cost of maintaining and installing all those extra miles of engineering services cost a great deal more in the long run than building more compactly. Emergency vehicles also need wide roads to get from place to place, but other

studies have shown that more people die from the wide roads catering for emergency services than are saved by them, and prevention is far better than treatment!

Do a calculation- decrease the width of a road reserve and you'll soon realise that in Windhoek we waste tens of square kilometres on residential streets that will never need to be as wide as they are. This cost most affects the vulnerable; those who spend large amounts of their incomes on transport, and who have to travel farther to get to work than the wealthy. So building like this creates and sustains inequality. It also affects the economy of the country as a whole because of the amount of money that we need to spend importing all this extra fuel. In past years this fuel has been the second largest import cost to Namibia!

New roads are built all the time, wide and fast and are planned to be wider than ever in Windhoek. After building them we inevitably realise that traffic is too fast, so we spend more money building speed humps which do little to calm traffic except over very short distances. Studies have also shown that the ideal width of large arterial roads is between 2.8 and 3.0 meters per lane, but even Windhoek's smallest streets have lane widths of 3.5 meters. Such wide lanes actually create more traffic and increase road fatalities! If we made roads narrower they would slow traffic, making them safer for everyone, saving money, and space. Many of the most successful and beautiful cities on the planet have 10 times as many people living in them in the same area as Windhoek and have narrower roads, so it is feasible! The structure that a city has affects a great deal more than we realise on a daily basis.

If we think about the most comfortable and successful spaces for business and society they are pedestrian areas. In Namibia, they are the malls, markets or arcades. These are some of the few places that provide opportunities for entrepreneurs. They are great for people because the widths between shops are designed to make you feel comfortable; something you won't easily find on a Namibian street! It is possible to make streets

like this; where cars can go, but that are public spaces for people to enjoy. Roads with fast cars are walls, and our city is built to support these walls and keep people separate. That time should have passed 26 years ago, let's start building to bring

people together. We have so much potential to change things for the better, to innovate and use the latest ideas to create spaces which encourage economic growth and social interactions, places for people to live, work, and play in.



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INCOME AND INEQUALITY

The myth of the lazy poor

By Emit Kiberd, published by NMH in an EAN Business 7 contribution, 20 May 2016

The government's stated "war on poverty" and accompanying policy proposals such as basic income grants and the solidarity tax, have opened a national debate on the virtues of social grants to the poor. Surprisingly, the idea has gained traction, particularly among wealthier segments of Namibian society, that cash grants to the poorest in our society will only engender laziness and dependence.

There is no international evidence to support this opinion. A 2015 comparison by MIT economists of cash grants in six countries showed no impact on whether the recipient was employed or how many hours they worked.

Perhaps this is to be expected. If you rely solely on the current N\$1,100 per month pension for your income, for example, is it reasonable to expect that you would turn down a chance to improve your income by working? A modest income supplement should not significantly disincentivise working.

Moreover, cash grants can be made conditional on socially desirable behaviour, such as ensuring one's child attends school or is vaccinated. A growing body of evidence is showing such conditional cash transfers to be an important tool for accelerated development and poverty alleviation.

This is not to say that social grants of this kind are a panacea for all the world's ills. A conditional cash grant may improve attendance at school, but final educational outcomes will only improve if the underlying education system is addressed simultaneously.

Cash grants in themselves will not lead to full employment, but they can remove some of the stubborn barriers to prosperity.

One small, but big aspect of the Basic Income Grant

By John Mendelsohn, Letter to the editor published in The Namibian, 6 August 2010

Recent discussions on the proposed Basic Income Grant (BIG) have attracted a variety of sweeping statements: about creating dependency, about productive workers being exploited by the lazy, about social responsibilities, justice and equality and, of course, about poverty reduction. (Some of the problem in this debate may actually stem from the very concept of 'poverty reduction' which has now become so all-embracing that its punch has been lost. Everyone now seems to be an expert on poverty.)

However, a small but critical point has been missed in all this discussion. This is the intention of BIG to bring to the poor of Namibia the very resource that largely defines and traps them in real poverty. The resource is cash!

Few of us have any idea of how crucial \$100 in cash can be: the contacts that can be re-established with \$10 of phone credit, having medical care for a child after paying a \$15 taxi fare, or for paying \$50 for a shirt to replace the torn, grubby garment that everyone sneers at.

Cash enables. Even a little money opens doors, raises status, esteem and confidence, and provides access to the simplest commodities: salt, sugar, newspapers, school shoes, clean water and a mattress. These are things that we all simply take for granted. Indeed, we could not imagine life without them and, notably, we rich people often spend less than \$100 a month on them. Yet for the poorest in Namibia who have no access to cash, these essentials are beyond reach. And without cash, it is virtually impossible to enter the world of the employed or self-employed. (This is why micro-lending services - such as the Grameen Bank and Angola's KixioCredito - are so effective).

One problem is that many of us assume that \$100 is too insignificant to make a difference. However, I challenge anyone to go without the basic commodities that we use every day and buy for less than \$100 a month.

Another problem is our fixation on food security to reduce poverty. Rural Namibians are told

to grow food to be food secure. Rural residents, especially those in communal areas will then have full, rounded bellies, and it is believed that their poverty will have been reduced. Paradoxically, this advice always comes from well-endowed people who just happen to use cash to buy all their own food.

But what of the basic needs of rural people to have money for decent clothes and means of communicating, for example? These are ignored by those of us in towns that wallow in our cash incomes. Are there two goal posts in this country: food security for the rural poor and financial security for those with access to cash in towns? Surely double standards were abolished when Namibia became independent?

It is common sense that every Namibian needs cash security, and the need for cash is often desperate. Food worth \$100 is **not** the same as \$100 in cash! If our Namibian leadership would recognize this, the debate could proceed more usefully on how financial security can be achieved. One possibility is to increase social welfare pensions as a way of getting cash to the poor and in wider circulation. I suspect also that the country's overall economic health would benefit from a greater spread of financial security.

Whatever decisions are made regarding the Basic Income Grant, it is clear that Namibia needs Big thinking and Big action for the many citizens who don't have the \$3 to buy this newspaper or to make a phone call about a job.

The multiplier effect of Basic Income Grants

By Angela Huettemann, published by NMH in an EAN Business 7 contribution, 20 May 2016

The debate surrounding the introduction of a Basic Income Grant (BIG), a universal and unconditional cash transfer to Namibians below the age of 60, has sparked up again after President Geingob took office.

Much research has been done surrounding the effects of cash transfers, both conditional and unconditional. The International Monetary Fund, the World Bank and various research institutes find general reductions in poverty and positive impacts on health, crime, employment and school enrolment rates in the recipient communities.

In order to assess BIGs in a holistic manner, positive externalities need to be taken into consideration as well. Rural communities are often characterized by credit constraints which trap the poor in subsistence farming or informal labour. A Basic Income Grant yields the opportunity to relax this constraint.

According to economic theory, specifically the Keynesian fiscal multiplier effect, increases in income lead to surges in consumption and investment spending. This, in turn, leads to higher incomes in the communities, which reinforces or 'multiplies' the initial effect and induces further consumption and investment. The impact is anticipated to be strongest in communities where liquidity is highly constrained.

Applying this to poor rural communities in Namibia means that the BIG has the potential to increase levels of liquidity through induced local consumption and investment. The initiative therefore essentially delivers the basis for higher levels of economic activity and the empowerment of the poor.

To assess the suitability of an income grant in Namibia, these effects, therefore, need to be carefully scrutinized.

How about a Basic Nutrition Grant instead?

By Jan-Barend Scheepers, published by NMH in an EAN Business 7 contribution

There has been much talk about the Basic Income Grant (BIG) in Namibia, and elsewhere, however an alternative option worth considering is a Basic Nutrition Grant (BNG).

One of the pressing issues facing Namibia's development is widespread undernutrition throughout the country, particularly amongst children under the age of five.

Namibia's arid and sparsely populated landscape makes producing, transporting and storing fresh produce difficult, which in turn makes food insecurity and under-nutrition more pronounced. In addition, the importance of the correct nutritional balance, particularly for young children, is often poorly understood. Culture, mainly due to a historic lack of availability, undoubtedly also plays a role in the absence of nutritional education, which is further compounded by the comparatively high costs of nutritional produce.

A BNG, as opposed to a BIG, could be beneficial in that it could potentially limit the possibility of the grant being used for less beneficial consumption (e.g. alcohol) and ensure that funds from the grant are used to buy nutritional produce, thus fulfilling one of the most basic human needs.

Furthermore, a BNG could ensure that children receive adequate nutrients, which is essential for their cognitive development, potentially lowering the high rates of underweight and stunted children, not to mention improving educational outcomes across the board.

Applied correctly, a BNG can also go a long way in the nourishment of vulnerable women in both rural and urban areas, thus improving mean BMI, energy and iodine deficiency.

Over the long term, investing in a nourished populace can lead to a healthier and competitive workforce, thus breaking cycles of poverty, as well as reducing the burden on the health sector.

Is food security more important than cash security?

By John Mendelsohn, published by NMH as a Market Watch contribution, 31 August 2018

A recent search in Google for the exact phrase 'food security' came back with a whopping 24,500,000 finds, while 'income security' produced a list of 1,820,000 'hits'. 'Cash security' trailed way behind with only about 284,000 items.

Very different numbers. The content of the pages at the top of the search lists was also starkly different. Sites and references concerned with food security typically focus on poor people and poor countries having enough nutrition, whereas pages on income largely deal with the certainty of having an income in the long-term. Pages on cash security, by contrast, mainly talk about thieves, safes and protecting your money. This was surprising since food, income and cash security are so related. But Google and others (Namibians included) see them worlds apart: cash security troubles those who have much cash; food security is a concern for the poor who have little food; and income security is about long-term needs for an income, such as a pension.

And so it is with so many perspectives, policies and development programmes in Namibia. Much focus is on food security. That is what the poor need, and that is what they will get: in food packages, seeds, fertilisers, implements, farming training, baskets and pots. Come what may, self-sufficient food security is the goal. Rural people are even persuaded that food security can be achieved in places where it is impossible to grow food economically or sustainably. Much of this perpetuates and promotes poverty.

Even customary land rights – if people are lucky enough to have them in communal areas – forbid the use of land for commercial purposes. Instead, land held for customary occupation may only be used for residential and domestic food production purposes. To be fair, it is possible for rural residents in communal areas to have leasehold rights which could be used for commercial purposes. But then again, these are never offered as an option because the Ministry of Land Reform assumes that residents don't need commercial rights. This has been the attitude and practice for 16 years since the introduction of the Communal

Land Reform Act in 2002. Again, how much of this perpetuates, if not promotes, poverty? We are also reminded that there is no point in giving the poor cash because we believe they don't really need to buy much. 'The poor are simple, ignorant people who need food and little else. Besides, any money they get is spent on alcohol. They don't know any better.' It is on the basis of these sorts of attitudes that the Namibian government dismissed proposals for a Basic Income Grant (BIG) years ago, and now has food packages handed out by the Ministry of Poverty Alleviation & Social Welfare in an attempt to reduce poverty. Sincerely, however, Namibia does a great job in providing social grants to the elderly, orphans and disabled. In that, there is much to rejoice.

In another blast of prejudice, we believe that rural residents in communal areas don't need to use land as investments. They live in 38% of Namibia's homes. How often do we hear the nuanced comment that such simple people really live day-to-day? They don't need to, or can't plan ahead we are told! For that reason, communal land need not be traded and therefore has no investment value. The same is true for the quarter (26%) of Namibian families who live, but can't own land in informal settlements. But recall that livestock have long served the need for investments, capital and savings by people in Africa. That continues today in the keeping of millions of cattle, goats, sheep and poultry by non-farmers living in Windhoek and other towns.

What evidence do we have that the poor are stupid, irresponsible and with no need for long-term capital? On what evidence do we assume that day-to-day nutrition is their most pressing need? Why can't people have the options that cash provides: to buy food, or medicine, or blankets, or taxi fares to a hospital, or cell phone credit to telephone for a job or advice from an uncle? Most modern necessities are as important to the poor as they are to the rich, especially in being able to get ahead: find a job, be mobile, look presentable, find a spouse, have children and to communicate with family and friends who provide social capital or support.

Namibian society is moving rapidly from a rural, subsistence environment to one based on incomes and consumerism in urban environments. Nutrition is needed, but so are cash incomes, and more so in towns. Unlike food security, cash security provides **options** for both: to buy food and other necessities of life. Options available to different groups during apartheid were not equal because

it was then believed that some people were better than others. That was bad! But the same belief has guided many perspectives, policies and programmes in the same vein for the last 28 years.

Namibia should ensure that different socio-economic classes have the same options. That would be good!



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Perpetuating inequality on a daily basis

By Klaus Schade, published by NMH in an EAN Business 7 contribution, 9 August 2017

Reducing income inequality has been one of Namibia's national development objectives since independence. Although some progress has been made using the Gini-coefficient as a measure, much more needs to be done. High income inequality is not only detrimental to social cohesion and social development, but also to economic development. The better off in society spend a large share of their total income on imported goods and services, while the poorer people purchase more domestically produced goods, but can often not satisfy their needs. A more equal distribution of income would result in increased demand for local products and consequently in job creation.

Income inequality needs to be tackled on various fronts. On the macro level, we need the right policies that incentivise domestic and foreign direct investment in sustainable, genuine businesses as well as the creation of decent jobs. We need to improve the quality of education in order to empower the younger generation to become successful in life and contribute to income and job creation. There are other factors that contribute to income inequality, but that do not receive attention.

One area is wages and salaries. While some in top management reportedly receive an annual guaranteed salary increase of 10%, the large majority of employees have to fight for an inflationary adjustment usually below 10%. However, the currently published average inflation rate is only a crude measure, since it covers vastly different consumption patterns caused by different income levels. For instance, high food price inflation affects poorer households more, since they spend a larger share of their total consumption on food than more affluent households. Calculating additional inflation rates for low, middle and high-income groups would provide more guidance for salary negotiations. Moreover, performance bonus payments that are several times the average annual income in Namibia paid to management only further cement inequality. This practice is questionable, not only at institutions that are continuously dependent on state bailouts, as achieving certain targets usually depends on the contribution of other employees as well.

Likewise, the habit of automatically increasing rental fees annually by 10% is not in line with the income increase of most tenants and hence widens the income gap between lessors and lessees. There are many more examples in daily life, including the fencing in of communal land, the allocation of land for residential, agricultural or business purposes and the allocation of licenses, that prevent us from making more progress in reducing inequality.

Addressing these areas is relatively easy since they do not require new policies or new legislation. Breaking with these practices is in the hands of individuals who could play their part, as small as it may seem, in contributing to a more equal society.

Most Namibian families can't own land!

By John Mendelsohn, published by NMH as a Market Watch contribution, 6 July 2018

Sixty-four percent or two out of three Namibian families cannot own the land on which they live. The figure of 64% is based on data collected during the 2016 Inter-Censal Demographic Survey and 2011 Population & Housing Census. Thirty-eight percent of these families live in communal areas where the law forbids the ownership of land. The other 26% are in urban informal settlements where local authorities seldom make land available which is affordable to lower income groups. These families, therefore, occupy land that belongs to local authorities, while those in communal areas occupy land that *de facto* belongs to traditional authorities.

What are the impacts on families unable to own land? How is the economy of Namibia affected by these laws and regulations? Before considering those questions it is useful to note that the legal and governance procedures which prevent land ownership in communal areas and towns were adopted after independence, and that they generally benefit the upper class. By 2018 the total number of families not able to own land will have risen to about 371,000, about 60 times more than all the commercial farms in Namibia. The scale of the problem thus goes way beyond questions of land distribution. Moreover, this is a matter of ownership and not access.

Major beneficiaries of the *status quo* are traditional authorities who can dispossess families of the land they occupy, sell and lease properties, and donate land to political patrons. In urban areas, local authorities limit the supply of residential land. This inflates prices so much that only relatively expensive housing and services can be developed, providing handsome profits to property developers and their allies.

Returning to the question of impacts, families that can't own property lack access to a combination of benefits. These are significant. Property can be used as a long-term investment in its own right, and to create short-term options that are not easily available to people without investments. Ownership provides a fixed address, credentials, greater permanence of tenure and the confidence

to build a future and a home (as opposed to a house), it provides greater access to services as well as to collateral. Aspects of these benefits are described in the essay on page 36.

Increased property ownership would benefit Namibia's economy in several ways. Public revenue would increase because more property owners would be available to pay rates and taxes, and property addresses will increase the tractability of defaulters. Investments in property would grow the overall wealth base of Namibia, thus creating more taxable revenue and capital. The opportunities to invest in properties would reduce spending on luxury imports and reduce the flow of revenue leaving Namibia. Imagine a family that owns a house on a small plot. Any surplus income could be saved and invested in the house: to add an extra room, give the house a coat of paint, fix a leaking roof, or to pay off more on a mortgage. The family gains a potential return on every dollar thus spent, unlike disposing of the same dollar on an imported car, or sunglasses or shoes.

Surely the time is right and ripe for Namibians to replace the discriminatory conditions that preclude many people from land ownership with ones that allow every family the choice of owning land or not. And if families so choose, they must be able to stay in their present physical and social environment.

The key is *choice*, creating options and allowing opportunities now closed to most Namibian families. These are needed increasingly as society evolves from a predominant focus on communal networks and customary leadership to socio-economic conditions in which nuclear families and accountable governance prevail. Besides, it is morally right for all Namibians to enjoy equal opportunities.

Not the source, but the level of income matters

By Klaus Schade, published by NMH in an EAN Business 7 contribution, 1 August 2017

Benjamin Franklin reportedly said that there were only two certainties in life: death and taxes. Taxes have been with us for many thousand years dating back to ancient civilisations including many in Africa. Taxes have been collected to finance public services ranging from safety and security (police, military) to health, education and other vital infrastructure, and have been used to redistribute wealth. Some see paying taxes as the responsibility of every citizen, the Tax Justice Network Africa stated: "Taxation is therefore needed to underpin the contemporary African version of Ubuntu as one of the fundamental responsibilities of every citizen". Therefore, taxes are here to stay. The question that arises is who should pay taxes?

Adam Smith in his well-known book 'The Wealth of Nations' referred to four principles of taxation. One of the principles states that it should be "in proportion to the revenue which (the citizens) enjoy under the protection of the state". This principle has been fine-tuned over time and is referred to as the horizontal and vertical equity of taxation. While the latter refers to the taxation of different income levels at different tax rates, for instance through progressive taxes, the former refers to non-discrimination of taxpayers, meaning irrespective of where the income is derived from or irrespective of how you buy goods, the same tax rates should be applied.

This brings us to the public debate on whether the informal sector should be taxed. It would contravene the principle of vertical equity if someone who happens to be employed in the formal sector and earns, for instance, a salary of NAD60,000 per annum has to pay income tax, while their neighbour, who runs an informal business and makes a profit of NAD60,000 at the end of the year, does not need to pay income tax. Both ought to pay income tax on the amount that exceeds the tax threshold of (currently) NAD50,000 per annum. This would also level the playing field between formal and informal businesses. The tax threshold ensures that low-income earners whether they are employed or self-employed, whether they are involved in the formal or informal sector, are protected from being taxed.

However, collecting taxes from the informal sector will increase costs, as tax inspectors have to go out and identify un-registered businesses and determine their profit. In the absence of any or at least incomplete records of turnover and input costs, this will be challenging. These challenges touch on another principle, namely the cost-effectiveness of tax collection. If cost-effective ways are found, everyone who earns an income or makes a profit that exceeds the tax threshold should contribute to Government coffers in order to finance public services.

How do rural people save and invest traditionally?

By John Mendelsohn, published by NMH as a Market Watch contribution, 14 September 2018

From income and expenditure surveys we know quite a lot about what people earn and spend from day to day. The surveys also tell us about sources of incomes. By contrast, less information is collected on what people save or in what they invest. That seems odd. Why should we pay scant attention to assets used for future contingencies? Do we assume that many families don't have real savings and investments, or that planning for the future is neither a priority nor a practice? Perhaps those are our presumptions about rural people who appear poor and seem to lead day-to-day subsistence lives.

Those assumptions are mistaken, but how wrong is hard to say. I am not aware of any study to have targeted directly the question of how rural families save and invest traditionally in Namibia, but here are some observations that indicate that they do much more to prepare for the future than we think.

First and most obviously, crop-growing households save food stocks, often going to great lengths to make sure that the reserves last as long as possible. Not surprisingly, stored foods are those that remain edible over long periods. Magnificent *omashisha* or *iigandhi* storage baskets were developed to help people overcome famines, some of which devastated populations in the North in the first half of the early 20th Century and before.

Second, livestock are largely used as savings and investments. This may be the case throughout Africa, especially among agro-pastoralists (see the essay on page 48. An interesting report on financial inclusion released recently by the Namibia Statistics Agency contains useful information on the uses of livestock (the report can be downloaded from https://nsa.org.na/microdata1/index.php/catalog/32/related_materials).

However, not everyone has livestock, especially pigs, goats, sheep or cattle that have considerably greater savings value than chickens. And among those who do keep animals, the majority have few livestock. As with other kinds of wealth, livestock

ownership is highly skewed in rural households. Cattle serve as long-term investments over years, smaller goats and sheep as savings over shorter periods of months, while chickens are 'cashed-in' to meet more frequent needs for cash.

Third, considerable security comes from social networks formed in and around extended families. Membership of a network offers degrees of access to land, livestock and help from a package of assets, capital or savings. Substantial insurance value can come from being able to draw on that package when needs arise. Families also supply land and livestock – as start-up capital – to young men when they mature, marry and start their own more nuclear families. As with food stocks and livestock, family assets vary in value, and some members have greater access to the assets than others.

For those interested in how the poor make a living and their use of credit, read *Portfolios of the Poor* by Daryl Collins and others. It is an enlightening book, which describes the substantial number and variety of financial instruments that poorer families use to save, as well as to lend. For those of us who are wealthy and presume to be clever, the book provides sobering perspectives on the astuteness of the poor.

There is still much to ask and learn about how Namibians save and invest. If livestock, family land and social networks clustered literally and figuratively around the 'village' are important investments in rural areas, how might people retain or transfer those assets when they move away to urban societies? How are new social networks created? And how do urban people re-establish access to secure assets if they move back to the village?

What is the purpose of property rights?

By John Mendelsohn, published by NMH as a Market Watch contribution, 10 August 2018

Two types of property rights govern the land on which most Namibian families live: customary land rights and freehold rights. Customary land rights confirm traditional and/or historical entitlements to occupy the land which occupants may use for residential and crop growing purposes. Commercial uses are not allowed, and the land rights may not be sold. These rights are believed to be appropriate for families in communal areas.

Freehold rights confirm *ownership* of land which may be used for a variety of commercial and other purposes, although special permissions may be needed for particular uses in certain areas. The land may be bought and sold, and is therefore an investment. Freehold rights are regarded to be appropriate for private property in urban areas and for surveyed land that is not communal.

Clearly, Namibia has double-standards: one tenure system allows and facilitates the use of land to generate wealth, the other not. Divisions between the two were based on race before independence, now they are used to separate the classes. Not surprisingly, lots has been written and argued about the comparative merits of the two systems. Most discussion is about the trade-ability and collateral

value of communal land. Supporters of the status quo offer a range of ideas on why communal land should not be traded, and on why collateral is inappropriate or unnecessary in communal areas. Their arguments favouring customary land rights are intense, but weak in defending the role of customary land rights in maintaining poverty.

The fixation on collateral as the only value of tradable rights bedevils these debates, because other benefits get ignored. But first a few comments on loans and collateral. Financial institutions need a range of validations before lending money. Most critical is the simple *ability* of the borrower to repay a loan, which is assessed from such qualities as the potential borrower's employment record, earnings, age, health and even life insurance. These are important measures of the chances of a financial institution getting its money back. Having property as collateral can be useful, but other assets are of greater value.

What about those other benefits of being able to buy and sell land? Number 1 is the use of land as **investments** to produce wealth. By definition, any item only has investment value if it can be sold. How much of the wealth in Namibia has been



generated by buying and selling land? We don't know, but it is considerable, and many families are better-off as a result. Recall that cattle and other livestock in communal areas are used as investments, so the value of investments has been clear to everyone for a long time.

Second are the **options** that come from having freehold land. For example, it is easier to fund special ventures or needs by selling all or part of a property, or by using the land to help raise a loan. Expensive medical treatment or higher education for a child becomes affordable, and enterprises are easier to start, for example.

Third, fixed property provides an **address**, a place on a street map where owners are traceable, and a place that provides credentials. These are measures of status, which are hard to provide to land with customary rights. Fourth – and as a consequence of the third point – tenured, registered properties are likely to have better access to **public services** than others.

Fifth, freehold titles are more **secure**, both in real and perceived terms than other land rights. The chances of dispossession are therefore lower

than for other properties. Sixth, secure freehold properties provide their owners with **confidence**, a sense of permanence and greater options to plan for the future.

Seventh, owners of freehold title can decide, and be certain of who **inherits** their property. Currently, traditional authorities and/or other members of a deceased's family determine how customary estates are inherited. Coupled with the value of collateral, that makes eight benefits. Each has its own merits, but it is the combination of values that create options, confidence and security. In turn, they raise levels of social and economic well-being, and convert houses into homes. In that, there is much to gain.

And now recall (from the article on page 33) that two-thirds of all Namibian families can't enjoy the benefits of property rights! That is deplorable. Furthermore, those who decide that poor people in communal areas or informal settlements should not own land are largely freehold landowners. That is remarkable. In effect, those who have, know what's best for those who have not! Or perhaps those of us who are wealthy assume that the poor can't use property to improve their lives.



The cost of bypasses

By Martin Mendelsohn, published by NMH in an EAN Business 7 contribution, 3 November 2016

Throughout the world, business moves to people and to the traffic routes that carry people to congregate in certain places. This is particularly clear in many of our towns. Compare Okahandja and Otjiwarongo, which are similar in size. Drive through Otjiwarongo and one sees a bustling town centre with all sorts of businesses that have grown along the main street over the last few years. Okahandja's centre, on the other hand, appears to have fewer businesses than ever before.

In the 1980s the B1 passed through Okahandja in the same way as it does through Otjiwarongo today. If one wanted to travel past Okahandja one had to go through it. Then the first Okahandja bypass was built. Suddenly there was a massive drop in traffic going through the town. Passers-by weren't bringing money to Okahandja anymore, and its centre decayed. The bypass allowed people to move quickly past the town, but the road cost a massive amount to build and devalued the entire city centre and local economy in the process. Opportunities dwindled and the value of existing investments in the town centre decreased.

The placement of the bypass road created a new magnet for growth some 500 meters west of the old town centre. New investment and development slowly occurred around the new bypass, eventually leading even to the building of a shopping mall. Now, this is the business centre of Okahandja. People will always move to where they have opportunities.

The most active business hubs in Otavi, Keetmanshoop and Mariental are the petrol stations, which lie on the edges of the economically quiet remainders of these towns. The centres of Usakos, Otjiwarongo, Outjo and Grootfontein are relatively vibrant because they are not bypassed, figuratively and literally.

Imagine, now new bypasses may be built around Okahandja, Otjiwarongo, Omuthiya and Oshakati – Ondangwa. What would happen to all the business and investments made in these places?

Bypasses reduce travel time as well as the congestion caused by heavy trucks making their way through narrow roads in towns. But they also damage the economies of towns, by diminishing opportunities for the people living in many of these places. Roads should create activity, not destroy it. Namibia should be built for the people that live in it, not the cars that drive through it.

Transport services, jobs and motor cycles

By John Mendelsohn, published by NMH in an EAN Business 7 contribution, 7 February 2018

We generally look to the developed world for ideas on how to improve circumstances in Namibia. And normally we adopt formal, rather than informal systems or services. We do this because development needs to be regulated, attractive to 'investors', and to contribute to GDP.

However, the informal world has much to teach us, especially when it comes to innovation and filling gaps left by the formal sector. One good example comes from our northern neighbour, Angola.

There are few places, even in very remote rural areas of Angola, where you won't find motorcycle taxis, willing to take you anywhere for a modest fare. Most road junctions in rural areas have several taxis parked there for much of the time. All are ready to go, wherever and whenever needed. They carry not only people, but also goods that have to be transported from rural homes to markets. Many a motorcycle is to be seen carrying one or two goats, or bags of charcoal or maize. Imagine how long rural residents would have to walk without this service. And incomes earned from sales in markets are invaluable in rural areas where there are no other sources of money.

The majority of taxis though operate in and around urban areas between residential and commercial zones. Here they complement the services of blue and white mini-bus taxis (called *candongueiros*), which provide transport along major roads and in-and-out of central business districts. These two services work together. It is the motorcycles that make their way along narrow, rough roads in dense informal settlements, for example. And they fill other gaps left open by the bigger, more formal mini-buses or even large inter-city buses.

Cheap motor cycles are available for sale in every town, and every significant market offers spares, workshops and mechanics to fix problems. The motorcycles are licenced, but helmets are not required and several passengers can squeeze themselves on to ride pillion.

Accidents happen, of course. But their costs are outweighed by the number of jobs and services provided by Angola's motorcycles. They provide millions of Angolans with transport services, and with livelihood opportunities that come from people being able to move themselves and their goods. Tens of thousands of motorcycle drivers are gainfully employed, and their taxis are supported by thousands more mechanics and traders who help maintain this service.

Many of us see these motorcycles as dangerous, messy. We just don't want this kind of informality. We are somehow better, more organised, perhaps more developed. But those perspectives only come from people who seldom, if ever need a taxi. Certainly, no critic has had to take a bag of vegetables to market, and then use the proceeds to buy medicine for a child.

Namibia would gain much by allowing motorcycle taxis. Thousands of jobs would be created, and valuable services would be available to those Namibians who spend too much time 'footing'.

RURAL LAND AND FARMING

Should tenure systems still govern land uses, or vice versa?

By John Mendelsohn, published by NMH as a Market Watch contribution, 24 August 2018

The much-awaited 2nd land conference is 6 weeks away. Lots is being alleged, assumed and demanded during dozens of meetings and consultations, often accompanied by considerable hype. Despite all this talk and energy, the debate about land remains narrow, focusing largely on land as a political football. Those who score most goals will fill their political bellies with more free, idle farms. Those who lose will continue to be destitute and forgotten. A few thousand families will be winners, but hundreds of thousands will be losers if the debate continues on its present course.

Redistribution and restitution are extremely important challenges to which solutions must be found. The solutions need to be practical, and much more pragmatism will be achieved if Namibia begins to focus on the uses and values of land, rather than the kind of tenure or ownership applied to land.

Land policy in Namibia has largely been structured so that tenure arrangements are determined first. Land uses come second, thus having to fit in with tenure stipulations. As a result, tenure systems have been established in many areas of the country regardless of what land uses are desirable, or indeed possible. The nature of ownership or occupation of land has become more important than the purpose or use of land.

Much poverty has been caused as a result. The best example – and with the greatest impact – is in communal areas where about 38% of all Namibian homes are found (a percentage based on extrapolations using the 2016 Inter-Censal Demographic Survey and 2011 Population Census).

Most of those households have been offered or given customary land rights (but not in Kavango East and Kavango West). The Communal Land Reform Act of 2003 first set a limit of 20 hectares (which was later raised to 50 hectares) for each customary land right parcel. However, in areas where crops can be grown population densities are so high that most residents have only a few hectares, largely of soil with minimal fertility. The same legal tenure conditions apply in other

areas mainly or entirely used for farming live-stock. Each resident normally has a tiny plot, large enough for a residence, a kraal and perhaps a small vegetable garden. There is no point in having more land around your house, and also no sense in having 20 or 50 hectares because cattle herds or flocks of goats or sheep require hundreds, if not thousands of hectares of forage.

The Communal Land Reform Act of 2003 allows only two land uses on parcels registered as customary land rights: residential purposes and crop growth. No commercial uses are allowed, and the land may not be sold. Customary land right parcels, therefore, cannot provide incomes or investment values. These restrictions follow the perverse, pervasive prejudices that food stuffs are the only consumables that rural people need, and that these ‘simple people’ have no need to invest for the future.

Tenure conditions for commonages are left under the control of traditional authorities who are not accountable to local residents who use – or should be able to use – commonage resources. The freedom and authority that the Communal Land Reform Act gives traditional authorities allows them to expropriate or facilitate the appropriation of very large areas of commonage. For example, more than half the communal land in Kavango West and East has been expropriated and allocated to a few hundred influential families, many of them from other regions.

Namibians in other areas are also constrained by inappropriate tenure systems. For example, resettlement farms can't be owned by their occupants. Onerous requirements for tenure and planning regulations in urban areas prevent more than a quarter of all Namibian families from having small plots on which to build their homes and invest in their futures.

These are people now crowded into informal settlements. Their numbers will grow so that shacks become the predominant form of Namibian housing in 2025 if major changes to tenure policy and practice are not made soon.

These are the bizarre tenure arrangements that bedevil the livelihoods of the majority of Namibians, now too poor and polite to complain. Even the State's honourable intentions for communal land to be used as a safety net for the poor are undermined by the tenure system that facilitates abuse by traditional authorities.

Perhaps it is not too late to ask those who lead the land conference to focus more on the livelihoods of the majority, less on the wealth of the few. Place emphasis on the use of land, not who owns it.

Maximize the economic value of Namibian land, rather than using it as a political football to exaggerate differences between the ruling elite and the lower class, leaving the distribution and use of land more broken than ever!

In the words of the late Kofi Annan, delegates to the land conference would do well to acknowledge 'that suffering anywhere concerns people everywhere'. Indeed, Mr Annan's words would do well as a slogan for Namibia's 2nd Land Conference.



Capital or revenue: the use of land by wealthy, urban livestock owners

By John Mendelsohn, published by NMH in an EAN Business 7 contribution, 17 August 2018

There has been a major change in the distribution and purpose of most Namibian cattle over the last 20 years. Previously, the majority of cattle were on so-called commercial freehold farms where they were used largely to produce beef. Nowadays, most Namibian cattle are in areas we call communal where they are used mainly as investments or savings. Commercially farmed beef, on the other hand, produces incomes for farmers and public tax revenues.

Cattle have increased at an enormous rate, especially in the northern communal areas. For example, between 2008 and 2015, the number of cattle increased by 5% in Zambesi, 54% in Kavanago East and West, 69% in Ohangwena, 30% in the communal areas of Oshikoto, 51% in Oshana and by 19% in Omusati. The annual rate of growth in these areas combined was equivalent to numbers doubling over 11 years.

Most cattle added recently to communal areas belong to wealthy men who live and work elsewhere in towns and cities. Some of the animals are grazed and watered around cattle posts in open, free-range areas, such as the *ombuga* grasslands in central Oshana, and many others are kept on fenced farms, some of them surveyed and allocated before 1990. But the majority of farms were acquired after 1990 through appropriation or expropriation. Some resettlement and commercial farm owners use a system of dual grazing to maximise forage for their herds. Each autumn cattle are moved into communal areas until the grazing has been depleted, after which they return to grazing preserved on the private, fenced farms of their owners. Similarly, many Namibian urban cattle owners have placed large herds of cattle in the Oshimolo *ohambo* area of Angola.

Some owners farm their cattle productively on communal land, earning regular incomes from sales, mostly of young weaners, tollies and oxen. However, the great majority of cattle are investments, started and expanded as and when their owners have money to buy stock. The returns and security provided by cattle are higher than those from banks, unit trusts and insurance companies,

making cattle perfect investments for people living in town who can get communal land, grazing and water for free.

What are the impacts of so many wealthy urban men keeping hundreds of thousands of cattle in communal areas? Much of the land now occupied by the urban owners of large cattle herds was acquired by evicting resident small-holders or day-to-day users of commonage in these areas, normally by or with the agreement of traditional authorities and with no compensation. Some poorer local residents remain in certain areas where their small herds and flocks compete for land, grazing and water with the large numbers belonging to wealthy livestock owners. Cattle and goats belonging to less fortunate residents also serve as sources of money, which are often to meet more pressing needs than the more affluent wants of urban owners.

These circumstances contravene both the law and spirit of our Constitution. Article 17 (1) of the Communal Land Reform Act of 2002 states "...all communal land areas vest in the State in trust for the benefit of the traditional communities residing in those areas and for the purpose of promoting the economic and social development of the people of Namibia, in particular the landless and those with insufficient access to land who are not in formal employment or engaged in non-agriculture business activities." In short, communal land was intended to be a safety net for poorer people. A reading of Namibia's Constitution suggests that the state has 'a duty to administer the communal lands for the benefit of the native population that lives there'.¹

Cattle ownership and access to land is thus an uneven playing field, one in which the rich and powerful have gotten much by appropriating resources that were set aside for the poor. And while thinking of the land that was taken away, reflect too on the lives shortened by the loss of means to survive.

My emphasis on communal land is because this is a relatively recent and massive change in the use and occupation of land intended for less fortunate Namibians. But the use and keeping of land and livestock as capital is also a feature of commercial farmland, and has been for many decades. The land owners are often known as weekend farmers or absentee landowners. They were typically white, but many black people now use their farms in the same way, irrespective if the farms were bought, subsidised with affirmative loans or given free as resettlement farms.

If we add communal and commercial areas together, probably more than a third of the farmland and over half the livestock is held as capital

by wealthy people who live in towns and make their living from non-farming enterprises. Both the land and livestock are largely dormant investments because only rarely is the capital used to generate new sources of revenue for the economy.

Finally, here are two questions to challenge delegates at the 2nd land conference. First, should Namibia accept the realities of land reform in communal areas and abandon provisions of the Constitution and Article 17 (1) of the Communal Land Reform Act of 2002 that protect communal land and poorer Namibians? Second, are Namibians so wealthy and replete with other sources of revenue that so much agricultural land and livestock can be set aside as dead capital?



¹ Harring, S.L. 1996 'The Constitution of Namibia and the 'rights and freedoms' guaranteed communal land holders: resolving the inconsistency between Article 16, Article 100, and Schedule 5'. South African Journal of Human Rights 12: 469.

“We will die communal”

By John Mendelsohn, published by Insight, October 2013

Such was the plaintive comment by a humble resident in the Aminius Block after wealthy livestock owners from Windhoek and Gobabis had appropriated much of the forage on which his few goats and cattle depended. The farmers were resigned to circumstances, and in his view, nothing could be done to protest the losses of common resources by the rich and powerful. And he is not alone- Many of over one million communal land residents in Namibia likewise feel powerless. But many are less content with a communal fate, and they vote with their feet by moving to town in pursuit of chances to earn an income and own land that has value, a choice made by most young people who see little future for themselves in communal areas.

This is not what the government of the Republic of Namibia intends, at least not according to Section 17(1) of the communal Land Reform Act 2002 that contains the admirable declaration: *“Communal land areas are....for the benefit of the traditional communities residing in those areas in particular the landless and those with insufficient access to land who are not in formal employment or engaged in non-agriculture business activities. Many people believe and hope that communal land should be safety net for the poor who cannot afford freehold property.*

Others see the matter differently – Yes, communal land is not to be free for the poor but it is also free for the rich. Moreover, it is easy for those who are well-connected to get free land because the allocation of communal land is delegated to government’s agents: those traditional chiefs that are officially recognised by government. Anyone with the right influence and wealth can therefore obtain huge pieces of land and unlimited access to grazing.

The best example of massive allocation is in Kavango West and East where the five *hompas* and the *fumu* (chiefs) have allocated almost half of all the communal land as private land to several hundred families. Most of the owners of the large farms (euphemistically called Small Scale Commercial Farms) live in Rundu or else-

where in Namibia. Few visit their farms, let alone attempt to develop or use their farms productively. Similarly, much of the former Hereroland has been fenced off into large farms, and the same has happened to substantial areas of Oshikoto, Omusati and Ohangwena. Residents that have lost their traditional usage rights to now enclosed land, have also lost access to resources that were important to their livelihoods. Land previously used for seasonal or emergency grazing has gone, as has access to game meat, fruits, timber and many other forms of natural bounty. And thus it must be said that a good deal of Namibia’s communal land has been expropriated, and those people whose rights were expropriated received not a cent in compensation. Further to this, most cattle in communal areas outside the new fenced enclosures belong not to local residents – as we would hope and expect – but to businessmen and well-paid employees who live and work in freehold towns. Their use of free grazing on common pastures is obviously at direct cost to resident farmers who generally are much poorer and whose animals must compete for grazing with the large herds of absent, wealthy owners. In this way, the pastures have been appropriated rather than being expropriated, and this is what irks the people of Aminuis. Expropriation communal and appropriation by Namibia’s wealthy elite is on reason why many people will ‘expect to die communal’.

Another is that even those communal residents with registered customary land rights lack opportunities and incentives to use their rights for financial gain. If you are lucky enough to reside outside communal land, you have complete freedom to sell rights to your land, to use them as security, and to transfer the value of the land rights elsewhere. These are options and benefits that everyone who lives in the freehold world takes for granted, indeed as a fundamental right.

These options provide freeholders with incentives to develop the value for their land, for example by investing in their properties to increase their potential values. Property owners do this because they have confidence that their land rights can

one day be sold and transformed into monetary values which can be used for other purposes. Someone living in Windhoek can sell a property, put the money in her pocket, move to Swakopmund and use the pocketful of money to buy another piece of land, for example. Likewise, the value of a property can be used to start a business, or to pay for education of your children; indeed, for any purpose at the prerogative of the owner.

Remarkably, however, the half, or over, a million Namibians who live on properties in communal areas do not have any of these choices because communal land may not be sold. Communal land residents therefore may not transfer or use the value of their land for other purposes. Namibian law in the form of the Communal Land Reform Act of 2002 thus denies half its population the very rights and options that help the other half prosper.

The prohibition on the use of land as collateral or security to raise loans is widely argued to be the greatest disadvantage of individual tenure in communal areas. This is the argument made by Hernando de Soto in his well-regarded book *The mystery of Capital*. De Soto shows that communal land is dead capital, a problem likewise emphasized by Ipumbu Shiimi, the Governor of the Bank of Namibia. However, it is uncertain to what extent people in rural areas would use their land to raise capital. Banks tend to be circumspect, often requiring life insurance, proof of liquidity, or a business plan before advancing loans. Nevertheless, the immorality of denying people the choice of using the collateral value of their land is unquestionable.

Opening up Namibia's communal land to the modern economy in which capital is such an enabling factor would, also do a great deal to improve Namibia's economy. Directly and indirectly, levels of poverty in communal areas could be reduced significantly. Land and pasture grabbing and the fact that land rights have no financial value are the conditions that elicit despair among residents of the Aminuis Block, and elsewhere. It is these harsh realities that contribute to pervasive pover-

ty in communal areas and that cause thousands to forsake their peaceful rural homes for squatter townships. Just as apartheid denied some people opportunities because of skin colour, so too are economic choices denied to hundreds of thousands of Namibians that happen to live on the wrong side of the commercial /communal fence. If you are not convinced by all of this, imagine the uproar from individuals who now enjoy freehold rights if those benefits were suddenly taken away. For some, this is too ludicrous to conceptualise but doing away with such rights is no different from denying them in the first place.

What can be done to lift Namibia's communal land into a modern economy where residents have secure land rights with financial value? Unfortunately, there are enormous vested interests against change, especially those of traditional authorities who earn a good deal of money and patronage through the current system of allocation, likening them to feudal landlords. People who stand to benefit from their patronage are likewise against change. They are keen to continue having opportunities to gain large tracts of land for free, and the country's political leadership also depends on the patronage of traditional leaders to secure votes and obedience. In the most perverse example of the effects of patronage, the 26 000 or so families that use the remaining half of Kavango East and West's communal land are prohibited by the chiefs from registering customary land rights or developing group land rights. Tens of thousands of families thus remain squatting on their traditional lands, while the chiefs have given the other half of the regions' land to a few hundred well-endowed, well-connected families. Forcing the chiefs to change their ways is simply not politically expedient. Resistance to change also comes in patronising or prejudicial ways from observers who hold that residents of communal land are somehow different from the rest of us. It is claimed that these 'simple, rural folk' aren't ready for tradable rights, and they can't be trusted when dealing with unscrupulous buyers. Communal land rights are said to be rooted in subsistence and tradition, as if people living in communal areas supposedly have different needs

for wealth and security, and as if traditional chiefs are benevolent landlords. And yet, exactly the same people who supposedly have different, naïve values are not protected from rural land markets when they move to town or when their rural properties become part of newly declared townlands. And nothing is done to protect the same people when rural properties are traded on a willing buyer-willing seller basis, or when chiefs sell off the land rights of their minions. To all of these inconvenient truths, we outside observers cast a convenient blind eye.

However, welcome winds of change are now blowing through the corridors of the Ministry

of Lands & Resettlement. Minister Alpheus NARUSEB has agreed that leaseholds may be tradable, and the need that leaseholds may be tradable, and the need for group or community rights over communal land (or commonage) has become widely accepted. The idea that ordinary residents can be given choices to register their properties as leaseholds or customary land rights is also being debated. It will be sometime before those ideas find their way into legislation and practical implementation, but with sufficient bold action and thinking it may yet be possible to avert the continued downfall of the livelihoods of the many citizens who continue to live in, and depend on, communal areas.



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Strip the Emperor's clothes: the façade of the rural

By John Mendelsohn, published by Insight, January 2016

After good rains in the late 1990s and first dozen years of the 21st century, low and erratic rainfall during the past three summers have reminded us that Namibia is prone to drought. The consequences of many earlier droughts were of course much more severe, and that was long before climate change could be blamed. The main lesson in this is that rainfall cannot be relied upon, irrespective of how often leaders insist that Namibia is good for farming, and that people must live off several hectares of mahangu (paradoxically, on a piece of land they may not own).

A greater constraint is the virtual absence of arable soil in Namibia. Everyone should understand that viable crop production requires soil that supplies water and nutrients, but very few Namibian soils can do this properly. And because grass is generally so sparse, huge areas of grazing are required for livestock farming to be viable.

But what is viable? How many kilograms of grain or meat should a farm produce for it to be viable? The answer to that depends on what standard of living Namibians should have. Should they have a decent living, for example, one that most middle-income civil servants and employees enjoy: health insurance, ownership of a home and car, and enough cash to be dressed presentably and for their kids to have a reasonable schooling? That would be a fair inclusive (in the words of Mr Geingob) goal to aim at.

If that can be agreed, then we must ask what occupations can produce that kind of standard of living, and what uses of dry, soil-less rural land can deliver a decent living? I submit that there are just five: (1) animal production on about 5,000 hectares in the north and not less than 15,000 in the south; (2) irrigated crop production on plots of several hectares; (3) tourism lodges; (4) mines; and (5) middle-income employment at farms, lodges, mines, and clinics, schools and other services, for example.

How many families could make a decent living in rural Namibia from these land uses and jobs? 30,000 or 40,000 certainly, not much more, and

far, far fewer than the 230,000 rural households counted by the 2011 census. Most of those households were, and remain, dreadfully poor.

So what can be done to offer so many rural people decent livelihoods? One thing is clear, it won't happen in places devoid of useful soil and rain. Strip the emperor's clothes, stop promoting small-scale dryland farming and other feeble rural activities that only propagate poverty. Begin now to promote and welcome urban development, and decent jobs and viable enterprises.

What is the purpose of livestock in Namibia?

By John Mendelsohn, published by NMH as a Market Watch contribution, 13 July 2018

It is established fact, indeed dogma, that Namibian livestock are used to produce meat, as well as some milk, skins, eggs, draught power and manure. The animals are *farmed for production*. They or their products are harvested regularly and sold to earn revenue. This is generally thought to be the true function of all livestock. Government, its agencies and foreign development organisations often repeat this assumption.

But this is not true for most Namibian cattle and goats, and probably not for most pigs and chickens. As a rule, these animals are neither sold nor slaughtered regularly and do not provide their owners with steady revenue or income. They are not used for production. Instead, they are *kept as investments* (akin to savings, security or capital) by most livestock owners across northern Namibia, and in other communal areas. This also holds for many resettlement and freehold farms operated by weekend farmers, both from former and current times. And it seems to be the case throughout most of Africa.

Livestock ownership is thus divided into 'farming' and 'keeping'. 'Farming' generates *income* and 'keeping' produces *capital*. Divisions between the two may blur, for example when market opportunities encourage 'keepers' to sell, or when 'farmers' gain other incomes and then become 'keepers'. Most, but by no means all commercial farms are used for farming, while keeping predominates in communal areas. There are some notable exceptions, for instance in the substantial marketing of goats in former Namaland and cattle in former Hereroland.

There are subtle, but important differences between livestock *savings* and investments. For poorer residents in communal areas, livestock are mostly savings which are drawn when needs arise for additional income. The needs are often unexpected and pressing. Small amounts are 'withdrawn' by selling one or two chickens, while bigger amounts are obtained by selling two goats or one cow, for example.

By contrast, wealthy livestock owners from Windhoek, Walvis Bay, Rundu, Oranjemund, Oshakati and other towns keep livestock largely as *invest-*

ments. Their main purpose is to provide longer term capital security for themselves and their children. However, animals are also 'withdrawn' when needs arise for extra money, which includes giving animals or cash for weddings or other special occasions. The needs of wealthier livestock owners can generally be predicted more easily and they are less critical than those of poorer livestock owners.

The balance between 'farming' and 'keeping' livestock may be changing, but it is not always clear in which direction. On the one hand, younger livestock owners in communal areas increasingly produce and sell animals, as is expected from farmers generally. On the flipside, increasing numbers of cattle (and often goats) are kept as capital on communal land by wealthy urban residents.

The latter makes for great investments because the land, grazing and water are all free, and labour costs are low. Today, more livestock on communal land are without any doubt owned by non-residents than by those who actually live in communal areas. This has extreme implications, both environmental and social. Many areas are now over-stocked, and the small herds that belong to resident families barely manage to compete for the forage and water that remains for their use. These are communal families who lack substantial incomes and for whom livestock savings are vital 'piggy banks' to be accessed in times of real need.

These circumstances force us to ask 'What should Namibian land be used for?' As safety nets for the poor, as productive land for agriculture and tourism, or as investments for rich people? Sensible answers are needed to these questions. And then their implementation needs to be bolstered by serious political will.

Finally, claims that livestock in northern Namibia would be farmed if the veterinary cordon fence was removed ignore the very purpose of most livestock. Getting rid of the 'red-line' would have several benefits, but more might be achieved if investment options for wealthy urban livestock keepers were increased in other fields.

Crop farming on communal land: maximising production or minimising risk?

By John Mendelsohn, published by NMH as a Market Watch contribution, 27 July 2018

A fascinating thing about most livestock in communal areas is that they are not used for production, contrary to what western society expects (see the essay page 48). What about crops? What rules do crop farmers follow in communal areas?

Agronomists generally assume that farmers seek to maximise production, which only works if the value of production exceeds the costs. The greater the value of the produce, the more can be spent or invested in growing the crop. Farmers can work hard, invest in machinery, improved seeds, fertilisers, and expensive labour all in the *knowledge* that the benefits of doing so will be repaid.

Environments where farmers can be confident that production values will exceed costs are those which have access to markets and fairly stable prices, where weather conditions vary little and/or predictably, soils are fertile, and where the costs of inputs are bearable.

This is where farming can be a business, and one that provides a regular decent income.

Those conditions are rare in Namibia, however. In most areas the soils are poor, lacking nutrients, organic matter, and capacity to hold much water. Climatic conditions are also harsh, due to combinations of high evaporation rates, irregular and often low rainfall, and sporadic scorching heat. Even the hardiest crops often struggle in these conditions. Pests may also decimate crops, and most markets are small and some distance from farmers.

It goes without saying then, that Namibian crop farmers can't be confident of producing good harvests, a point reinforced by small-holder farmers in Namibia having the lowest yields of their staple pearl millet in Africa! Often Namibian farmers can't be sure of having any harvest! Crop failures may happen in one season, and even the next.

Under these circumstances, only one strategy makes sense: prudence. Translated into economic language, this means minimising losses and avoiding risk. It also means that surpluses are to be stored and used to supply staple nutrition for as long as possible. Surplus harvests are therefore seldom sold, given the possibility that there may be nothing to reap next season.

This kind of farming is best described as a low input – low output system. Expert 'non-farmers' often deplore these low inputs, noting that dryland farming is shabby, lacking in effort. It's not serious, as we often say in Namibia. We judge that farmers could work harder, and increase production if their skills and inputs were better. In other words, the problem is with the farmers.

Not so! Households in parts of Angola have two farming systems (similar twin strategies might be found on a smaller scale along the Okavango, Zambezi and Kwando Rivers and Olushandja Dam in Namibia). One is on dryland fields and works in just the same way as low input – low output farming in Namibia. The staples are pearl millet, maize, sorghum and manioc, all crops that can be stored over many months.

However, the very same farmers in the same households also grow crops in wet, peaty soils along small streams and seepages. The fields are called *nacas* on which a variety of vegetables (onions, potatoes, carrots, garlic, peppers, tomatoes, lettuce *et cetera*), green maize and sugar cane are the main crops. All are durable and most of each day's harvest is sold immediately in nearby markets to produce regular, daily cash incomes. Very little from the *nacas* is eaten at home. Farmers are in their fields every day, working seriously as they plough, plant and weed, control soil moisture by adjusting drainage channels and harvest whatever is ripe that day. This is impressive high input – high-output farming.

So the same farmers employ quite different strategies: one risky, producing modest, erratic returns; the other more dependable delivering high-value products that generate immediate cash returns (which, incidentally and obviously, can be used to buy and supplement food security). Production incentives are significant and predictable for one strategy, much less so for the other; and inputs and outputs vary accordingly.

Such differences in inputs and outputs – and in costs and returns – ought to be evaluated when we make judgements about the potential for small-holder farming in Namibia. One way of doing so is to start to probe these three possibilities: would a farm system benefit most by improving the expertise of farmers, or by increasing inputs, or by boosting incentives?



The Business of Land Grabbing

By John Mendelsohn & Hannu Shipena, Letter to the editor published in The Namibian, 24 May 2018

Namibia has been complaining about land grabbing and illegal fencing ever since independence 28 years ago. There has been lots of talking, but nothing really has been done to solve the problem. This is not surprising because those who grabbed and fenced are mainly Namibia's elites, a point made clear by Theodor Muduva in his recent excellent articles on communal land in the *Namibian* on the 23rd of February and 18th of May.

However, there are two points that Muduva and other commentators have not mentioned. First, is that all 'land grabbing' happens at least with the knowledge – if not the approval – of traditional authorities. Second, most grabbing is actually facilitated by traditional authorities since it is they who either sell or lease land that we are told has been *grabbed* or *fenced illegally*. The buyers are the elite, influential and wealthy; the merchants are traditional authorities. Money, gifts or patronage seal the deals. Some farms are sold for hundreds of thousands of dollars, while gifts range between Land Cruisers and boxes of wine, depending on the size of the land. And many farms are secured by bartering patronage and the annual payment of 'lease' fees to traditional authorities. Their land businesses have made certain chiefs enormously wealthy.

So the sale of communal land has been rife in independent Namibia. By now, there must be one thousand or more large farms acquired by money, patronage and gifts to traditional authorities. In a noble move, the government once declared communal land to be free as a 'safety net for the poor'. And in a crafty move, the government appointed traditional authorities to manage allocations so that the land would also be free for the rich.

The public remains ignorant about land sales because much is obscured by euphemism. Governor Sirkka Ausiku recently appealed to traditional authorities in Kavango West to stop *allocating* land to individuals so that people could *remain at the place they call home*. What she was really saying is stop expropriating and selling the land occupied by villages and their residents. We are told that

the Ministry of Lands allocated the hundreds of *Small Scale Commercial Farms* (SSCFs) in Kavango East and West. These are not small farms! Each covers thousands of hectares, and all the farms were allocated long ago by traditional authorities to several hundred select families. Traditional authorities recognised by government are supposed to manage communal land that is euphemistically 'vested' in the state. In actual fact, the state has no ownership; this is land owned and sold by traditional authorities. It is as simple as that!

The way in which much communal land is obtained is contrary to the spirit of the constitution, to the letter of the law, and to the contents of various government documents and speeches by politicians. Selling something that does not belong to you is illegal. That is one major problem. So is the displacement of the poor. Allocating and selling their home lands to the elite is morally contemptible. Colonial powers were often guilty of expropriating land. Should traditional authorities stop doing the same?

What is land reform all about, or what could it be?

By John Mendelsohn, published by NMH as a Market Watch contribution, 21 September 2018

Over the past few months, these essays in *Market Watch* have attempted to shed light on features of Namibian livelihoods and land that are not well understood or that are often disregarded. Amongst others, the articles described the poor soils and low potential for crop and other agriculture over much of the country; how most Namibians are moving from rural areas to urban lifestyles in search of cash security, not food security; how most livestock do not produce revenue, but are used as savings and capital; and the multiple values of property ownership denied to about two-thirds of all Namibian families. These are all big issues that affect much of our land. And they are important to most Namibian lives.

The essays have also sought to raise questions that require objective answers if all citizens are to have opportunities of a decent living. We need to be honest about why the majority of Namibians can't own land where they now live, how so many First Nation Namibians (a.k.a. San or Bushmen) were dispossessed of their land rights since 1990; why most rural families in communal areas earn little or no income from their farming activities, or why we reward traditional authorities with exclusive, often tradable rights over communal land.

The essays have discussed important considerations surrounding land reform, but have said little about land reform itself ... who counts and who doesn't in the debate, what land matters and what doesn't, who is accountable and who not, and who may win and who could lose.

Land reform is selective

Most discussions and arguments about land reform are narrow, focused largely on the so-called politics of land. This is an opaque, polite way of saying that land is about power and wealth. More specifically, land reform is largely about transferring farms from several thousand previously advantaged people to several thousand mostly presently advantaged people. That's the main goal, and it affects less than 3% of all Namibian families. The remaining 97% of households derive virtually no benefit from land reform. By contrast, the direct and indirect economic costs of land

reform may bring them some hardship. Sadly, many recipients of resettlement farms are not farmers, and most farms are too small to function as economically productive farming units.

Two arguments justify the repossession of freehold land: to **restore ancestral land rights** and to **achieve equality**. It is important to note that it is the ancestral land rights of only some groups that matter. Those of marginalised San and other groups are unimportant. Their land rights were either lost in the distant past, or their recent losses after 1990 are deemed legitimate because they were approved by traditional authorities. No one seems to care! Some land rights are worth repossessing, others are not.

And two arguments are offered to stir up populist demand for land. One is the idea that every family can make a living from farming, despite the fact that most land can only be farmed profitably if the farms are big, the farmers are serious, and the farming methods used are appropriate. (This is even true for *mahangu*, where several hundred hectares are needed per farm if it is to be profitable and provide a decent income). The second argument is that every family needs a piece of rural land, which it can call home. That ideal is harder to counter, but how much productive land would be left if the whole county was carved into plots. As impractical as both ideas are, politicians exploit them to raise disingenuous expectations.

An advantage of so much focus on freehold farms is that other pressing issues can be swept aside, excluded from the public eye and debate. Then, there is no need to be bothered by other land rights, land values and uses, recent expropriations, household poverty, or the massive growth of squatter settlements where hundreds of thousands of Namibians have no land or security, and few – if any – services. Politicians and populists can happily waddle forth, oblivious of the pain that affects the great majority of Namibians.

Land reform is not about equality

It is widely claimed that land reform is about equalizing land ownership. We are told too that

the liberation war was about land, and thus we expect much to have been done to increase equality since independence. True, black ownership of large freehold farms has increased proportionally, and so equality among the relatively few freehold farm owners has increased. But the exact opposite is true for class divisions among the great majority of Namibians.

First, land occupation in communal areas is now far more skewed than before. Vast areas previously open as safety nets for poorer local residents have been appropriated for the exclusive use of tens of thousands of cattle belonging to wealthy urban owners. Many other open areas have been expropriated into hundreds of individually fenced off farms that enclose commonage grazing and water holes. For example, perhaps a quarter or more of communal Otjozondjupa, Oshikoto, and Omaheke are effectively owned by a several hundred families in each region. Worse still, over half of Kavango East and Kavango West is owned by about 400 hundred families, while close to another 31,000 families in rural areas of these two regions are barred from even having customary land rights! What clearer signs do we need to show that the Namibian commons have failed – enslaved to a few.

Second and at the same time, property and housing in urban areas has become extremely unequal. In 1991, 88% of all urban homes were formal, brick houses while only 12% were shacks. That proportion of informal shacks rose to 32% in 2011, and now stands at about 41%. At current rates of increase, there will be more shacks than formal houses in urban areas by 2025.

Namibia's policies on land and land reform hardly play to the needs of the majority. Indeed, much is to their detriment: no commercial or investment rights in communal land; almost no access to affordable urban land; and communal land a free for all and the rich! Looking forwards, will Namibia continue along an emotive, political path, or one endowed with practical considerations and ethical fortitude?

What for the future?

Let us imagine a land conference in Namibia where the deliberations are guided by human rights activists, compassionate leaders, and specialist scientists who understand agronomy, underground water, household economies, societies, climate, poverty, urbanisation, agricultural economics and pasture science. In attendance would be politicians who apply their minds to facts before making decisions that improve the livelihoods of the people they represent.

I suspect that delegates to this conference would make these sorts of decisions about land reform in Namibia:

- All Namibians and all land rights would be treated equally before the law. The continued dispossession of San and other poor people would be stopped immediately.
- All citizens may buy, sell and rent land anywhere in Namibia, and free from any barrier based on tribal, class or ethnic considerations.
- Those living on and using the land would enjoy full ownership rights, giving them incentives to develop and manage their properties in accordance with their wishes and the possibilities offered by their land.
- Property sizes in both rural and urban areas would be determined according to what is economically viable and productive according to the reasonable needs of their owners and the nation. The allocation of small farms which perpetuate poverty and dependency will be discontinued.
- Recognising the low productive potential of most Namibian land for agriculture and other rural economic activities, urban migration and economic growth and development in urban areas will be encouraged. A related goal is for greater numbers of Namibians to have access to improved services in urban centres.

- For those in need, plots of urban land will be provided for free as a matter of urgency. The plots will be fully owned by the recipients.
- All Namibian land is to be administered by accountable officials elected or appointed for their expertise in managing land in the public interest using the most reliable and modern methods to document land rights. Divisions between communal, customary land and modern land rights and management will be abolished, just as the Namibian state abolished apartheid in 1990.
- Measures will be pursued to convert dormant capital (in the form of livestock and land) into productive revenue - which will contribute to the economy and to the owners of the livestock and land.
- The economic value of all Namibian land is to be developed sustainably for the benefit of the families who reside there and own the land, and also for all citizens to benefit from the use of public taxes derived from land production.
- All policies, programmes and legal provisions regarding land will be guided by the overall desire for Namibia to provide all its citizens with a decent living while using land sustainably. Barriers to that goal must be removed with immediate effect.
- Any policy guided by assumptions that rural and/or lower class citizens have lesser needs for property, prosperity and prospects for the future will be declared null and void.

Their final statement might read:

We the delegates to this historic land conference declare our wish for further provisions in the years to come that will continue to make Namibia better, and Namibians happier.



ISBN 978-99945-87-97-1