



## An Economic Obituary for Sam Nujoma:



Robin Sherbourne

# From Vision 2030 to Economic Freefall

**Nujoma's Vision 2030 aimed to transform Namibia into a high-income, industrialised nation. Instead, Namibia has been relegated to a lower middle-income status, marking a shift in the opposite direction of its founding president's vision.**

• ROBIN SHERBOURNE

**I**t is deeply ironic that the founding president's death coincides with Namibia moving away from his Vision 2030 and being relegated from an upper-income to a lower middle-income country.

Africa has been blessed with plenty of charismatic liberation leaders but precious few who then went on to make economic successes of their countries.

Instead, sweeping nationalisation, price control, artificial exchange rates, unsustainable public spending, and widespread corruption imposed by authoritarian one-party states have been the order of the day.

In this, Namibia's founding president was quite exceptional.

Coming to power on 21 March 1990 – a date sandwiched between the fall of the Berlin Wall on 9 November 1989 and the final collapse of the Soviet Union on 26 December 1991 – Nujoma's pragmatic acceptance of the realities of the post-Cold War world and what, by global standards, was a liberal constitution allowed him to lead a Swapo government that embraced a mixed economy and allowed Namibia's white settler community to continue to play an important role in the economic life of the new republic.

### An exciting era

Under Nujoma's leadership, the 1990s were an exciting time for many, including those of us involved in economic policy.

It was a time when policy was informed by international expertise and research. The foundations were laid to promote foreign investment through the Foreign Investment Act of 1990 and Namibia balanced investment from a wide variety of countries.

The importance of mining was underlined by the Minerals Act of 1992. Namibia's history of bitter labour relations was addressed through the Labour Act of 1992, and racial imbalance in employment practices through the Affirmative Action Act of 1998. >



- Sam Nujoma

CDM had made scarcely any attempt in the past to show any interest either in contact with Swapo or in the democratic future of the country. Nevertheless, we wanted to make it clear to the directors of such major companies that we had no wish to disrupt their operations, only to ensure that a proper return went to the Namibian people, through taxes, wages and the localisation of subsidiary activities.

While South Africa had yet to embrace 'one person, one vote', Namibia created its own central bank and introduced its own currency in 1993, a critical insurance policy should things have gone badly wrong with our southern neighbour.

The Southern African Customs Union was renegotiated to Namibia's great advantage and Namibia became a founding member of the new Southern African Development Community's Free Trade Area.

Bureaucratic government departments were turned into more commercially responsive state-owned enterprises. Innovative partnerships were struck with foreign entities to create joint ventures such as MTC (Mobile Telecommunications Ltd), which went on to lead the mobile telephony revolution in Namibia.

As minister of finance, Nangolo Mbumba even talked about privatising key state-owned enterprises in his 1999 budget speech.

Public spending emphasised education and health and also channelled racially equalised amounts of cash to Namibia's pensioners, orphans and vulnerable children, while public infrastructure such as roads, ports and airports were vastly improved.

### Pragmatism prevails

The public finances were overseen first by white ministers, which served to reassure the country's business community, but later by black ministers, who continued to manage the nation's finances in a way that avoided Namibia ever having to go cap in hand to the World Bank and International Monetary Fund, a fate that has befallen so many other African countries.

It was never clear how deeply Nujoma involved himself in economic policy, but he excelled in setting the overall direction and letting capable people get on with the business of getting there.

He was first and foremost an African nationalist, not an economic liberal.

A good indication of Nujoma's pragmatic approach to the economy lay perhaps in his approach to the creation of Namdeb when in 1994 his government partnered up with De Beers, the world's pre-eminent diamond mining company.

He mentions his approach in his autobiography 'Where Others Wavered: The Autobiography of Sam Nujoma':

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we wanted to make it clear to the directors of such major companies that we had no wish to disrupt their operations, only to ensure that a proper return went to the Namibian people, through taxes, wages and the localisation of subsidiary activities."

This quote underlines Nujoma's pragmatism and lack of rancour and highlights his desire not to settle scores, but to put the national interest first. Namdeb went on to become a remarkable Namibian success story.

### Exceptional energy

Nujoma's energy powered Namibia through its first 15 years of independence in economic policymaking.

One indication of this drive is the number of pieces of legislation passed during his three terms in office.

While under Nujoma, parliament passed an average of nearly 29 acts a year. Under his successors this fell to just over 11 under former president Hifikepunye Pohamba and less than 13 under former president Hage Geingob.

Much of the Nujoma-era legislation has stood the test of time. Not everything that took place during his term was perfect, and the first signs of creeping corruption started to appear especially in the fishing sector and also elsewhere.

Unfortunately, Nujoma's incredible energy for getting things done has since been lost.

In stark contrast to the first three presidential terms, the government has developed a tendency to kick difficult cans down the road. Thus, replacements for the Foreign Investment Act, the Minerals Act, the Export Processing Zones Act, as well as empowerment legislation have been stuck in the works for years, and in some cases decades.

A famous politician once said that all political careers end in failure.

It is deeply ironic that the start of the five-year presidential term that is supposed to take the country to the founding president's Vision 2030 becoming a high-income industrialised country has instead seen Namibia moving in the opposite direction and being relegated from upper middle-income to lower middle-income country status.

It is hard to know what Nujoma would have made of this. ■

- Robin Sherbourne is an economic policy researcher and economist at IJG Securities.