

Straight Talk (22), 14 - 20 May 2012:

Development for Whom?

Prepared by Herbert Jauch for The Villager newspaper

During the 5th National Youth Week held in Windhoek at the end of April, a panel discussion was held on the topic of economic growth with Trade and Industry Minister Dr Hage Geingob being the main speaker. During his presentation, Dr Geingob raised a crucial issue namely that the Namibian economy must become inclusive of all, leading to development for all and not just for some. This is indeed the key issue facing not only Namibia but Africa as a continent.

Following the first decade of independence during which most African countries achieved high economic growth rate, a severe crisis emerged from the mid-1970s onwards. Subsequently, Structural Adjustment Programmes (SAPs) were imposed on destitute African governments and almost all Southern African countries have failed to achieve continued economic growth and development. Instead, the socio-economic situation seems to get worse.

Mainstream economists and most governments believe that neo-liberal policies based on “market forces” and international competitiveness will be the only way to solve this problem. However, such policies have failed as more and more people were sliding into poverty, unable to improve their livelihoods. This is also visible in Namibia which has been labelled a higher middle income country by the World Bank although up to 80% of the population are struggling to make ends meet. As I have argued before, there is thus an urgent need for an alternative development strategy, which can take various forms, ranging from auto-centric capitalist development to socialist development paths.

The often mentioned concept of “sustainable human development” is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. While traditional approaches to development focused on achieving growth, believing that this would “trickle down” and benefit everyone, we believe that people must be at the centre of the development process and economic growth is only a means to an end. In itself, it is not enough to achieve human development. What matters is the quality of growth – not just the quantity. We have seen many types of economic growth such as jobless growth, which creates increases in the value of the Gross Domestic Product (GDP) without creating new job opportunities. This is partly the case in Namibia which experiences GDP growth of about 4% per year while unemployment increases at the same time. Other types of economic growth were described as “ruthless growth” which leads to increasing levels of inequality and poverty; “voiceless growth” which is economic growth that takes place in the absence of democracy; and “futureless growth” which is based on the squandering of resources needed for future generations. None of these types of economic growth improves people’s lives or promotes development. It is therefore

essential that we move the debate beyond economic growth figures and start looking at the way our economy improves the lives of the majority.

At the very least, a human-centred economic development strategy needs to include the following:

- Optimal use of resources, especially labour, land and natural resources
- Increasing absorption of the labour force into productive employment and income-generating activities
- Improving social welfare of the majority
- Diversifying the economy and creating value chains
- Effecting institutional and legal changes to facilitate economic development
- Promotion of a programme of transformation by the state

Deliberate and strategic interventions are needed to restructure the economy internally and to make it increasingly inclusive and equitable. This cannot happen under conditions of wild-west-capitalism that justifies exploitation and basically blames the poor for being poor while a small elite accumulates massive wealth, often by using the country's natural resources for personal benefit. Media reports about multi-million dollar commissions for deals involving oil and mineral exploration verify this point.

At the same time, we must be aware that Namibia is not an island and that vested international interests influence local economic policies. A case in point was the attempt to increase mining taxes last year which was met by fierce resistance by global mining companies who went as far as threatening to publicly name Namibia as a country where investments are not safe. This is not an isolated incident as global capital has repeatedly tried to prevent any significant redistribution of resources in favour of the poor. Thus the struggle for inclusive development and social justice must include calls for a restructuring of the global economic and governance order, which currently impedes sustainable human development. Recent developments in South America, especially Venezuela, have shown that it is indeed possible to redistribute resources and to embark on a developmental path that benefits the poor. This will certainly not be achieved without a struggle as vested elite interests will always try to maintain the status quo. Our willingness to face this challenge will determine if Namibia can achieve inclusive development.

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