



## RESEARCH ARTICLE

### Turning Land into Capital: Inequality and Reforms in Namibia

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**Abstract:** This paper shows how land and wealth are linked in Namibia. Historical examples of how white, commercial landowners used favourable economic, legal, and political conditions to profit from land show how this accumulation of capital has been, to this day, a hindrance to building a more equal society. Since Namibia's independence in 1990, new and diverse ways of assigning value to land have also emerged on communal land in circumstances of growing market competition. In short, we will show how past and present developments in Namibia created opportunities to make capital out of land, leading to the accumulation of wealth in the hands of a few.

**Keywords:** Land rights, land reform, inequality, conservation, commercial farming, communal lands, Namibia.

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#### INTRODUCTION

In this paper, we discuss how land and wealth are linked in Namibia. More specifically, we argue that commercialised land reform in Namibia focused only on the redistribution of land, and did not consider the wealth that landowners made from land before it became part of the reform programme (Hall 2009). In the second part of the paper, we show that current developments with respect to communal lands have not thus far led to a redistribution of wealth. Access to land remains important in many countries with poorly developed industries and limited access to income-generating activities. Redistribution therefore remains important in addressing the historical injustice of land dispossession and the current racial distribution of land ownership (Cousins and Scoones 2010). We argue that generalised assumptions

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about the value of land often blur discussions of equity. Equity can only be achieved if the redistribution of land comes together with a change in “patterns of investment (capital), productive land use (land) and employment (labour)” (Hall 2009). As Harold Wolpe (1972) argues, the history of land dispossession is also the history of capital accumulation and exploitation of labour.

We first discuss historical and current examples of how white commercial landowners used favourable economic, legal, and political conditions to profit from land. We argue that this pattern of accumulation continues to be a hindrance to a more equal Namibian society. We then turn our attention to communal land, which has come under growing commercialisation since Namibia’s independence in 1990, owing to the integration of communal land into the wider economy. The justification for such integration was that it would create better income-generating opportunities for the people living on such land. New and diverse ways of assigning value to communal land have emerged; these are different from the methods that were in existence when land use was characterised by subsistence or peasant production (Nghitevelekwa 2020). The processes of commodification of communal land are now apparent (Nghitevelekwa, forthcoming). The contexts that we present in this article show that reforms and the engagement with the land question do not sufficiently consider the diversity of forms of land use and the possibilities of making money from land, whether in the past or at present.

While the link between land ownership and wealth accumulation has been well established in many historical and geographical contexts (for a recent overview on the African debate see Chitonge and Mine 2019), there are some specificities about these processes in Namibia. Land dispossession in Namibia happened relatively recently, just over a hundred years ago, and is therefore still a political and emotional issue, especially in a context in which most of those who lost their land remain poor, while other income-generating activities are either insecure or unavailable. The particular climatic, economic, and historical conditions in Namibia have made most of the land economically unprofitable, or profitable only with high government support and cheap labour (historically) and/or with private investment and favourable legal contexts in more recent times. As a consequence, the extent of land possession is an insufficient indicator of wealth and power. The basic factors that underlie the potential profitability of land are its geographical and agro-ecological status. Other factors include access to technology and knowledge, existing infrastructure, a favourable legal and political situation (which includes access to subsidies), and capital investment in productive enterprises such as agricultural marketing enterprises (Odendaal 2005, Cousins and Scoones 2010, p. 60).

To understand the specific conditions that led to the current land distribution pattern in Namibia, we first provide a historical overview of land dispossession and accumulation during colonial and apartheid times. We then discuss the current situation and the debate around land rights and land reform. To develop our central point, which is that the context in which land generates wealth, whether in the past or present, is

crucial to the discussion of land and land reform in Namibia, we will discuss three such contexts. These are conservation and tourism, housing estates, and the current dynamics of making money on and with communal lands. In short, we will show how past and present developments in Namibia created opportunities to make money out of land, leading to the accumulation of wealth in the hands of a few. We therefore argue that to be effective, redistributive land reform would have to consider these specific features of owning and controlling land.

### *DISPOSSESSION AND COLONIAL APPROPRIATION OF LAND*

In the mid-19th century, the territory that later became Namibia was roughly divided between two different forms of production and land use. In the far north, settled agriculture in combination with cattle-keeping was predominant. In these areas relatively strong and centralised political entities developed (Hayes 1992). To the south, in the arid areas, people mostly relied on a pastoral system with very high mobility and no fixed boundaries between different entities (Werner 1993). The two systems were not based on private land ownership, but on user rights over grazing, cultivating, harvesting or hunting. It was during this time that European missionaries and traders, and settlers from the Cape, became more influential in using and trading land and resources in southern Namibia (Wallace 2011, pp. 46-47).

The process of formal land dispossession through European agency started in 1883 when the German businessman Adolf Lüderitz, a trader in weapons and other goods, acquired large stretches of land for the purpose of mining. Within a few years, large parts of southern and central Namibia fell under private German concession companies. Although these concessions were not directly followed by an actual colonisation of the land, they allowed colonial Germany, which had acquired Namibia as its “protectorate” in 1884, to consolidate German authority (Wallace 2011, p. 117). In the mid-1890s, the fear of rinderpest entering the region from the north led to the establishment of a temporary “veterinary border” that was marked by a series of newly erected police posts to seal off the northern areas of the colony from the southern areas. The border could not prevent rinderpest cattle disease from spreading to the south; however, the police posts remained and the border became a crucial geographical, socio-political and economic line of division in Namibia that became known as the “Red Line” (Miescher 2012). During the Namibian War and the genocide (1904-1908), most of the areas south of this border were turned into the so-called Police Zone, to be under police protection as a potential settler farm economy (Miescher 2012, pp. 23-25).<sup>1</sup>

There were several events around the turn of the 19th century that accelerated European land acquisition. In 1897 the territory was hit by a severe outbreak of the rinderpest epizootic, killing large numbers of livestock, impoverishing local farmers,

<sup>1</sup> For an updated overview of literature on the genocide, see the 2016 third edition of: Zeller *et al.* (2003), pp. 263–268.

and bringing dramatic changes to the power structure of the colony (Miescher 2012: 19-42). This epizootic has often been described as the beginning of a process of gradual land dispossession by the colonisers (Werner 1993, Marquardt 2007, and Miescher 2012). The genocidal war (1904-1908) that followed largely destroyed all remaining local access to livestock and land in southern and central Namibia. After the genocide, the colonial administration issued regulations to expropriate all so-called “tribal land,” thus disallowing land ownership by Africans.<sup>2</sup> The beginning of the First World War marked the end of German colonial rule. With this the process of land dispossession in central and southern Namibia was nearly complete. The few exceptions were so-called “native reserves,” located mainly around Rehoboth and in the far south, which were established as labour reserves (Moore 2021). On the other hand, white settlements north of the Red Line, where the majority of Namibia’s population lived, were prohibited, and existing white farms resettled inside the Police Zone with the aim of establishing an exclusive African labour reserve governed through a system of indirect rule (Miescher 2012).

This did not yet mean that all the farms inside the Police Zone were already allocated to white farmers, but by the end of German colonial rule in 1915, around 1500 white farmers and their families had been allocated 35 per cent of the land intended for white settlement (the rest was Crown land). These families owned over 90 per cent of the cattle in the Police Zone. To run their farms, they relied on about 12,500 labourers who came mainly from the north of the Red Line (Werner 1993, p. 140). What is important here is that the loss of land by people in the Police Zone and the genocide of the early 20th century was accompanied by a growing need among people in the North (outside of the Police Zone) to find wage labour, as they had lost their cattle during the rinderpest outbreak. The North thus became an important labour reserve, particularly because the genocide had led to a labour shortage in the Police Zone.

With the conquest of Namibia in 1915 by troops of the South African Union, German colonial rule ended. Under the subsequent years of military rule, no permanent allocation or alienation of land was allowed, which gave some space for Black herders to re-pastoralise abandoned or not-yet-allocated farms (Miescher 2012). This came to an end in 1920, when South Africa was granted the mandate over Namibia by the League of Nations, and South Africa’s land legislation supporting white settlement was implemented (Werner 1993). The South African government started a programme to allocate farms to poor whites from South Africa, either in the form of long-term leases with the option to purchase the land at the end of the lease, or in the form of short-term grazing licenses. Farmers were also provided state financial support. Cheap labour (from northern Namibia, but also from small reserves within the Police Zone), guaranteed land rights for farmers, and the growing support extended by the government led to a rapid expansion of farmlands owned by whites throughout the Police Zone (Werner 1993, p. 146).

<sup>2</sup> Except with a special Government permit, one that was hardly ever granted.

After World War II, the South African administration appointed the Lardner-Burke Commission to assess the conditions of white settlers within the Police Zone and develop a policy to address the growing need of white settlers for farmland. The Commission suggested an extension of the Police Zone and the surveying of new farms on the edges of the Zone. The idea was that every white farming family had to be provided with enough land to allow for a sustainable income. Poor whites living on farms were expected to find employment elsewhere, and farmers who only had grazing rights on farms were pushed into leasing or buying farms, or leaving the land. With these extensions of farmlands, the remaining Africans were pushed even further out of productive lands (Miescher 2012, pp.138-141). The expansion of white-owned farmland that followed exceeded the recommendations of the Lardner-Burke Commission. By 1964 there were 7000 farms under white settlement, a staggering 80 per cent increase in the period after 1945. This expansion of the colonial farming economy was accompanied by a massive increase in the density of land use, and a growing pressure on and overexploitation of ecological resources (Miescher 2012).

This expansion came to a halt in the early 1960s. By this time most of the land in the Police Zone was white-owned farmland. Apartheid South Africa's vision of a completely racially segregated social system was further strengthened with the establishment in 1962 of the Commission of Enquiry into South West Africa Affairs, better known as the Odendaal Commission. This would lead to the final phase of forced removals of residents – almost entirely black – as also to a shift in colonial settlement policies.

The consequences of the Odendaal Commission were different for people north of the Red Line in the communal lands, and those in the Police Zone. All areas in the North were foreseen by Odendaal to become homelands similar to the South African homelands. Some of the homelands became pseudo-independent states, ruled mostly by traditional authorities and controlled by South Africa. Others remained directly administered from Windhoek or Pretoria. The specific administrative arrangement in these homelands notwithstanding, they were all subject to the rule that private land ownership would not be allowed, and that they would function mainly as labour reserves for the white economy in the south and in South Africa.<sup>3</sup>

The Odendaal Plan had direct consequences for people in the Police Zone. The former reserves, once scattered all over the Police Zone, were consolidated and expanded into contiguous territorial entities. The government did this by buying some farms and by “deproclaiming” conservation areas. These newly established territorial entities served as the basis for the creation of ethnically defined homelands. As a result of territorial reordering, the percentage of land reserved for the African

<sup>3</sup> On the impact of the Odendaal commission in the northern communal areas, see Werner (2018); on the North-West, Bollig (2013); and on the North-East, Lenggenhager (2018).

population grew from 24 per cent to 40 per cent. Most of this land, however, was situated in desert or semi-desert areas. (Miescher 2012, pp. 285-287 and Du Pisani 1986, pp. 59-172). The Odendaal Commission report led to even more intensified support for white farmers. New infrastructure, such as dams to provide hydro-electricity, was created, and investments made in agricultural technology. This led to some white-owned farms becoming profitable businesses. Businesses that developed on state (formerly Crown) land, where private companies were allotted mining concessions, became even more profitable. Exploitation of the workers from the north and the reserves was the basis of these economic developments (Quinn 2021; Amupanda 2020; Wallace 2011 and Moorsom 1977). There was some dilution of racially-based legislation on land ownership in the 1980s. Nevertheless, the landownership pattern that was introduced during colonial time and built upon by the apartheid regime, and with it the extreme inequality of land and wealth distribution (Wallace 2011, p. 301) remained intact, at least until Namibia's national independence in 1990. Many aspects of that inequality exist even today.

#### *LAND TENURE SYSTEMS AND LAND REFORMS*

The process we have described above led to a dual land tenure system. Setting aside state land (e.g. conservation areas) and town lands, Namibia is divided into commercial land, which is largely owned by the white population, and communal land, on which a majority of the black population lives and ekes out a living. The two areas are administered under different tenurial systems: freehold tenure for the former and customary tenure for the latter. The key differences between the two different tenure systems in Namibia (freehold and communal) relate to the right to use, the right to transfer or sell, and the right to derive income from land (Nghitevelekwa 2020). The rights granted on communal land include customary land rights, rights of leasehold and rights of occupation of land. The two land systems are also different in respect of the degree of formalisation and security of tenure. While commercial land has full titled rights (title deeds and transfer rights), communal land is owned by the state but administered by the respective customary authorities who are responsible for the allocation of land rights (Nghitevelekwa, 2020). In addition, land rights allocated by the customary authorities are registered by the Communal Land Boards, an institution that works to grant statutory security of tenure to the landholders.

People holding freehold or commercial land have the full bundle of property rights attached to it; they are able to sell land and use all its resources (except for mining rights, which remain with the state). Freehold land rights were mainly acquired during colonial and apartheid times. Since Independence, and beginning with the first National Land Conference in 1991, efforts to redistribute this land are ongoing and are under what is called the Commercial Land Reform (Werner and Kruger 2007, Melber 2019). The Commercial Land Reform aims at the redistribution of farmland occupied by white farmers to formerly disadvantaged groups, based on a

“willing seller, willing buyer” principle. Redistribution takes place through two processes, the National Resettlement Programme and the Affirmative Action Loan Scheme. In the former, the state buys land from willing sellers and thereafter redistributes it to people in the form of leaseholds (Werner *et al.* 2010). Through this process the state acquires private land but alienates only leasehold rights to people, thus denying them the full bundle of property rights. The Affirmative Action Loan Scheme is managed by the Agricultural Bank of Namibia, through which the beneficiaries acquire subsidised loans to buy land at market prices. The eligibility criteria are as follows: “The applicant must have a minimum of 150 large stock or 800 small stock or own productive livestock equivalent to at least 35 per cent official carrying capacity of the farm which he or she intends purchasing, or have the financial capacity to purchase such livestock.”<sup>4</sup> Landowners who have acquired land through the Affirmative Action Scheme keep full private property rights or freehold rights with title deeds.

The current debate on the land question covers a range of issues. In respect of the freehold land reform, which aims to bring about redistributive justice, the discourse centres on addressing the historical injustice resulting from colonial land dispossession. The commercial land reform is under criticism for being too slow (Werner 2018a). Widespread dissatisfaction with the commercial land reform led to a call for a second National Land Conference. This finally took place in 2018. A report published on the eve of the conference showed that even 30 years after Independence, 86 per cent of what was commercial farmland is still under private ownership. Of this, 70 per cent remains in the possession of the white population, while the formerly disadvantaged population owns just 16 per cent. The remaining 14 per cent has been bought by the state for resettlement farms (Namibia Statistics Agency 2018). The data clearly reflect the perpetuation of racial inequalities in land distribution. Commercial land reform has also been criticised for not targeting the people that are in need, and for being directed to the advantage of the political and economic elite (Iikela 2018). Another point of contention in respect of the redistributive land reform is the recognition of ancestral land rights for communities that were dispossessed of their lands in colonial times. These discussions led to the establishment of the Commission of Ancestral Land Rights and Restitution, 2020, to study claims of ancestral land rights. Further, questions about the economic viability of land redistributed through the resettlement programme have been raised (Werner and Odendaal 2010).

It is not only the redistribution of commercial land that has been the subject of intense debate. Important issues relating to communal land also took centre stage in Namibia’s land politics. To follow the dynamics of the current debate on communal land, the complex system of land use and access that characterise such land must be understood. Communal land is divided into land that has been alienated to

<sup>4</sup> Agribank of Namibia (n. d.).

individual households and the so-called “commonages” or pastures for grazing. Land can be given to an individual in the form of a customary right of occupation for subsistence farming; in the form of leasehold rights for business or commercial purposes; or in the form of occupational rights (for example, schools and churches). While land that has been thus given to an individual household can today be registered in order to secure statutory rights, there is thus far no legal process in the communal land reform system that allows for the registration of commonages. A key consequence of the lack of statutory rights over commonages is that they have become vulnerable to what Odendaal calls “elite land-grabbing” (Odendaal 2011). While granting customary land rights has been hailed as a right step in the direction of bringing about tenure security for the majority in the communal areas, loopholes in the legislation have allowed the private appropriation of commonages (Peters 2013; Nghitevelekwa 2020).

In Namibia, calls to assign full property rights (including full transfer rights, which are essential for the commercialisation of land) to communal lands have also been raised by people living on communal land. These calls are linked to the neoliberal narrative of “unlocking the economic potential of communal land,” which prompts the question of whether providing tradable rights in the communal areas can help in achieving this goal (Nghitevelekwa 2020; also see Research Department of the Bank of Namibia 2012). Such discussions are in line with Hernando de Soto’s (2001) argument about the need to privatise land in order to unlock what he calls “dead capital.” He was referring to the fact that use-rights are not sufficient for people to get loans, and are furthermore discouraging people from making investments on their land. Such arguments are often countered by the view that communal land is a multi-faceted safety net, especially for the rural poor, providing them a place to live and earn at least a minimum living, even during periods of unemployment, or after retirement (Bloemertz *et al.* 2021). Opening it up to a market system will only perpetuate inequalities in access to land. To prevent such developments, the communal land reform programme in Namibia is focusing on formalising land rights through registration of such rights with the state, as well as through the establishment of communal land boards, where traditional authorities come together with the state administration to ratify the attribution of land rights. However, the impact of the communal land reform on local power structures is complex and has led to a run on not-yet-assigned land parcels in the commonages. Further, while selling or trading land is prohibited (as people only get use-rights and not transfer-rights), informal land sales are still taking place.

### MAKING MONEY FROM LAND

In the following sections, we present three different contexts in which access to land was (and still is) used to make profits, even though agriculture *per se* is no longer profitable. These past and recent developments have led to the perpetuation of land concentration and wealth in the hands of a few.



## *Conservation and Tourism*

As described above, the dispossession of people from the land and the exploitation of labour and natural resources constituted the core of the colonial and later apartheid economic and political systems. Crucial to this system was the massive subsidisation of white farmers by the German and later South African occupiers who had expropriated the land from the local population. For farms to become productive and profitable, white farm owners were supported directly (for example with fencing subsidies), and indirectly, by a system that supplied them with cheap disenfranchised labour. Thus, an infrastructure based on the needs of the white farmer community was established. Further, ownership or user rights over the farm were increasingly extended to everything that was on the land. This allowed the farmers to exploit the potential of natural resources, for example, of wildlife (Lindsay *et al.* 2013; Lenggenhager 2018).

Thus provisioned by the state, white landowners invested their profits in infrastructure that allowed them to reap continuous profits from the land. The climatic and geographic conditions affecting most privately-owned land in Namibia made livestock farming unviable. Even the production of the much sought-after pelt of the Karakul sheep — considered as one of the most profitable uses of the arid land — relied on substantial financial support from the South African government, mostly in the form of fencing subsidies (Moore 2021).<sup>5</sup> Today many commercial livestock farms in Namibia are no longer profitable, and the most lucrative farmlands are now the ones that are irrigated, or are used for tourism, trophy hunting, or wildlife farming and conservation, or with real estate potential. Many landowners have long since withdrawn capital from “traditional” commercial livestock production and put it into more profitable businesses.

Let us first turn to the highly profitable conservation and high-value tourism sector. The basis of Namibia’s flourishing tourism industry, trophy hunting and wildlife conservation economy dates back to colonial and apartheid times.<sup>6</sup> Two major interventions in pre-independent Namibia were crucial for the later success of the hunting and wildlife tourism industry. Both of these had to do with land and land ownership. The first was the establishment of national parks, and the second was the granting of ownership rights to wildlife to commercial farmers. The creation of

<sup>5</sup> Bernard C. Moore (2021) shows that financial support for fencing was particularly important because in the very South of Namibia there was a shortage of labour. Once the farms were fenced in, much less labour was needed to guard the animals from predators.

<sup>6</sup> Despite its important economic value, there are surprisingly few research studies of tourism on commercial land in Namibia. For a general overview of European tourism to Namibia in the 20th century, see Breitwieser (2016); on the economic expectations of commercial farmers in tourism after independence, see Jänis (2009); on economic development and tourism in the 1980s and 1990s, see De Jager/Barnes (1996); and on hunting tourism, see Samuelsson and Stage (2007). On local tourism, see Henrichsen (2000). More generally, there is research on private wildlife conservation and tourism in Southern Africa, for example, Bond *et al.* (2004) and Carruthers (2008).

the national parks — Namibia’s biggest national assets with respect to the tourism industry — began during German colonial times, when large stretches of land were demarcated as hunting reserves. Such areas had multiple functions in the spatial organisation of the colony. Game Reserve 2, today known as the Etosha National Park, in particular, acted as a buffer zone in the north and as a stock-free zone for veterinary purposes (Miescher 2012, pp. 160–166; Dieckman 2007).<sup>7</sup> Further, game reserves were used from their inception to maintain game populations to secure their reproduction. In this way, a steady supply of huntable wildlife could be guaranteed (Dieckmann 2007, pp. 74–77; Carruthers 1995). In the 1950s, the Etosha Park was declared a national park and its few remaining inhabitants, who were still allowed because they worked partly as game guards and acted as an auxiliary police force, had to move out. Shortly thereafter, the national parks, particularly Etosha, became crucial for the development of tourism, which had its first small boom in the 1960s. Although this tourism was mostly in the form of organised camping tours for white Namibians and South Africans (and a few Germans), farmers around Etosha began to build small infrastructural facilities for travelling parties (Breitwieser 2016).

An incentive by way of changing wildlife legislation in a way that made it profitable for white farmers to shift their focus to wildlife and tourism was the second South African intervention. In 1961 the South West African Administrator Daan Viljoen made this clear when he pushed for tourism development in the country. “Of all the sights worth seeing on the globe,” Daan Viljoen noted, “animals still remain the most remarkable, and of them South West Africa fortunately has no lack” (SWA Annual Report 1961, p. 3; see also Breitwieser 2016). To allow private farmers to get their share of the income from wildlife and tourism, the South African regime granted property rights over wildlife to white owners of private farms in the late 1960s.<sup>8</sup> Prior to that wildlife was seen as a common good, even when found on private lands.<sup>9</sup> The new property rights were granted on the assumption that the commodification and privatised conservation of wildlife would provide farmers with an opportunity to earn a profit through hunting, the sale of live game, game meat production and tourism. The apartheid government deemed the introduction of this legislation a success as many cattle farmers diversified their business by taking to game farming and tourism. This not only raised the profits of the tourism industry, but also brought about an increase in the number of economically useful animals on private farms. The transfer of wildlife ownership from the white-minority state to white landowners led to “increases of both the number of

<sup>7</sup> Through the 1960s and 1970s the South African government promoted tourism as a way of income generation, even for the homelands.

<sup>8</sup> E.g.: Interview of CB by the authors, August 23, 2012, Windhoek; see also Jones (2010), p. 108. Other sources indicate that this law was introduced in 1975; see Owen-Smith (2010), p. 540.

<sup>9</sup> There was a division of wildlife into different categories. While the categories played a crucial role in the respective hunting regulations, the categorisation was not relevant when it came to property rights over animals.

animals and the economic productivity of wildlife as a form of land use” (Nelson 2010, p. 9).<sup>10</sup>

These two interventions during the apartheid period, that is, the development of national parks as major tourism attractions, and the granting of ownership rights over wildlife to farm owners, resulted in the repurposing of former farms into land for tourism, recreation, hunting conservation and other such purposes. This became popular in South Africa and Namibia in the 1980s, and is so even today (Reed and Kleyhans 2009, Spierenburg and Brooks 2014, and Kamuti 2018). With the change in land use, the perception of the white farmer also changed. At a time when many white farmers in Southern Africa realised that they might no longer be able to uphold the system of white rule, they re-invented themselves successfully as conservationists and stewards of the land. This new role is not only more profitable, but also less negatively loaded. And, as we show in this paper, it prevented their land – and the profits therefrom – from becoming part of any redistribution.

One of the earliest examples of such repurposing in Namibia is a small cluster of farms close to Otjiwarongo, a town about 250 km north of Windhoek. The owner turned his farms into a private game reserve in 1961.<sup>11</sup> He later sold his farms profitably, and the new owners took over the game reserve. Till today these farms remain successful tourism businesses. For most farm owners, however, wildlife tourism was only a small share of their income before Independence. Nevertheless, it allowed them to gain the experience, knowledge and contacts that enabled them to seamlessly move their business towards wildlife and tourism after Independence.

With Independence in 1990, Namibia’s tourism figures grew rapidly and became an important contributor to the country’s national income.<sup>12</sup> Many farm owners began or expanded tourism and conservation businesses on their land. With the reduction of the massive state subsidies for commercial farming, it became even more important for farmers to diversify or to sell their land to investors. Shortly after Independence, international and national companies began buying up farms for conservation and tourism use. A prominent case in point is the Gondwana Collection Namibia. As early as 1995, Gondwana began buying up freehold farms close to the Fish River National Park in southern Namibia in order to develop them as private game reserves and lodges. This allowed the farmers to get capital out of their land after years of drought when intense grazing and the shortfall of state subsidies rendered cattle production unprofitable.<sup>13</sup> Today, Gondwana is one of the

<sup>10</sup> The granting of ownership rights over wildlife was economically so successful that independent Namibia extended a similar system to communal lands through the famous communal conservancies (Lenggenhager 2018).

<sup>11</sup> His application for the establishment of a game park dates from January 15, 1960, and the appointment as game warden on his own land dates from September 15, 1961 (pers. comm. from his son, 2014).

<sup>12</sup> The most recent data (from 2017) shows that tourism and travel in total (indirectly and directly) contributed close to 14 per cent of Namibia’s GDP. That share is expected to grow further (World Travel and Tourism Council 2018).

<sup>13</sup> Gondwana Collection (n.d.).

largest providers of high value tourism accommodation in Namibia, and one of the largest private landowners.

### *Housing Estates*

As in the case of wildlife tourism, which entailed the conversion of old freehold commercial farms obtained during colonial and apartheid times, the conversion of farms into housing estates around urban areas, especially around Windhoek, allowed a few people to make significant profits. Examples of these developments can be found in the residential developments outside Windhoek, and along the major road connections to other parts of the country. In 1974, the proclaimed municipal area of Windhoek was about 4730 hectares. By 1996, this had increased to 8237 hectares (Windhoek Municipality 1996), which included some farms close to the town that had been converted into valuable townland. In 2011, the government gazetted another extension of the boundary of the municipality of Windhoek, creating space for the establishment of housing estates on former farmland. The owner now had to pay land taxes to the municipality and observe the regulations that governed municipal land, for example with regard to building laws, land use regulations, or hunting (Nakamhela Attorneys 2012). However, nothing changed with regard to land ownership. As a report by the government in 2012 made clear, tax rates were to stay the same, and in cases where ongoing businesses were negatively impacted, the new regulations wouldn't be applied at all, as for example on hunting farms (Nakamhela Attorneys 2012). In other words, owners of these farms still had the full bundle of rights on land, but land that was now valuable urban land rather than unproductive and unprofitable farm land. This also allowed them to sell small plots of lands for high prices to buyers and developers.

As illustration for such and similar processes, take the newly established housing estates around Windhoek: Elisenheim Lifestyle Village, Omeya Golf and Residential Oasis, and Finkenstein Estate. All of them are located less than 30 kilometres from Windhoek's city centre. The development of Elisenheim Lifestyle Village began in 2005 with the acquisition of the farm Elisenheim (1,186 hectares) by a local investor. The farm was allocated to white farmers during German colonial times and its name can be traced back to 1896. After acquisition in 2005, part of the land was re-zoned for residential development and officially launched in 2010. The plan for the estate included residential plots, churches, schools, a business and commercial zone. Marketed as "Namibia's Premier Family Estate," a similar housing estate was established in 2005 south of Windhoek, also on former commercial farming land. It envisaged a development of nearly 400 residential units, 14 townhouses, a retirement village, a care-centre, a private school, and an 18-hole golf course. Finkenstein Estate, on the former Finkenstein farm, boasts another 222 residential units, with individual owners holding one hectare of land each.

All three estates were developed on former commercial farmlands, the investors taking advantage of the increasing demand for serviced land and housing in Namibia, in particular its biggest urban centre of Windhoek. The demand for serviced land and housing exceeds supply – in 2016 there was an estimated shortage of 100,000 housing units nationwide (Shaningwa 2016). People have taken advantage of this situation, often described as a “housing crisis,” and converted land close to Windhoek from commercial farmlands into much more lucrative housing estates. Alternatively, they have sold their farms or parts of them to real estate developers. Though the houses built on these estates are out of reach for most Namibians, the investors nevertheless promote their business as addressing the housing crisis. The developers of Elisenheim for example stated that their “development caters for the high density, medium income housing market. This is also in line with the Government’s drive to provide housing to Namibian citizens” (Elisenheim Lifestyle Village Estate 2015). Considering the history of non-performing farmlands in the past, this is an attractive way of generating money out of the land.

There are other dynamics within which these new conversions are to be understood. When the City of Windhoek expanded its boundaries in 2012 to include, among others, Omeya and Elisenheim, the city aimed at “clamp[ing] down on ‘upper-class’ residential estates mushrooming on the outskirts of the city” (Duddy 2011). These estates were viewed to be enclaves of the rich, and in particular, of formerly advantaged racial groups in Namibia. Their existence was therefore seen as perpetuating the polarisation between Blacks and whites, and the rich and poor – the hierarchies that form the main legacy of the apartheid era, and with which Namibia is still grappling today (Morange *et al.* 2012). Housing estates pay taxes to the municipalities, while owners of commercial farmlands pay taxes to the land reform ministry, taxes that are further reinvested in the land reform programme. This also means that commercial farmland that has been re-zoned as townland is no longer available for redistribution through the commercial land reform process, and that therefore the taxes coming from these lands do not directly go into the land reform programme anymore.

### *Making Money on Communal Land*

The commercialisation of agricultural land in Namibia is not only confined to freehold land, but is increasingly prevalent in communal land areas. Communal land, areas that were once subsistence-level holdings, and were used as labour reserves and places to keep “non-productive” population groups, today sees the dynamics and compulsions of commodification (Nghitevelekwa 2020). Attempts to turn land into capital in the communal areas started in the 1960s as a result of the recommendations of the Odendaal Commission mentioned above. Following the Commission’s recommendation, the apartheid administration established small-scale commercial farming units in selected communal areas. These units were seen as “potential sites of capital accumulation” (Werner 2015, p. 72). In the

implementation of its plans, the government made it clear that these small-scale farms were meant to convert the subsistence economy in selected communal areas into an exchange economy, with land as the key economic asset. This was to be done by means of individualisation (through fencing) of large tracts of land, thereby creating small-scale farming units from land formerly used as communal pastures.

Investment in infrastructural development such as fencing and borewells, and individualisation of tenure, were preconditions for the promotion of commercialisation (Werner 2015). This process, which started during apartheid times, continued till well after Independence. After the introduction of communal land reform in 2002, these areas were designated for agricultural purposes whereby landholders, consisting of the old rural elite and new urban rich, were granted long-term leases for up to 99 years.

Since Namibia's independence, international and national investors have become increasingly interested in Namibia's communal land. They are particularly interested in the extraction of timber for the Asian economies, and in long-term leases for the production of tobacco. It was only recently that a Canadian company got the rights to oil exploration on communal land (Nghitevelekwa, forthcoming). Namibian investors have also found lucrative opportunities on communal land by entering into partnership agreements with traditional authorities or community-based conservation organisations. Tourism companies not only focus on acquiring freehold commercial land, but have also found opportunities on communal land on which they have entered into joint ventures with community-based institutions to develop enterprises for high-value tourism. Recently, a joint venture between a tourism company and King Nehale Conservancy established the Etosha-King Nehale Lodge in northern Namibia. In this case, the investors used their access to capital, global networks, new forms of individualisation of land rights on communal lands, and of course, the Etosha National Park itself, the main attraction for visitors.

All these developments show that even though the government of Namibia correctly restricted the large-scale privatisation of communal land, this has not been enough to prevent an accumulation of land and profit in the hands of a few. Furthermore, the past few years have seen the development of illegal land markets on communal land (Mendelsohn and Nghitevelekwa 2017). While according to the communal land reform act, buying and selling land in the communal areas is legally prohibited, in practice, land markets are in existence and have become part of the mechanism through which people get access to communal land. This practice is particularly widespread in densely populated areas, along the main arterial roads and in peri-urban areas. Through these illegal land markets, communal land is becoming a tradable good – outside of any governmental control and taxation system. This practice has been left to run its own course. One explanation for such a *laissez-faire* approach is the inability or unwillingness of the traditional authorities and the government to control the illegal practices that hold great potential for some of

the parties involved. Under customary systems, access to land has been given by the traditional authorities in Northern Namibia for a small “transaction” fee, that covered the administrative work of the traditional authorities (40 USD). Today land transactions between land holders may amount to USD 5,000 for less than two hectares of land. This new possibility of making money out of land is changing the dynamics around land use and the power structures underlying tenure systems on communal land. Access to land is therefore increasingly granted to those able to pay the highest price.

Local land users take advantage of the increasing demand for land by subdividing their landholdings into small parcels which they trade-off in exchange for money (Nghitevelekwa, 2020). Thus, access to land is becoming increasingly commodified and involves active land speculation (Mendelsohn and Nghitevelekwa 2017).

### CONCLUSION

In this paper, we showed the diverse forms in which capital accumulation in Namibia was, and is, linked to land ownership. Because the landownership regime in Namibia has been established under unequal, racist, colonial and apartheid conditions, its society still struggles with extreme inequality in land and wealth distribution. On commercial land, many of the original white owners of the farms have long taken out the money from their land through selling or leasing of the land for more profitable businesses such as tourism, conservation or housing. Others made use of their privileges, strong financial positions and power networks to invest heavily on their farms, turning them into lucrative businesses. The commercial land reform introduced since Namibia’s Independence has thus far not tackled these issues, and is focused more on the redistribution of often not very profitable land than on redistributing land and what came with it: power, money and access. As we have shown, in a highly arid and thinly populated country like Namibia, the value of arid land can only substantially increase when backed by factors such as government incentives and subsidies, capital investment, infrastructure, proximity to towns, and the presence of natural or aesthetic attractions. Many of the (former) land owners have capitalised successfully on these privileges long ago, and are now no longer affected by any effort by the state to redistribute land.

Further, since Independence, communal lands have gained more public and academic attention (Bloemertz *et al.*, 2021, Nghitevelekwa 2020, Mendelsohn *et al.* 2017, and Werner 2018b). Here again, there is a danger of understanding the land question as detached from the conditions under which land becomes profitable. A careful analysis of land and the access to land shows that also on communal land subsistence agriculture is no longer the main source of land-based profit generation. Instead, also on communal lands, the possibilities of making money on land depend on the existence of commercial opportunities or housing needs along the main roads.

The current governance system has failed to ensure equal access to land and income-generating opportunities for all sections of society. As recent developments show, none of the measures taken so far has been able to provide full protection from inroads made by large investors, such as the Canadian mining company that got access to large stretches of communal land for oil exploration and extraction. To conclude, the common perception that the commercial land reform or the reorganisation of communal land systems in Namibia can make up for past injustices or will solve the unequal distribution of wealth today is misplaced. Other forms of redistribution of wealth, and the provision of security of tenure that minimises the risks of misappropriation, will have to be considered more seriously.

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