

# DENG XIAOPING AND THE CHINESE DEVELOPMENTAL STATE: LESSONS FOR NAMIBIA

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## **Abstract**

At the centre of China's radical economic, social and technological transformation was the statesman Deng Xiaoping. Africa-China relations generally date back to the days of African struggles against colonialism and *apartheid* with some scholars tracing even earlier contacts between Chinese and Africans. The relations continued after independence and institutionalised into platforms such as Forum on China-Africa Cooperation (FOCAC). Despite the historical ties and platforms such as FOCAC, many African countries failed to emulate China's successful trajectory from a colony to a successful developmental state and world economic powerhouse. Although having historical and presently good relations with China, Namibia failed to use its relations with China to propel the country to economic greatness. Namibia not only has high levels of poverty, unemployment and inequality, the country has one of the highest records of economic inequality in the whole world. This article provides a descriptive account of the Chinese developmental state and draws possible lessons for Namibia to emulate.

## **1. Introduction — why China matters to Africa?**

In the studies of 21<sup>st</sup> century state-directed development, China remains an important unit of analysis. Simply put, China matters, particularly to Africa. It matters because it is officially the world's second largest economy, its Gross Domestic Product (GDP) having surpassed that of its

colonial master and former second largest economy, Japan, a few years ago (Du Pisani 2014). The World Bank fittingly explains why China matters in development discourse as follows: "[China's] GDP growth averaging about 10 per cent a year has lifted more than 500 million people out of poverty. All Millennium Development Goals have been reached or are within reach. With a population of 1.3 billion, China recently became the second largest economy and is increasingly playing an important and influential role in the global economy" (World Bank 2015). In 2009, China became Africa's top trading partner and source of foreign direct investment, overtaking the United States (US) and key European Union (EU) member states (Alden and Chichava 2014). Although China is the world's second largest economy, like African states it still remains a developing economy: "China remains a developing country (its per capita income is still a fraction of that in advanced countries) and its market reforms are incomplete. Official data shows that about 98.99 million people still lived below the national poverty line of RMB 2,300 per year at the end of 2012. With the second largest number of poor in the world after India, poverty reduction remains a fundamental challenge" (World Bank 2015). Africa can thus relate to China in terms of its developmental aspirations. But China matters to Africa not only because of past and present developmental narratives but also the new direction the second largest economy is pursuing in international affairs. As Ian Taylor (2015) observes, China's President Xi Jinping has assumed a more assertive and outward-looking foreign policy than his predecessors. China matters to Africa also because unlike many Western countries it has no recorded history of colonial occupation. Its history and that of the developing world, including Africa, is therefore intertwined (Wenquan 2007; Jingzhi and Ping 2012). In recent times, the East in general and China in particular has become important to Africa, particularly to African authoritarian regimes, as a 'fresh window' of donor and development aid, given that Chinese assistance does not come with 'good governance' and good human rights records strings attached characterising Western development aid. Melber (2013: 441) explains that African authoritarian regimes are attracted to China because —

Chinese foreign policy is attractive for autocratic leaders and oligarchies still in power over societies, which are run like the private property of cliques. Guided by its gospel on non-intervention, China provides grants and loans to kleptocracies with dubious human rights

records ... transparency and accountability are not among the core values cultivated in African-Chinese links, and Beijing's notion of human rights is at best dubious.

Africa needs Chinese economic and financial muscle to fund its developmental agenda while the Chinese industrial agenda and economy cannot do without African resources (Meredith 2014; Moyo 2009; Mills 2011). These are amongst the many reasons why China matters to Africa.

## **2. Glimpse into Sino-Africa relations**

In attempts to theorise Sino-Africa relations, most Western scholars are analysing these relations from the perspective of the scramble for Africa and China's appetite for natural resources. While it is an undeniable understanding that China has its eyes set on African mineral wealth, such a myopic view is inadequate in understanding and untangling what underpins the relationship between China and Africa. Large (2008: 46) problematises this outlook and argues for the need for Western scholarship to move away from describing Sino-Africa relations from the framework of "a monolithic Chinese dragon in an unvariegated African bush stripped of historical and political content". Without appreciating historical roots of Sino-Africa relations, Western scholars have a propensity to only see China as mainly concerned with seeking long-term strategic positions in key resource markets. To illustrate this further, He Wenping, submits that:

It is common for Western media and scholars to attribute the development of the China-Africa relationship mainly to the Chinese demand for resources, in particular energy resources. However, this explanation neglects a number of facts. China has only become an energy importer since 1993 yet the Sino-African relations have been developing steadily since the establishment of the People's Republic of China in 1949. Furthermore, China's interaction with Africa, both past and present, is not limited only to those countries rich in resources. Most of the African countries that benefit from China's policy efforts, including debt reduction, low or zero-tariff trade agreements and aid are among the least developed in Africa and are not rich in natural resources. China's Africa policy transcends a mere quest for resources. (Wenping 2007: 24)

Like Wenping, Andre du Pisani (2014) explains how Sino-Africa relations can be traced to the 11<sup>th</sup> and 12<sup>th</sup> century and the 1500s when Chinese merchants traded with Bantu speaking people in central eastern Africa — an interaction long before the much publicised contact between Chinese and Africans during Africa's fight against colonialism when China provided support to various African nationalist liberation movements. This relationship was strengthened after African states gained independence, as elaborated by Du Pisani (2014: 111-112):

In the 1960s and 1970s, the period of Africa's first development decade, ideological considerations weighed heavily on Sino-African relations. Internationally, the bipolarity of the Cold War accorded an additional attraction to China, as that country offered an alternative development model for Africa to that of the west. By the late 1980s, the focus shifted more strongly to economic cooperation in areas of common concern — with China emerging as an active economic and development partner, as well a political ally on major international issues such as trade, finance, development assistance, and the reform of the United Nations.

Henning Melber provides a similar and comprehensive appraisal of Sino-Africa relations with an appreciation of a historical and chronological content as follows:

China is no newcomer to Africa ... ever since the Bandung Conference in 1954, Chinese foreign policy included ambitions for a relevant role in the south. It supported African liberation movements and governments. The Tanzanian Zambia Railway Authority — also dubbed the 'Uhuru Railway' — is a case in point built between 1970 and 1975 to connect over a distance of 1860 kilometers ... since the beginning of the century, Chinese state and private-owned multinational companies mushroom ... by 2007 China ranked already as third-biggest trading partner with Africa, behind the USA and France, but ahead of the United Kingdom ... a monument symbolising the Sino-African ties is the headquarters of the AU, officially inaugurated at the end of January 2012 on occasion of the 18<sup>th</sup> AU summit in Addis Ababa. The 100-metre-high administrative office tower for the secretariat with a conference centre was a gift, constructed since 2009 at an estimated cost of US\$ 200 million (Melber 2013: 439).

Current widely publicised Sino-Africa economic relations and transactions must be viewed in its historical and chronological context. Be-

tween 2009 and 2012, Chinese investment in African increased significantly from US\$1.44 billion to US\$2.52 billion (Alden and Chichava 2014). These figures cannot be understood in a vacuum. They must be understood in the context of China's Africa policy which was never properly articulated until the then Chinese President Jiang Zemin announced, in 1996, the five basic principles of China's Africa policy. These were sincere friendship, unity and cooperation, common development, and looking to the future. China's Africa policy was consolidated further by Jiang Zemin's successor, President Hu Jintao. He presented his six pillars of Sino-African relations as (1) non-interference in the domestic affairs of African states, (2) African ownership in dealing with problems, (3) mutual trust and cooperation, (4) increase in economic assistance with limited political conditions, (5) lobbying the international community to pay more attention to Africa, (6) and the promotion of an international environment more conducive to Africa's development (Du Pisani 2014). This high level articulations of China's Africa policy contradicts views of scholars such as Yun Sun, a senior associate with the East Asia program at Washington based Stimson Center. He argued that "Africa is a low-priority issue for China's foreign policy in general and belongs to the category of 'developing countries'. Its importance is mostly as a means to China's political and economic ends. Africa in general is excluded from the 'strategically important' category and does not reach the highest level of decision making" (Sun 2014: 19).

Sino-Africa relations were institutionalised in 2000 through what is called the Forum on China-Africa Cooperation (FOCAC) when leaders of more than 40 African states and China met to discuss important policy developments. In 2006 for example, FOCAC made widespread developmental promises to Africa such as US\$3 billion in preferential loans; doubling of China's aid assistance to Africa; the establishment of a China-Africa Fund of US\$5 billion; the establishment of 10 Chinese agricultural technology demonstration centres; and an increase in scholarships for Africans from 2 000 to 4 000 by 2009 (Alden and Chichava 2014; Du Pisani 2014). At the opening of the 6<sup>th</sup> FOCAC in December 2015, Chinese President Xi Jinping announced the following initiatives as part of the US\$60 billion package for Africa's development: US\$35 billion of preferential loans and export credit on more favourable terms; US\$5 billion of additional capital for the China-Africa Development Fund and the Special Loan for the Development of African small and medium enterprises (SMEs) each; to create a China-Africa production

capacity cooperation fund with the initial capital of US\$10 billion; to establish a number of regional vocational education centres and several capacity-building colleges for Africa, train 200 000 technicians for African countries, and provide the continent with 40 000 training opportunities in China; offer African students 2 000 education opportunities with degrees or diplomas and 30 000 government scholarships; invite 200 African scholars to visit China and 500 African youths to study in China each year and train 1 000 media professionals from Africa; carry out agricultural development projects in 100 African villages to raise rural living standards, send 30 teams of agricultural experts to Africa, and establish a "10+10" cooperation mechanism between Chinese and African agricultural research institutes; provide one billion yuan (US\$156 million) of emergency food aid to the affected countries; and provide a total of US\$60 million in free aid to the African Union (AU) to support the building and operation of the African Standby Force and the African Capacity for the Immediate Response to Crisis (FOCAC 2015).

These commitments surely strengthened Sino-Africa relations. Furthermore, given the outcomes of the 4<sup>th</sup> BRICS (Brazil, Russia, India, China and South Africa) summit held in 2013 and the newly adopted post-2015 sustainable development goals, indication is that there is more convergence than divergence in Sino-Africa relations. Unlike on previous occasions, Africa appeared more organised towards the 6<sup>th</sup> FOCAC. South African President Jacob Zuma, who co-chaired the FOCAC, had announced that the country will seek to ensure the implementation of the African Agenda 2063 at the FOCAC (Xinhuanet 2015). Already before the FOCAC took place Zhang (2014) had detailed this convergence as follows:

In terms of policy positions, both parties have issued their policy papers, with China's position on Post 2015 development agenda published in September 2013, and the Common African Position (CAP) on the Post 2015 Development Agenda published in January 2014. These two documents have lots of similarities. For example, while different in guiding principles for building the post-2015 agenda, CAP's 3 principles do cover all 7 principles advocated by China. There are also lots of commonalities and similarities between the 5 focus areas of China and the 6 pillars of Africa.

One should, however, be cautious to avoid painting a rosy picture of Sino-Africa relations. It has emerged that these declarations often serve

as a veil for asymmetric relations. Melber (2013: 4, 40) fittingly submits that:

[W]hile the Chinese scholars maintain that promoting African development is the objective of China-Africa cooperation, this happens in the Chinese interest as a motivating factor too. The nature of trade between China and Africa lacks any alternative to other exchange relations with external players. It continues to reproduce a classical skewed pattern: raw materials on the one side (Africa), in exchange for (value-added) manufactured products on the other (China) ... Chinese trade and investment in African countries is not significantly different. The new exchange relations have not transformed the structure and patterns of production nor created a new international division of labour.

### **3. A transitory gaze at Sino-Namibian relations**

Sino-Namibia relations date back to the 1960s when Namibia's first President, Sam Nujoma, then President of the liberation movement South West African People's Organization (SWAPO), visited China and met with the Chinese leader Mao Zedong. Between 1970 and 1980, Sam Nujoma visited China seven times. China provided SWAPO military and political support. China and Namibia entered diplomatic relations just one day after independence, on 22 March 1990. Since then the relationship between the two countries shifted from political considerations to primarily economic ones. Although politics played an important role, the two countries developed sound cooperation in areas of investment, trade, aid, education, infrastructural development and other areas. Economic relations between the two countries are coordinated through a Joint Commission on Economic Cooperation and Trade that was established after Namibia's independence (Jauch and Sakaria 2009; Odada and Kakujaha-Matundu 2008). Du Pisani (2014: 117) summarises how, for example, the Chinese President Hu Jintao delivered various pledges to Namibia in 2007; N\$1.7 billion as concessionary loans, N\$107 million in preferential export buyer's credit, N\$37 million in interest-free loans, building of two rural schools and the building of a hospital. While China appears to be a genuine 'friend' of Namibia, this does not mean that it is not interested in Namibia's rich

mineral resources. At present, China has an interest in two uranium mines; Husab Mine and Swakop Uranium mine. Trade records show that in 2006, as an example, all outputs at Ongopolo Copper mine located in Tsumeb were exported to China (Du Pisani 2014).

During his tenure as President of the newly independent state Sam Nujoma visited China five times. Just over the past 10 years, top Chinese leaders undertook official visits in Namibia. This includes but is not limited to Chinese President Hu Jintao; Chinese Vice Premier Hui Liangyu; Wu Bangguo, chairman of the Standing Committee of the National People's Congress (NPC) of China; Chinese Foreign Minister Yang Jiechi; Jia Qinglin, Chairman of the Chinese People's Political Consultative Conference; Zhai Jun, the Vice-Minister of Foreign Affairs; Wang Gang, member of the Political Bureau of the Communist Party of China Central Committee and vice chairman of the Chinese People's Political Consultative Conference; Hua Jianmin, the Vice-Chairman of the Standing Committee of the National People's Congress of China and Chinese State Councillor Liu Yandong. Namibian leaders, including former President Hifikepunye Pohamba and current President Hage Geingob and other members of the executive and legislature made several official visits to China (Amupanda 2013; Du Pisani 2014).

The scope of cooperation ranges beyond economic relations from education and culture, development assistance, defence and security, to diplomacy and politics. Namibia's ruling party, SWAPO, maintained its close ties with the Communist Party of China after independence. The SWAPO political elites benefit and exploit this relationship to their advantage. In one instance, children of prominent SWAPO and government leaders, including a daughter of President Hifikepunye Pohamba, received Chinese scholarships much to the irritation of the citizens (Immanuel 2014; Melber 2014). In 2011, the youth wing of SWAPO and that of the Communist Party of China established what they called 'Africa-China Young Leaders Forum'. The first such forum took place in Windhoek in the same year. The forum is seen as important in expanding exchanges, enhance understanding and building friendship between Chinese and African youth (Ping 2011).

While Sino-Namibian relations appear to be a blossoming picture, there is another aspect where the picture is not as glossy. This is in the arena of people-to-people relations, since the relationship between Chinese and Namibian government and party officials is not the same as the relationship that exist between the Chinese (in Namibia)



and the ordinary Namibians. Alfredo Hengari (2011) explains how Chinese involvement in the Namibian economy has become a subject of debate with ordinary citizens and business community who, as opposed to elites with Chinese connections, are becoming increasingly unhappy with the Chinese presence in a country characterised by high unemployment and poverty. Anti-Chinese sentiments are openly heard in the streets of how China is perceived to be sending its uneducated citizens to perform manual labour on government tenders and how they have taken over the low-level retail industries that are usually left for the indigenous people. He further summarises that:

This ugly part of the China-Namibia relationship does present threats and not boons to our national interests. China for its part must also realize that its business practices could be met by indifference by the ruling elite — but the palpable tensions with the local populations are not in its strategic interests. Its actions could undermine the positive aspects of an important relationship. China should therefore as a matter of policy, review practices that undermine local efforts at dealing with Namibia's critical challenges, including local ownership of the Namibian economy and chronic unemployment. If China is to be seen as a responsible emerging power, it must ground its foreign policy into ethical concerns and a positive-sum game. The adverse will not only be costly to the official Namibia-China relationship — it is potentially starting to cast China as reckless neo-colonial power, albeit of a different type. (Hengari 2011)

#### **4. Deng Xiaoping and the Chinese developmental state**

There is hardly any literature discussing the economic advancement of modern China yet failing to make reference to Deng Xiaoping. A towering figure in Chinese history, second only to Mao Zedong, Deng Xiaoping formed part of Chinese politics from the day the People's Republic of China was proclaimed in Beijing, in 1949 (Shambaugh 1993; Yang 1993). By 1 October 1949, when the People's Republic of China was founded, the defeated Kuomintang regime still controlled some parts in southwest China. Deng was assigned the responsibility of liberating these parts. Under his stewardship, the Communist army defeated the remaining loyalists of the Kuomintang regime. He subsequently became mayor of Chongqing. He later took up a leadership

position in the central government under Mao Zedong, working closely with President Liu Shaoqi and Premier Zhou Enlai. In 1976, Deng was stripped of all leadership positions by Mao Zedong, returning to politics later in 1977 after Mao's death and subsequently wresting power from Hua Guofeng in 1978 (Vogel 2011). Deng never held positions that are considered as most powerful. He was regarded as a somewhat 'father figure' or a paramount leader of China from 1978 to 1992. He was part of the powerful group called "Eight Elders" — a group of eight elderly members of the Communist Party of China who held substantial power. Deng served as chairman of several decision making bodies of the government and the Communist Party of China (Yahuda 1993; Pye 1993; Dreyer 1993).

Deng Xiaoping's greatest legacy is on the economic front. He performed very poorly on other fronts. He is said to have maintained the authoritarian character of the Communist Party of China and dealt harshly with dissent. One such incidence is the Tiananmen protest of 1989 whereby students who were protesting at Tiananmen Square met the wrath of more than 300 000 troops commanded by party authorities (Yahuda 1993). Although the Tiananmen incident is often invoked to illustrate the weaknesses of Deng's performance on the political front, some scholars neglect the fact that the "Eight Elders" which controlled the Communist Party of China were able to prevent the collapse of the party during the time when communism in eastern Europe faltered like a pack of dominos, including the Soviet Union. Deng can also be credited for the type of political culture slightly differently from the autocratic rule that existed under Mao Zedong (Whyte 1993; Lucian 1993). It is in the arena of economic transformation that scholars hardly fault Deng. His legacy in this sphere, in the words of Barry Naughton (1993: 1), is "overwhelmingly positive and quite secure".

Deng is credited with having transformed China from a poor former colony of Japan into an economic powerhouse. Deng's transformation of China is centred on his policy called 'reform and opening up' as part of what Chinese called 'socialism with Chinese characteristics'. Economic reforms that were undertaken by Deng were aimed at transforming the Chinese economy into a modern industrial nation through a market economy regulated by the socialist order (Amupanda 2012; Gittings 2005; Vogel 2011). Deng made a case for why market reforms were needed. In his own words: "planning and market forces are not the essential difference between socialism and capitalism. A

planned economy is not the definition of socialism, because there is planning under capitalism; the market economy happens under socialism, too. Planning and market forces are both ways of controlling economic activity" (Xiaoshuo 2013: 1).

He set out four specific areas that needed to be strengthened and modernised as follows; (1) agriculture, (2) industry, (3) science and technology and the (4) military. As part of the reform and opening up, China also established what they called 'Special Economic Zones' (SEZs) which comprised of series of measures that allowed specific cities to pursue a more free market path and economic policies with a view to attract foreign investments. These cities enjoyed flexibility from central government. Chinese established, in the 1980s, four special economic zones in Shenzhen, Zhuhai, Shantou and Xiamen. The results of the policy of reform and opening up under the banner of 'socialism with Chinese characteristics' propelled China to economic greatness (Amupanda 2012; Du Pisani 2014; Gittings 2005; Vogel 2011). Du Pisani (2014: 113) summarises the economic achievements of Deng Xiaoping reforms as follows;

The PRC [People's Republic of China] has, since Xiaoping's carefully controlled economic reforms, had an annualised economic growth rate of between 9% and 11%, as well as a 400% increase in real per capita income. Since then, the country has become the second largest economy in the world, accounting for more than 12% of the world's gross domestic product, 8% of global manufacturing production, and 1.35 billion consumers.

To provide understanding beyond the figures and outputs, Li Zoujun, vice director-general of the Research Institute for Resources and Environment polices of the Development Research Centre of the State Council, characterises Deng Xiaoping economic reforms into what he calls 'four transitions'. The first is the transformation from a politics to an economics driven society. He argues that over the 30 year period before Deng Xiaoping's reform and opening up policy, Chinese leaders always saw politics as the dominant factor in prospering China into the future. Politics thus played an important role and everything was determined by class struggle. This significantly changed when China adopted the policy of 'One center and two basic points'. The 'one center' referred to economic development while 'two basic points' represented sticking to socialism and the centrality of the Communist Party of China (Li

2012). He further comments that "during this period the country was focussed on economic development, with politics and culture serving as handmaidens to economics. Thus China sustained a high 9.8% growth rate over the three-decade period" (Li 2012: 13).

The second is the transition from a planned to market economy. China, like the former Soviet Union, followed a path of a planned economy with a view to avoid capitalist economic crisis and ensure balanced economic development through planning. With the policy of reform and opening up, and under the guidance of the ideological phrase of "Being realistic" and "Practice is the sole criterion for testing truth" China worked to completely reform the 30 year old planned economy and follow a transition to a market economy.

Third is a transition from a closed country to an open country. Before the policy of reform and opening up, China was not part of the international trading systems. With the establishment of the four special economic zones, whose purpose was to attract foreign investment and follow a free market path, Chinese economy began to grow. As Li (2012: 14) summarises: "China's import and export volume was just over \$1 billion in 1950; by 1978, it has risen to only \$20.6 billion. In 2011, the Chinese import and export volume reached \$3.6 trillion, or 3 000 times greater than it had been in 1950".

Fourth and last is the transition from an agricultural society to an industrial society. This is in reference to the fact that during the period before Deng Xiaoping's policy of reform and opening up, 80 per cent of the Chinese people still lived in the countryside leaving the city population ranging between 10 per cent to 18 per cent. With reform and opening up and the transition from an agricultural society to an industrial society, urbanisation rose from 18 per cent in 1978 to 51 per cent in 2011 (Li 2012).

The development journey of China and the actions taken by the state under the stewardship of Deng Xiaoping clearly illustrates the journey of a developmental state. The term 'developmental state' was originally used by Professor Chalmers Johnson, in discussing the processes of Japanese industrialisation. What he saw in Japan was a unified network of political, bureaucratic and moneyed influences that shapes economic life; he called this a developmental state, a state that is actively involved in the economy and is resolutely and successfully pursuing economic growth (Johnson 1982). It is the direct opposite of neoliberalism which argues that the state should not play an active role

in the economy beyond providing an enabling environment for the private sector to grow the economy (Keohane 1984). Bolesta (2007: 106) explains that "the introduction of developmental state theory into the state ideology means, in real terms, a departure from a neo-liberal economic ideology and a drift towards state interventionism. It seems, however, that this interventionism does not handicap socio-economic development as it was often the case in the centrally-planned economies of Central and Eastern Europe, but it supports developmental trajectory".

The literature on the developmental state identifies at least five conditions to be satisfied for a developmental state. Firstly, the state must have a clear agenda to pursue economic development. Second, this economic agenda is to be achieved through industrialisation. Third, economic development and industrialisation agenda is implemented by a competent bureaucracy that is independent of societal dynamics and influences. Fourth, the state makes the rules of engagement and regulates social, political and economic conduct; an interventionist state. The private sector is allowed its space to participate in economic activities (Johnson 1982). Many scholars of international political economy agree that China is indeed a successful developmental state. Andrzej Bolesta concluded his study by finding that "China is a developmental state. The Chinese authorities conduct a developmental policy via industrialisation, in an undemocratic environment. It is the state who supervises the economic changes of the country and intervenes where necessary ... The reforms, in which Party officials have been replaced by civil servants, indeed increased the competence and effectiveness of the state administration. Civil servants are relatively well paid" (Bolesta: 2007: 110). Others like Nee *et al* (2007) and Knoght (2012) share the diagnosis.

There is a lot to be learned from the Chinese developmental state. Africa is a continent in a developmental crisis. This is explained aptly by Edigheji (2005: 1) who argues that:

the history of the post-independent African state is that of monumental democratic and developmental failures ... After almost four and a half decades of independence, most countries on the continent are characterised by underdevelopment. The evidence for this state of underdevelopment can be found in any social and economic indicators one cares to examine ... Consequently, at the beginning

of the 21<sup>st</sup> century, Africa is unable to compete in the global economy. In fact, its marginalisation has been reinforced, particularly since the 1980s ... the majority of African countries lack basic social and physical infrastructure. As a result, most people on the continent have no access to basic services such as potable water, electricity, good sanitation, roads and healthcare.

As such, the narrative of Deng Xiaoping and the Chinese developmental state has a lot of lessons to offer to Africa in general and Namibia in particular. These include the negative aspects of the Chinese developmental state. Mabasa and Mqolomba (2016: 69) caution that "negative trends such as authoritarianism and persistent inequality should not be replicated. Rather, sub-Saharan Africa should build democratic developmental states characterised by pro-poor sustainable inclusive growth". They further caution that:

China's developmental trajectory has noticeable shortcomings, which should be avoided by African states. China's rapid economic growth inspires other less developed regions sub-Saharan Africa, however, it also teaches us that this is not sufficient condition for pro-poor growth. Bearing in mind that the history of struggle against colonialism was on the backbone of workers struggles and mass-based mobilisation, African states should pursue policies that create decent jobs, protect workers' rights to living wage, as well as extend social security nets to the poor (Mabasa and Mqolomba 2016: 79).

## **5. Potential lessons for Namibia**

At the Berlin Conference of 1884/5, where European powers were apportioning various parts of Africa amongst themselves, in what later became known as the 'Scramble for Africa', the territory of South West Africa (present-day Namibia) was given to Germany. From that period onward, Germany actualised its imperial ambitions by converting the territory into a German colony, referred to then as German South-West Africa. What followed are devastating years of colonialism including the 1904 mass slaughter and genocide against the Nama and Herero people. After the First World War, with Germany defeated, the League of Nations mandated South Africa to administer Namibia. South Africa did not administer the territory towards self-determination as was envisaged. Instead, a colonial order was established with South Africa ad-

ministering the territory as the fifth province of South Africa. This led to resistance against the colonial occupation. In 1960 SWAPO was founded, and launched an armed struggle lasting until the transition to independence in 1989/1990. The 106 years of colonialism were characterised by skewed development. Both German and South African white minority regimes practiced separate and unequal development policies wherein the indigenous population was kept at the periphery of economic activities. They basically did not have a genuine interest in the development of the Africans in Namibia (Katjavivi 2014; Swapo 1981; Wallace and Kinahan 2011; Dobell 2000). It is therefore no surprise and thus understandable that after independence, there was much expectation that the newly independent state would finally deliver development to the masses of the Namibian people. Although there were some notable achievements such as the reduction in poverty levels, there has not been a substantial change in the lives of many (NSA 2012). Jauch *et al* (2011) made a case that at most, it is only the new black middle class, a small elite and politicians that have benefited from the post-independence economic returns. The rural masses, workers in general and informal economy workers in particular experienced very little material benefits since independence:

Despite various attempts by the Namibian government to provide basic services for all and despite several policy interventions aimed at redressing the apartheid legacies, Namibia still ranks amongst the most unequal societies in the world. Namibia followed a path of market-oriented economic policies, coupled with moderate social reforms such as new labour laws and extension of social security provisions. However, no systematic programme of redistribution was implemented and thus the country's achievements, in terms of overcoming poverty and inequality, were limited. (Jauch *et al* 2011: 223)

To change the current state of affairs, this article argues, Namibia needs to follow the path of a developmental state as discussed earlier. There is a lot that Namibia can learn from successful developmental states. As a case in point, the Chinese developmental state under Deng Xiaoping has many potential lessons for Namibia considering the aspirations. Three potential lessons are considered from the Chinese developmental state under Deng Xiaoping.

## **5.1 Reversal of 'old way' politics**

The first 30 years since the founding of the People's Republic of China under Mao Zedong until the policies of reform and opening up championed by Deng Xiaoping, the Chinese economy performed poorly. As has been established earlier, part of the problem was the placing of 'old way' politics before economic development. During the leadership of Mao Zedong politics was placed at the centre of almost everything in China. Everything was to be looked at from a class struggle perspective. Deng Xiaoping introduced the notion of 'one center and two basic points'. What was meant by 'one center' is the placing of the economic development as an important question before politics. In the minds of the Chinese leaders then, importance was to be accorded to economic development above 'old way' politics. This did not mean that politics was abandoned altogether. This would, in any case, not be possible because the very decision to place economic development above 'old way' politics is in itself a political decision. The 'two basic points' referred to sticking to socialism and affirming the position of the Communist Party of China.

In present Namibia, the question of economic development takes a back seat to politics and in worse cases to history. In the minds of many government officials, the feelings of SWAPO politicians are generally regarded as important compared to the country's development plans and targets. In some cases, national development targets are superseded by short-term goals of politicians ranging from electioneering to pure corruption. Egoistic politicians prefer to hear the replay of their own historical narratives of their generational 'bravery' instead of serious questions of economic development, as we have seen with the countrywide protests and demands for land and housing. This serious matter of economic development was initially met with indifference and reference to history to remind the masses how bravely the heroes fought to bring 'peace and stability'. This type of thinking is exactly what led Mao Zedong to excommunicate Deng Xiaoping from government duties just for Deng to return from banishment and lay a foundation that made China the second largest economy in the world. The first fundamental lesson for Namibia is the urgency to abandon the 'old way' politics and prioritise economic development above politics, heroism and sloganeering. China benefitted handsomely by doing exactly that.



## **5.2 Targeted Intervention — picking winners as special economic zones**

The Chinese economic reforms that established the SEZs are worth studying and emulating. What emerges from the Chinese experience is that rapid economic growth is a measurable, gradual and systematic endeavour. Those in charge of economic planning must have an idea of what is to be done, how, where and when. To stimulate economic growth, Deng Xiaoping chose four cities — Shenzhen, Zhuhai, Shantou and Xiamen — to lead and implement targeted economic reforms. This targeted approach of picking winners, helped kick-start the needed economic transformation.

Namibia attempted to do something similar when parliament passed the Export Processing Zones Act of 1995. The thinking then was to attract foreign investments, create job opportunities and stimulate growth by boosting the country's manufacturing capacity. There were several initiatives and incentives for Export Processing Zone (EPZ) companies such as a corporate tax holiday, exemption from import duties, free repatriation of profits, factory facilities at economic rates and a guarantee of free repatriation of capital and profits amongst others. There were also radical and somewhat anti-labour offers to foreign investors, such as the exclusion of the right to strike for five years. The evidence, from various studies and reports, is that there was no clear plan and strategy as to what these EPZs will do and what the intended outcomes could be (Jauch, 2006; LaRRI 2000). Oshikango for example, a commercial hub near the Angolan border in Helao Nafidi town, has been an EPZ but nothing much is reported to have come out of that in terms of economic growth. Margaret Lee (2014) made the following observations about Oshikango, highlighting some of the failures and missed opportunity of the Namibian EPZs:

On the Namibian side of the Angolan/Namibia border there exists a Chinese Trading Post in which Chinese traders own the majority of the land and are the largest employers in the area. Each day large numbers of Angolans cross the border to buy cheap Chinese goods. Such goods can only be paid in US dollars. There exists a great deal of controversy in Oshikango over the presence of the Chinese traders. Since it is an export processing zone, imported goods enter the area duty free, thus depriving the Namibian government of much

needed revenue. In addition, workers complain of unfair labor practices by the Chinese traders, while the Namibian government appears to be protecting the Chinese traders against Namibian employees.

Compared to Deng Xiaoping's SEZs, the Namibian EPZs are a small ill-thought component to what has happened in China. The SEZs were involved in various economic activities apart from solely relying on export. The SEZs were a measurable, gradual and systematic endeavour. Those who were placed in charge of the SEZs, their supervisors and the overall leadership of this economic activity had an idea of what is to be done, how, when and where. When Oshikango got the EPZ status, most of the residents then, as is the case now, did not understand what this meant and their role thereafter. Namibia can still learn a lot from the Chinese model of SEZs. Since agriculture remains the highest employing sectors, its potential could be unlocked by creating SEZs focusing on agriculture — these can be Tsumeb, Grootfontein and Otavi (NSA 2012). The entire Zambezi and Kavango regions could also be declared SEZs focusing on agriculture. These areas are not only suitable for agriculture, in terms of rain, soil and the general habitat; they are places where agriculture is already succeeding yet underutilised when their potential is considered. The state will then roll-out a large-scale agrarian reform strategy for these SEZs. This agrarian reform strategy will cut across actual production, agricultural research institution and all related applied agricultural industries.

## **6. Conclusion: A path of Namibia's own characteristic**

Every society has its own characteristics. These characteristics should inform the choices and directions states take even in economic development. Although there are concepts and methods that are universally applicable (across all or many societies) their applications must still take into account the local context. The debate on theories, concept and their applications is not new to Africa. This debate divided two renowned African statesman: Julius Nyerere, the first president of Tanzania and Ghana's first president Dr Kwame Nkrumah who debated socialism and its application. Nkrumah (1963) was of the view that socialism is a universal concept that can be applied as such. Nyerere (1968), on the

other hand, was of the view that African livelihood — African communalism — has something unique and different to offer. He developed what he called 'African socialism'.

If one is to push further the Nkrumah-Nyerere debate, it can be argued Nyerere's conception and approach to socialism is similar to how the Chinese approached socialism. The Chinese, in their application of socialism, chose to tweak it to their context and their realities. Under Deng Xiaoping, they developed what they called 'Socialism with Chinese characteristics'. This allowed them to implement what worked to them. Before independence, in its fight against colonialism, SWAPO identified itself as a socialist movement both in its key documents and publications and in the articulations of its leaders. This, unfortunately, was not to be after independence (Jauch *et al* 2011). After independence, Namibia followed the path of brutal neoliberal macroeconomic policies without due regard or whatsoever of Namibian context and characteristics. Namibia implements neoliberalism through false consciousness top-bottom strategy called 'Growth at Home' said to be focusing on industrialisation, manufacturing, value addition, and creating domestic markets (Amupanda 2015). At face value, the articulation of these objectives appears to be progressive. Looked at closely, this strategy is false consciousness, a classical use of material, ideological and institutional processes to mislead the poor and working class. While the strategy projects itself as promoting market access for local commodities, there is little evidence to suggest that this is happening at the practical level as this is not witnessed on shelves of generally white and foreign owned big retail shops in the country. These big retail shops still import several retail products from South Africa even in cases where such commodities are produced locally. The strategy is silent on this aspect. Even where government has created the Agro-Marketing and Trade Agency (AMTA) now operational in some towns such as Ongwediva and Rundu, these retail shops still continue to procure abroad (Amupanda, 2015). These states of affairs have contributed, in 2012 alone, the trade deficit to escalate to about N\$15 billion (N\$59 billion imports versus N\$44 billion export). In the same year, Namibia's imports from South Africa stood at N\$41.6 billion while exporting goods only worth N\$7 billion (Geingob 2013). In short, the creation of local market and market access exists only in the minds of politicians.

The biggest problem with 'Growth At Home' is the collectivised

'Namibianness' premise it operates from, without appreciating the inequalities that characterise the Namibian economy as a result of the 106 years of colonialism and *apartheid*. It fails and will fail to address inequality and genuine growth because it fundamentally fails to deal with question of indigenisation. As matters stand, the strategy perpetuates inequality because it reinforces and assists the 'white economy' that is regarded as the Namibian economy. The strategy miserably fails to deal with economic (wealth and income) redistribution. Whites, who constitute five per cent of the population, own more than 90 per cent of the economy (NSA 2012). To deal with this Namibian reality, the industrial policy and its subsequent instruments should prioritise the reversal of this injustice. In the minds of economic planners, as demonstrated by the 'Growth at Home' text and its practice, it doesn't matter who controls the economy, as long as they are 'Namibians'. Said differently, the socio-economic disparities between whites and blacks don't matter because all are 'Namibians'. Inequality in Namibia has geography; meaning there exists clearly observable and identifiable segments of the population are affected by poverty in comparative terms. It is this reality that Namibia's economic policy should take into account, just like the Chinese under Deng Xiaoping concerned themselves with their realities. According to the Namibia Statistics Agency only 6.9 per cent of people who speak Afrikaans as their main language are poor while 68 per cent of the people who speak Khoisan are poor (NSA 2012). Such contradictions and realities cannot be ignored in economic policy. Namibia implemented neoliberal macroeconomic policies without adapting it to the country's realities. China implemented socialism by adapting it and adding a flavour that is informed by their realities.

## Endnote

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