

Small Elite Still Run Show

Letters to the Editor



NOW that five years have passed since independence Namibia still resembles a country where a small percentage of the elite own the major wealth of the country. In the long term this will not only stifle the development of the country but will also create major unrest among the masses who have hoped for a much greater share of this wealth.

Without getting into politics, it is expected by the outside world that this country grow by its own efforts and not simply rely on the 'charity' of foreign countries.

Some years ago Nelson Mandela suggested a wealth tax for South Africa. It met such hostile opposition from those who today still control much of the wealth of the country. What was forgotten here was that quite a few countries, including Germany, have a wealth tax as part of their normal taxation system. The

wealth of that country is much more widely distributed and one could actually question why Germany needs a wealth tax, other than to help in the development of the former GDR.

Would it be unreasonable for individuals or companies resident in Namibia for over 10 years, and whose assets exceed N\$500 000, not to share a bit of their wealth, by means of a wealth tax? How about a one per cent wealth tax on amounts between N\$500 000 and N\$1 million and one and a half per cent on wealth exceeding the above. The elite have made their money here, and this small share of it can be utilised solely to help the

less advantaged Namibians (maybe co-operatives) to build up their own industry and help establish a social security system in Namibia. It should certainly not be used for the enrichment of government officials, waste and a bloated, inefficient civil service.

An expert organisation composed of international accounting firms could be asked to administer this tax.

The wealth tax should be applied to the elite on a world-wide basis to prevent export of capital by those wishing to evade this tax, on companies and individuals. It is one reason why Namibia needs to decouple itself from the

rand, with its own currency now in place. Morally it is only fair that the masses can benefit. It should lessen crime and create more stability.

To attract foreign investors and entrepreneurs these persons or enterprises they establish in Namibia, should not be subject to any wealth tax for the first ten years.

A 'tax holiday' should be granted for several years for those willing to risk their foreign capital and create employment in this country.

There are other countries who have this system and experts will need to advise government to whom tax 'holiday' privileges should

be granted. It can only be for those investors in essential categories and not everyone.

With foreign experience of wealth taxation, I see no reason why it cannot be applied to Namibia. South Africa will be no shelter for a world wide wealth tax system.

Non resident investors and entrepreneurs should likewise be taxed, possibly after five years, for their wealth in southern Africa at least.

Finally property taxes should be based on appraised market values and not on 'municipal valuations'. Such appraisals should be conducted every few years, and owners have the right of appeal to any valuation.

These taxes will have very little impact on the average middle class population. What do the readers think?

PEWMS
SWAKOPMUND