

THE CONSOLIDATED DIAMOND MINES AND THE NATIVES IN COLONIAL  
NAMIBIA

A CRITICAL ANALYSIS OF THE ROLE OF ILLEGAL DIAMONDS IN THE  
DEVELOPMENT OF OWAMBOLAND (1908 - 1990)

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## **Abstract**

Whilst the ‘natural resource curse’ theory has been an enduring theory in the study of the relationship between natural resources endowment and economic development, the economics approach to this theory, which privileges the economic explanation focusing on the Dutch disease and revenue volatility, has been dominant. The political economy approach has proven to be more useful not only in political science but also in the study of the African political economy and developing countries such as Namibia where the political conditions played an influential role than the Dutch disease and revenue volatility.

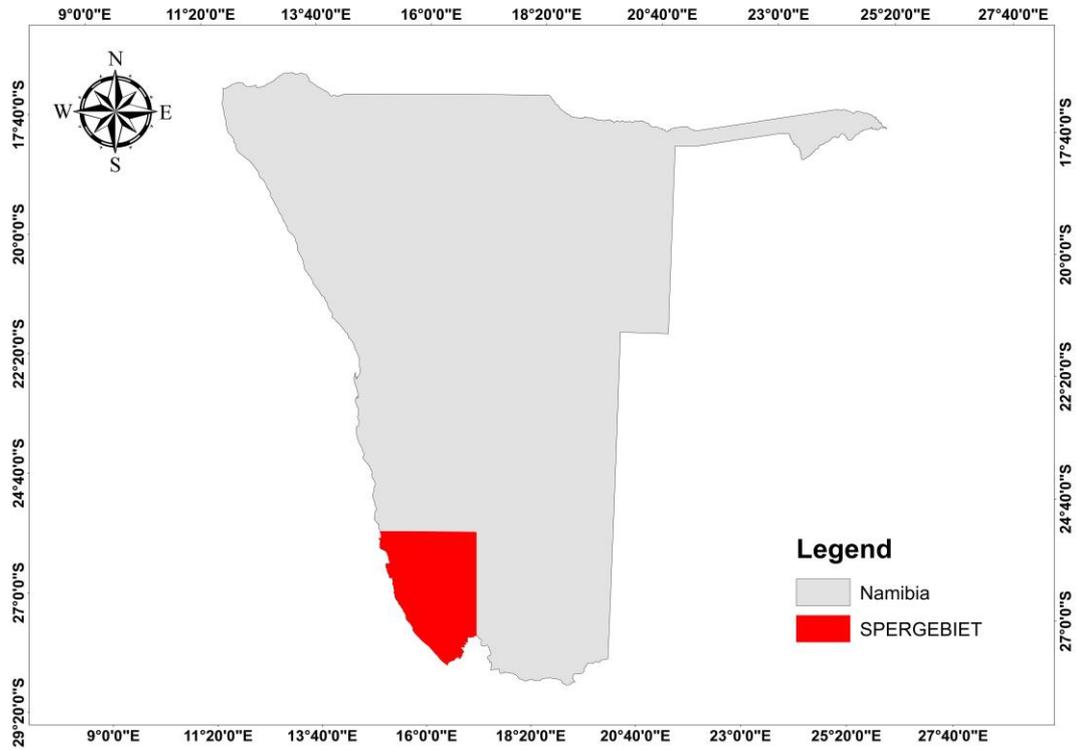
At the theoretical level, this study aligns and pursued the political economy approach to the ‘natural resource curse’ research and provides further explanations from a decolonial perspective. The decolonial explanations are useful for it is evident that the ‘natural resource curse’, as is the case with other Eurocentric theories, does not dwell on the agency and subjectivity of the natives, in this case those involved in the illegal diamond trade. Because of the political conditions in colonial Namibia, the political economy explanations such as rent-seeking, agency and moral cosmopolitanism are insufficient in explaining the relationship between the natives and CDM in colonial Namibia in general and the role of illegal diamonds in the development of Owamboland in particular. As such, decolonial insights such as alternative epistemology, indigenous resurgence and alternative conceptualization of development are used to provide understanding of the political economy of illegal diamonds in Owamboland.

Using a mixed method, the study was exposed to a rich data set ranging from interviews, archival records, court records and secondary data. This allowed for cross pollination and verification of the data thus improving the validity and reliability of the data and findings. The study found, across all four data sets, comprehensive evidence confirming illegal diamond operations at CDM involving the Aawambo workers and the Portuguese masterminds. It is found that illegal diamonds made a contribution in the development of Owamboland in colonial Namibia. It is also found that prominent business personalities credited for the development of Owamboland, referred to in the study as the ‘Diamond Princes’, were involved in the underground diamond economy in Owamboland. Illegal diamonds led to increased

purchasing power, widespread mercantilism and provided several economic opportunities for the natives in Owamboland including the transformation of Owamboland rural economy.

The evidence further suggests that Namibia's liberation movement and the progenitor of the present-day ruling party, SWAPO, was a direct and indirect beneficiary of the illegal diamond economy rents during the fight against apartheid colonialism. CDM, which maintained a symbiotic relationship with the colonial state and implemented its policies, stands accused of and associated with the death and disappearance of CDM workers who remain unaccounted for to date. In summary, the study responds to a clarion call for decolonial and Afrocentric perspectives on African development. Its end result is a compound that brings together several aspects of Namibian political economy to advance the case for the role of illegal diamonds in the development of Owamboland. Given that the study took place in 'unchartered territory', its greatest contribution, beyond decolonial and Afrocentric pleas, is that of 'ground-breaking' research for there has been no record of research, at this level, that looked at the role of illegal diamonds in the development of Owamboland in colonial Namibia.

**Figure 1: Basic illustration of the Sperrgebiet or Diamond Area 1.** Source: Geological Survey of Namibia, 2017



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## List of Acronyms

CDM	Consolidated Diamond Mines of South West Africa, Ltd
CLS	Contract labour system
DKG	Deutsche Kolonialgesellschaft
GDP	gross domestic product
HMC	Households Maintenance Chest (clandestine SWAPO branch at CDM)
NLO	Northern Labour Recruiting Organisation
ONDSS	<i>Osheelo</i> native diamond-smuggling syndicate
POCA	<i>Prevention of Organised Crime Act</i> (Act 29 of 2004)
SAPs	structural adjustment programmes
SLO	Southern Labour Recruiting Organisation
SWA	South West Africa
SWANLA	South West African Native Labour Association
SWAPO	South West African People's Organisation
TCL	Tsumeb Corporation Limited
UN	United Nations
UNCN	United Nations Council For Namibia
WENELA	Witwatersrand Native Labour Association

## **Explanation of terminology as used in this study**

There are several terms that are used in the study that require conceptual and operational definitions. As such, the following terms, where they are used in this study, must be understood as follows:

**‘Native’**: is used in the context of referring to a person born in a particular place, therefore a native of that place. In the context of this study, ‘natives’ refers to the indigenous population of Namibia, whose ancestors were born on the continent and are of African descent. It is also understood as a term standing in contrast to ‘European settlers’ or ‘whites’. Correspondingly, in the official articulations of the (then) South West Africa, the colonial states (both German and South African) referred to the local indigenous population as natives. As such, when the term is used in this study it refers to black Namibians historically.

**‘Colonial Namibia’**: in this study, ‘colonial Namibia’ refers to the period of Imperial German occupation of Namibia (formally from 1885) as well as to South African occupation from 1915 to 1990.

**‘Illegal diamonds’**: refers to the diamonds in the possession of an individual(s) who is/are not authorised to be in possession of such diamonds according to the colonial laws of South West Africa in general and the Halbscheid Agreement and Diamond Industry Protection Proclamation, 1939 (Proclamation 17 of 1939) in particular – more specifically not allowed in terms of Section 28 of the proclamation.

**‘Aawambo’** and **‘Owamboland’**: the Aawambo comprise a Bantu ethnic group that is said to have migrated from central Africa and then settled in northern Namibia and southern Angola (Namuhuja, 1996). They have always been the majority tribe,

constituting more than half of the Namibian population (Töttemeyer, 1978). They consist of eight sub-groups, namely Aandongga, Aakwanyama, Aangandjela, Aakwaluudhi, Aakolonkadhi, Aambalantu, Aakwambi and Aambandja (Williams, 1991). In most of the colonial literature, the word ‘Ovambo’ is used to refer to the Aawambo due to the Afrikaans pronunciation, whereby ‘w’ is pronounced as ‘v’. In colonial Namibia, the area where the Aawambo settled was referred to by the indigenous people as ‘Ovambo’ while the colonial state called it ‘Owamboland’. Both German and South African colonial states did not materially alter or reconfigure the Aawambo territory but maintained it as is (Töttemeyer, 1978). After Independence, Owamboland was divided into four regions; Oshana, Omusati, Ohangwena, and Oshikoto as part of the second tier of government (i.e., regional government).

**‘Development’:** Amartya Sen, an Indian economist and philosopher who was awarded the 2017 Johan Skytte Prize for most valuable contribution to Political Science, sees development as, essentially, freedom (The Johan Skytte Foundation, 2017). To Sen, if the thesis is ‘development as freedom’ then the anti-thesis is undoing what he calls the ‘unfreedoms’ that do not allow for substantial individual choice and opportunities for individual agency. He submits that:

‘Development can be seen as a process of expanding the real freedoms that people enjoy...development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as systematic social deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states.’ (Sen, 1999, p. 3).

This study relies on Sen's 1999 conceptualisation of development on the basis that Owamboland, in colonial Namibia, was ignored and starved of development by both German and South African repressive regimes. The natives had little choice and few opportunities to realise their human agency compared, for example, to white communities in the same country. Accordingly, taking the lead from Sen (1999), what is studied, analysed and defined as development in Owamboland includes the expansion of freedoms that people of Owamboland enjoyed, the undoing of the condition of poverty and constrained economic opportunities, reversing social deprivation, and improving public amenities.

Development can, therefore, be understood as referring to measurable, traceable or noticeable activities that occur and lead to significant positive changes over time. In the context of the study, development refers to those physical activities by the CDM employees that brought about measurable positive changes in their communities over time, i.e., activities that led to the creation of economic opportunities and improvements in the livelihoods of the inhabitants.

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## **Dedication**

This study is dedicated to the former CDM employees, dead and alive, who worked in the Namibian diamond fields under difficult circumstances yet remained stalwart in their commitment to the economic principles that would uplift their communities. It is also dedicated to the memory of my departed friends, Gerson Dallas Pohamba and Simon Lumbu. Lastly, it is dedicated to my sons, Sankara Uukongo Shipululo Amupanda and Job Shipululo Gabriel.





## **Chapter 1: INTRODUCTION**

### **1.1 Orientation and background to the study**

Forming the building blocks of this study are three themes that are studied from the perspective of political science and its political economy branch. These are; the ‘natural resource curse’ theory; colonialism; and capitalist multinational extractive corporations. These themes are brought together and particularised to Namibia in general, and the Consolidated Diamond Mines in particular, by looking at the activities linked to the development of ‘native’ communities. The ‘natural resources curse’ is predicated on an observation that the possession of valuable mineral resources deposits in abundance does not necessarily lead to economic successes for a community of country (Auty, 2001; Collier, 2007; Deacon, 2011). To give credence to this proposition, ‘natural resource curse’ scholars have studied some mineral-rich countries, especially African countries such as Equatorial Guinea and the Democratic Republic of Congo, and concluded that, despite their natural-resources richness, the masses of their people remain trapped in poverty and underdevelopment (see, for example, Siegle, 2008). Certain scholars (Sachs and Warner, 1995) go further by comparing the economic performances of natural-resources-endowed African countries with East Asian economies that have registered high growth and high living standards despite the absence of exportable mineral resources. This then gave credibility to the claim that Africa is one of the ‘resource curse’ zones in the world. Current African political economy discourses on the natural resource curse remain Eurocentric in nature and do not adequately capture alternative recent understandings of African political economy. A more Afrocentric interpretation of African political economy offers a more nuanced explanation.

Moreover, the argument here is that to understand the political economy of Africa, a useful entry point would be to study African experiences with colonialism. The experience and history of Africa with colonialism is that of plunder of African resources that resulted into underdevelopment (Rodney, 1972). When this history of the colonial project is understood, it becomes clear that studies and theories such as the ‘natural resources curse’ can be discredited as inadequate in explaining African political economy. Austin (2010), for instance, argues that African independent economies remain largely linked to those of their colonial masters. This created backward and forward linkages to the continued benefit of the western world (and underdevelopment). Shivji (2005) further adds and details how Eurocentric neo-liberal onslaughts in the form of Structural Adjustment Programmes (SAPs), pioneered by the World Bank and the International Monetary Fund, which had a devastating effects on African development, are often downplayed in much of Eurocentric analysis of Africa. He explains that although there were Afrocentric alternatives to SAPs that called for a holistic approach to Africa’s development and promoted African collective self-reliance, these programmes were dismissed by the Western ‘development partners’ and the Bretton Woods institutions. These include the *Lagos Plan of Action for the Economic Development of Africa, 1980–2000*, the *African Alternative Framework to Structural Adjustment Programme for Socio-economic Recovery and Transformation* of 1989, and the *African Charter for Popular Participation and Development* of 1990 (Mkandawire, 2011). The dismissal of the Afrocentric alternatives to the SAPs and the triumph of the neo-liberal order meant that a post-colonial African economy would not be different from the colonial economy. In this respect, Shivji (2005) points out that the post-colonial economy is ‘typically disarticulated, almost tailor-made, for exploitation by colonial capital,

linked to the metropolitan trade and capital circuits. Extractive industries like mining predominated'. He further argued that African mineral resources, such as diamonds, were of great interest to Europeans right from the first day that they were discovered in Africa (Melber, 2014). Diamonds, in particular, have long contributed to the development of Europe and the global economy (Rodney, 1972).

Among the many ways of colonial exploitation in Africa, the reliance on European corporations to extract African resources for greater development in Europe, was one of the most effective. Historical studies such as those conducted by Robins (2012) not only reveal the role of the East India Company, founded in 1600, in the global political economy of colonialism, but also explore the intricate relationship between colonialism, multinational corporations and local populations. Similarly, other studies by Sivramkrishna (2014), Leonard (2015) and Schrire (2014) all support the role this company played all over the developing world and the patronage it obtained from its colonial enterprises. In the case of Namibia, multinational corporations performed a similar role in the extractive sector of the political economy of the country.

The Consolidated Diamond Mines followed the same pattern of European multinational corporations that benefited handsomely from the colonial state. The company's benefit from the colonial environment in Namibia contributed to its parent company, De Beers, becoming 'the greatest and richest diamond company on earth' (Levinson, 1983, p. 7). As such, studies on its activities in colonial Namibia, including those which focused on the natives who worked for it, cannot ignore the colonial context.

However, despite the above contextual consideration, most studies on diamonds have an exogenous outlook – studying diamonds in relation to rents generated through participating in international trade (Mapuranga, 2000; Mngomezulu, 2016). As will be demonstrated elsewhere in this study, there are few studies with an endogenous outlook – looking at the impact of diamonds in Namibia. It is the endogenous focus, as yearned for by decolonial scholars such as Mazrui (1986) and Ndlovu-Gatsheni (2015), that sets this study apart exogenous by studying the economic relationship between Consolidated Diamond Mines of South West Africa, Ltd (hereafter CDM), formed in 1920, and the indigenous people who worked for it during the colonial period. More specifically, the study looks at the political economy and the role of illegal diamonds in the development of a native area inhabited by the Aawambo people: Owamboland. Further, the study brings a new dynamic to considerations of political economy, ethnicity, and the native’s subjectivities and intersubjectivities, which has not attracted much attention in the literature on the political economy of mineral resources in Namibia to date. While Moorsom and Eriksen (1989) looked at mining in their study of the political economy of Namibia, the subject of illegal diamonds did not receive attention in this important work. Closer studies, including Suzman (2002), Melber (2005) and Fosse (1997), solely looked at the role that ethnicity played in thwarting development and generating conflict in Namibia. This study departs from that exogenous tradition by introducing an endogenous outlook.

## **1.2 The CLS and the Aawambo connection**

The contract labour system (CLS) can be traced to an era of German colonialism of the country then known as South West Africa. As early as 1891, the Aawambo were already serving as indentured labourers in the Police Zone (a clearly demarcated area mainly consisting of central Namibia that was reserved for white settlers) working at

the behest of Germans (Töttemeyer, 1978). In 1896, the *Imperial Ordinance of 1896* was introduced providing for ‘Criminal Jurisdiction and Powers of Discipline over Natives in South West Africa’ and later this was supported by other Ordinances in the early 1900s that were all aimed at compelling the natives by law to have no other option but to become servants of the white man (Wellington, 1967, p. 230). Rauha Viopio, a missionary in South West Africa for 25 years until 1972, conducted her study on the contract labour systems and concluded that:

‘The Owambos had for decades habitually migrated to the so-called Police Zone to look for work. Even at the end of the last century there were Owambos on the farms of the first German immigrants. And when the Otavi Minen-und-Lisenbahm-Gesellschaft, was founded in 1900, this and also the building of the first railway line provided many opportunities for employment to the Owambo. In 1910 there were approximately 8 000 Owambos working outside Owamboland. They crossed the Great Etosha plain on foot, walked for at least 6 days and braved the dangers of hunger, thirst, and wild animals. Every year there were those who died on the way. Some settled at their new places of employment, but some returned with thrilling tales of what they had experienced in foreign places.’ (Viopio, 1972, p. XV).

In the years that followed, the numbers increased further: for example, from 1911 to 1913 there were a total of 12,025 Aawambo labourers employed in the German colonial-period Police Zone, compared to 122 Kavangos (Olivier, 1961; Eckl, 2004; Likuwa, 2012). Töttemeyer (1978, p. 155) explains the brutal character of the CLS during the German colonial era with regards to the Aawambo as follows:

‘The contract system in the German era amounted to the use of a cheap labour force

without any obligations being incurred in Ovamboland that could have led to an improvement in the economic and social conditions in the country. Limited attention was given to improving working conditions, but the German employers cannot be absolved from the charge of having exploited Ovambo workers. Working hours were excessive, wages extremely low, and there was corporal punishment.’

When the Union of South Africa took over the administration of the territory of South West Africa as a mandated territory in 1915, it continued with the existing institutional designs of the CLS. Ovamboland was thus seen by the respective colonial regimes as an important labour reservoir for the general economic development of South West Africa (Corbett, 2002). Kletus Muhena Likuwa, a Namibian historian whose research has focused on the CLS, argues that the major reason for this reliance can be attributed to the reality that after the War of National Resistance, which took place mainly in central and southern Namibia from 1904 to 1908, the populations of the Ovaherero, Damara and Namas were drastically reduced. This then left a labour deficit that needed to be addressed by the colonial regime. To cater for the labour needs on farms and in mines, the colonial state then had to rely on the populations of Owamboland and Kavangoland to make up the shortfall (Likuwa, 2017; Corbett, 2002). Another historian, Christo Botha, saw a motivation for obtaining labourers from Owamboland as one of security of labour based on geography; the Aawambo would face difficulties in travelling back to Owamboland from central and southern Namibia. While acknowledging the abundance of labour due to the size of the available Aawambo population, other reasons included the known prospects for the colonizers to negotiate favourable terms with their chiefs, who wielded enormous power and control over their subjects

(Botha, key informant). Another key informant of the study, Gabi Schneider, adds that:

“There were few job opportunities in the north, so Owambo men willingly took the chance to generate some income down south. It was even a prestigious honour to receive an *okaholo*,<sup>1</sup> because in order to qualify one had to be fit and strong. Furthermore, the Owambo people had the reputation of being good and diligent workers.”

The perception of a sound Aawambo work ethic is also supported by Galloway (key informant). The colonial state took responsibility for ensuring that there was sufficient supply of labour to support the colonial economy.

In 1925, two recruitment organisations were formed: the Northern Labour Recruiting Organisation (NLO), which primarily recruited labour in northern Namibia for the mines in the north, and the Southern Labour Recruiting Organisation (SLO), catering for the interests of mining companies in the south of the country. The NLO was limited to recruiting labourers from Kavangoland who would work on farms and mines in northern Namibia. The Southern Labour Recruiting Organisation (SLO) was then responsible for recruiting labourers in Owamboland for mines, such as CDM, in southern Namibia. The SLO had an office in Ondangwa while the NLO office was in Rundu (Töttemeyer, 1978; Likuwa, 2017). Disputes later emerged between NLO and SLO over encroachments in designated recruitment areas. The tensions were further exacerbated by the arrival of the Witwatersrand Native Labour Association (WENELA), which illegally started recruiting contract labourers to go to work in South African gold mines and tobacco farms in Zimbabwe. WENELA was seen as more reputable, thus leading to better employment opportunities than those

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<sup>1</sup> An Oshiwambo term for contract labour.

offered by SLO and NLO, which by then felt threatened by each other and WENELA too (Likuwa, 2012). The South West Africa colonial administration subsequently intervened in order to solve the disputes by creating the South West African Native Labour Association (SWANLA) in 1943, an amalgamation of SLO and NLO. SWANLA maintained the two offices in Rundu and Ondangwa while a recruitment depot was established in Grootfontein. SWANLA operated for fewer than 30 years: in 1972, after a prolonged strike that saw the closing down of several mines relying on migrant labour, the colonial government was forced to abolish SWANLA and replaced it with tribal labour bureaux that, although masqueraded as bringing changes in the contract labour system, did nothing but maintain the same system (Gordon, 1977; Likuwa, 2012; Töttemeyer, 1978; Viopio, 1972).

As stated above, the contract labour system in southern Namibia, particularly at CDM, was dominated by Aawambo labourers (as evidenced by the records of SLO and SWANLA.) To put this in context, Likuwa (2012, pp. 68-69) produced the table below using official archival data from SWANLA and the colonial administration, thus illustrating that an overwhelming majority of contract labourers during this period were Aawambo:

**Table 1: The origin of contract labourers from 1924 to 1959** (Likuwa, 2012, pp. 68-69)

<i>Year</i>	<b>Kavangoland</b>	<b>Owamboland</b>
<i>1924</i>	346	3,273
<i>1925</i>	243	3,269
<i>1926</i>	355	4,033
<i>1941</i>	639	4,060
<i>1942</i>	351	3,137

<i>1943</i>	539	6,659
<i>1959</i>	1,033	14,960

Table 2 can be developed illustrating the percentage of the Aawambo and Kavango labourers during this period.

**Table 2: Percentage of Aawambo and Kavango labourers in the CLS between 1924 and 1959** (Likuwa, 2012)

<i>Year</i>	<b>Kavangoland</b>	<b>Owamboland</b>
<i>1924</i>	10 %	90 %
<i>1925</i>	7 %	93 %
<i>1926</i>	8 %	92 %
<i>1941</i>	14 %	86 %
<i>1942</i>	10 %	90 %
<i>1943</i>	7 %	93 %
<i>1959</i>	10 %	90 %

With the exception of the year 1941, it is worth observing that during this entire period, the contract labourers from Owamboland always constituted at least 90 per cent of the total population of the contract labourers in South West Africa. Between 1961 and 1965 the total number of the Aawambo recruited in the CLS was recorded as follows: 24,172 in 1961, 30,822 in 1962, 32,033 in 1963, 33,619 in 1964 and 38,477 in 1965 (Banghart, 1969; Hishongwa, 1992). By 1971, the Aawambo constituted 93 per cent of the contract labourers in South West Africa (Töttemeyer, 1978). Because the SLO was mainly recruiting amongst the Aawambo for workers to go to the mines in southern Namibia and because an overwhelming majority of the contract labourers under SWANLA were Aawambo, there is, therefore, a justification and a case to be made for a study such as the current one, which looks at the Aawambo contract labourers in general and at the CDM in particular. Similar confirmation of the Aawambo domination of the labourers in the diamond fields is

confirmed by Wagner (1971, p. 304), who found that: “the majority of the labourers, who numbered 3 500 [by 1971], are Ovambos, recruited in the northern portion of G.S.W Africa’. Asked why the Aawambo formed the majority of the CDM workers, a De Beers representative responded that the higher concentration of labour in Owamboland, as compared to other places, was one of the key reasons (Kali, key informant). The dominance of Aawambo contract labour at CDM is not only a matter of historic record. An observation of an old signage in the Sperrgebiet provides further credence to these historic records. As indicated by figure 2, below, of all the indigenous languages, it was only Oshiwambo that was placed on Sperrgebiet (restricted diamond area) entry signage, alongside warnings in ‘European’ languages (including Afrikaans).



**Figure 2: Sperrgebiet entry warning board** (Namdeb Resources Centre, 2017)

### **1.3 Man's inhumanity to man: the degrading, dehumanizing and oppressive nature of the CLS**

#### *1.4.1 Contract labourers as a commodity and the constraints of their lifestyle under colonialism*

The contract labour system was not established for any other purpose than that of providing labour for the colonial economy. The constitution of SWANLA, as described by Likuwa (2012, p. 65), articulates the purpose of SWANLA as to:

‘Recruit and distribute African labour; to carry on business in the recruiting areas as retail general dealers and hawkers; to watch, protect and further the interests of the employers and of the recruited labourers; to purchase or otherwise acquire, sell, lease or hire any movable and or immovable property; to lend or invest money with or without security, and to borrow money or mortgage bond or otherwise; to use profits to centre a reserve fund; to reduce recruiting charges subject to the improvement relating to recruiting, to the reduction of recruiting charges; to do all such other things as the association may consider to be incidental or conducive to the above stated objectives.’

What the above illustrates, conspicuously so, is that from day one the contract labour system in general and SWANLA in particular was always a capitalist venture. SWANLA was in the business of African labour – African labour was the commodity it traded on the market. The above objectives thus indicate that SWANLA was not in the business of recognizing the humanity of its ‘commodities’ for such an approach would mean losing sight of the business case: the trade in African labour. Had the natives, who later started resisting the system, read the constitution of SWANLA, they would have understood that it never pretended to be an organisation with humanitarianism as a core principle. The natives had little choices at the time. As Viopio (1972), Gordon (1977), Corbett (2002) and others

have argued, ecological problems, such as drought and famine, left the Aawambo with few options but to look for work beyond their homeland. Similarly, Hishongwa (1992, p. 53) identified three main reasons why the Aawambo sought employment from the CLS:

‘One probable reason why the number of contract workers increased significantly might be the serious drought which occurred in Owambo. Approximately a quarter of the Owambo population numbering 160 000 died in the famine of 1915 and in the influenza epidemic which hit the area three years later. The second reason is that the areas where the local population used to collect minerals were redefined as ‘white’ areas, making it impossible for the African population to use and control resources from those areas as they had formerly done. The third reason is that whites, when they entered the area, imposed a system of taxation through the tribal chiefs. In addition, they imported their culture and their way of living, and made some commercial goods available to the Africans. Many European things were introduced, for example various types of food, and agricultural implements such as ploughs, fencing wires, etc. Buying these goods and also having to pay a ‘hut tax’ required the Ovambos to enter the modern economic sector in order to earn cash wages. Thus, jobs were needed to enable them to purchase clothes, food and other modern commodities.’

The above discussion of the objectives, principles, and the circumstances which gave rise to the CLS cannot be understood without a discussion of the actual operations of the CLS. The next section details the operations of the CLS, providing an in-depth understanding how the above were put into practice.

#### *1.4.2 The modus operandi of the CLS*

An understanding of the practical operations of the CLS is necessary, particularly of the formalized CLS. An Omuwambo man seeking to join the CLS would have to wake up early to join the queue at the SLO/SWANLA offices in Ondangwa. He would find many other men from all over Owamboland who were also looking for work. If lucky enough to be shortlisted, he then proceeds inside a hall where he is to be subjected to a series of medical check-ups and undergo physical fitness tests. After these tests, he, with others, is then graded into one of the three categories; A – fit for heavy work such as mining; B – fit for surface and industry work; while category C, represented general and farm labour. After a successful examination, a labourer then signs a contract of a duration ranging between 12 and 18 months. During the early years, the workers were given a tag on a string to wear around their neck, identifying which of the above-mentioned categories he belonged to (Hishongwa, 1992: Töttemeyer, 1978: Galloway, key informant). They will then often be transported – mainly loaded onto trucks although there were instances of air transportation – to the SWANLA headquarters and labour depot at Grootfontein, where they will be dispatched to their places of work (Likuwa, 2017). The CLS presented a number of cultural and moral challenges to the Aawambo workers.

#### *1.4.3 CLS: culture shock, moral and social dilemmas, and lack of dignity*

As implied earlier, the CLS was not designed for humanitarian purposes. It was established to address the labour problems of the colonial economy. From the first point of entry, at the recruitment centre, the brutality of the system could already be experienced. There can be no better expression of what happened at the recruitment centres, and how the natives felt, than the words of one of the 46 former CDM

employee respondents interviewed by this researcher. Museveni Nakambale,<sup>2</sup> who joined the CLS in the 1970s to go work at CDM, describes the CLS recruitment system as:

“A humiliating and degrading method of recruitment. They had us undress ourselves, young or old, in front of each other and milked our private parts [penis] and inserted their fingers on our behinds [anus].”

What Nakambale is describing represents one of the moral problems the Aawambo had with the CLS. In the Aawambo culture, a culture that this researcher is very familiar with, it is something of an abomination for the elderly to undress in front of children/youth. The CLS, given its refusal to recognize the humanity of the contract workers, required everyone to undress to enable the physical inspections to take place. This was indeed a cultural shock to the Aawambo men.

That the CLS was a brutal system has been exhaustingly chronicled. In a discussion on labour and employment in colonial Namibia, the United Nations Institute for Namibia (1986, pp. 630-631) observed that ‘migrant workers are not integrated into the wider society in which they work, nor are they allowed to live with their families or dependants during what is regarded as temporary sojourn in white-controlled urban centres and on large white commercial farms’. Similarly, as one of the key informants in this study, geologist Gabi Schneider contends:

“The contract labour system was a system that allowed maximum exploitation of workers at minimal cost. Employers had hardly any obligations, and non-performance could easily be handled by not extending a contract. Job security was an unknown term. Housing in compounds was cheap, as the system had to

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<sup>2</sup> Not his real name.

deal with single men only. Had they brought their families to the remote areas in which mining takes place, employers would have had to take care of housing, education, health etc. While beneficial for the employers, the contract labour system had devastating effects on the families of employees, who would only see their son/brother/husband/father once a year. The system therefore promoted social disintegration, promiscuity, and lack of family bonding.”

Sam Nujoma, the founding President of Namibia’s liberation movement, the South West Africa People’s Organisation (SWAPO), and the first President of independent Namibia, understood the brutal nature and character of the CLS for the contract labourers in general and to the Aawambo in particular. In a foreword to a publication on the CLS by Hishongwa (1992), Sam Nujoma, who was also a contract labourer, provides a graphic description of the CLS:

‘The cornerstones of the contract labour system were human trafficking, racial discrimination, starvation wages, bad working and living conditions as well as repression of trade union activity. The consequences of the contract labour system in Namibia have been far-reaching and tragic in many respects. They included not only the suppression and exploitation of the workers at the work place – the farms, factories, mines, canneries, etc. – but also a disintegration of the cultural and social life in the areas from which the contract workers were recruited. For example, the able-bodied male members of the rural black communities were creamed off from those areas and deployed in production centres far away from their communities for long periods of time without any right whatsoever to visit their families or even attend funerals of their loved ones. Also, in the absence of the complementary labour of the male members of these communities, the labour time spent by women in households and on food

production for themselves and their dependents had to be greatly extended. Moreover, the long separations of families had a devastating impact on the contract workers' social life and that of their families back home. Quite often, this meant the unfortunate breaking up of families.' (Nujoma, as quoted in Hishongwa, 1992).

Spending a lot of time – as long as 18 months – far away from homes had negative impacts beyond family life (Hishongwa, 1992; Schneider, key informant; United Nations Institute for Namibia, 1986). It also had an impact on culture, as stated earlier. Before the introduction of the CLS, sodomy, bestiality or anything related were unheard of in Owamboland and in the Aawambo culture (Viopio, 1972). The long periods the contract workers were forced to stay away from their wives, resulting in longing and loneliness, had devastating results on the Aawambo culture with respect to sexual mores. A case from the National Archives in Windhoek, suggests, if not confirms, that some male Aawambo workers found alternative ways of dealing with loneliness. On the 8<sup>th</sup> of June 1960, 'Nehumbo Iyambo', (seemingly Negumbo Iyambo), a 23-year-old Omuwambo contract labourer at Oranjemund, was charged with an offence of bestiality for 'wrongfully and unlawfully and contrary to the order of nature, have a venereal affair with a certain sow'. He was then sentenced to four months in prison (R v Nehumbo Iyambo; 1950). Apart from its negative cultural and social impacts, the CLS also enforced appalling working and living condition as discussed below.

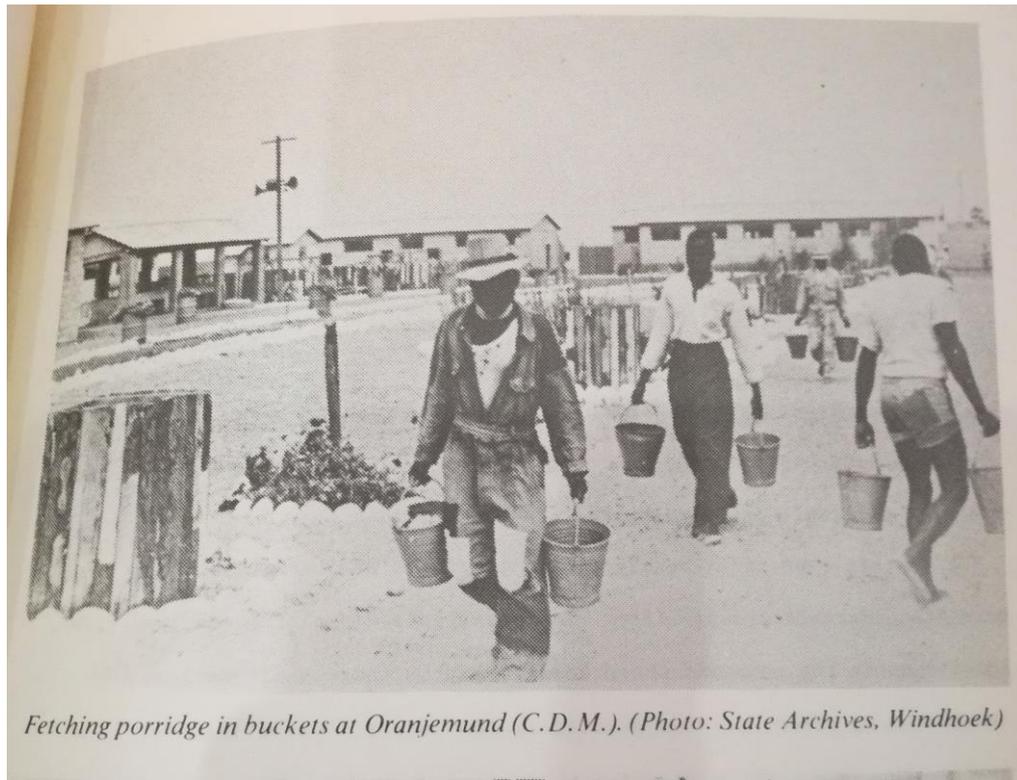
#### *1.4.4 The living conditions of the natives under the CLS*

The living conditions of the workers in the Police Zone in general and at the mines in particular were equally terrible. The food offered to the labourers was indicative of

the colonial attitude, as earlier discussed in 1.3.1; the CLS was an inherently inhumane system, unconcerned with the natives' humanity, and principally saw them as a cheaply available commodity from which they could easily derive major profits at a minimum cost (Gordon, 1977; Kane-Berman, 1972). An American judge, William Booth, fittingly captured the food and conditions under which the contract workers lived when he visited a compound in Katutura in the late 1970s:

‘The kitchen is quite unsanitary with flies all over the place and cats chasing each other throughout the place. The food is served through openings in a wire fence separating the cooking area from the dining area. Porridge is slapped in a bowl with a shovel, a conglomeration of liquefied vegetables is poured over the porridge, and a piece of bread is also given to each man. For meat, a hunk of bone is given on which there is a slight bit of beef.’ (Booth, 1977, pp. 165-166).

Similar findings were made by Adam Rafael, a reporter for the British ‘Guardian’ newspaper, who visited a workers compound at Berg Aukas and reported that ‘the kitchens are poor and, when I visited them, dirty and swarming with flies’ (as quoted in The Catholic Institute for International Relations, 1983, p. 23). The photograph below (figure 3) was reproduced, from the state archives, by Gordon (1977, p. 235) corresponding to the findings of William Booth by depicting workers fetching porridge in buckets at Oranjemund.



*Fetching porridge in buckets at Oranjemund (C.D.M.). (Photo: State Archives, Windhoek)*

**Figure 3: CDM workers fetching porridge in buckets** (Gordon, 1977, p. 235)

These conditions, the terrible conditions of the CLS as experienced by workers and the consequences of the system as explained above, became a fertile ground for mass mobilizations against the entire CLS. This is aptly captured by the Catholic Institute for International Relations (1983, p. 23), which stated that:

‘The Ovamboland [*sic*] People’s Organisation, which grew into the liberation movement SWAPO, was founded in 1957 explicitly to fight the contract labour system, and it was in the contract workers’ compounds that its support was rooted and ideas transmitted. As a CDM official put it, no better way than compounds of assisting SWAPO to recruit could easily be imagined. ‘Contract’ brought together Namibians from all over the country, creating both a sense of national unity and, as migrants moved to and from, a national communications system.’

The above is confirmed by Sam Nujoma, SWAPO's founding president, when he held that because of the challenges of the CLS:

'The Namibian workers were obliged to play a prominent role in the country's struggle for national independence. Their struggle for improved wages and working conditions and for the right to organise themselves into trade unions was fused with the broader resistance against oppressions and for national independence.' (Nujoma, as quoted in Hishongwa, 1992).

Given this background, and in the context of growing international opposition, it became clear that the CLS was bound to face resistance from the contract labourers (Bauer, 1998; Töttemeyer, 1978). One example of such resistance was the general strike that led to the abolishment of SWANLA, as discussed below.

#### *1.4.5 Resistance against the CLS: the 1971/2 general strike and the abolishment of SWANLA*

There were several responses to the contract labour system. One of the responses, as pointed out earlier, was the formation of the Owambo People's Organisation, the forerunner of the liberation movement SWAPO, which was formed by contract labourers to fight against the CLS. The other significant event was the 1971/2 general strike that brought the colonial economy to its knees in South West Africa. Although there are specifics that have been isolated as the demands and causes of this strike, it is generally accepted that the very oppressive nature of the CLS was the root cause of the strike. As Kane-Berman (1972, p. 36) submits:

'The conflict in Owambo is not a mere labour dispute; the policy of apartheid itself is at issue. As events show, this policy is having to rely more and more on coercive techniques'.

The Catholic Institute for International Relations (1983, pp. 18-19) elaborates this context, aptly explaining the terrible living conditions coupled with regression in wage holding:

‘The rates in 1954 were lower than in 1922... Wages were also lower even than on South African mines, to the extent that people from east of Namibia illegally slipped into Botswana in order to enlist for South Africa. Workers lived in compounds, 12 or more in a room. In 1918, the general level of health was so low that almost half of Africans – but only 8% of whites – died in an influenza outbreak at Tsumeb. Supervisors could be brutal – in two months during 1911, 15 cases of physical maltreatment of workers on the diamond fields actually reached the courts. The *1917 Mines and Works Proclamation* gave employers near-dictatorial powers, and made even absence from work a criminal offence. A battery of laws in the 1920s and 1930s confined black people to ‘reserves’, forced them to carry passes and controlled their movement.’

Bauer (1998, p. 88) provides further contextualisation and explains the significance of the strike as follows:

‘In the historiography of labor in Namibia the general strike of 1971-72 holds a prominent position. Although the first recorded strike in Namibia took place at Gross Otavi in 1893 and dozens of strikes occurred in the intervening years, the 1971-72 strike was unique; more than thirteen thousand contract workers participated in the strike, which effectively shut down twenty-three workplaces and eleven mines during its first month. Also, within the first month, most of the striking workers were returned to their places of origin, Ovamboland [*sic*] in the north, where protest then commenced on an even wider scale. This resistance was

met with military intervention on the part of the South African colonial authorities, escalating a spiral of violence that would end only with independence in 1990.’

According to Hishongwa (1992, p. 78):

‘The contract workers decided to go on strike in protest against the repressive contract labour system. Workers employed by mines, industries, farms, railways, commerce, in domestic service and many other sectors were involved. The strike brought the mining industry ‘to a halt’, and the communications and transport systems, farms and commerce were ‘seriously affected’. The objective of the strike was to overthrow the entire contract labour system and its parent – the apartheid system.’

The letter sent by Walvis Bay workers to their fellows in Windhoek erases any doubt that workers were fundamentally opposed to the CLS as an overarching system:

‘Greetings. Love your neighbour as yourself, thus say the commandments of God. We don’t want the contract anymore because we have no human rights. It denies us recognition as human beings. Due to the contract the Owambo people are not regarded as people... Now we don’t want the contract anymore and want to be regarded as human beings.’ (The Catholic Institute for International Relations, 1983, p. 19)

On the 10<sup>th</sup> of January 1972, the Aawambo workers held a mass meeting at Ondangwa to discuss the contract labour system. Under the leadership of Johannes Nangutuwala, this meeting was attended by about 3,500 Aawambo workers. They elected a delegation to represent the workers at the discussions that were scheduled to take place at Grootfontein on the 19<sup>th</sup> and 20<sup>th</sup> of January 1972 (Kane-Berman,

1972; Töttemeyer, 1978). Table 3 below provides a summary of the perspectives, concerns, and the solutions brought forward by the meeting of 10<sup>th</sup> January 1972, based on Kane-Berman (1972, pp. XI-XIV):

**Table 3: Workers concerns and demands at the General Meeting in Ondangwa on 10th January 1972**

<i>Workers' perspectives, issues, and concerns with the CLS</i>	<b>Workers' demands and proposed way forward regarding the CLS</b>
<i>Forced labour – no job choices</i>	Total removal of the CLS
<i>Meagre wages thus no incentive to remain employed</i>	Rejection of labour trading on the basis of skin colour
<i>Negative effects on family life and upbringing of children. No rights to visit each other</i>	An agreement that includes job choices and remuneration commensurate with the work done
<i>Causes intra-black hatred and animosities</i>	Freedom, without police interference, to change jobs, particularly on grounds of low wages and exploitation
<i>The degrading nature of the anal examinations, exclusively done on blacks</i>	Freedom to stay with families and to visit and be visited by family members
<i>The CLS values labour more than the person carrying out the work (the contract labourer)</i>	Establishment of labour offices nationwide providing sufficient information on types of work and salary scales
<i>The contract labourer does not enjoy protection under the law</i>	Announcements and advertisements of vacancies on radio
<i>The total disregard for human dignity and the very humanity of the contract labourers</i>	Cessation of recruitment fees to labour offices
<i>Treating of black people, and Aawambo in particular, as commodities making SWANLA rich</i>	Liberalisation of the business environment
<i>The jail-like compounds wherein contract workers are made to sleep on cement beds</i>	Rejection of the notion that the CLS and its wages have been supported by traditional leaders
<i>The single exit from Owamboland to the police zone (i.e., structured in the same manner as the compounds)</i>	Payment of full salaries (not portions)
<i>The general mistreatment of the workers throughout the employment period</i>	The abolishment of passes, replacing these with identity cards containing names, citizenship, sex, and a passport photo

While the workers made significant gains and the impacts of the strike forced the colonial government to the negotiation table, the biggest achievement of the strike – something workers may not have anticipated – was the political consciousness it has created. As Kane-Berman (1972, p. 37) observed:

‘The most important result of the strike is its effect on black political consciousness...The strike – the first successful mass action in South and South West Africa for many years – has given impetus to the process of politicization. The Ovambos are aware of their power, and aware too of the world attention to South West Africa.’

The specific outcomes of the 1971/2 strike are provided by Hishongwa (1992, p. 79) as follows:

‘After the strike, the South African authorities agreed to some of the workers’ demands and promised a change. A new recruitment system, to replace the contract labour recruitment system, was promised. It was agreed that SWANLA would be abolished and replaced by an employment bureau under tribal governments. The new form of contract included the words ‘employer’ and ‘employee’, in contrast to the old one which included the words ‘master’ and ‘servant’. Medical examinations would, however, continue as under the old contract labour system. Finally, the classification of workers into various groups would be abolished, and working hours would be fixed. In reality, however, the existing labour system and its oppressive conditions remained in force. The contract workers soon began to realise that South Africa was not ready to accept any change which might lead to equality between whites and Africans in Namibia. The workers, especially the young ones, therefore saw no alternative

but to leave the country and join the liberation movement spearheaded by SWAPO. They wanted to participate in the fight against all forms of discrimination and exploitation, including the contract labour system – a fight for national and social liberation.’

This section highlighted the oppressive disposition and character of the CLS generally, and in the mines in particular. It also highlighted the responses of the workers to the oppressive state of affair. The CDM was a beneficiary of the CLS and benefited from, and enjoyed, the protection of the colonial state. The subsequent section details and locates the CDM in the colonial setting in order to provide an understanding of its operations and its relations with the Aawambo workers who constituted the majority of its workforce.

## **1.4 CDM in a colonial setting**

### *1.4.1 Early diamond mining activities and the Sperrgebiet*

Although most of the research on diamond mining in Namibia tends to focus on CDM and De Beers, there were significant diamond activities that took place before the arrival of De Beers. As Hishongwa (1992, p.19) notes: ‘From 1908 to 1915, the Germans exploited more than 55 million carats from Namibia’. It is therefore important to take note of the history of diamond mining in Namibia before the arrival of CDM. Geologists Schneider and Miller (1992, p. 2) detail the history of Namibia’s diamond discovery as follows:

‘The first two diamonds were discovered in Namibia in 1898; one at Nauchabgaus just east of Berseba, and the other on the farm Amalia 64 southeast of Gibeon. Their source is unknown, but at about the same time kimberlite pipes

were discovered in the area by De Beers Consolidated Mines Limited... the most important discovery, however, was made in April 1908 by Zacharias Lewala, a railway employee, who had previously worked at a diamond mine in Kimberley, South Africa. He picked up several stones which he recognised as diamonds near Kolmanskop, a railway siding some 10 kilometres southeast of Lüderitz, and handed them to foreman August Stauch. Stauch, having found that thin coarse gritty sands between the bedrock outcrops in the area also contained diamonds, pegged off large areas without attracting much attention. Two months later, after Dr Paul Range, the government geologist, confirmed the stones to be diamonds, the rush began and in a short space of time practically the whole coastal strip between Marmora and Conception Bay was pegged. Within 18 months the whole coast from Walvis Bay to the Orange River had been prospected.’

There seems to be considerable debate regarding whether or not Lewala was aware of the nature of his find, i.e., if he knew that it was a diamond he had discovered or simply believed that he had found an intriguing stone. One version is that Zacharias Lewala worked at a diamond mine in Kimberly in South Africa and had actually recognized that it was a diamond, stating as much to August Stauch. Diamonds had been discovered in South Africa in 1866 and by 1872 mining activities in Kimberly were underway, while by 1889 there were 10,000 black mineworkers in Kimberly (Meredith, 2007). Corbett (1989, p. 2) supports this version, writing that: ‘Zacharias Lewala picked up a stone which he apparently recognised as a diamond’. Pallett (1995) suggests that given that Lewala worked in the Kimberly mines, it is plausible that he may have had knowledge of a stone he had discovered. This version also finds gains credence in Schneider (2008) and Baericke (2001). While accepting that

Lewala originated from South Africa, Levinson (1983, p. 29), like earlier authors Bredow, Lotz and Stauch (1914), rubbishes this version claiming that:

‘Lewala had never worked in the mine but had in fact been a coach driver at the Cape... while shovelling sand he [Lewala] observed a sparkle that was not in itself unusual because of the mica present... He picked it up and gave it to the white foremen with words, “mister, ‘n mooi klip” [Sir, a pretty stone]. Neither of them, Stauch claimed, recognised it as a diamond.’

Whichever version, in fact, represents the truth of the matter – and certainly there is a need for historical clarity, particularly with regard to the individual Zacharias Lewala – (Noli & Kali, 1998), both Lewala and Stauch were instrumental in the narrative history of diamond discovery in Namibia.

Stauch was joined by Professor Robert Schiebe in authenticating the findings and in further taking claims on behalf of the German government. On the 20<sup>th</sup> June 1908, Stauch went to report his findings to the Deutsche Koloniale Gesellschaft (DKG) head office in Swakopmund. The news then led to what became known as the ‘diamond rush’ characterised by the influx of prospectors from all over the world. This diamond rush led to the founding of prospecting towns such as Elizabeth Bay, Pomona, Bogenfels, Mobeb, Conception Bay, and Charlottental. Soon thereafter, the German government sent Dr Bernard Dernberg, the secretary of colonial administration, to assess the discovery and in August 1908 the results of his findings led to the sole right to prospect and mine minerals being granted to the DKG. The area where the DKG was granted exclusive rights became known as the Sperrgebiet, meaning ‘the forbidden territory’ (Diamond Board of Namibia, 2009; Corbett, 1989; Pallett, 1995; Levinson, 1983; Corbett, 2002; Schneider, key informant).

As Pallett (1995, p. 6) describes, the Sperrgebiet, also known as Diamond Area 1, lies within the winter rainfall region of the Namib Desert, in the south-western corner of Namibia. This area of 26,000 km<sup>2</sup>, bounded by the Orange River in the south and the Atlantic Ocean in the west, is just over 300 km long and not more than 100 km wide. The proclamation of the Sperrgebiet and the granting of the sole rights to the DKG did not mean that there were no other companies that were allowed to prospect but the proclamation limited the number of companies with rights to prospect to nine. As the Diamond Board of Namibia (2009, p. 17) notes ‘in the first seven years following Zacharias Lewala’s initial diamond discovery, the mines had produced a staggering total of 5,369,814 carats of diamonds.’ August Stauch, for example, became increasingly involved in diamonds, beyond Kolmanskop (within the Sperrgebiet). In 1908, Stauch sent diamonds, in an envelope, to his wife in Germany. In the same year, when Dr Dernberg visited South West Africa, Stauch gave him 20 diamonds to take to the German leader, Kaiser Wilhelm II. From this period until he went bankrupt in 1930, August Stauch remained an important player in the South West African diamond industry (Schneider, 2008).

#### *1.4.2 Arrival of Ernest Oppenheimer, the Halbscheid Agreement, and the formation of CDM*

From the 1920s onward, the story of diamonds in South West Africa is dominated by Ernest Oppenheimer and the CDM. Corbett (1989, p. 7) captures this history as follows:

‘[After the proclamation of the Sperrgebiet] ...mining continued in a relatively haphazard manner, which was noted by Ernest Oppenheimer on his visit to the [diamond] fields in 1914. Ernest wrote a comprehensive report after his visit. In 1915 South West Africa fell into South African hands when Louis Botha’s forces

overran the country... the conditions were very harsh...and diamonds took a backseat. Oppenheimer, alert to the ensuing situation, initiated negotiations and the Consolidated Diamond Mines was born in February 1920. Anglo American, a very new organisation of which Sir Ernest was Chairman, had a controlling interest.’

While Corbett’s 1989 account provides interesting insights, further readings indicate that this is an oversimplification of the events that led to the establishment of CDM. The takeover of South West Africa by the Union of South Africa dealt a heavy blow to the German diamond companies, especially with Proclamation Number 59 of 17 November 1920, which cancelled all mining concessions. Negotiations ensued between the diamond interests involving and spearheaded by (amongst others) August Stauch, Erich Lubbert and Charles Hull, who were all concerned with the future of diamond industry given these developments (Schneider, 2008). Ernest Oppenheimer, who was monitoring these developments very closely, and his then newly established company the Anglo American Corporation of South Africa, went into negotiations with the then conglomerates of the diamond interests, called the ‘Lüderitzbuchter producers’ (who included August Stauch and others). In November 1919, they agreed to form the Consolidated Diamond Mines of South West Africa Ltd (Schneider, 2008). Schneider (2008, pp.123-129) summarises and records this elaborate as follows:

‘The agreement was finalised in January 1920 and signed in Cape Town on 9 February of that year... The new company’s board was to comprise nine members; five nominees of the Anglo American Corporation of South West Africa Ltd and four members representing the Lüderitzbuchter producers. They were August Stauch, Walter Bredow, Dr. Erich Lubbert and Carl Weiss. Henry

Charles Hull became the company's first chairperson, while Hans Horlein became its first general manager... in the meantime a conference had taken place in Johannesburg in November 1921 where CDM, representatives of the government of the Union of South Africa, and the representative of the South West African Administration, namely the Administrator Gisbert Reitz Hofmeyr, concluded three agreements. These were the 'fiskus Territory Agreement', the 'Halbscheid Agreement', and the 'Consolidated Royalty Agreement'... In 1925 August Stauch resigned from CDM board of directors as he had various business interests in Germany, and his South West African interests had shifted to tin mining and farming... In 1929 Sir Ernest Oppenheimer succeeded Henry Charles Hull as CDM chairperson. That same year he also achieved his greatest ambition: to become chairperson of De Beers Consolidated Mines, the largest and richest diamond company of all time... De Beers bought CDM from Anglo American Corporation in 1930, thereby setting the stage for De Beers's exclusive control of diamond-mining interests in South West Africa for the next 60 years.'

The Halbscheid Agreement, one of the three agreements signed between CDM and the South African and South West African administrations (as discussed above), is an important agreement in the context of this study. As Pallett (1995, p. 74) recounts, it was under the Halbscheid Agreement of 1921 that CDM 'obtained exclusive mining rights in the Sperrgebiet for 50 years'.

The development of the diamond industry in colonial Namibia was not always a smooth ride: it was negatively affected by the First World War, severely affected by Russian seized diamonds flooding into international markets in 1921, and declined between 1931 and 1934 during the Great Depression (Diamond Board of Namibia, 2009; Corbett, 1989; Meredith, 2007; Schneider, key informant). Be that as it may,

De Beers, and by extension the CDM, was able to withstand the storms, thus remaining one of the largest and rich diamond companies in the world. The company De Beers – the parent company of CDM – had links with international capital, as explored below.

#### *1.4.3 De Beers as a warden of the international diamond cartel*

Diamond mining in South West Africa cannot be divorced from De Beers and a short account of De Beers is therefore warranted. De Beers was founded, as De Beers Consolidated Mines Limited, on the 12<sup>th</sup> March 1888 as a merger between Cecil Rhodes and Barney Barnato, with Cecil Rhodes as founding chairman. Cecil Rhodes died in 1902, the same year that Ernest Oppenheimer arrived in Kimberly. In 1917, Oppenheimer established the Anglo American Corporation, which would become a major shareholder in De Beers in 1926 and in 1929, Oppenheimer became the chairman of De Beers. He would later be succeeded as De Beers' chairman, after his death in 1957, by his son Harry Oppenheimer. Nicky Oppenheimer took over as De Beers chairman in 1998, two years before his father, Harry, died. The Oppenheimer family is thus a well-established diamond dynasty globally. The family was able to grow to wield a lot of power in the diamond industry, such that they may be said to operate as both a *de facto* state and an underground syndicate (Kanfer, 1993; Carstens, 2001; Kretschmer, 2003; Roberts, 2007).

The studies on De Beers history and modus operandi in both political science and political economy are well established. Studies by scholars such as Andrews (2006), Hazleton (2002) and Grynberg and Mbayi (2015) all detailed De Beers domineering and belligerent tactics in the diamond industry. In a study on De Beers' methods of

operations in the diamond industry, Bergenstock, Deily, and Taylor (2015, pp. 96-97) makes the following findings:

‘De Beers, as head of the diamond cartel, influences the entire diamond trade from mining to retail... For instance, in the early 1980s, De Beers is alleged to have punished Zaire for attempting to leave the cartel by flooding the market with low-quality industrial diamonds that were Zaire’s principal product. Similarly, De Beers greatly increased its sale of low-quality rough diamonds to Indian diamond cutters in 1996 when Argyle, an Australian company, left the cartel. In both cases, De Beers was willing to drive down prices and take the short-term losses to punish defectors. However, because the grade of diamonds involved was low, price reductions at this level did not threaten the popular image of diamonds as a luxury item. In contrast, De Beers has always treated the controllers of the Siberian mines, first the government of the Soviet Union and more recently of Russia, with more caution. The Siberian finds of 1954 developed into some of the richest sources of diamonds in the world, producing roughly 20% of the world’s gemstone-quality diamonds during the period of our analysis. As such, the output of these mines could have seriously disrupted the diamond markets, and, despite periodic difficulties, De Beers worked hard to negotiate contracts that would keep the Soviet and Russian government in the cartel.’

In studying and understanding CDM, it is important to understand the modus operandi of the owners of CDM, De Beers – a powerful family-dynasty-owned diamond corporation that was able to punish the weak and those that would not go along with its ways. The power of De Beers was not only based on its ability to control international capitalist arrangements. Its power was also reinforced by the

support it obtained from the colonial state. The relationship between the CDM and the colonial state is explored below.

#### *1.4.4 CDM and the South West African colonial state: a symbiotic relationship*

The approach of European nations to their colonies, and that of Germany in particular during the years before and immediately after the 1884/5 Berlin Conference, was always that private companies must take a lead in deriving benefits from the colonies to support much needed industrialisation (Wayne, 1981). Scholars such as Reader (1998), Meredith (2014) and Roberts (1993) have all found that the immediate investment of resources and actual bureaucratic involvement of European states was not initially part of their strategy. European colonial masters preferred, and promoted, European private companies to take up this opportunity. Roberts (1993, pp. 406-407) elaborates this point thus:

‘Though Europeans in the nineteenth century went in for empire-building even more vigorously than before, European world power in that era was not just a matter of running up the flag over new territories... In many places the arrival of European or American traders, prospectors and financiers led to economic concessions by formerly independent local rulers which in fact, though not in name, soon tied their subjects to the wheels of the western chariot, whether this was intended or not..The variety of ways in which Europeans came to exercise power over other people makes it tempting to over-simplify their motives. Ever since the fifteenth century one of them, clearly, was the hope of economic gain. Men had always eagerly sought new places to trade and make money, new resources in land, minerals or labour, or just opportunities for straightforward theft. In the nineteenth century, many of these possibilities became more

attractive still as European demand for raw materials from other parts of the world grew with industrialization. But it is not necessary to govern another part of the world in order to do business there and many businessmen actually preferred to operate out of reach of European law and order. What is more, even when imperialist nations competed most vigorously to acquire new territory, their officials and politicians were often very disinclined to take on new colonies, knowing that they cost money to govern and protect.’

Melber (2010) provides a descriptive account of this approach as applied in Namibia. He argues that although imperial Germany had already declared formally, on the 4<sup>th</sup> September 1884, that the then South West African territory was under its stewardship, it never took concrete steps to establish itself physically in the colony. It left this activity to German-owned private enterprises, following the general European approach to the colonies during this period. Melber (2010, p. 29) writes that;

‘The German Empire at this time was preoccupied mainly with building its own internal capitalist system. It was not yet in a position to take systematic advantage of its colonial possessions. Economic interests were mainly represented by a number of private ‘concessionary companies’. In the main, these existed only for speculative purposes with regard to land allocation and the exploitation of natural resources... as a result of the German government’s vague and hesitant handling of the colonial question, the concessionary companies originally had the powers of a parastatal body. At this stage the German authorities were not too interested in establishing functioning administrative structures, and left the management of the territory to companies. These, in turn, were only interested in adding more land to their possession and acquiring more mining rights.’

European companies did indeed, by Melber (2010) and others' assertion, wield tremendous powers. On a frequent basis, German businessmen, prospectors and traders visited the then South West Africa to explore economic opportunities. Adolf Lüderitz, a Bremen tobacco merchant, sent his representative to South West Africa to establish a trading station at present day Lüderitz. Heinrich Vogelsang arrived in the territory on 9<sup>th</sup> April 1883 and a month later managed to buy, from Bethanie Chief Josef Fredericks, the harbour of present day Lüderitz and all land in the radius of about 8 kilometres. He only paid 100 British pounds and 200 rifles for this. In the late 1880s, Lüderitz was forced to sell all his interest, including this land, to the Deutsche Kolonialgesellschaft für Südwestafrika (DKG) – the German Colonial Company for South West Africa (Levinson, 1983). When diamonds were discovered in 1908, and following the visit of the Secretary for Colonial Administration Dr Bernhard Dernberg in the same year, the same DKG was granted sole right to prospect and mine minerals in an expanse called the Sperrgebiet (see earlier in this chapter). When Germany lost the territory of South West Africa and the Union of South Africa took over, it left the DKG and other German mining companies without state support and protection. The German mining companies managed to sell their concessions to Anglo American Corporation of South Africa leading to the formation of the CDM in 1920. In 1923, the colonial administration of South West Africa and the CDM concluded the Halbscheid Agreement that gave CDM the mining rights in the Sperrgebiet (Corbett, 2002; Levinson, 1983; Schneider, key informant).

What this account indicates – from the 1883 purchase, on behalf of Lüderitz, by Vogelsang of the coastal area, through to the awarding of the sole rights to the DKG and the concluding of the Halbscheid Agreement – is that both the German and South African colonial approach was always to empower European corporations

since the colonial state always maintained a symbiotic relationship with the colonial companies. When Adolf Lüderitz managed to secure the land he bought from Chief Joseph Fredericks and began to feel insecure about his newly acquired possession, he called on the German government to protect his gains and Bismarck, German Chancellor, sent a warship in support. (Levinson, 1983). The South West African colonial administration maintained a close relationship with De Beers in general and CDM specifically. The Halbscheid Agreement is one such indicator of the mutually beneficial nature of these relationships.

The South West African colonial administration held De Beers and CDM in high regard. When the South African colonial state established SWANLA, the primary concern was maintaining the labour supply for the colonial economy, of which CDM was an esteemed player. In fact, before SWANLA, the SLO, an entity established by the colonial state, was specifically dedicated to recruiting contract workers for the southern mines, CDM in particular, and the SWANLA board contained representatives from CDM. While the Diamond Board of South West Africa was meant to serve as an authoritative regulator of the diamond industry in South West Africa, it was later discovered that it was De Beers, the owners of CDM, that controlled and financed the board (Kane-Berman, 1972; Schneider, key informant; Töttemeyer, 1978; Roberts, 2007). When asked about the lessons from CDM and its mining operations in colonial Namibia, Gabi Schneider, one of the key informants interviewed in this study, confirms this symbiotic relationship between CDM and the colonial state, summing up the key argument of this section:

“CDM has largely operated as a state within the state, and much stricter control should have been applied. However, this was not in the interest of the colonial administration.”

CDM was, therefore, an unregulated entity – a *de facto* ‘sovereign state’. It could do as it pleased, including administering racist policies and oppression of the natives.

#### *1.4.6 Racism and oppression at CDM*

Although most analyses of political economies and studies on diamonds concentrate on economic performances/indicators, when it comes to Africa in general and southern Africa in particular, where white-settler colonialism took place, it becomes critical to discuss the inevitable factor of race in the political economy (Everatt, 1991). This is the challenge that Marxist and communist scholars in southern Africa grapple with given the prioritization of questions of class to those of race. To characterise the brand of colonialism in southern Africa, the South African Communist Party coined the concept of ‘Colonialism of a Special Type’ – highlighting that colonialism that involved settler colonisers is different from that without their involvement (Hirson, 1992), although to varying degrees and in certain contexts, racism has always been a companion of colonialism in Africa in general and southern Africa in particular.

In studying the question of racism as it affects Africa and the black world, there have been a number of African scholars who used a framework called ‘decoloniality’ to understand what has happened. The colonial project, in order to ensure African submission and obedience, worked hard to ensure that it reconfigured Africans’ knowledge and confidence of self (Fanon, 1952). Colonialism did not only focus on power configuration by the colonial state but also reconfigured Africa and Africans according to the European image by destroying Africans’ history and memory and replacing it with ‘a software of European memory’ (wa Thiong’o, 2009, p. 21). ‘What Africa knows about itself, what different parts of Africa known about each

other, have been profoundly influenced by the west' (Mazrui, 1986, p. 13). Decoloniality, therefore, sets out to reverse these historical accounts of alienations; the fundamental concern of decoloniality is to repudiate the impacts (remnants and legacy) of colonialism of which racism is the main component.

The impact of colonialism itself is known as coloniality (Maldonado-Torres, 2006; Grosfoguel, 2007; Ndlovu-Gatsheni, 2015). Coloniality is divided into three concepts/units of analysis: coloniality of power; coloniality of knowledge; and coloniality of being. It is these aspects of 'coloniality' that enabled the subjugation of black people in general and the operationalisation of racism in particular (Fanon, 1968; Grosfoguel, 2007; Santos, 2007). These analytical categories are discussed at length in the second chapter.

The introduction of apartheid by the National Party in South Africa in 1948 demonstrates the applicability of the above-stated analytical categories. Apartheid, which implies 'separateness' between black and white was not merely an instrument of prejudice and discrimination against black people. It was backed by state power and so a plethora of laws was introduced to give effect to the prejudice and discrimination against black people. A year after taking power, the apartheid regime introduced the *Prohibition of Mixed Marriages Act of 1949*, which banned all marriages between black and white people. In 1950, the *Second Immorality Act*, an amendment to the *Immorality Act of 1927*, was passed prohibiting sexual relations between white people and all people of colour. *The Population Regulation Act of 1950* classified the population along racial lines while *The Group Areas Act of 1950* ensured compulsory separate residential areas for races. *The Native Building Workers Act of 1951* protected white and coloured workers from cheap black labour while *The Native Labour (Settlement of Disputes) Act of 1953* prohibited strikes by black

workers. Similarly, *The Industrial Conciliation Act of 1956* was passed protecting whites from competition from blacks in the labour market. *The Bantu Education Act of 1953* gave the apartheid state control over the education of black people, including the contents of the curriculum, to ensure that it did not contradict the desires of the apartheid state (Scher, 2014; du Pisani, 2014; Pretorius, 2014). With these laws, which had social, political and economic ramifications and outcomes, the apartheid regime was able to achieve its racist agenda through coloniality of knowledge, power and being.

The South West African administration, which maintained a symbiotic relation with the CDM, permitting it to be what Schneider referred to as “a state within a state” in her interview, implemented all these apartheid laws religiously and CDM did not deviate from this script.

The results of the questionnaires that were administered to 46 respondents in this study, all former CDM employees, and representing the 46 constituencies of Owamboland, demonstrated that CDM, like the colonial state, thrived on a system of institutional racism. Apart from the respondents, the events such as the 1971/2 general strike and records of the colonial government all confirm the racist character of the CDM. CDM did not regard black workers as part of the human race. Explaining the modus operandi of SWANLA, the source of CDM’s labourers, the United Nations Institute for Namibia (1987, p. 36) posited that ‘racism, so endemic in colonialism, attempted to rationalize the ‘native’ as sub-human or even non-human, and thus incited the most inhuman and brutal treatment’. CDM did, indeed, disregard the natives as members of the human family. This can be understood from the perspective of the national policy of separate development: CDM did not permit black workers to come with their families to their places of work, resulting in the

destruction of family life. The responses from former CDM employees state that there were separate services and facilities for blacks and whites at the mine. This extended to simple things such as restrictions on black people buying white bread and prohibited them from entering shops where they could buy goods with their own money. They were, instead, only allowed to shop through a small window. Whenever workers came from Owamboland, CDM indiscriminately confiscated their belongings for fumigation.

Significantly, racism and oppression at CDM also led to the loss of life. A number of respondents referred to cases where colleagues went missing: Mantashe Shipale,<sup>3</sup> who worked as a driver at CDM, stated the following:

“CDM was a colonialist. It was part and parcel of colonialism. There were a number of individuals that disappeared without trace to date. In 1991, there were bones discovered, of human remains, while heavy machines were operating. No one has until today explained to us what happened to Amos Hiskiel.”

It is important to point out that in all the research done until now on the contract labour system and the CDM, none of this information to do with fatalities had surfaced. It therefore remains a mystery and somewhat ‘uncharted territory’ with regard to the research environment. The accounts of Mathale Ponhele, Floyd Nuusila, Kabila Shidinifa, Annele Tangeni<sup>4</sup> and many others all support Mantashe Shipale and provide insights into the racism at CDM. They are reproduced as follows:

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<sup>3</sup> Not his real name.

<sup>4</sup> Not their real names.

Mathale Ponhele:

“CDM was a racist company. It practised separate development exactly the way it was articulated and propagated by apartheid. Here in Oranjemund, there used to be different ways of shopping. My father’s brother told me that they use to buy goods by the window while white people were allowed to go inside the shop. There were separate things. One man, Amos Hiskiel, went missing in the 1980s and was never heard of again.”

Floyd Nuusila;

“I don’t think there is much to learn. CDM was just another white company in colonial Namibia. There were still segregation [*sic*]. We could not bring our wives and we were not allowed to buy for example white bread. We ate and were fed at different places. CDM was still part and parcel of colonialism. There are some of our colleagues that went missing. Until today, they still cannot be accounted for.”

Kabila Shidinifa:<sup>5</sup>

“Racial discrimination was very much visible. Blacks and white resided at different places, blacks were not allowed to buy white bread, there were separate transportation and places of eating were also different.”

Annele Tangeni:<sup>6</sup>

“CDM used to have different working hours for blacks and whites. Blacks would be expected to work until 17h00 while the whites knocked off at 16h00 [on

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<sup>5</sup> Not his real name.

<sup>6</sup> Not his real name.

weekdays]. On Saturdays whites only worked until 12h00. In 1980, a number of CDM employees who were peacefully protesting against working on Saturday were dismissed en masse. There was a time when there was no pension and standardised recruitment packages.”

While the account of missing individuals and discovery of human remains are not captured in much of the literature on the contract labour and the CDM, the general narratives of racial discrimination, appalling working conditions, and the symbiotic relationship between CDM and the colonial state were all collaborated in the work of Gordon (1977), Kane-Berman (1972) Hishongwa (1992) and The Catholic Institute for International Relations (1983). It is not only the workers, international organisations and scholars that detailed the inhuman and colonial attitude of CDM to the people of Namibia and their country. Official bodies, such as the Thirion Commission, detailed CDM’s oppressive and exploitative character too, as discussed below.

#### *1.4.7 CDM and the Thirion Commission*

In 1974, the United Nations Council for Namibia issued a decree nullifying all mining licences or concessions granted by the South African government. De Beers and CDM flagrantly ignored and defied this decree and continued to extract diamonds from the Namibian soil, channelling them through secret trading routes (Hishongwa, 1992; Roberts, 2007). In 1982, a commission to look at corruption and the activities of multinational mining corporations in Namibia was established. This commission, known as the Thirion Commission after head judge Pieter Willem Thirion, made damning reports against De Beers and CDM and also the Tsumeb Corporation Limited (TCL) mine operating in Tsumeb. TCL came under fire for its role in the ‘disposal of mineral samples, mining information returns, and its tax

avoidance schemes which have ensured that the Corporation has not paid tax since 1980' (Toolis, 1986). The Commission's main findings, although also mentioning other stakeholders involved in the economic pillage of the mining industry, focused on CDM. Among its key findings include the control and financing, by De Beers, of the Diamond Board of South West Africa, reducing it to a helpless De Beers lapdog. It was also discovered that De Beers controlled and manipulated the Mines Inspectorate. In a submission to the Commission, Gordon Brown, former assistant to CDM's General Manager from 1968 to 1983, disclosed that CDM had taken a decision in the 1970s to mine as many diamonds as possible, working seven days of a week, before Namibia gain its independence (Roberts, 2007; Toolis, 1986). Despite the overwhelming evidence, including testimony by key employees, CDM still took exception to the Commission's report, with its officials repudiating most of the findings (Toolis, 1986). The company continued to take a denialist approach to the report: in its official publication in 1989, *CDM Today*, the company reported the following about the Commission, thus further consolidating the position of this study regarding the existence of a symbiotic relationship between CDM and the colonial state:

'The Namibian government in 1987 rejected allegations made by the Thirion Commission that CDM had 'over-mined' diamond deposits and practiced transfer pricing. The rebuttal was based on the findings of an inter-departmental committee consisting of the Secretary for Finance, the Secretary for Economic Affairs, the Director of Mining, the Director of State Revenue, the Chief Geologist in the Directorate of Geological Survey and the First Law Adviser in the Department of Justice. The committee found that the 'over-mining' allegations were based on 'inadequate and inconclusive evidence' and that, on

the contrary, CDM had ‘consistently sought more and more efficient ways of mining in order to enlarge payable ore reserves or, in other words, make it possible to work lower-grade material at a profit’. On the allegations of transfer pricing, the committee concluded that the Thirion Commission had relied on conclusions of an investigator who at times adopted an extremely simplistic approach, particularly to the marketing aspects of the mining industry, and who showed a lack of experience of prospecting, mining and marketing of various minerals. It appeared that the Thirion Commission investigators had not made adequate allowance for the complexity of international markets. As in the past, CDM intends to continue operating within its rights and obligations, in consultation with authorities and in accordance with the law’ (Consolidated Diamond Mines, 1989).

The response and findings of the ‘inter-departmental committee’ are not surprising considering the fact that some of the departments, particularly the Directorate of Mining wherein the Mines Inspectorate and the Diamond Board of South West Africa were located, were found to be complicit in the economic pillage by CDM. The committee did not deny the aspect of the report detailing how De Beers finances the activities of their regulator, the Diamond Board. The Directorate of Geological Survey, which also formed part of the said committee, did not assume a pro-CDM stance then as a result of the work of the committee because in 1985, its director, R. M. Miller, had already argued the case in defence of CDM submitting that: ‘over exploitation, with which the term ‘overmining’ is being equated in the allegations levelled at CDM, has not occurred as far as grade or stone size is concerned’ (Miller, 1985, p. 14). Before Miller, the colonial state officials also served as ‘surrogates’ for CDM and De Beers. As a case in point, W.P. de Kock, the then Assistant Inspector

of Mines, Chairman of the Diamond Board of South West Africa, and a senior geologist to the South West African administration produced CDM-favouring reports projecting it as a responsible mine whose contribution – and by extension that of the diamond industry – to the colonial economy as enormous (de Kock, 1935). As argued throughout this study, the actions of the colonial state officials can be understood in the context of the symbiotic relationship which existed between the colonial state and CDM, underpinned by the colonial ethos prevalent at that time in history. It is for this reason, as will be discussed elsewhere, that a colonial state institution, the Diamond Board, chose to ignore a documented case of diamond smuggling on the basis that it was committed by a white person. The Thirion Commission demonstrated that CDM was, indeed, underpinned by the colonialist imperialistic logic of extracting African resources without any regard to the natives and their country. When the case of CDM is considered, therefore, it becomes clear that it represents a case of colonialism, exploitation, and oppression for capitalism. This can be understood to be the case because CDM was already integrated into the global capitalist system.

### **1.5 CDM and the global capitalist system**

CDM must be located within the global capitalist environment since De Beers, the company that owns CDM, is a powerful international player. As the Thirion Commission was able to show, De Beers used the gains from the sale of Namibia's high-quality diamonds to build and develop its other extractive industries elsewhere. By 1985, CDM had produced more than 30 per cent of De Beers' profit after tax (Hishongwa, 1992; Roberts, 2007). The key concern of CDM was the extraction of more diamonds for major returns in international markets.

The archival records at the National Archives of Namibia in Windhoek (record number IMW 36/A44/16) indicate that as early as December 1930, CDM – represented by the Administrator General of South West Africa, Albertus Johannes Werth – had signed a memorandum of agreement with the Diamond Syndicate, the oldest and largest diamond monopoly, which controlled the trading of diamonds, outlining the percentages and channels through which Namibian diamonds produced by De Beers would be sold. Zeleza (1993) had argued that De Beers' association, as early as the 1880s, with the Rothschild banking group had long linked and integrated the diamond industry into international finance capital. What this means is that African economies, such as Namibia's, were mere appendices, not main zones, in global capitalist activities. Their resources, such as diamonds mined at CDM served global capitalism (Nabudere, 2009; Udofia, 1984). This helps to explain why CDM did not pay any particular attention to the development and conditions of the natives, let alone towns it mined, or Namibia itself. In 1951, CDM built a bridge over the Orange River linking Namibia, through road infrastructures, to South Africa (Honeyborne, 1974). CDM did not, however, see a need to construct a road linking its site in Oranjemund to the national road network in Namibia during more than 70 years of its existence. The road from Oranjemund connecting to the national road network was only completed in 2017, i.e., 80 years after CDM opened.

CDM was not concerned, in the least with the natives but with what the natives could do to maximize profit. It did not matter if the working conditions were unsafe: CDM only obtained a safety award from the National Occupational Safety Association (the credibility of this award aside) in 1972, close to 30 years later (*Oranjemund Newsletter*, 1972). It therefore emerges that to CDM, the native and Namibia were only a means to an end, that is entrenchment within the global capitalist economy.

## **1.6 Statement of the problem**

As implied earlier, the key problem identified for the purpose of this study is the outlook of the literature on African mineral resources in general, and diamonds in particular. Much of the literature has an exogenous outlook, focusing mainly on the interaction between African mining firms and the transactional arrangements in the international political economy (Apusigah, 2007; Mngomezulu, 2016). While there exists sufficient literature on the international diamond trade, there is little focus on the places of origin of these diamonds – the countries and the mines. More of concern is the singular lack of focus on the indigenous population, their agency, subjectivities and intersubjectivities. They are simply considered through a distorting market and neoliberal lens that reduces them to capital (Rodney, 1972).

The absence of the endogenous outlook in the literature on Namibian diamonds is a cause for concern. Owamboland, the focus of this study, was a recruitment centre for the natives that went to work at CDM and accounted for a huge population of workers that ended up there (Töttemeyer, 1978). As will be outlined with respect to the significance of the study, the illegal trading of diamonds by CDM employees has not thus far attracted much academic interest. Because of this scholarship posture, theories such as the ‘natural resources curse’ attempt to explain the relationship between natural resources endowments and economic development yet fail to look at the agency and subjective experiences of the natives in the mineral-owning countries. The theory simply argues that countries endowed with natural resources are automatically cursed as this will not lead to economic benefits, growth and development (Collier & Hoeffler, 2005). This focus on formal transactions in the political economy of mineral resources is insufficient. As this case study demonstrates, there are longstanding underground or illegal trade activities with

respect to minerals in Africa, by the natives, that have yielded developmental dividends for those involved and their communities. At CDM, the value of the illicit-diamond economy was recorded as ranging between N\$80 million and N\$150 million per year (Minney,1991). While acknowledging the fitting explanation of the ‘natural resources curse’, this study provides alternative explanations as a contribution to the greater body of knowledge, since the theory appears inadequate and insufficient in its explanation and study of the political economy of natural resources in Namibia.

### **1.7 Research questions**

As will be outlined later in the conceptual and operational definitions of the study, ‘illegality’ refers to actions defined as being outside the diamond laws of the then South West Africa and more specifically, the Halbscheid Agreement and the Diamond Industry Protection Proclamation of 1939. Based on the research problem as stated above, a main research question is developed supported by five supplementary questions as follows:

#### *1.7.1 Main research question addressed by the study*

***What was the role of illegal diamonds, obtained from CDM, in the development of Owamboland in colonial Namibia?***

This main research question was aimed at obtaining general and specific data on the subject, from both respondents and key informants, that would allow both qualitative and quantitative interpretations. All other subsequent questions, despite various methods of triangulation, were aimed at essentially answering this question.

### *1.7.2 Supplementary research questions*

#### ***Why did the CDM employees choose to engage in illegal dealing in diamonds?***

This question was particularly aimed at understanding the key reasons that led to CDM employees from Owamboland engaging in illegal activities relating to diamonds. Furthermore, it gave an opportunity for the researcher to get an insight into the history of illegal diamonds at CDM.

#### ***What methods did the CDM employees utilise in obtaining diamonds for the purposes of illegal trading?***

Having understood the motives and foundational ideas that drove or attracted CDM employees to dealing in illegal diamonds, this subsequent question was aimed at understanding the strategies and tactics used to smuggle diamonds from the mines. These strategies and tactics would, in a final analysis, provide an insight into who was taking part in the activities and the complexities involved in the smuggling of diamonds.

#### ***With whom and where did the CDM employees trade illegal diamonds?***

This question was aimed at tracing the illegal diamond syndicate after understanding the strategies and tactics identified and explained in the previous question.

#### ***On what did the CDM employees spend the money obtained from illegal trading in diamonds?***

Having established the syndicate framework, from smuggling the diamonds out from the mine to the point of trading of these diamonds, this question was aimed at establishing details regarding the rents obtained from illegal diamonds. More specifically, the question was meant to identify the use of proceeds from illegal diamonds.

***What developmental difference did the proceeds from illegal diamonds make in the respective communities of the specific CDM employees in Owamboland?***

Once the expenditure of the proceeds from illegal diamonds had been established, this last supplementary question was aimed at analysing the developmental aspects of the expenditure that occurred at the end of this chain. It was aimed at ascertaining whether the diamond syndicate in which CDM employees were involved led to any developmental dividends for Owamboland.

### **1.8 Significance of the study**

The significance of this study can be divided into two components: scholarly and contextual. This study is part of the wider literature in political science looking at the question of political economy in Africa in general and Namibia in particular. Most of the authoritative literature on African development and natural resources, particularly United Nations Economic Commission for Africa (2011), Deloitte & Touche (2015), Van der Ploeg (2007) and the African Development Bank (2007) place much emphasis on the ‘natural resource curse’ narrative, ignoring other important agency questions raised in this study. The study will, therefore, enrich the existing literature on political economy in general and the ‘natural resource curse’ theory in particular.

As was pointed out in the introduction most studies look at the benefits accrued from minerals through formal (legal) trading channels. In contrast, this study investigates the developmental dividends accrued from the illegal trading of mineral. Namibia is acknowledged as one of the principal mineral-rich nations on the African continent and the world. In 1983, The Catholic Institute for International Relations explained that:

‘Namibia is a large mineral producer, according to one estimate the fourth largest in Africa and 17th in the world...Namibia’s diamonds are an important strut in the

delicate framework of the diamond market...Namibia is an important producer of uranium. It is the fourth largest uranium producer outside the Eastern bloc countries.’(The Catholic Institute for International Relations, 1983, pp. 31-32).

This reality has not attracted much by way of Namibian scholarship in the disciplines of political science in general and political economy in particular, as opposed to the fields of geology and mineral economics, for example, where it has received far more attention. This study is, therefore, an important contribution to the Namibian literature on political science and political economy on the subject matter.

Where there has been scholarly interest in diamonds, e.g., by Corbett (2002), Levinson (1983) and Schneider (2008), it has not been concerned with illegal trading and dealing in diamonds by the CDM indigenous employees and its spill-over effect on development in an area such as Owamboland. These studies outlined above, as well as those by Gordon (1977), Wellington (1967), Dobler (2014), Hishongwa (1992), Likuwa (2012) and Töttemeyer (1978) all cover one or two aspects of the study, either the history of Owamboland; diamonds; the CDM; the contract labour system; or mining but none of the studies bring these aspect together to provide a critical analysis of the role of illegal diamonds in the development of Owamboland. This study will, therefore, fill this gap in the literature and make a significant contribution to the studies and understanding of Namibia and related aspects for those interested in obtaining an understanding of the themes under study as well as those interested in further research.

### **1.9 Limitations of the study**

The researcher acknowledges that many employees of the CDM during the period under study may have died. The study thus relied on living CDM employees and on

secondary data and other available records. The sampling method and the entire research design were modelled around overcoming some of these limitations and challenges.

### **1.10 Delimitation of the study**

The study looks at the period from when the first widely publicised diamond was discovered in 1908 by a railway worker, Zacharias Lewala (Badenhorst, 2003) who handed it over to his superior August Stauch (Levinson, 1983) up until 21<sup>st</sup> March 1990, when Namibia obtained its independence, ending the brutal chapter of conquest, brutality and plunder. The study will not be able to extrapolate generalisations up until the present time, i.e., beyond the period of the study. Moreover, the study is focussed on Owamboland and should not be used to draw any inferences relating to other ethnic communities in Namibia. Although the mining outlook in colonial Namibia may have been the same, the study only looks at diamonds during the period under consideration and does not look at copper, uranium and other minerals found and mined in Namibia.

### **1.11 Outline of the remaining chapters**

Chapter 2: ‘The Theoretical Framework – ‘Natural Resources Curse’ – The theory, Limitations and Omissions’ covers theoretical debates around the ‘natural resources curse’, how it is conceptualized and its key assumptions, the debates it has invoked, its shortcomings, its relevance to the study, and the alternative explanations resulting from the insights from the study.

Chapter 3: ‘Research Methodology’ provides a methodological overview of the study, from the methods of data collection, through data organisation, to data analysis.

Chapter 4: ‘The Natives and Diamonds in Colonial Namibia – Methods, Strategies and Tactics of smuggling diamonds at CDM’ concerns the underground illicit activities of the miners at CDM. It provides details on how the CDM employees went about activities relating to illegal diamonds. Categories of smuggling methods are discussed under a number of groupings.

Chapter 5: ‘The Diamond Supply and Demand Dynamics – Understanding the Portuguese connection’ discusses the intimate relationship between the CDM employees involved in illegal diamonds and the Portuguese who were the key buyers of the illegal diamonds.

Chapter 6: ‘Diamond rents in Owamboland – rapid development by unorthodox means’ then discusses the development dividends accrued from illegal diamonds in Owamboland.

Chapter 7: ‘Findings of the study’ presents an overview of the key findings of the study’s research.

Chapter 8: the ‘Conclusion’ concludes the study by looking at and reflecting on the research questions and the research approach, reconciling these with the findings. It also highlights the lessons and reflections of the study.



## **Chapter 2: THE ‘NATURAL RESOURCE CURSE’ THEORY: Commissions, Omissions and Limitations**

### **2.1 Introduction**

The ‘natural resource curse’ is one of the popular theories in the study of the political economy of mineral resources. Bulte and Brunnschweiler (2012) submit that:

‘The resource curse regularly finds its way into the popular press...the hypothesis seems blessed by an extraordinary longevity, defying not only expectations, but also gradually increasing evidence to the contrary’.

Nasri (2015, p.2) adds by way of corroboration that of the many theories on the relationship between natural resources endowments and economic development, ‘one of the most popular is the resource curse theory which explains the supposedly negative correlation between mineral rich economies and economic growth’. This chapter introduces the natural resource curse as one of the dominant theories in the study of political economy of mineral resources. It traces its history, its key arguments, and its evolution. It also looks at its applications and methods of analysis before discussing the critique of the theory. The chapter then considers the theory in relation to the study, looking at its usefulness to the case considered and proposing alternative explanations for understanding the case study, in areas where the ‘natural resources curse’ explanation is insufficient.

Namibia is a resource-rich country that has not succeeded in leveraging its resources to propel itself to high levels of economic growth. Despite its resource abundance, the country has one of the highest levels of inequality, poverty and unemployment in the world (Jauch et al., 2011). Namibia’s diamonds are high-quality gems, resulting in the precious stone being one of the world’s most sought-after precious minerals (Grobler, 2008; Shapwanale, 2017). Despite this and the potential high returns, the

country is seen as unable to escape the triple challenges of poverty, inequality, and unemployment. While there is a correlation, in the case of Namibia, between the key arguments of the ‘natural resource curse’ – high resource concentration and low levels of development – sluggish economic development in Namibia, this study seeks to go beyond this deterministic approach to the study of mineral resources. This chapter, and the overall study, argues that while there is foundational confirmation of the key arguments of the theory, it does not provide sufficient explanation and understanding of the political economy of illegal diamonds in Owamboland. There is, therefore, a need to explore alternative explanations for the relationship between illegal diamonds and development in the case study.

There are two approaches, as will be discussed elsewhere in this chapter, to natural resource curse research. These are the economics approach and the political economy approach. The economic approach provides explanations such as the ‘Dutch disease’ and revenue volatility as the basis of the resource curse and has been seen as dominant in natural resource curse research (Soros, 2007; Humphrey et al., 2007).

The political economy approach privileges the political conditions over the Dutch disease and revenue volatility. The economic explanation of the natural resources curse, the Dutch disease and revenue volatility does not find clear correlation in Namibia since even prominent economists Stiglitz and Schiffrin (2016) and Malmström and Poulsen (2009) have exonerated Namibia from the economic explanation of the Dutch disease and revenue volatility. Given the scant explanatory power of the economic explanation in the case study, this chapter uses the political economy approach to study the political economy of illegal diamonds in the development of Owamboland.

The political conditions, particularly the colonial setting, offer more insights into understanding the role of illegal diamonds in the development of Owamboland than the economics explanation. The subjectivity and agency rationalisations of the natives who engaged in the smuggling of diamonds are also best explained by the political economy approach in general and the political conditions in particular. Although the political economy approach is useful in understanding the agency question, it is viewed as insufficient in explaining and instrumentalising the natives' subjectivities, experiences and narratives. The chapter, therefore, presents a decolonial explanation, particularly relating to the importance of the natives' subjectivities and coloniality of being and knowledge, as being useful in understanding the role of illegal diamonds in the development of Owamboland.

In this respect, the colonial context is also important in distinguishing this study from other political conditions, such as independence. The chapter will demonstrate how explanations such as rent-seeking, agency, and moral cosmopolitanism cannot adequately apply to the case study given that the colonial state was illegal, illegitimate and immoral. The chapter provides decolonial insights such as epistemic realignment, indigenous resurgence, and the conceptualization of development – as freedom and opportunity – from the natives' perspective, in order to enrich the understanding of the political economy of illegal diamonds in Owamboland. From a theoretical perspective, the chapter will argue that the subjectivities and agency of the natives have been ignored.

## **2.2 History and basic tenets of the natural resources curse theory**

The natural resource curse is a theoretical framework that originates from the work of British economist Richard Auty (Auty, 2001). He was primarily concerned with,

and based his analysis on, statistical evidence such as the fact that between 1970 and 1993, the gross domestic product (GDP) per capita of countries that are endowed with natural/mineral resources grew around three times slower than it was the case for countries that are not endowed with natural resources (Auty, 2001; Collier and Hoeffler, 2005; Dietz and Neumayer, 2005). This reality led to a paradox: the mismatch between resource endowment and economic growth, which concerned many economists including Auty (2001). Influential economists Jeffrey Sachs and Andrew Warner (1995) found that there is a negative correlation between natural resources endowment and economic growth, providing further credence to the natural resources curse thesis. Sachs and Warner (1995, pp. 2-3) wrote insightfully that:

‘One of the surprising features of economic life is that resource-poor economies often vastly outperform resources-rich economies in economic growth...the oddity of resource-poor economies outperforming resources-rich economies has been a constant motif of economic history... the negative association between resource abundance and growth certainly poses a conceptual puzzle. After all, natural resources raise the wealth and the purchasing power over imports, so that resource abundance might be expected to raise an economy’s investment and growth rates as well... we ask whether the evidence from the past 20 years supports the notion that abundant natural resources depress growth, and find the answer to be ‘yes’.’

The Natural Resources Governance Institute (2015) simplifies the concept of the natural resources curse as referring to:

‘The failure of many resource-rich countries to benefit fully from their natural resource wealth, and for governments in these countries to respond effectively to

public welfare needs. While one might expect to see better development outcomes after countries discover natural resources, resource-rich countries tend to have higher rates of conflict and authoritarianism, and lower rates of economic stability and economic growth, compared to their non-resource-rich neighbors’.

Similarly, Canuto & Cavallari (2012, p 1) posit that:

‘An abundance of natural resources is intuitively expected to be a blessing. Nonetheless, it has been argued for some decades that large endowments of natural resources—oil, gas, and minerals in particular—may actually become more of a curse, often leading to slow economic growth and redistributive struggles (including armed conflict).’

In summary, the natural resource curse presents a conundrum whereby instead of providing and facilitating an opportunity for countries to escape poverty and underdevelopment, the wealth from natural resources does not immediately translate into economic growth as anticipated (Siegle, 2008; Collier, 2007). This is caused by several factors. The first factor relates to corruption, whereby the political elites and government officials become susceptible to bribes and fail to enact policies with long-term positive development impacts. The revenue from natural resources is thus spent on patronage and cronyism instead of being invested in diversifying to other industries and sectors of the economy (Barbier, 2005; Mehlum et al., 2005). The second relates to the volatility of the prices of natural resources. As Poelhekke & Van der Ploeg (2010, p 730) explain, ‘volatility in natural resource revenues, induced by volatility in primary commodity prices, curbs growth in economies with badly functioning financial systems’. The third concerns disinvestment into other important economic areas given that all resources and investments are concentrated only on the

natural resources sector (Birdsall, Pinckney and Sabot 2000; Barbier, 2005). For further understanding of the natural resources curse, three approaches are discussed. These are the ‘Dutch disease’, revenue volatility, and the political conditions. The discussion of these approaches is aimed at providing context to the subsequent arguments as to why the political conditions offer a better explanation in the study of the policy economy of illegal diamonds in the development of Owamboland.

### **2.3 Application and analysis of the natural resources curse: the various approaches**

#### *2.3.1 The ‘Dutch disease’*

The phenomenon of the ‘Dutch disease’ forms one of the primary ideas/arguments of the economics approach to the study of the natural resources curse. It originated from the sluggish performance of the economy of the Netherlands following the discovery of North Sea oil in the 1960s. This discovery led to the appreciation of the country’s exchange rate and deindustrialisation, particularly when it came to the manufacturing sector, given the income inflow from the oil sector (Deacon and Mueller, 2004). John (2011, p. 169) explains the Dutch disease in detail:

‘The logic of the simple Dutch disease theories can be described as follows. In an economy in full-employment equilibrium, a permanent increase in nontraded goods (service and construction) and against non-oil traded goods (manufacturing and agriculture), leads to the crowding out of non-oil tradable by nontradables. That is, an appreciation of the exchange rate leads to a decline in the competitiveness, and hence production and employment, of the traded good sector... the model predicts that deindustrialization is the inevitable structural change that occurs as a result of oil booms.’

Although the Dutch disease theory has been historically associated with the experiences of the Netherlands, it has since been applied, particularly by economists, to other countries. Ebrahimzadeh (2017, Para. 2) explains this by pointing out that:

‘In the 1960s, the Netherlands experienced a vast increase in its wealth after discovering large natural gas deposits in the North Sea. Unexpectedly, this ostensibly positive development had serious repercussions on important segments of the country’s economy as the Dutch guilder became stronger, making Dutch non-oil exports more expensive and, therefore, less competitive. This syndrome has been witnessed in many countries across the world, including but not limited to resource-rich commodity exporters. Although Dutch disease is generally associated with a natural resource discovery, it can occur from any development that results in a large inflow of foreign currency, including a sharp surge in natural resource prices, foreign assistance, and foreign direct investment. Economists have used the Dutch disease model to examine such episodes as the flow of American treasures into 16th century Spain and gold discoveries in Australia in the 1850s.’

Although the Dutch disease theory is still relied upon in the study of the political economy of natural resources, particularly through the economic approach to the study of the natural resources curse, there have been several scholars who have come to the conclusion that the logic and explanatory power of the Dutch disease theory has limitations. Influential economists Humphrey, Sachs and Stiglitz (2007) have conceded that there are several emerging factors, such as the political conditions, that matter beyond the Dutch disease. In a study looking at the natural resource curse in Botswana, Iimi (2007, p. 663) finds that although Botswana is endowed with natural resources, it ‘has experienced the most remarkable economic performance in the

region'. Malmström and Poulsen (2009, p. 2) present the case of Namibia by rejecting the Dutch disease emphatically:

'Using a Vector Error Correction (VEC) methodology, we find that Namibia's diamond abundance does not seem to have affected the country's growth rates negatively which is contradictive to Sachs and Warner's (1995) findings. Instead, our estimate indicates that an increase in the ratio between diamond exports and GDP would render an increase in Namibian economic growth, *ceteris paribus*. A discussion around Namibia's institutional quality strengthens this view. Our findings emphasize that Namibia's underlying resource curse was avoided by effective investments and sound institutional quality.'

Similarly, Joseph Stiglitz and Anya Schiffrin also reject the existence of the Dutch disease phenomenon in Namibia as a result of its abundant resources:

'Namibia's government has wisely understood that abundant natural resources can easily become a curse, enriching a few at the expense of the many...most important, unlike most other resource-dependent economies, it has succeeded in diversifying the economy - to the point that services account for more than 60% of its GDP, with tourism leading the way.' (Stiglitz and Schiffrin, 2016, Para. 17).

Therefore the usefulness of the Dutch disease theory, in the context of this study, is not only doubtful on account of its economics approach, but also even in terms of the evidence available from prominent economists such as Malmström and Poulsen (2009) and Stiglitz and Schiffrin (2016), who comprehensively debunk the argument of the Dutch disease in the case of Namibia. It does not, therefore, apply in this study and in the analysis of this study.

### 2.3.2 *Revenue volatility*

While natural resources lead to increase revenue for the state, the international financial markets have a serious impact on this revenue. Commodity prices often change, more often downward, and it is these changes in prices that are referred to as volatility (Humphrey et al. 2007; Van der Ploeg & Poelhekke, 2009). Van der Ploeg and Poelhekke (2008, p. 16) explain the impacts of the volatility as follows:

‘Resource curse is foremost a problem of volatility. The high volatility of world prices of natural resources causes severe volatility of output per capita growth in countries that depend heavily on them. The resulting volatility of unanticipated output growth has a robust negative effect on long-run growth itself and is a curse.’

For countries whose economies are dependent on natural resources, a surge in the commodity price is good news. However, a plunge in commodity prices will naturally mean lower revenue for that country. The analysis of economic development should, therefore, put in context international financial developments such as commodity prices. Stevens (2015, p. 13) provides a useful summary of the context and impacts revenue volatility arguing that:

‘There is empirical evidence of a positive correlation between macroeconomic volatility and growth. The basic argument is that oil, gas and mineral revenues are very volatile – in particular, they are subject to sharp fluctuations in prices over relatively short periods. And there is considerable empirical support for the theory that resource-abundant countries suffer more from such volatility. For example, Mikesell (1997) found that between 1972 and 1992, regions with high primary export shares experienced terms of trade volatility two to three times greater than did industrial countries during the same period. Volatility of this

magnitude can cause various problems. Not least, it makes pursuing prudent fiscal policy very difficult, and this, in turn, exacerbates investor uncertainty and can lead to ‘stop-go’ spending. At the same time, there is concern that windfall revenues from fluctuating export prices will be consumed rather than invested.’

As Van der Ploeg & Poelhekke (2008), Neumayer (2004) and Humphrey et al. (2007) have all shown, volatility can be avoided through a number of measures such as sound fiscal policies and economic diversification. In this study, revenue volatility, part of the economics approach, is not seen as comprehensive enough and sufficient in explaining the case study. The following section discusses the political economy approach that assists in explaining the case study beyond the deterministic approach of the economics explanation of the Dutch disease and revenue volatility.

### *2.3.3 The political conditions*

There are alternative ways of looking at the phenomenon of the resource curse beyond the explanations of the Dutch disease and revenue volatility that are often associated with the economic approach. The political economy approach, as John (2011, p. 170 ) submits, ‘endogenize[s] policymaking and institutional formation’. He further argues that poor economic performances must also be viewed in the context of the political system of that particular economy. Political conditions such as corruption, rent-seeking, governance, and transparency offer insightful explanations at times more useful than the economics explanation of Dutch disease and volatility (Brown, 2008; Humphrey, et al., 2007). John (2011) recognises two models for the political economy approach: the rentier state and rent seeking. The ‘rentier state explanation’ sets out to explain why decision- and policy-makers in resource-rich states create or maintain growth-restrictive policies. Four reasons are advanced:

‘First, the existence of a higher level of mineral rents increases rent-seeking and corruption relative to economies with lower mineral abundance. Second, increases in rent-seeking and corruption generate lower growth. This is in part due to the fact that, with corrupt transactions, the need to keep bribes secret reduces the security of property rights, which lowers investment in long-gestating projects. Third, oil rents provide a sufficient fiscal base of the state and, thus, reduce the necessity of the state to tax citizens. This in turn reduces political bargaining between state and interest groups, which makes governance more arbitrary, paternalistic, and even predatory. Fourth, the absence of incentives to tax internally weakens the administrative reach of the state, which results in lower levels of state authority, capacity, and legitimacy to intervene in the economy.’ (John, 2011, p. 171).

To understand a rentier state, it is necessary to provide a short explanation of rent-seeking. A ‘rent’ is understood to mean ‘excess incomes’ or an ‘unearned income/reward’ that comes through a provision of privilege (Hillman and Ursprung, 2015). The ‘activities that aim to create, maintain, or change the rights and institutions on which particular rents are based’ is what is known as rent-seeking (John, 2011, p. 171). Aidt (2016) and Hillman (2013) also see rent-seeking as a quest for privileged benefit from government. Central to rent-seeking and the rentier state is corruption. Government officials, in the context of rent-seeking, have been instrumental in causing a social-loss by siphoning off what are supposed to be state resources for personal gain (Aidt, 2016; Hillman, 2013). Because of rent-seeking relationships, and their associated social losses, the political economy approach to the resource curse, therefore, argues that political conditions such as rent seeking, and not the abundance of natural resources, help to provide a fitting explanation of

the poor economic performances of resource-rich countries beyond the deterministic approaches of Dutch disease and volatility. In a comparative study of South Korea and the Philippines, Kang (2002) argues that whereas there has been high corruption and rent-seeking in South Korea, these did not stunt growth; instead, South Korea recorded high growth amidst rampant rent-seeking and corruption. He makes the following findings about the political conditions that make the social-loss binary approach to rent-seeking problematic:

‘Korea’s loan policies, its import licensing, and its export-oriented policies were all driven by a rationale that emphasized personal, political connections rather than economic efficiency. However, the act of providing rents in exchange for bribes is only the middle of a chain of events that affects growth, and it is not the whole story. The creation of rents, the competition amongst actors to gain the rents (usually involving corruption), and the uses of rents, all have an impact on the economy. The mutual hostage situation between elites in Korea reduced transaction cost and made investment and long-term agreements more efficient...corruption is not the exclusive domain of poorly managed and unstable countries saddled with stagnant economies. Corruption can also flourish in emerging countries experiencing rapid increases in wealth. In these countries there exists a fluid institutional and political environment combined with pockets of inefficiencies that can be exploited by political or economic elites who have superior access to information, personal connections, or influence. Corruption in this sense is a function of growth rather than an inhibitor of growth.’ (Kang, 2002, pp. 182-183).

He further adds practical examples of how corruption and rent-seeking benefited South Korea:

‘Although the Korean state may have provided public goods and supported investment, that may not have been why those goods were provided. The Korean state intervened in the way it did because to do so was in the interests of a small group of business and political elites. The building of roads, apartment complexes, and power stations provides public goods, but it also provides private goods. Access to the private benefits of state resources was often contingent upon production of the public good. Although enormous private benefits accrued to Samsung or Daewoo for having privileged access to state capital and policies, society benefited as well from improved infrastructure, employment, and opportunities... the Korean state made many decisions that fostered investment and growth over the past forty years, but politics played a major role. Economic policy choice is only one of many issues with which political elites must concern themselves. A political economy explanation must focus closely on how preferences emerge and on the institutions that direct the implementation of those preferences. ...Given that elites must constantly be concerned about retaining power, corruption and policy access can be powerful political tools.’ (Kang, 2002, pp. 184-185).

Kang’s 2002 study is important to this study in at least three ways. Firstly, it provides the basis to sustain the argument that the economics explanation of natural resources and economic growth is not a sufficient explanation for economic growth. Second, it accordingly provides credence to the political economy explanation and approach to the study of the natural resource curse and economic growth. Thirdly, while affirming the political economy explanation in general, and the political conditions in particular, in the study of the resource curse question, Kang departs from the pessimist view of rent-seeking by providing insights and evidence on how corruption

and rent-seeking in South Korea actually contributed to economic growth instead of constraining it. While South Korea may not be a resource-rich country, the importance of Kang's 2002 study is not necessarily its approach to resource abundance but on the political economy explanation and the alternative explanation of the impacts of rent-seeking and corruption. In most authoritative studies on rent-seeking and corruption, such as Tullock (1967), Krueger (1974), Shleifer and Vishny (1993), Svensson (2005) and Tanzi (1998), the approach had always been from the perspective of personal gain at the expense of the public, social loss, and sluggish economic growth.

Like Kang (2002), this study advances, and looks at, the political economy explanation in relation to the debate around the natural resource curse. It argues, similarly, that while corruption and rent-seeking are often seen as negatives, causing social-loss and restraining economic growth, the evidence from the case considered – the trade of illegal diamonds at the CDM – did not evidence a negative effect on economic growth in Owamboland during the time under consideration. Instead, as this study will demonstrate in chapter 5 and 6, what may be seen as corruption and rent-seeking had actually led to rapid economic growth in colonial Namibia, as was the case in South Korea. The study, therefore, upholds the importance of the political economy explanations, but goes further to make observations that are akin to Kang (2002) and beyond. Having discussed the political conditions, their importance and application(s) to the study of the mineral resources economy, the section below discusses the actors that are important in the analysis of the natural resources economy of relevance to the political conditions.

#### *2.3.4 Asymmetric information, agency, and bargaining power*

There are four actors that could be considered important in the analysis of a natural-resource-based economy in the context of the natural resources curse. These are the people of the country; the government; international corporations; and, in some instances, national companies (Gaudet and Lasserre, 2015). Any analysis of the extent of the natural resource curse and the resource economy would have to take these actors into considerations. Three problems have been identified in the natural resource-curse literature that have always characterised the history of the natural resources economy, particularly in resource-rich developing countries. These are: asymmetric information; asymmetric agency; and asymmetric bargaining power (Soros, 2007; Birdsall, 2006). Soros (2007) explains that ‘asymmetric information’ refers to a situation whereby the people of a country (and sometimes their government) who are the sovereign owners of the natural resources, do not have sufficient information to enable them to understand the entire process, value and context of their resources under their exploitation by multinational companies. This makes the people vulnerable to manipulation and the perpetuation of economic plunder (Pimbert, 2004; Gaudet and Lasserre, 2015).

Soros further explains that ‘asymmetric agency’ arises from disproportionate benefits accruing to the agent (international corporations) and not the people who are the principal owners of the resources. In this context, agents serve their own interests and are never faithful to the principal owners (Akiwumi, 2011). The third problem, ‘asymmetric bargaining power’, deals with power dynamics, including the agency power of the multinational corporations to exploit the resources of less-developed countries and the power they have in maintaining rentier states and deposing resource -nationalising leaders (Soros, 2007; McKern, 1993).

In the context of this study, asymmetric bargaining power and asymmetric agency have proven to be useful tools of analysis in understanding how the resources of Namibia were exploited in colonial times. De Beers, a multinational company, was not driven by (nor did it have any objective of bringing about) any notion of Namibian development or benefit to the natives, as illustrated in the previous chapter. It is for this reason that it applied colonial and apartheid policies from the beginning of its operations in the country, right up until Independence. The findings of the Thirion Commission, on the exploitation of the resources of Namibia by CDM, are a classic illustration of asymmetric agency (Toolis, 1986). The colonial state was complicit, and was supported by De Beers, in maintaining a symbiotic relationship that allowed De Beers to exploit Namibian resources for more than 80 years without sustainably and directly benefiting the natives who wielded a lower disproportionate bargaining power.

In any case, the colonized people were not in a position to enter into any form of bargaining arrangement with CDM which was, as explained elsewhere in this study, akin to a 'state within a state' (Schneider, key informant). It is asymmetric information that is not corroborated by this case study. The natives working for CDM cannot be said to have been oblivious regarding the worth of the diamonds they mined since they had information on their value (United Nation Institute for Namibia, 1986). It is for this reason that they engaged in illegal diamond smuggling syndicates (Hart, 1999). The liberation movement, SWAPO, also understood the value of diamonds given the benefits, and support from smuggling activities, it obtained from the illegal diamond trade (Ndishishi, key informant; SWAPO, 1981). Indeed, CDM itself engaged in various strategies to counter and discourage the illegal diamond trade (Hart, 1999). The information regarding the value of diamonds

was well known by both actors. The shortcomings of the natural resource curse theory is not only limited to the dichotomy of the economic approach and the political economy approach. This debate is also captured in the greater debate in wider literature regarding this theory, as captured in the following section.

## **2.4 Evolution and the critique of the natural resources curse theory**

### *2.4.1 From natural resource-curse inevitability to alternative explanations*

While studies by Auty (2001), Sachs and Warner (1995), Collier and Hoeffler (2005) and Siegle (2008), amongst others, demonstrate that there exists a well-established body of literature and evidence supporting the natural resources curse theory, there is also a large body of literature that presents serious and critical counter arguments to it. Demissie (2014, pp.1-2), for example, cautions against the generalisation of the natural resource curse thesis, arguing that:

‘Resource-rich countries like Malaysia, Botswana, Indonesia, and Thailand have proven that natural resource-rich countries can sustain economic growth and attain economic development, and that their abundance of natural resources does not necessarily preclude development. The success of these countries shows that reversing or preventing the resource curse is possible.’

In a 2012 World Bank study on the natural resource curse, Canuto and Cavallari (2012, p 1) made the following observations:

‘Over the years, vast empirical literature has addressed this “paradox” [the natural resources curse]. The literature has had to rely on proxies for natural resource abundance because of the lack of appropriate data, generating doubt on whether results would be similar if direct measures of natural wealth were

available. This gap is now starting to be filled with the data series released by the World Bank (1997, 2006, 2011) on natural capital and other forms of countries' wealth. This note presents an analysis of these data to revisit some of the conclusions reached in the literature on the relationship between natural resource abundance and economic growth. The findings are in alignment with the view that there is no clear deterministic evidence of natural resource abundance as a curse or a blessing; therefore, the effect on a country depends on other determinants.'

Similarly, Wright and Czelusta (2004) caution against oversimplifications and the reductionist posture of the natural resource curse hypothesis that postulates an 'original sin' of resource endowments since it may mislead policymakers (Wright and Czelusta, 2004). They argue that minerals:

'...are not to blame for problems of rent-seeking and corruption. Instead, it is largely the manner in which policymakers and businesses view minerals that determines the outcome. If minerals are conceived as fixed stocks, and mineral abundance as a "windfall" unconnected to past investment, then the problem becomes one of divvying up the bounty rather than creating more bounty. Minerals are not a curse at all in the sense of inevitability; the curse, where it exists, is self-fulfilling' (Wright and Czelusta, 2004, p. 36).

The Natural Resources Governance Institute (2015, p 5) comes to similar conclusions and cautions that:

'The resource curse is not inevitable, and several countries that have natural resource wealth do not exhibit many of these tendencies. Because of the theoretical connotation of the term, NRG [Natural Resources Governance

Institute] refers to the many challenges described above as “challenges associated with natural resource extraction” rather than the resource curse. That said, some studies have shown that low-income countries are more vulnerable to resource curse challenges.’

The challenges with the inevitability postulation of the natural resources curse and attempts to pursue alternative explanations are also characterised by an effort to look at the political economy of natural resources ‘beyond the numbers’. In this approach, the over reliance on measures such as GDP has been opposed, as discussed in this subsequent section.

#### *2.4.2 Beyond GDP’s deterministic focus*

This study, given its deliberate distance from reliance on GDP as an important metric in the study of African mineral resources, forms part of, and thus contributes to, the literature re-examining the measurements used to support perspectives in political economy. The attempt to re-evaluate measures used in common narratives is not new in political science and political economy. For example, there have been debates in political economy about whether GDP, a measure of economic growth that ‘combines in a single figure the total market value of all final goods and services produced within a country’s economic territory during a given period‘ (Wesselink, Bakkes, Best, Hinterberger, & Brink, 2007, p. 1). (Wesselink , 2007, p. 1) can be taken as a conclusive measure. In 2007, the European Commission organised an international conference in Brussels, Belgium, called ‘Beyond GDP: measuring progress, true wealth, and the well-being of nations’. This conference accepted the need to go beyond GDP as a key indicator of national income (European Commission, 2007). Following this conference, a huge body of literature emerged that buttresses the argument for the need to go beyond GDP. Given that the natural

resources curse relies on economic data such as GDP, it is important to explore this argument further. More importantly, the observation by Canuto and Cavallari (2012, p 5), in their 2012 World Bank study is useful and instructive in furthering this debate:

‘Using the data on the natural wealth of countries recently made available by the World Bank, this analysis could not find significant deterministic evidence of a direct negative relationship between the abundance of natural resources and income per capita levels, or the so-called “natural resource curse.” The results here align with others who have stressed that intangible wealth in the form of governance quality is a key determinant to the outcome of natural resource abundance as a blessing or a curse.’

In 2009, Joseph Stiglitz, a prominent economist and a recipient of the 2001 Nobel Memorial Prize in Economic Sciences, added his voice to this debate. Stiglitz (2009) asserts that:

‘The big question concerns whether GDP provides a good measure of living standards. In many cases, GDP statistics seem to suggest that the economy is doing far better than most citizens' own perceptions. For example, while GDP is supposed to measure the value of output of goods and services, in one key sector – government – we typically have no way of doing it, so we often measure the output simply by the inputs. If government spends more – even if inefficiently – output goes up. In the last 60 years, the share of government output in GDP has increased from 21.4% to 38.6% in the US, from 27.6% to 52.7% in France, from 34.2% to 47.6% in the UK, and from 30.4% to 44.0% in Germany. So what was a relatively minor problem has now become a major one.’

Other scholars later joined in arguing for a need to go beyond GDP, albeit from various angles. Jones and Klenow (2016) argue for a need to include, beyond GDP, consumption, leisure, mortality and inequality in measuring the well-being of people. Fleurbaey and Blanchet (2013) call for a move beyond GDP in measuring welfare and assessing sustainability.

Similar to these studies and commentaries by Stiglitz (2009), Jones and Klenow (2016) and Fleurbaey and Blanchet (2013) (amongst others), i.e., studies disregarding reliance on GDP in the study of mineral resources – this study departs from the old tradition of using GDP in the study of African mineral resources in general and diamonds in particular. This study looks at trading in illegal diamonds and its contribution to development without using GDP as a measure. The evidence provided in this study, as will be demonstrated elsewhere in looking at the political economy of illegal diamonds in Owamboland, complements Canuto and Cavallari (2012), the Natural Resources Governance Institute (2015), Demissie (2014), and Wright & Czelusta (2004) in their assertions that there are other explanations to account for development or the lack of it.

While the GDP measurement is an aggregate of the whole country, an additional theoretical contribution of this study is the suggestion that measurements and analyses at a country level may blind the political economy scholarship to interesting insights at the regional/sub-national level, where developmental narrative(s) could be different from the national one. As a case in point, the analysis of the political economy of Owamboland, as will be demonstrated elsewhere in the study, will lead to completely different results when compared to the analysis of the political economy of Namibia as a whole.

## **2.5 Alternative perspectives on the political economy of illegal diamonds in Owamboland**

### *2.5.1 Agency, rent seeking, and morality in a colonial setting*

The four data sets used in this study – interviews; secondary sources; official records; and court records – have all confirmed that the Aawambo miners who worked for CDM engaged in the smuggling of diamonds. These diamonds were sold through illegal channels both inside and outside Namibia. When looked at from a conventional perspective of rent-seeking and morality, it can be argued that these individuals were involved in stealing ‘collective’ resources for personal gain – prioritising self-interest over those of the nation and others. Under the orthodox definition of rent-seeking, which is generally understood as self-interested, corrupt behaviour by those in cahoots with government officials, which causes a social loss by siphoning what is supposed to be state resources (John, 2011; Aidt, 2016; Hillman, 2013), the activities of CDM employees in the smuggling of diamonds may indeed be construed as falling under that category of activity. Their activities could also be seen as against the ideals of moral cosmopolitanism, which Pogge (1992, p. 49) defines and explains as follows:

‘Moral cosmopolitanism holds that all persons stand in certain moral relations to one another: we are required to respect one another’s status as ultimate units of moral concern – a requirement that imposes limits upon our conduct...the central idea of moral cosmopolitanism is that every human being has a global stature as an ultimate unit of moral concern. Such moral concern can be fleshed out in countless ways. One may focus on subjective goods and ills (human happiness, desire fulfilment, preference satisfaction, or pain avoidance) or on more objective ones (such as human need fulfilment, capabilities, opportunities, or resources).’

Looking at the historic illegal activities of diamond smugglers and traders at CDM as a mere betrayal of moral cosmopolitanism and as rent-seeking behaviour is insufficient. Analytically, this question is important: was the colonial state legitimate and did it represent the collective interests of society? The colonial state did not carry any form of legitimacy by any standard. In colonial Namibia, which is the main focus of the study, the state existed solely to promote the interests of the settler and in 1971, the International Court of Justice ruled that South Africa's occupation of Namibia was illegal (Gurirab, 2010).

The application of judgements around 'rent-seeking' and 'moral cosmopolitanism' in the context of an illegal, racist, discriminatory, inhumane entity and its offshoots would therefore be problematic. In 1974, the United Nations further found that the resources of Namibia was being plundered by the colonial state and its entities such as CDM and moved to protect the resources of Namibia through the imposition of the decree discussed earlier (Hishongwa, 1991; Roberts, 2007).

In 1986, the Thirion Commission further found CDM guilty of not only failing to pay taxes, but also of economic pillage and being involved in deliberate plans to exhaust the diamond reserves of Namibia before the country became an independent nation (Toolis, 1986). Rent-seeking in this context would apply to CDM, but hardly to the natives. This does not mean, however, that diamond smuggling by the natives cannot be seen as theft. As such, alternative explanations are required beyond those pertaining to rent-seeking and moral cosmopolitanism. From the interviews with CDM employees, it became evident (as explicated in subsequent chapters) that they did not see their behaviour and activities as rent-seeking nor were they caught in any moral dilemma.

Diamond smuggling was encouraged not only from the nationalist standpoint, but also as a defiance of the colonial state (Ndishishi, key informant). There is, therefore, not only a need to explore alternative explanations but also a need to consider an alternative epistemology when studying the colonised people in a colonised society in which coloniality of knowledge has had an enduring effect. Pursuing an alternative epistemology, presents a number of challenges. This is mainly the case when it comes to how Eurocentric scholarship has treated the colonised society and peoples. Aspects such as the natives' subjectivity, and intersubjectivities, particularly in the African context, do not attract major interest. This epistemic aspect is explored below.

### *2.5.2 Epistemic challenges and an alternative epistemology*

As a body of theories, decoloniality is instructive in the understanding of the asymmetries and relationship between the natives, a multinational mining corporation, their natural resources, and development in colonial societies. Adopting a decolonial approach is not an easy task since it has been, and continues to be, resisted and rejected in academic practice and at conventions at universities globally – including universities in Africa (Heleta, 2016; Ndlovu-Gatsheni, 2013). In her critique of Eurocentric perspectives that dominate many universities, Smith (1999) argues against the expectation that researchers and students must follow set standards and heed the perpetual caution against departing from orthodox approaches. This is, indeed, the same with academic writings in general and in the utilisation of theory in academic research specifically. In what is considered as an influential textbook on research in humanities and social sciences, Selltitz, Jahoda, Deutsch and Cook (1965, p. 50) are unambiguously clear that theory and research designs are plans that guide 'the arrangement of conditions for collection and analysis of data in a manner that

aims to combine relevance to the research purpose with economy in procedure'. They are not alone: Bless and Higson-Smith (1995, p.23) support these sentiments submitting that 'theory serves as an orientation for gathering facts since it specifies the type of facts to be systematically observed'. Decolonial research seeks to depart from the above-stated approach of Selltitz et al. (1965) and Bless & Higson-Smith (1995) that leads to the maintenance of the theoretical and scholarly status quo – the idea that knowledge is universal and applicable to all societies. The call by decolonial scholars for epistemic disobedience is to contest this very approach. Mignolo (2002) called this the geopolitics of knowledge that requires repudiation. He submits:

'The colonial difference was not considered in its epistemic dimension. The foundation of knowledge that was and still is offered by history of Western civilization in its complex and wide range of possibilities, provided a conceptualization (from the right to the left) and remained within the language frame of modernity and Western civilization.' (Mignolo, 2002, p.64).

Given Mignolo's 2002 geopolitics of knowledge, it is not only the responsibility of decolonial scholars to repudiate the oppressive status quo: Hendricks and Leibowitz (2016, Para. 13-14) encourage students to be at the forefront of challenging the status quo:

'Students must play a central role in the decolonisation of knowledge. They need to participate in the attempts to revisit how and what is taught. The journey ahead for the academy will be a long and unnerving one, but it has to be undertaken. The consequence of not doing so is to continue to be complicit in the reproduction of social and cognitive injustices; to condemn students to be perpetual consumers of knowledge. In fact, students have pointed out that if

knowledge isn't decolonised academics, too, will remain perpetual consumers rather than creators and authors.'

The idea, and in some extent fear, that challenging or departing from established and orthodox, often Eurocentric, methods will result in a lowering of academic standards has been discredited by several scholars such as Heleta (2016), Ndlovu-Gatsheni (2013) and Mignolo (2009), who have conspicuously and meticulously proven that decoloniality does not negate the ideals of academic excellence. South African scholar and psychologist Shose Kessi advances this point in a manner that underpins the approach of this study, wherein the experiences of the natives, in a colonial setting, are instrumentalised and prioritised to inform, challenge and enlighten theory:

'In order to dismantle the social systems we live in, which are characterised by racism and other forms of oppression, we need to advance our theories. These theories should and must emerge from the relationship between the knowledge production that is taking place in institutions of higher education and people's lived experiences, in particular those who are the most marginalised in society. Without knowing about the lives of those who are most ostracised by social systems, how would we know what needs to change in order to achieve an egalitarian society?' (Kessi, 2016, Para. 1)

Since the decolonial approach may be viewed by some as 'un-academic', given its calls for 'epistemic disobedience' (Maldonado-Torres, 2007), or seen as a pure act of defiance inspired by anarchy that will result in fatal impediments to academic excellence, several scholars have taken the position of rejecting these notions. New Zealand leading decolonial scholar, Linda Tuhiwai Smith, has conducted extended

research and published widely on the need to decolonise scholarship in the former colonies, in a fashion similar to both Kessi (2016) and Hendricks and Leibowitz (2016). She further highlights the need, for the former colonies and indigenous people, to decolonise research methodologies asserting that:

‘Indigenous peoples have been, in many ways, oppressed by theory. Any consideration of the ways our origins have been examined, our histories recounted, our arts analysed, our cultures dissected, measured, torn apart and distorted back to us will suggest that theories have not looked sympathetically or ethically at us... The development of theories by indigenous scholars which attempt to explain our existence in contemporary society (as opposed to the 'traditional' society constructed under modernism) has only just begun.’ (Smith, 1999, p. 38).

Smith’s 1999 critique goes beyond a mere history of the development of theory. She places focus on important agency questions such as: who is theorising? This is the same argument advanced by critical theorist, Robert Cox, who is known for his bold assertion that ‘theory is always for someone, and for some purpose’ (Cox, 1981, p. 128). As Mignolo (2002) argues, the geopolitics of knowledge production plays a role in what is studied, for what purpose, and how. As intimated earlier, this critique manifests and underpins the decoloniality discourse. For a fitting understanding of decoloniality, a conceptual overview is warranted, as will be done in the section below.

### *2.5.3 Epistemic exclusion, decoloniality, and the native’s subjectivity*

To understand decoloniality, it is necessary to provide a fitting context. Ngugi wa Thiong’o, a leading African decolonial thinker, explains that colonialism did not only

focus on power configuration by the colonial state, but also reconfigured Africa and Africans in the colonizers' image by destroying African history and memory and replacing it with 'a software of European memory' (wa Thiong'o, 2009, p. 21). It is for this reason that Ali Mazrui, another African decolonial scholar, concludes that 'what Africa knows about itself, what different parts of Africa know about each other, have been profoundly influenced by the west' (Mazrui, 1986, p.13). Nelson Maldonado-Torres, a Latin America decolonial scholar, aptly summarises how coloniality (a successor to colonialism) transcends into a post-colonial society:

'Coloniality survives colonialism. It is maintained alive in books, in the criteria for academic performance, in cultural patterns, in common sense, in the self-image of peoples, in aspirations of self, and so many other aspects of our modern experience. In a way, as modern subjects we breathe coloniality all the time and every day.' (Maldonado-Torres, 2007, p. 243).

Knowledge production, therefore, as understood and practised in scholarship today, follows Western civilization, which was also brought to the colonies with the colonial project. In implanting the Western epistemology in the colonies, Europeans were not concerned with the subjectivities and agency of the people they found there (Mignolo, 2002). It is for this reason, the transplanting of Western epistemology, that (for example) the development of the state, whence education policy originates, in Europe and Africa differs in history and logic.

While in Europe the state developed following historical events such as the *1648 Treaty of Westphalia* and the *1789 Paris Declaration* (Caramani, 2011; Kasselmann et al., 2013; Newton & Van Deth, 2010) the state in Africa did not follow the same path. The historical development of the state in Africa can be traced to the Berlin

Conference of 1884/5, where select European countries took the map of Africa and divided the continent up among themselves. The purpose was not to develop the continent, but rather to achieve imperial goals. The implementation of the decisions reached at the Berlin Conference resulted in the formation of the states on the African continent. These colonial states were to serve the interest of Europeans, thus ignoring the Africans, dispossessing them of their land, extracting and exploiting their natural resources, and safeguarding European imperial and capitalist interests (Bayart, 2009; Chabal and Daloz, 1999; Mazrui, 1986; Thomson, 2010; Fanon, 1968). In short, the colonial state alienated Africans. Ngugi wa Thiong'o captures this historical occurrence in this polemic:

‘Your past must give way to my past, your literature must give way to my literature, my way is the high way, in fact the only way ... The colonial process dislocates the traveler’s mind from the place he or she already know to a foreign starting point even with the body still remaining in his or her homeland. It is a process of continuous alienation from the base, a continuous process of looking at oneself from outside of self or with the lenses of a stranger. One may end up identifying with the foreign base as the starting point toward self, that is from another self towards one self, rather than the local being the starting point, from self to other selves.’ (Ngugi wa Thiong'o, 2012, pp. 38-39).

Ramon Grosfoguel (2007), another revered scholar of decolonialism, explained that the end of colonialism and the advent of independence did not mean the disappearance of coloniality. This is the common mistake that many Eurocentric scholars make in the study of the Third World and Africa. He thus writes:

‘One of the most powerful myths of the twentieth century was the notion that the

elimination of colonial administrations amounted to the decolonization of the world. This led to the myth of a ‘postcolonial’ world. The heterogeneous and multiple global structures put in place over a period of 450 years did not evaporate with the juridical-political decolonization of the periphery over the past 50 years. We continue to live under the same ‘colonial power matrix’. With juridical administrative decolonization we moved from a period of ‘global colonialism’ to the current period of ‘global coloniality’. Although ‘colonialism administrations’ have been entirely eradicated and the majority of the periphery is politically organised into independent states, non-European people are still living under crude European exploitation and domination. The old colonial hierarchies of European versus non Europeans remain in place and are entangled with the ‘international division of labour’ and accumulation of capital at a world-scale.’ (Grosfoguel, 2007, p. 219).

In light of the above, it can be argued that the foundation of knowledge production as practised in the scholarship on Africa is greatly influence by Western civilization. The imposition of the state in the colonised world through the colonial project did not only concern political matters relating to the occupation of the sovereign space of one country by another. It also meant the imposition of European knowledge systems, epistemology and ontology. This imposition did not take into account the existing and African epistemology and ontology. As outlined above by wa Thiong’o (2012), Grosfoguel (2007) and Mazrui (1986), African knowledge systems were ignored and excluded from scholarship through the above-mentioned events and the geopolitics of knowledge production. The subjectivities and intersubjectivities of the natives were excluded from scholarship (wa Thiong’o, 2012; Grosfoguel, 2007). It is for this reason that theories such as the natural resources curse do not consider the

subjectivity and intersubjectivity of the natives. What decoloniality does, and what this study seeks to do, is to take notice of the existing knowledge systems and theoretical expositions and relate how the subjectivity and intersubjectivities of the natives are ignored through their operations. The response of decoloniality is to ‘re-member’ the epistemology of the colonised that was ‘dismembered’ from them through the colonial project in general and the geopolitics of knowledge in particular. This aspect is explored in the subsequent subsections (A to C)..

#### *A. History and conceptualization of decoloniality*

As a theory of liberation, decoloniality sets out to reverse the above-mentioned historical development of alienation – by both the colonial and post-colonial states – of the colonized and oppressed people. It is to be understood as part of the chronological trinity consisting of (1) colonialism, (2) coloniality, and then (3) decoloniality. Colonialism is seen as a foundation for coloniality – decoloniality then sets out to repudiate coloniality. Maldonado-Torres (2007, p. 243) explains:

‘Coloniality is different from colonialism. Colonialism denotes a political and economic relation in which the sovereignty of a nation or a people rests on the power of another nation, which makes such a nation an empire. Coloniality, instead, refers to long-standing patterns of power that emerged as a result of colonialism, but that define culture, labour, intersubjectivity relations, and knowledge production well beyond the strict limits of colonial administrations. Thus, coloniality survives colonialism. It is maintained alive in books, in the criteria for academic performance, in cultural patterns, in common sense, in the self-image of peoples, in aspirations of self, and so many other aspects of our modern experience. In a way, as modern subjects we breathe coloniality all the time and every day.’

For Maldonado-Torres (2006) decoloniality traces its origin/roots mainly through the work of Latin American and Caribbean scholars such as Aimé Césaire, Frantz Fanon and Enrique Dussel, whose work built on the foundation of the work of scholars such as W.E.B Du Bois and Guaman Poma de Ayala, amongst others. Ndlovu-Gatsheni (2015) provides an expanded list of thinkers whom he labelled as from the zones that have experienced negative aspects of modernity:

‘...these thinkers include Aime Cesaire (Caribbean), Frantz Fanon (Caribbean), William EB Dubois (United States of America), Kwame Nkrumah (Africa), Ngugi wa Thiong’o (Africa), Enrique Dussel (Latin America), Quijano (Latin America), Mignolo (Latin America), Ramon Grosfoguel (Latin America), Maldonado-Torres (Latin America) and many others.’

What Ndlovu-Gatsheni (2015) does is to recognize the earlier thinkers of decolonial thought, as acknowledged by Maldonado-Torres, but also include other thinkers either excluded by Maldonado-Torres, particularly African thinkers such as Kwame Nkrumah, or contemporary thinkers such as Ngugi wa Thiong’o and Ramon Grosfoguel. He also includes Maldonado-Torres. Ndlovu-Gatsheni’s (2015) approach is seen as useful in the understanding of decoloniality and its relevance to this study.

Ndlovo-Gatsheni (2015) explains decoloniality using of Ngugi wa Thiong’o’s concept of ‘dismemberment’. Ngugi wa Thiong’o (2012) defined dismemberment as an act of absolute social engineering. Dismemberment explains how colonialism and coloniality led to the epistemological colonization of the African mind and the cultural decapitation that led to the alienation of Africans. It occurred during the period of the Atlantic slave trade, whereby Africans were divided into the continental and the diaspora. The second

instance of dismemberment was when Africa was fragmented into British, French, Portuguese, German, Belgian and Spanish Africa (Ndluvu-Gatsheni, 2015; Ngugi wa Thiong'o, 2009). Ndluvu-Gatsheni then built on Ngugi wa Thiong'o's two instances of dismembered to add two more: the racial bigotry that saw black people dismembered from the human family. To buttress this point, he invokes the work of other decolonial scholars such as W.E.B du Bois, Lewis Gordon, Nelson Maldonado-Torres, Boaventura de Sousa Santos and, more importantly, Frantz Fanon – through what he termed the 'zone of non-being'. The last incidence of dismemberment is one whereby Africans are deliberately disconnected, by colonialism, from their history, culture and memory. Relying on the work of Valentin Mudimbe and Ngugi wa Thiong'o, Ndluvu-Gatsheni takes on racist German philosopher Hegel, whose work projected Africans as a people without a history. Both wa Thiong'o (2009) and Ndluvu-Gatsheni (2015) submit that the solution to dismemberment is 're-memberment'. Ndluvu-Gatsheni (2015, p.32) provides the context of decoloniality in Africa:

'Decoloniality can be understood as an overarching project of re-membering aimed at addressing problems of colonisation of the mind, alienation and fragmentation. At the centre of the re-membering process is a restorative recovery project that is ranged against dismemberment and 'Europhonism'. The inscription of Europhonism took the form of mapping, owning and naming. These imperial and colonial processes were underpinned by genocides (killing of colonised peoples in large numbers), epistemicides (killing and expropriation of colonised peoples' knowledge and history) and linguicides (destruction of colonised peoples' languages and cultures/communal memory and their replacement with colonial names and foreign cultures/religions).. Re-membering is meant to deal with these forms of dismemberment.'

This section not only provides a short history of decoloniality and its definition, it also elucidates the lenses through which this study attempts to add further knowledge to the study and understanding of the African political economy in general and African mineral resources specifically. Although much of the subsequent focus will be positioned and approached from the aspect of coloniality of knowledge – particularly the epistemic exclusion of the native subjectivity and intersubjectivity – coloniality of knowledge and the geopolitics of knowledge cannot be understood without regard to both coloniality of being and coloniality of power. As Maldonado-Torres (2007) argues: ‘as modern subjects we breathe coloniality all the time and every day’. These decolonial units of analysis – coloniality of knowledge, power and being – are discussed below for better comprehension.

#### *B. Decolonial units of analysis*

As a body of theories, decoloniality is built around three concepts/units of analysis: ‘coloniality of power’, ‘coloniality of knowledge’ and ‘coloniality of being’. Ndlovu-Gatsheni (2015, p. 33) clarifies that coloniality of power is a ‘concept that decolonial theorists use to analyse the modern global cartography of power and to understand how the modern world works.’ Drawing on the work of Fanon (1968), Grosfoguel (2007) and Santos (2007), he explains that coloniality of power:

‘...helps in investigating how the current ‘global political’ was constructed, constituted, and configured into a racially hierarchized, Euro-American-centric, Christian-centric, patriarchal, sexist, capitalist, hetero-normative, hegemonic, asymmetrical, modern, colonial and imperial power structure. The concept of coloniality of power enables us to delve deeper into how the world was bifurcated into the ‘Zone of Being’ (the world of those in charge of global power structures and beneficiaries of modernity) and the ‘Zone of Non-Being’ (the

invented world that was the source of slaves and abode of victims of imperialism, colonialism and apartheid).’

Maldonado-Torres (2007) attributes the concept of coloniality of being to Walter Mignolo, who reflected on it in 1995 as part of the discussions amongst a diverse group of scholars working on coloniality and decolonisation. (These scholars include Fernando Coronil, Santiago Castro-Gomez, Oscar Guardiola, Edgardo Lander, Walter Mignolo, Anibal Quijano, Freya Schiwy and Catherine Walsh, amongst others.) He argues that coloniality of being has to do with the ‘othering’ of the colonised and oppressed people who have been seen in colonial discourses and projects as unequal human subjects characterised by ‘lacks’ and who are dispensable. Ndlovu-Gatsheni (2015) approaches the discourse on coloniality of being from an Afrocentric perspective by exploring various concepts developed by African decolonial scholars. He emphasises its importance in that it ‘assists in investigating both how African humanity was questioned and the processes that contributed to the ‘objectification’/‘thingification’/‘commodification’ of Africans’ (Ndlovu-Gatsheni, 2015, p. 33). Early African decolonial thinkers such as Kwame Nkrumah, Marcus Garvey, W.E.B Du Bois, Leopold Senghor, Marcus Garvey and Cheikh Anta Diop all worked to address the question of dismembered black humanity and thus sought to repudiate coloniality of being (Frenkel, 1974; Nkrumah, 1965; Garvey, 1969; Ngugi wa Thiong’o, 2009).

The last decolonial concept of analysis, coloniality of knowledge, is discussed extensively by decolonial thinkers Ramon Grosfoguel, Laura Oso and Anastasia Christou in their 2014 study on racism, intersectionality and migration studies. Using the narrative of ‘delinking from Eurocentrism’ from the work decolonial scholar

Anibal Quijano (1991), they begin the discussion on coloniality of knowledge with what they call epistemic racism, which they defined as:

‘...a hierarchy of colonial domination whereby the knowledge produced by Western subjects (imperial and oppressed Westernized subjects) within the zone of being are considered *a priori* to be superior to the knowledge produced by non-Western colonial subjects in the zone of non-being.’ (Grosfoguel et al: 2014, p. 12).

They further problematize the above stating that:

‘The pretension is that the knowledge produced by subjects belonging to the zone of being... is automatically considered as universally valid for all contexts and situations in the world.’ (Grosfoguel et al: 2014, p. 12).

Ndlovu-Gatsheni (2015, p. 33) eloquently outlines the usefulness of coloniality of knowledge as a concept of analysis and adds the Afrocentric outlook as follows:

‘[Coloniality of knowledge] ...focuses on teasing out epistemological issues, the politics of knowledge generation, as well as questions of who generates which knowledge, and for what purpose. Coloniality of knowledge is useful in enabling decolonial thinkers to understand how endogenous and indigenous knowledges have been pushed to what came to be deemed as ‘the barbarian margins of society’ where they subsist as folk lore and superstitions. Africa is today saddled with irrelevant knowledge that serves to disempower rather than empower, and alienate rather than remember individuals and communities. On the sphere of knowledge, decolonial theorists are at the forefront of decolonising what they have termed ‘Westernized’ universities that have been built throughout the world.’

These units of analysis are important and useful for they provide a framework of analysis against which the epistemic critique of Eurocentric perspectives such as the natural resources curse can be analysed. In the subsequent sections, the framework of coloniality of power and coloniality of being are used to advance the case for the need to elevate, and ‘re-member’ the natives’ subjectivity. Later on, coloniality of knowledge is used to engage what is this study calls the ‘Hegel disease’. Further, coloniality of power is used discuss indigenous resurgence while coloniality of knowledge and coloniality of being will be used to discuss the native’s subjectivity as it relates to the construct of development.

### *C. Elevating the native’s subjectivity*

The above descriptive and explanatory account of decoloniality assists in understanding the significance of this study. As argued elsewhere, the natural resource curse postulation is evidently one of the Eurocentric perspectives which decoloniality seeks to interrogate, in whole or in part. The decolonial outlook goes beyond the deterministic approach of the natural resources curse to incorporate aspects such as the role of the natives in the very production of the mineral resources under study. Most authoritative studies on the history diamonds in Namibia – from de Kock (1935), Wagner (1971), Schneider & Miller, (1992) and Joyce & Scannell (1993) to Schneider (2008) – have all confirmed that the natives had always been involved in diamond activities, from discovery to production. In fact, most diamond discoveries in southern African diamonds fields were by the natives (Joyce & Scannell, 1993).

This study enriches the literature by providing greater detail and focus on a group of indigenous people to ensure that their contributions, engagements and participation in the rich diamond history of Namibia is accounted for. To use the decolonial

lexicon, the study is ‘re-membering’ endogenous and indigenous knowledges and subjectivities, which have been pushed to the periphery of the ‘barbarian margins of society’, and is positioning them within mainstream political economy scholarship, thus bringing the natives’ participations and experiences in diamond activities and African political economy into the mainstream scholarship wherein Eurocentric perspectives such as the natural resources curse theories are currently dominant.

As stated earlier, decolonial scholars submit that what coloniality of power and being have done to the African people is to dismember them from the human family. As a case in point, the CDM workers were basically dismembered from their human families, subjected to crude racism and effectively commodified and objectified (as discussed in the previous chapter). They were often projected and treated as objects and instruments at the disposal of their oppressors. This study assists in re-membering the natives and projects them wholly differently from Eurocentric narratives such as the natural resources curse, which is not concerned with the humanity of the natives but with their output’s worth as calculated as GDP. This account, therefore, provides an empowering Afrocentric narrative which will assist Afrocentric scholars to repudiate coloniality of knowledge and reverse what decolonial scholars call epistemicides. Elevating the natives’ subjectivity is an exercise of re-membering that will assert the natives’ communal memory. Similar studies, such as Diop (1981), that repudiated Eurocentric scholarships which projected Africans as barbarians without history, have succeeded in this sphere. The previous sub-sections under 2.5.3(on epistemic exclusion, decoloniality and the native’s subjectivity) provided the general context which sought to locate the epistemic problems of Eurocentric approaches to the study of Africa in general and

African mineral resources in particular. Section 2.5.4 brings these understandings to the case study by discerning three decolonial insights from the case study.

#### 2.5.4 *Decolonial insights from the case study*

##### *A. Beyond the 'Hegel disease'*

This chapter examined the natural resource curse theory's history, conceptualisation, application, evolution, and critique. It then argued that although the political economy approach is appropriate in understanding the role of illegal diamonds in the development of Owamboland, it cannot fully explain what happened there in the period under discussion. Decolonial explanations provide useful insights in two ways: the first is ontological while the second is epistemic.

The first insight, ontological, relates to how the colonised and Africans were seen and projected in the literature. In dealing with ontological problems the Africans are facing, decolonial scholars often invoke the work of German philosopher, Georg Wilhelm Friedrich Hegel, who argued that Africa has no history and is not part of the world civilizations he identified: Oriental, Roman, Greek, and German, which have attained full consciousness (Kuykendall, 1993; Camara, 2005). He argued that Africans have no consciousness, are incapable of culture and development, and have no sense of subjectivity as it relates to their existence (Hegel, 2001).

Hegel is not alone in his dismissal of Africans as a people without history and consciousness. Polish novelist Joseph Conrad pursued arguments akin to Hegel's, perceiving Africans as uncivilized 'savages' and calling them 'niggers' in his 1902 novel *Heart of Darkness* (Conrad, 1902), thus attracting criticism from several post-colonial scholars, one of the most notable being Nigeria's Chinua Achebe. Achebe dismissed Conrad as xenophobic and racist for his description of Africa as the anti-

thesis of Europe and civilization (Achebe, 2016). Other decolonial scholars such as Diop (1981), Fanon (1968) and Rodney (1972) also worked meticulously to dismantle the idea that Africa is the anti-thesis of Europe and civilization. Therefore, the ‘Hegel disease’ must be seen as part of the long-held Eurocentric bias, inherent in most European approaches to the study of Africa, that saw Africa as a people without history, civilization, agency, ontology, epistemology and consciousness. The critique of Hegel, and the Hegel Disease, did not end with Diop (1981), Fanon (1968) and Achebe (2016). Contemporary African scholars and philosophers continue to work conscientiously to repudiate the Hegel Disease. In a recent publication, Achille Mbembe, in countering the Hegel Disease, presents the idea of black reason that consist of ‘a collection of voices, pronouncements, discourses, forms of knowledge, commentary... whose object is things or people of African origin.’ (Mbembe, 2017, p. 27).

Be that as it may, the Hegel Disease will not be disappearing from the discourse. Most decolonial scholars, such as Ndlovu-Gatsheni (2015), Grosfoguel et al (2014), wa Thiong’o (2009), Maldonado-Torres (2007) Heleta (2016) and Smith (1999), argue that the Hegel-style of thinking remains alive in the literature looking at Africa and the colonised world. Factoring decoloniality into the study of the natural resource curse – or simply put, decolonising the natural resources curse – would firstly mean ensuring that African agency, subjectivities and intersubjectivities are given their rightful place (in order to avoid the Hegel disease). In decolonial discourse, this is known as ‘repudiating coloniality of knowledge’. Instead of merely looking at natives through Hegel’s lens, natives’ agency is given prominence as deserving of attention. The native’s experience provides two interesting insights: the

indigenous resurgence as a response to resources plundering, and the alternative conceptualisation of development, as explained below.

*B. Indigenous resurgence: the political response of the natives*

The lack of legitimacy of the colonial state, and entities such as CDM that were associated with it, elicited a nationalist response from the natives of South West Africa. Namibia's liberation movement, which had close links with the CDM workers involved in diamond smuggling, was at the forefront of the resource-nationalism discourse, arguing that multinational companies linked to the colonial state were plundering the resources of the country (SWAPO, 1981). The response of the natives was not only to internalise this discourse, but it became evident that the smuggling of diamonds was viewed as a justified act of sabotaging the colonial state and a sign of resistance against the colonial state (Ndishishi, key informant). This is also confirmed by several respondents who argued that what happened was not stealing but "taking what is ours". The smuggling of diamonds was, therefore, sanctioned by the nationalist and liberation discourse, therefore making it difficult for judgements of rent-seeking and moral cosmopolitanism to hold in this context. The natives at CDM saw their actions not merely as part of the private accumulation of wealth, but as part of the nationalist response to colonialism and attempts to reposition the resource for the benefit of its rightful owners. This is what is meant by 'indigenous resurgence' in decolonial literature – the repatriation of indigenous resources as part of restoring and regenerating indigenous nationhood (Corntassel, 2012; Snelgrove et al. 2014; Tuck & Yang, 2012). As will be discussed in chapter 5 and 6, apart from personal benefits, the CDM diamonds rents directly and indirectly supported the liberation movement. To simply understand the smuggling of diamonds at CDM from the perspective of rent-seeking and moral cosmopolitanism,

in the context of the natural resource curse, is a furtherance of the Hegel disease and a reinforcement of coloniality of knowledge. Kelley (2000, p. 22) problematises this approach fittingly:

‘...one of the most destructive effects of colonialism was the subjugation of local knowledge and promotion of the Western knowledge as the universal knowledge. European scholars have worked hard for centuries to erase the historical, intellectual and cultural contributions of Africa and other parts of the ‘non-Western’ world to our common humanity. They have done this as part of the white supremacist project. In the process, they have reduced the ‘other’ in their texts to ‘little more than beasts of burden or brutish heathens’.

Unlike rent-seeking, indigenous resurgence offers a suitable explanation for the political economy of illegal diamonds as considered in this study. The elevation of indigenous subjectivity and intersubjectivity – an action of repudiating coloniality of being and knowledge – is not limited to the resource nationalism that characterised and informed indigenous resurgence as it related to diamond smuggling. It also expanded to the conceptualisation of ‘development’ in a rather radical manner.

### *C. Development as freedom and opportunity – the eye of a beholder?*

Although there has been a significant shift in the main arguments of the natural resources curse theory, there has been no departure from the conceptualisation of what is regarded as economic development, which the returns from natural resources such as diamonds are supposed to bring about. The idea of the ‘development’ that is promulgated by certain natural resource curse scholars is evidently a Eurocentric construct that sees and links development to capitalism (Sklair, 1994; Wallerstein,

1994). The assessment of the presence or absence of development is, therefore, one refracted through Western lenses. Grosfoguel (2007, p. 214) argues this point well:

‘We went from the sixteenth century characterization of ‘people without writing’ to the eighteenth and nineteenth century characterization of ‘people without history’, to the twentieth century characterization of ‘people without development’ and more recently, to the early twenty first century of ‘people without democracy’.

Ndlovu and Makoni (2014) also oppose the approach of projecting Western-centric models of development as universal, arguing that this constitutes a longstanding coloniality of knowledge and being wherein the African is seen as without agency but represents a mere recipient of everything, including what can be regarded as development. For Langdon (2013), development cannot only be seen from the Western perspective or through capitalist lenses. Development, for the colonised people, has to be linked to decolonisation efforts. It must also be seen in the context of freedom. Like Langdon (2013), Mkandawire (2011, pp. 7-8) scorns what he termed the ‘Truman version of developmentalism’, which was seen by Ndlovu-Gatsheni (2012, p. 2) as an interpretation of development as a ‘Euro-American missionary task of developing the Global South in general and Africa in particular’. From the onset, in the previous chapter, the study adopted Sen’s (1999, p. 3) definition of ‘development as freedom’ as follows:

‘Development can be seen as a process of expanding the real freedoms that people enjoy...development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as systematic social deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states.’

Sen (1999) not only captures the decolonial concerns but his argument also finds resonance in the accounts and responses of the natives interviewed for this study. Whereas the natural resource curse does not seem to be concerned with alternative conceptualisations of development, to the natives interviewed, the returns from illegal diamond trading provided not only freedom but also opportunities that changed their lives and that of their communities in profound ways, thus they have indeed experienced development as discussed in detail in the Chapter 6. It follows, therefore, that development cannot only be limited to the metrics of GDP and growth of the national economy. The accounts on the ‘Diamond Princes’, purchasing power, mercantalist opportunities, and the transformation of the Owamboland rural economy, discussed in detail in Chapter 6, are all indicative of the fact that the natives have a valid claim of development as it accrued from the political economy of illegal diamonds. These accounts cannot be understood from the universal approach to development; the insight is not only that the decolonial concept of knowledge is contextual (Grosfoguel, 2007), but also that the natives can enrich literature in an environment characterised by coloniality of knowledge (Mignolo, 2002).

## **2.6 Conclusion**

The natural resource curse thesis remains one of the most enduring theories in the study of the relationship between mineral resources and economic development. Although it originally started with a deterministic position of what some scholars called ‘original sin’ – resource abundance stunts economic developmental – the theory evolved from a deterministic standpoint towards alternative explanations. Deterministic positions are found in the economics explanation of the Dutch disease and revenue volatility.

A political economy explanation is useful to this study because it is a political condition – colonialism – that best explains the political economy of illegal diamonds in colonial Namibia, rather than the economic explanation.

Although the natural resource curse in general, and the political economy explanations (the political conditions) in particular, assist us in understanding the relationship between natural resources and economic development, the explanation offered by the natural resource curse theory, when applied to the case study, has been found to be inadequate. The tools of analysis such as rent-seeking, agency, and moral cosmopolitanism are often applicable in a situation wherein the state is legitimate and in a society with binding standards of conduct as well as morals and ethics that are applicable and acceptable to all. In this case study, the state (a) was illegal, (b) was immoral, (c) was racist and (d) was not concerned with, nor did it safeguard, the interests of all its citizens, particularly the natives. It would, therefore, be unwise to apply judgements around rent-seeking, moral and legal cosmopolitanism to an illegal, immoral, racist and illegitimate state, as was the case with the South West African colonial state. Given this state of affairs, this chapter considered alternative explanations to the understanding of the political economy of illegal diamonds in Owamboland.

An alternative explanation is to be found in decoloniality, a body of theories that not only looks at the logic of the colonial question but also the responses of the colonised. It guides the actions of the colonised in relation to how they ought to respond to both colonialism and coloniality. It is in decoloniality that an argument is submitted against coloniality of knowledge wherein the natives' experiences and subjectivity are given priority, as opposed to a universalised outlook that takes an Hegelian approach towards Africa and the colonised world as being mere appendices of history – without their own history.

To repudiate all form of colonialities, the native subjectivities and intersubjectivities are important and prioritising them is the principal objective of this study. The decolonial explanation is not presented as an alternative to the natural resources curse theory but invoked to illuminate areas where that theory does not provide sufficient explanation.

There are several decolonial insights from the study. Supported by the responses of the natives interviewed in this study, the decolonial explanation provides the basis as to why studies in the colonised world need to reject the Hegel disease of Africans as a people without history, theory and agency. The natives responded to the colonial question in various ways; in the case study, the decolonial explanation of indigenous resurgence – the repatriation of indigenous resources as part of restoring and regenerating indigenous nationhood – is insightful. The natural resource curse does not explain the natives’ involvement in the smuggling of diamonds in the same way that indigenous resurgence explains the phenomenon. The natives interviewed in this study and the evidence from various data sets corroborates the explanation of indigenous resurgence, as opposed to natural resource curse explanations such as rent-seeking. The decolonial explanation also bring into question the Western conceptualisation of development. The explanation of the natives regarding how they view ‘development’ is explored as part of a process of repudiating coloniality of being and knowledge, so that African agency and subjectivity do not suffer the fate authored by Hegel. The native explanation of development is not abstract or divorced from the literature However: Amartya Sen’s 1999 decolonial conceptualisation of development as freedom and opportunity not only upholds the native’s explanation but is also adopted to explain the role of illegal diamonds in the development of Owamboland throughout this study.

This study offers a new way of looking at theories of the ‘resource curse’, particularly as a critique of some of the central tenets of such theories, such as the

notion of volatility, the Dutch disease and the overriding emphasis on the economics of resource politics. By offering a more nuanced, political and contextual account of the role of illegal diamonds in the development of Owamboland, and by emphasizing the agency of those who worked on the mines (here called the ‘Natives’), the study tentatively explores the complex and multiple legacies of colonialism in present-day Namibia – a matter that is ignored or insufficiently explained by the ‘resource curse’ thesis.



## **Chapter 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The methodology chosen by this researcher and used in this study comprises a mixed method approach, drawing on both qualitative and quantitative methods of data collection and analysis. This methodology was preferred for a number of reasons. One of the reasons is that because there has not been not much written on the subject to date, it was seen as beneficial to take a broader methodological approach in order to obtain more comprehensive data (and thus more useful data). The other reason is that the study combines various topics into one body of material, making a broader methodological approach more appropriate. Consequently, the researcher utilised four data sets: secondary sources such as books, articles and reports; the oral interviews; archival materials; and court records.

While there exist many studies that make use of mixed research methods, there are two aspects that set this study apart. While many studies' methodologies specify methods of data collection, research instruments, and methods of data analysis, this study provides two further aspects that are often missing. The first deals with the justification of the unit of analysis by providing the context in which the unit of analysis – what the study measures – operates. Further, the study provides conceptual and operational definitions of the key terms used in the study (see 'Explanation of Terminology as used in this Study'). Secondly, in more orthodox studies, researchers simply collect the data, conduct an analysis, and present the findings. This study departs from this tradition since it does not simply use the findings emanating from the initial data collection and analysis but developed a post-data-analysis second-level data-collection technique whereby verification

questionnaire activities and interviews were conducted with individuals and institutions from which important discoveries were made and further information, confirmation and verification was required. This second-level data-collection not only provided additional insights but also improved the validity and reliability of the initial data collected.

Lastly, this chapter details the challenges encountered in the process of data collection and the mitigating strategies employed by the researcher to prevent material challenges that would have had a negative impact on the study. Various challenges were experienced, particularly in the process of data collection; innovative and improvised strategies employed by the researcher greatly assisted in reducing the impact of the challenges encountered in the process of the research.

### **3.2 Justifying the units of analysis**

Owamboland was one of the areas of colonial Namibia that played a leading role in the history of the contract labour system. As a matter of law, it was only through the contract labour system that one could obtain employment inside the Police Zone and in companies such as CDM (Likuwa, 2012). As explained in Chapter 1, there were two organisations that were responsible for the recruitment of native labour in colonial Namibia before the establishment of SWANLA in 1943: the Southern Labour Organisation (SLO) and Northern Labour Organisation (SLO). The SLO was responsible for recruitment of the natives to work in the mines in southern Namibia such as that of CDM, and it recruited natives in and from Owamboland. It had an office, its recruitment centre, in Ondangwa. The NLO, on the other hand, did not recruit any natives to work for southern mines. From its office in Rundu it only recruited natives from Kavangoland to go to work in northern mines and on farms.

Since mining activities were focused on the south of the country, more than 80 per cent of the contract workers in general, and CDM employees in particular, in colonial Namibia were therefore Aawambo. The historical constraints and policy designs of the colonial state led, in the final analysis, to obvious repercussions insofar as it was predominantly Aawambo natives who worked for CDM in colonial Namibia, and therefore diamond mining became overwhelmingly an Aawambo and Owamboland affair.

Mining was always the greatest contributor to the colonial economy of colonial Namibia and diamond mining made a significant contribution. Diamond mining, one of the oldest mining activities in the country, started in the late 1800s, and has had a significant effect on international interest in colonial Namibia since the 1900s. It was the only industry in colonial Namibia with a 'protected area', a demarcation that continued for more than 80 years. This protection did not prevent diamond smuggling from taking place however. As subsequent chapters of the study will demonstrate, CDM had been experiencing between 10 and 20 per cent leakages of diamond stock production in the 1980s (Galloway, key informant). At Independence, the value of illegal diamonds lost through smuggling activities at CDM was calculated to be between R80 million to 150 million per year (Minney, 1991).

CDM was one of the oldest mining companies in colonial Namibia. It enjoyed greater patronage from both the German and then the South African colonial administrations than any other company in the entire history of colonial Namibia and it served as the second biggest employer in the private sector during colonial times. Its importance to the colonial economy and its impacts on the life and local economy of the natives in colonial Namibia cannot be underestimated.

### **3.3 Research design**

The design of the study was meant to achieve the aims and goals articulated in the research problem, specifically the exogenous outlook of the literature on diamonds and the need for accounts with an endogenous outlook. It was also designed to look at reductionism by the natural resources curse proposition and its tendency to ignore the agency and subjectivities of the natives. The design assisted in answering the main research questions and the five supplementary questions. As such, this study made use of both qualitative (interviews with key informants) and quantitative (administering questionnaires) research methods, herein referred to as ‘mixed methods’.

### **3.4 Population of the study**

Obtaining precise statistics from colonial Namibia in general, and specifically Owamboland during the period under discussion, is a serious challenge (Hishongwa, 1992). In a 1977 study focussing on the politics of colonial Namibia, Töttemeyer (1977) submitted that by 1970 the population of Owamboland stood at 352,640. After Independence, Owamboland was divided into four regions: Oshana, Omusati, Ohangwena, and Oshikoto. The first census in an independent Namibia, conducted in 1991 and released in 1994, put the population of Owamboland at 633,182 (Central Statistics Office, 1994). In the 2011 census, the population of the area stood at 847,259 (Namibia Statistics Agency, 2012).

### **3.5 Sampling**

The study used a stratified sampling method to account for the quantitative aspect of the research: specific characteristics of the CDM employees were used in order for the sample to meet proportionality, i.e., the respondent’s region and constituency

were identified. The former Owamboland is now divided into 46 constituencies across the four regions and the sample therefore consisted of a total of 46 respondents with one drawn from each of the constituencies. To meet qualitative objectives, the study made use of the purposive sampling method to identify key informants who are knowledgeable on the subject or would be able to supply key information by virtue of the positions they held/hold. Although the study targeted 30 key informants, only 16 informants were able to participate due to the reasons discussed in the challenges encountered. These informants included former CDM and Namdeb officials, current Namdeb officials, economists, mineral economists, geologists, political scientists, diamond interlocutors, historians, mineral experts, and community leaders.

### **3.6 Research instruments**

The study made use of two instruments to collect data. The researcher administered questionnaires to the 46 the respondents (the former CDM employees) chosen from the 46 constituencies. Administering these questionnaires, as opposed to simply distributing questionnaires in the hope of getting answers, proved to be especially helpful to the study for this approach provided an opportunity to seek clarity and obtain more details from the respondents in person. Apart from the questionnaires, in-depth interviews with 30 key informants were also conducted (see Appendix 1).

### **3.7 Data-gathering procedure**

Following the granting of permission to collect data, i.e., obtaining ethical clearance, the researcher identified and isolated themes that needed data population before administering questionnaires and conducting in-depth interviews. These themes were later developed into chapters in this study. Where possible or permissible,

respondents' responses were mechanically recorded, transcribed, coded and populated against specific themes and questions to prepare for data analysis. Where it was not permissible to mechanically record the responses, the researcher made use of field notes to collect the data. Following the outcomes of both the questionnaires and in-depth interviews, the researcher further developed verification questionnaires to obtain additional information, on major discoveries and revelations from knowledgeable or concerned individuals and institutions.

### **3.8 Methods of data analysis**

The approach to data analysis followed the mixed-method data-analysis process. The data collected were firstly analysed in their original form. This provided an opportunity for the researcher to obtain insights on the responses unhindered by the initial themes and questions. This was done following the interpretive construction method that proceeds from a standpoint that respects and uphold full range of human agency and legitimating 'others's local knowledge, their own expertise in their owned lived experience' for human responses cannot be controlled (Yanow, 2015, p. 100). The researcher then proceeded to analyse the data collected by juxtaposing such data onto the themes and research questions in order to assess the responses and the insights brought to the study. After the data tabulation, the researcher then proceeded to data analysis. It was after data analysis that the researcher elected to develop further verification questions to obtain additional information on major discoveries and revelations (see section 3.7).

### **3.9 Challenges encountered and remedies**

There were several challenges encountered in the course of the study. While these challenges, most of them unanticipated, had an impact on the progress of the study,

there was no material or significantly negative impact on the study as a whole. The following are the challenges encountered and the remedies applied.

### *3.9.1 The POCA challenge*

The first challenge came with the respondents who, despite the promises and undertakings contained within the informed consent form (Appendix 5), were not comfortable with linking their names to any documentation on the subject of illegal diamonds, albeit the research pertained to the historical past, i.e., colonial Namibia. These respondents pointed to the problematic provision contained in the Prevention of Organised Crime Act 29 of 2004 (POCA) legislation that reads as follows:

‘Nothing in this Act, or in any other law, is to be construed so as to exclude the application of any provision of Chapter 5 or 6 on account of the fact that- (a) any offence or unlawful activity concerned occurred; or (b) any proceeds of unlawful activities were derived, received or retained before the commencement of this Act.’

In addition to the above, and to complicate matters, this legislation is explicit in its intended purpose insofar as it aims to:

‘...introduce measures to combat organised crime, money laundering and criminal gang activities; to prohibit certain activities relating to racketeering activities; to provide for prohibition of money laundering and for an obligation to report certain information; to criminalise certain activities associated with gangs; to provide for the recovery of the proceeds of unlawful activities; to provide for the forfeiture of assets that have been used to commit an offence or assets that are the proceeds of unlawful activities.’

What this essentially means is that, given these clear provisions, any self-implicating information, exposes the respondents to the actual risk of prosecution. A mere consent form promising immunity from prosecution, and the invocation of the guaranteed constitutional fundamental right of academic freedom could not convince most respondents who initially declined to participate. Most of the pertinent actions that they were involved in, their enterprises, and the wealth some of them have accumulated, qualify as criminal activities and proceeds of crime under this legislation. As such, and given the evident risk, the researcher resolved to provide absolute anonymity such that no one would be able to obtain any information or documentation linking any of the 46 respondents to illegal acts. All the 46 respondents were therefore given pseudonyms. To avoid the possibility of names matching those of actual former employees, an coincidence inherently common in the Oshiwambo naming system, the first names of all 46 pseudonyms are 'foreign' names to which Oshiwambo names are attached as surnames.

### *3.9.2 Fear of participating in the study and suspicion of the researcher's motives*

In one incident, the researcher travelled to one of the constituencies to meet with one of the respondents who had agreed to participate in the study. As the researcher and the respondent were about to begin the interview, a child objected, citing fear of the father implicating himself or the information somehow ending up in the 'wrong hands'. Another challenge was the fact that the researcher is also a political activist. In one instance, the relative of a potential respondent advised the respondent not to participate in the study thus: "I don't like your politics things. Those things are dangerous". However the researcher managed to persevere when confronted by such challenges, obtaining replacements for the respondents who either discontinued or refused to participate in the study at the last minute.

### 3.9.3 *Non-cooperative participants*

There were some respondents who choose not to provide certain details when probed to do so; their non-cooperation was, however, selective in the sense that it related only to specific questions, particularly those relating to their knowledge of illegal diamond activities. This did not prove damaging to the study in any significant way because a section of the Participant Information Sheet (Appendix 4) informed participants that they were free to choose not to respond to any particular question(s).

### 3.9.4 *Fear of De Beers and the world diamond cartels*

There were instances where respondents and key informants digressed from the interviews, raising questions and encouraging the researcher to abandon the study on account of the power of De Beers. They argued that De Beers controls politicians and causes them to act in certain ways. There was reference made to Louis Goodwill Nchindo, a former managing director of Debswana (a joint venture between De Beers and the government of Botswana) (Grynberg, 2017). Following his threats of revealing the underground dealings of De Beers – particularly the bribing and corruption involving former president Sir Katumire Masire – Nchindo’s decomposed body was found in the forest of Pandamatenga (Ndlovu, 2010). Although unrelated to this tragedy, some also made reference to the persecution of Angolan journalist Rafael Marques de Morais, who published a book in 2011, *Blood Diamonds: Corruption and Torture in Angola*, exposing the atrocities of Angolan diamond strongmen and military generals ( De Morais , 2011). Although these warnings were interesting to note, they do not in any way diminish any aspect of the research or study since they were not heeded to.

### *3.9.5 Trade covenants, organisational culture, and institutional commitment*

One of the challenges experienced in the study relates to potential respondents refusing to participate in the study on account of the trade covenants that place them under certain restrictions even after they have left the employment of CDM (now Namdeb). These restrictions mainly applied to top and senior executives of CDM. Whereas the Namdeb Corporate Communications Department assisted during the study, the Training and Development Division refused to provide access to personnel data. As a mitigating strategy, the researcher found suitable replacements for the potential participants who indicated that they could not participate in the study because of the restrictions. Fortunately, some of the potential respondents who recused themselves from the study gave the researcher relevant literature or documents that they thought would be useful and would compensate to some degree for their inability to participate in the study. The informal and ‘off-record’ discussions with those unable to participate in the study also assisted to fill the gaps created by the restrictions.

### **3.10 Research ethics**

This study followed all ethical processes prescribed by the University of Namibia to ensure that all considerations relating to research ethics were addressed and adhered to. All participants were provided with the Participant Information Sheet that introduced the researcher and the study and supplied all the relevant information relating to the study. After agreeing to participate in the study, participants were given the Informed Consent Form (Appendix 5) that contained all the information necessary for them to agree to take part in the research study (each participant was required to sign the consent form before participation in the study began). The

questionnaire for respondents was translated into Oshiwambo for ease of comprehension by certain participants (Appendices 6 and 7).

For the participants who refused to be mechanically recorded, the researcher made use of written notes to record their responses while for those who were mechanically recorded using a voice recorder their interviews were later transcribed. As stated before (subsection 3.9.1), the researcher took all the necessary precautions to protect the identity of the respondents, given the POCA legislation.

### **3.11 Conclusion**

This chapter has demonstrated that the mixed method is not only a useful methodology, particularly in study areas that are under researched, but also that the mixed method can be beneficial to a researcher with multiple data sets at his/her disposal. These datasets are not only important in respect to the options that they present to the researcher but demonstrably assist in filling the gaps in information – cross fertilization of sources – thus reinforcing the validity and reliability of the data.

Further, the study has shown that it is possible to engage in methodological innovations in order to meet the research objectives without deviating from standardised and established research protocols. Although not a topic much elaborated on in this chapter, these attempts to adapt the methodology, especially through second-level data-collection and the protection of all respondents given the legal environment, can be seen as responding to the call by Linda Tuhiwai Smith to decolonise research methodology, particularly when dealing with research involving indigenous people (Smith, 1999). The experiences of this study underline a call not only for flexibility in research methods but also the need for standardisation of post-

data analysis and second-level data collection in order to improve the validity and reliability of the data.

## **Chapter 4: THE NATIVES AND THE DIAMONDS IN COLONIAL NAMIBIA – Methods, Strategies and Tactics for Smuggling Diamonds at CDM**

### **4.1 Introduction**

There is no doubt that diamond smuggling was carried out by the Aawambo workers at CDM in colonial Namibia. Deriving from this foundation statement, as confirmed by this study and beyond, this chapter provides durable, and often new, evidence that erases any doubt that the above-mentioned activity took place. The evidence provided in this chapter, therefore, makes the smuggling of diamonds by the Aawambo workers at CDM a matter of historical fact. The evidence provided herein comes from several sources such as court records, confirmation by various scholars and researchers who have conducted research in this area, records of the colonial administration (particularly the Mines Inspectorate and the Diamond Board of South-West Africa), and from the accounts of former CDM employees – some of whom have confirmed, by providing further details, their participation in these illicit activities.

Of the representative sample consisting of 46 respondents taken from the 46 constituencies of Owamboland, 39 of them not only confirmed that the smuggling of diamonds by the Aawambo at CDM took place, but went further to name and describe the methods that were used. Of the seven who did not elaborate on the question of diamond smuggling when asked, four chose not to comment on the matter, two pleaded ignorance, while one indicated that he heard it took place but could not go into detail.

From the fact of diamond smuggling at CDM the chapter proceeds to consider the methods, strategies and tactics of diamond smuggling. It first deals with an aspect that immediately emerged from the analysis of the various methods, strategies and

tactics since it was clear that diamond smuggling was an activity that was conducted by a syndicate. Stated differently, it was not an activity conducted by one person acting alone. From the evidence provided by the former CDM employees, the concept of the *osheelo* native diamond-smuggling syndicate (ONDSS) is developed to buttress this point that diamond smuggling by the Aawambo at CDM was the work of a complex network, one which effectively transcended race. Apart from the accounts of former CDM employees cited in this study, the syndicate phenomenon is also confirmed by various scholars (as also mentioned in this chapter).

In the course of this study, and deriving from information gleaned from respondents, records, and key informants, the researcher came across 30 methods, strategies and tactics that were used to smuggle diamonds at CDM. This chapter develops 10 categories into which most of the 30 methods can be placed. These categories are:

1. *The 'gift of nature': domesticated pigeons;*
2. *The 'back way': readily available rectum;*
3. *The 'holy shield': (Lutheran pastors);*
4. *The luggage conveyor belt;*
5. *The 'blind spots';*
6. *The collaborating insiders;*
7. *The collaborating outsiders;*
8. *The 'abdominal carriage';*
9. *The 'disability path';* and
10. *The fast and efficient crossbow.*

## **4.2 The fact of diamond smuggling at CDM**

Although there has been little research on the smuggling of diamonds at CDM, the subject has, however, remained an open secret in certain circles. Asked if they were aware of the Aawambo workers at CDM who were involved in illegal diamonds, historians who were key informants for this study (such as Botha and Likuwa) confirmed, albeit to varying degrees, that such narratives existed in the discourses on the political economy and the historicity of contract labour in colonial Namibia. Henning Melber, a leading political scientist who spent more than 40 years researching Namibia, answered the same question in the course of the study as follows:

“I know that such stories [smuggling of illegal diamonds at CDM] exist and made the rounds. Some of the wealthy Owambo traders, who had started as contract workers in the diamond fields, were suspected of being among the beneficiaries of illicit diamond trading as a point of departure for their business careers.”

Steve Galloway, a geologist and mineral economist who worked for the Ministry of Mines and Energy and served as an interlocutor during the CDM transition to Namdeb not only confirmed in the course of this study that the illegal smuggling of diamonds took place at CDM, but disclosed that during the discussions between CDM and the Namibian government after Independence, discussions in which he actively participated, it was disclosed that the leakage of diamonds at CDM was between 10 and 20 per cent. Gabi Schneider, a geologist who worked for the Ministry of Mines and Energy and conducted several research studies on diamonds and the CDM, indicated that she is “aware of the fact that diamonds were hidden in bodily crevices on a regular basis, and then there were of course the more spectacular

cases involving crossbows and pigeons”. Another former senior mining expert who worked as a mineral economist in the same ministry, Martin Mwinga, corroborates her as follows; “I am aware of few cases of CDM workers who stole diamonds and established retail shops and other businesses that created employment in Owamboland”. The then head of De Beers Security, Alan Grose, was quoted in Hart (1999), in a commentary dealing with illegal diamonds at Oranjemund, arguing that the volume of leakages could be as high as 30 per cent. Joyce & Scannell (1993, p. 19) submit:

‘Theft has been a major problem within the industry since diamond pipes were first worked in the 1870s...Mines and diggings operate extremely tight security systems...within the diggings and mining complexes, highly sophisticated security and supervision methods – manual, electronic and X-ray – are used. Outside the larger concessionary areas, prospectors and diggers, merchants and cutters are rigorously controlled by a system of licenses. Nevertheless, the losses to the legitimate trade remain substantial and worrying. One estimate puts the loss to CDM’s Namibian enterprise at one third of the total output.’

Andrew Ndishishi, a senior government official who was also involved in the negotiations leading to the formation of Namdeb (the successor of CDM) goes a step further in not only confirming, but also somewhat justifying and locating the illegal smuggling of diamonds in the greater context of the liberation struggle;

“The stealing, pilfering and illegal acquisition and selling of diamonds was not only manifested by contract workers from north-central, but also by apartheid, the racist illegal regime of South Africa, the multinational companies, the law enforcement agencies, dealers and middlemen. Stealing of diamonds by contract

workers was also a way of sabotaging the industry that is supporting the colonial regime war machines. This was, therefore, a deliberate rebellion and a form of resistance of the apartheid regime. Take note that these contract workers soon changed the focus from ending the labour contract to demand and fight for freedom and independence. It is the contract workers who were pivotal in the formation of SWAPO and have continued to support the movement until Independence.”

Supplementing the contributions on the topic from experts, scholars and researchers, several CDM employees interviewed in this study not only confirmed their participation in the smuggling of diamonds at CDM, but also indicated how they went about their activities. Records of the colonial administration contained in file A44/2/13 (part of the Inspector of Mines Collection IMW 55 at the National Archives of Namibia) specifically deal with the matter of illegal diamonds. These records provide detailed reports and series of correspondences between the Diamond Board of South West Africa, the South West Africa colonial administration, the Mines Inspectorate, and CDM. If there was ever any debate about whether there were instances of illegal diamonds at CDM then the case of Shanika Linus Angara, a 35-years-old Omuwambo male, would quash such doubts. Angara was charged and found guilty, on the 15<sup>th</sup> December 1949 for contravening section 28 (a) of the *Diamond Industry Protection Proclamation* (No 17 of 1939) for having ‘in his possession six rough and uncut diamonds, he the said accused, not being dully authorised or licensed in accordance with the said Proclamation’ (R v Shanika Linus Angara, 1949). In 1991, the then Minister of Home Affairs, Hifikepunye Pohamba, visited CDM and publically announced and warned workers that the stealing of diamonds, then calculated at a value between R 80 million and 150 million, could

result in the closure of CDM (Minney, 1991). A conclusive pointer to the existence of diamond smuggling at CDM is the admission and response by Daniel Kali, a former De Beers Resident Director who worked for the company for more than 24 years, when asked if CDM and De Beers were ever aware of the cases of illegal diamonds responded:

“Yes, there were instances of diamond smuggling. When employees were caught in such instances, they were immediately subjected to the Company’s internal disciplinary process. Furthermore, they would have been subjected to the applicable Diamond Act of the time.”

It, therefore, follows that diamond smuggling at CDM is a matter of fact. What is of interest to this chapter is the methods the CDM employees used to smuggle these diamonds.

#### **4.3 *Osheelo* and the native diamond-smuggling syndicate**

Although the security arrangements at CDM, arrangements specifically aimed at preventing the smuggling of diamonds, kept changing over the years, the security activities and priorities remained essentially the same. These included the securing of the mine property itself, the prohibition against the possession of diamonds, and the monitoring of the process of diamond extraction and storage. The checkpoint – the single point of entry and exit to the mine – played a critical role in securing the mine’s property. The CDM employees had a good understanding of the security arrangements that were in place and of course all the methods, strategies and tactics used to smuggle diamonds were designed to circumvent the security arrangements, but especially the checkpoint.

There is, however, one important aspect of the diamond smuggling enterprise that requires elaboration. As stated earlier, smuggling diamonds was not an activity carried out by one person working alone; there were several miners involved in the process, from collection of the gemstone(s) to passing through the checkpoint. The miners called this system *osheelo*, an Oshiwambo word for an opening and it is best explained by Manyi Nuugwedha,<sup>7</sup> one of the respondents in this study:

“[*Osheelo*]...basically meant that there were those who had a ‘way’/‘throughpass’ of smuggling diamonds out of the mine through the checkpoint without being detected. The general strategy was then to give diamonds to these individuals with *osheelo* who then used a variety of methods to smuggle diamonds [out]. It was really a group effort instead of an activity conducted just by one person. *Osheelo* was the common umbrella method that was used by many diamond smugglers at CDM.”

The presence of an ‘*osheelo* syndicate’ was elaborated on in an interview with the researcher by Hichilema Mbokoma,<sup>8</sup> who worked at CDM from 1969 to 1994:

“The activity of stealing diamonds at CDM was not an affair of one person. One picks the diamond (or several others do) and then hands over these diamonds to another person who is close to the individual with means and ways to pass through the checkpoint undetected. We use to call this ‘*osheelo*’, meaning an opening which refers to the person who actually does the actual smuggling. This is the most important person. In one instance I am aware of, we would collect our diamonds in our network and then hand them over to the collectors who then

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<sup>7</sup> Not his real name.

<sup>8</sup> Not his real name.

hand them over to the person with *osheelo*. In this instance *osheelo* was through the insertion of a [small] plastic bag with the diamonds into the person's anus. When they go to the scanners, the diamonds will be covered by the rectum.”

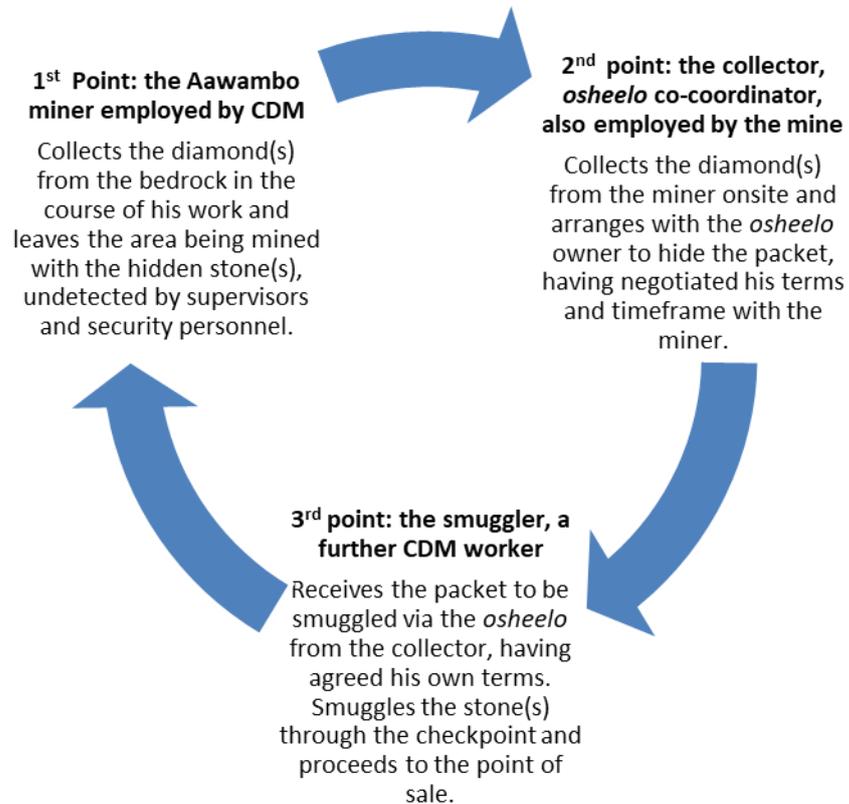
Most of the former CDM employee respondents confirmed that the smuggling of diamonds took place within a syndicate. Andrew Ndishishi, corroborates the syndicate nature of diamond smuggling, providing additional context to *osheelo*:

“There were many underground collaborations for the benefit of many individuals (different types of employees, securities, dealers, transporters, etc. against the regime and the company's owners). Mind you, these uneducated people were the ones that were working at the bedrock, discovering and picking the diamonds and sorting them. So access to the stones was not a problem, but access to the market was. Hence, the collaboration with many other people for them to be able to pass security system, to sell and to realize value from the stones they have. Those in offices or other support services had no easy access to stones and thus depended on these ordinary workers who directly work with diamonds on daily basis.”

Another key informant in this study, Martin Mwinga, who worked as a mineral economist in the Ministry of Mines and Energy, explained that

“The educated and uneducated employees worked together and shared information on how to manoeuvre the security system. In most cases the security system was manned by black employees especially those from Owamboland. Many years of experience working as labourers/mine workers provided a learning experience for these employees to identify weaknesses in the security system.”

Figure 4, below, illustrates how the *osheelo* native diamond-smuggling syndicate (ONDSS) system worked.



**Figure 4: The *osheelo* native diamond-smuggling syndicate (ONSS) system at CDM**

The selected methods of diamond smuggling that were used by CDM employees and that are described in the subsequent sections of this chapter must be seen and understood from the broader context of the ONDSS. In other words, the methods, strategies and tactics used by CDM employees discussed below must be considered to be falling within the overall operations of the ONDSS at CDM and not as standalone activities.

#### **4.4 The ‘gift of nature’: domesticated pigeons**

The use of pigeons to smuggle diamonds is one of the methods that not only mentioned by the respondents, the former CDM employees, but also from key

informants. Both Steve Galloway and Gabi Schneider referred to this method in the course of their interviews. Galloway explains that:

“...guys in town [Oranjemund] had doves. The guys who had houses and not those ones living in compounds. They used to take those doves into the mines dressed in little jackets. They will then put the diamonds on these doves. The guys from the north [Owamboland] would be the one putting on the diamonds on the doves and then the dove will then land obviously at the guy’s house. They [Aawambo workers] were part of the syndicate.”

This explanation is similar to that of Floyd Nuusila,<sup>9</sup> a former CDM employee who had worked as a recreational official, who explained that:

“This [method] was introduced by the Portuguese who were inside Oranjemund. Those that worked in the mine would go into the mine discreetly with the pigeon and dress it with sufficient diamonds that would still allow it to fly. Once dressed and released, the pigeon would fly directly to the house of the owner who would then collect the diamonds. Later on the employees kept their own pigeons independent of the Portuguese and collected the diamonds in the similar fashion.”

When CDM security officials became aware of this method, a decision was taken to disallow the ownership of pigeons in Oranjemund as a way to stop this ingenious practice (Von Schmettau, 2014; Maletsky 1998).

#### **4.5 The ‘back way’: the readily-available rectum**

As unpleasant and uncomfortable as it may appear, the human rectum proved to be one of the successful places used to hide smuggled diamonds. This method was used

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<sup>9</sup> Not his real name.

to avoid the body search and the X-ray scanners used at the checkpoint. The X-ray technology that was initially used before the 1940s was not able to identify that diamonds had been inserted inside the rectum. Former CDM employees Chipanga Tewumona and Kabila Shidinifa<sup>10</sup> explained how this method worked and their involvement in it:

Tewumona recalls his encounter with this method as follows:

“My colleague, who used to live next to our room, hid a diamond in his anus a number of times. He was the person we all gave the diamonds to in our circle to carry them to the outside. Not everyone knew. One day, he called me in the toilet to help push the diamonds inside his anus. It was an uncomfortable situation but it had to be done. People see CDM [employees] with the wealth yet they don’t know how difficult it was.”

Shidinifa similarly explains:

“We were introduced to a strategy of inserting a plastic [bag] with a small parcel, the diamonds, into the anus. It was a bit uncomfortable but our focus was not on a few hours of discomfort but what lies ahead. We endured discomfort for real prospects of prosperity and it worked.”

Although it is not the focus of this study, it is worth mentioning that this method was also used by whites at CDM. The archival file of the Inspector of Mines in colonial Namibia, IMW 55 A/44/2/13, contains a letter written by CDM official, A.A Coaton, to the Chairman and Directors of Cape Coast Exploration Limited, disclosing that on the 21<sup>st</sup> of February 1938, A. De Klerk, a CDM plantlayer, was caught with 10 diamonds in his rectum weighing 26 carats.

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<sup>10</sup> Not their real names.

#### **4.6 The ‘holy shield’: the Lutheran pastors**

The role of the church in the liberation struggle of Namibia is well-researched and documented. Buys and Nambala (2003) provides an authoritative account of this history from 1805 to 1990. Töttemeyer (2010), Katjavivi (1989), Isaak (2007) and Diescho (2014) all detail the history and role of the church in colonial Namibia. None of these scholars touch on the subject of illegal diamonds at CDM and the involvement of the clergymen as described in this section, however. Apart from the Dutch Reformed Church, which supported apartheid, the church in Namibia is not generally associated with the support of illegal activities (and even the Dutch Reformed Church found biblical justification for supporting apartheid). It is for this reason that the information uncovered by this study’s research might appear surprising to many (as indeed it was to this researcher).

In describing the life at the mine, most of the respondents have indicated that the church, given the difficult working and living conditions under the CLS, served as a source of succour for the workers at CDM. Niitenge (2013) and Ndamanomhata (2001), both scholars of the Evangelical Lutheran Church in Namibia (ELCIN), have disclosed the involvement of the church in the CLS, corroborating the accounts of the respondents. With specific reference to the CDM, Gordon (1977) and Corbett (1989) confirmed the presence of several church denominations at CDM, such as ELCIN and the Roman Catholic Church. Given that the entire Sperrgebiet area, including town of Oranjemund, was under the control of the CDM, it follows that the presence of the church in Oranjemund was with the arrangement and patronage of the company. Most of the respondents claimed that the Lutheran pastors were on the salaried staff of CDM. Kali, a former De Beers representative, confirmed that CDM had enlisted the services of Lutheran clerics and took responsibility for their upkeep.

These pastors were all Aawambo and there were miners that knew them from Owamboland. The pastors would go to the compounds inside the mine to conduct sermons on Sundays. Respondents concur that these pastors were used to move parcels from these compounds for they were not subjected to rigorous searches, if any, at the checkpoint.

Three versions by former CDM employees – Karabo Iyambo, Jose Ndeshuuda and Moyo Madala<sup>11</sup> – detailed the involvement of the pastors in the smuggling of diamonds and are reproduced to confirm this claim:

Iyambo:

“There were many instances and methods that were used to smuggle diamonds. One of the methods used was to make use of the pastors who would then come to the hostels and preach to the miners. The security officials for a long time did not realise that pastors were also part of the syndicate.”

Ndeshuuda:

“They [miners] were innovative. They devised strategies and methods that the Boers did not pick-up. One of the effective ways of smuggling the diamonds was through the pastors that came to preach to the miners in the mines. Some of these pastors were Aawambo who are sent to CDM on a contract to preach to miners. There were some Aawambo pastors who worked with those stealing diamonds and carried these diamonds inside the Bibles. The inside of the Bible [was] configured to accommodate diamonds. The pastors were not subjected to searching when they came at the checkpoint. Even if they are to be searched,

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<sup>11</sup> Not their real names.

very few security officials would search [inside] the Bible.”

Madala:

“There were obviously many strategies that were used. Some swallowed the diamond, some worked with security officials while others used pigeons. One innovative strategy used by those of us that were living inside the mine was to give the diamonds to the pastors that came to preach. The diamonds were carried by [these] pastor inside the Bible.”

#### **4.7 The luggage conveyor belt**

As explained earlier, the key physical barrier to the smuggling of diamonds at CDM was the security at the checkpoint. The checkpoint personnel controlled the entrance and exit of the mine with the sole purpose of preventing the smuggling of diamonds and anything that would assist this activity. Before the introduction of the X-ray machines, all searches were conducted manually by the security officials (mainly white) who would specifically target black miners. This partly explains why white smugglers evaded detection – such as one Hermanus Vercuell, a detective in the colonial Diamond Detective Department, who was discovered to have stolen five diamonds in 1943, as reported by the then Secretary of the Diamond Board for South-West Africa (Watson, 1943).

From as early as 1940s, the archival records of the colonial administration indicate that the Diamond Board of South-West Africa and the Mines Inspectorate, especially, became increasingly concerned about the security measures at CDM and advocated for the introduction of X-ray machines at the checkpoint (Watson, 1943; Louwrens & Castle, 1946). On the 3<sup>rd</sup> of December 1946, in a letter to the Secretary of the Diamond Board for South-West Africa, the Inspector of Mines, G.S. Giles,

concluded that the: ‘search of natives and belongings without X-ray equipment is not very satisfactory’ (Giles, 1946, p. 2). The X-ray machines were, therefore, seen by the colonial administration and the diamond mining interests as an effective method to preventing the smuggling of diamonds by the natives.

The respondents explained that the X-ray facilities at the checkpoint consisted of two components: one for the body searches, where the individuals went through the scanning machine, while the other was a conveyor belt, which all luggage had to go through and it was this luggage conveyor belt that the smugglers could utilise for their activities. Watches, belts and books were modified to carry the diamonds in ways that the scanning equipment was not able to detect. Mandla Shikudule and Banda Lumbu,<sup>12</sup> former CDM employees, were involved in smuggling diamonds in this manner before they were dismissed. Other methods are confirmed by Lungu Amaambo and Kwesi Pombili.<sup>13</sup> The four accounts, offered in answering the question regarding the methods used by CDM employees to smuggle diamonds, are as follows:

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<sup>12</sup> Not their real names.

<sup>13</sup> Not their real names.

Shikudule:

“I got a watch from my colleague when he came back from Port Nolloth. He was our man who took our diamonds to the Portuguese there. He came back with many methods such as the boots that were configured for this purpose and other strategies. This watch had a place inside it that I was shown to insert diamonds. I made use of this method until I was reported by my jealous colleague.”

Lumbu:

“There is one method, of many others, that I am very familiar with. As a recreational official we had thick books that you call ‘*dekbooks*’ [in Afrikaans]. We used to go around hostels inspecting and checking which items were missing and needed to be replaced etc. We would then make use of these books for record purposes. Our Portuguese buyers gave us a strategy and designed a book on whose edges we could insert diamonds without detection. Since we did not deal directly with diamonds we relied on the miners in our network and the intermediaries who would give us diamonds which we would pass through using this method. We called this *osheelo*. Not everyone passed through with diamonds, only those with *osheelo* such as this one of the *dekbook*. Like other methods, it was discovered later just because of relations that went sour between and amongst colleagues.”

Pombili:

“Apart from the pigeons, crossbow, swallowing, and inserting in the anus, one of the innovative strategies also developed by the Portuguese was a specially designed belt’s buckle configured to carry a certain amount of diamonds. Since the belt was specially designed, the machines were unable to detect the

diamonds. This strategy was used by many colleagues and friends that were close to me.”

Amaambo:

“There were many methods used to steal diamonds. These methods, [the] majority of them all came from the Portuguese. One of the methods that were used was the watch. The Portuguese had designed a watch with a particular space inside wherein the diamonds would be inserted. This was effective in the sense that the watch, once at the scan, is removed from the arm and placed on the conveyor belt. In this sense, it is not subjected to the machine scan. This method was used a number of times before it was discovered through reporting of one another. CDM introduced, given the rampant [smuggling] of diamonds, various measures such as reward for reporting and surrendering of diamonds discovered and also for those that reported others. Most of the strategies were caught in this manner.”

#### **4.8 The ‘blind spots’**

The ‘blind spot’ is a term employed by this study to amalgamate into one category several methods whose characteristics are generally similar in a sense that they were able to outmanoeuvre the CDM security systems. During the early years of CDM, particularly the 1940s and the 1950s, the security system at CDM could be described as being ‘blind’ and weak in several respects. In a 1946 report on the security measures at Oranjemund, the investigation team, consisting of senior officials from CDM, the Department of Diamond Detectives (CDM security department), and the Mining Inspectorate, recommended that the current protection measures at Oranjemund be revised and cater for ‘more effective control over the Ovambos...

guarding the camp perimeters [and] ...the use of dogs for guarding purposes' (Van der Walt et al., 1946, p. 3).

The CDM employees were able to exploit certain 'gaps' for diamond smuggling. While the security systems were not well established, easy methods of smuggling diamonds – as mentioned by former CDM employees who served as respondents in this study Vilakazi Ndungula, Mabeni Kakoto, Kaunda Nambundunga, Maimane Hilukilwa, Zodwa Matheus, Mbulelo Mweendeleli and Malema Mwafangeyo<sup>14</sup> – included stitching the diamonds into the edges of blankets, placing diamonds in dreadlocks, hiding them in socks, placing them in the mouth, and in some cases simply running with the parcels.<sup>15</sup>

The other methods relate to the 'blind spots' still in existence once the security systems had improved. Sometimes the workers took chances having discovered that the X-ray equipment, for health reasons, only scanned miners on random basis. In other cases, the workers made use of a modified outer sole of their boots to pass the diamonds through the checkpoint. Two accounts by Mugabe Vatekuleni,<sup>16</sup> who worked as CDM driver, and Mbalula Mwashindange,<sup>17</sup> who worked as CDM recreational official, are produced to further explain this method:

Vatekuleni:

“Through the discussions in the hostels, the employees who have been at CDM longer than us always informed us about the Portuguese connection. In one instance, a few of us were requested to hand over our boots to go to Port Nolloth

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<sup>14</sup> Not their real names.

<sup>15</sup> Packets containing diamonds.

<sup>16</sup> Not his real name.

<sup>17</sup> Not his real name.

to be [discreetly] configured and designed in such a way that they are able to carry diamonds undetected. When the boots came back, they were really tampered with and had an area underneath where we carried diamonds. On the scanner, the security officials only saw the [outer sole of the] boot and not what was in-between. The instructions were clear on the quantity that must be inserted. Some of our colleagues, because of greed, put in more than was advised and were subsequently caught. There were also other methods such as using watches, *dekbooks*, and pens all configured by the Portuguese.”

Mwashindange:

“There was a technique that came with those in connection with the Portuguese... there were many other techniques but this one I was very closely linked to it. A number of us gave our boots to a colleague who took them to the Portuguese. The Portuguese were able to create space on the back of our shoes where the parcel [diamonds] would be placed. The X-ray machine would not be able to pick up these diamonds.”

The methods described above, particularly the risky system of using X-ray machines reported to be temporarily switched off and the configuration of the outer sole of the boots, have all been confirmed by Hart (1999), whose research included speaking to De Beers security officials and informants close to illicit diamonds in South Africa and Namibia. These methods were also confirmed by Von Schmettau (2014).

#### **4.9 The collaborating insiders**

As stated in other sections of this chapter already, smuggling diamonds from the mine through the checkpoint was no smaller matter. Several respondents and key informants alluded to the fact that often the smuggling of diamonds was possible

only through collaboration by other stakeholders involved. Galloway argues that the Aawambo workers, particularly those that worked at the bedrock where the diamonds were collected, were linked to an initial syndicate that at times transcended race. The accounts of several respondents, such as Mathele Ponhele, Mutharika Mbelema and Mwanawasa Nana<sup>18</sup> detail this method.

Mbelema, for example, recalls how diamond smugglers collaborated with security officials at the checkpoint who in return allowed them to pass through the checkpoint unchecked. Ponhele and Nana ( in answer to the question regarding the methods of smuggling diamonds known to them all) spoke of the collaboration between miners and CDM security officials. The classic illustration of this collaboration can be found in the case of detective Hermanus Vercuell, a security official at CDM, who confessed to have taken 5 diamonds he was given by an Omuwambo worker in 1942 (Watson, 1943).

#### **4.10 The collaborating outsiders**

The CDM miners also collaborated with individuals who were not necessarily part of the actual mining activities at CDM. Although isolated from this category because of its uniqueness, the method of collaborating with Lutheran pastors in smuggling out diamonds from the mine could be seen as falling within the category of ‘collaborating outsiders’ but aside from these clerics, the miners also worked with bank officials, drivers of trucks, and pilots. Mbeki Sheetekela, a former CDM employee who worked in the kitchen, narrated this aspect of collaborating with pilots and making use of helicopters:

“Usually, there are several visitors and officials that come to see the mine... and its activities. Most of the times, they make use of helicopters that fly directly into

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<sup>18</sup> Not their real names.

the mine without passing through any checkpoint [before and after visiting the mine]. There were some miners who negotiated with pilots and secured a network [of smuggling diamonds]. They would bring the diamonds to the pilot who would then fly [out] with the diamonds without being subjected to any form of search.”

This method is not limited to the accounts of the respondents only. There was an incident where a light aircraft that had been used by a syndicate involved in secretly smuggling diamonds crashed. The wreckage remains inside the mine at Oranjemund at the time of this study (Figure 5, below) (Alexander, 2008; Fleming, 2015).



**Figure 5: A plane that attempted to smuggle diamonds at CDM (Alexander, 2008)**

Another form of collaboration took place with drivers of different vehicles, either those bringing in supplies to the mine or the ambulances attending to the workers in compounds that were inside the mine. In 1941, the Secretary of the Diamond Board

for South West Africa, V.U.T Watson, bemoaned these security arrangements noting that:

‘Whilst persons leaving Oranjemund, and their belongings, are subjected to search at Pomona (in the case of some packages this is not easy), at present the effectiveness of the complete scheme is largely nullified in that the lorry drivers making the trip [to Oranjemund] drive right into the camp at Oranjemund and reside amongst the residents there. These drivers are not searched, nor would this be of any effect, as it is quite impossible to examine their lorries.’ (Watson, 1941, p. 2).

Watson’s Complaints reflected the reality: drivers of vehicles transporting various supplies made their way into the mine and its compounds, serving as couriers of diamonds in various ways. In one instance, the collaboration led to the insertion of the diamonds into gas cylinders. Former CDM employees who served as respondents in this study, Nkomo Kagogo, Pule Katutu and Mazimbuko Alweendo,<sup>19</sup> describe this collaboration.

Kagogo:

“...one of the methods they used was that of a gas cylinder. The gas cylinder was used either in the kitchen or by those [involved in] welding and metal work. The trucks that brought in and took out the gas cylinders were not subjected to rigorous searches at the checkpoint. The CDM employees would, therefore, insert the diamonds in the cylinders and mark them. They marked the cylinders so that it is clearly identifiable on the outside after leaving the mine. This was one of the methods that was used particularly the time when I came to CDM. [This

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<sup>19</sup> Not their real names.

required] collaboration with truck drivers working for the units [or companies] that brought in gas cylinders.”

Katutu:

“The gas cylinders were one of the effective strategies. Five of my colleagues used to coordinate through this activity. My role was to meet up with the truck driver when they come out. Although I was not inside the mine, in close proximity to diamonds, I played a key role in passing the diamonds to my relatives who had relations with the Portuguese. I used to get my share for this link.”

Alweendo:

“One of my colleagues worked very closely with the guys that used to drive the trucks that brought the gas cylinders inside the mine. He would smuggle all our collected diamonds into one of the cylinders. He would mark this cylinder for easier identification. The trucks collecting and delivering gas cylinders were not really subjected to search and no one will really suspect this.”

The last aspect of the collaboration with outsiders involved enlisting certain bank officials who came to conduct their activities inside the mine. Mantashe Shipale<sup>20</sup> worked with the CDM team whose task was the upkeep of the hostels. He explains this method that:

“The picking and pocketing of diamonds is not the difficult thing to do. The difficult thing to do is to pass through the security systems such as checkpoints. At one point they used to bring the bank inside the mine to assist us with

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<sup>20</sup> Not his real name.

banking. Those of us who had diamonds and had difficulty with passing the diamonds through the checkpoint simply gave our diamonds to the bankers. If they put the diamonds in the money bag no security will want to touch the money bag.”

#### **4.10 The ‘abdominal carriage’**

Given the daunting task of getting the diamonds through the checkpoint, and on the advice of some of their colleagues linked to buyers who came up with various smuggling strategies of their own, some miners swallowed the diamonds in order to avoid detection. There are variations in the actual processes reported for swallowing the diamonds: some indicated that the miners simply ingested the diamonds while others argued that they swallowed the diamonds together with some chemical, obtained from the Portuguese, which made the scanners unable to detect diamonds in miner’s the stomach. Either method falls within the category of ‘the abdominal carriage’ method which is confirmed by three respondents Nengomasha Kambonde, Jabu Aludhilu and Gumede Amakali.<sup>21</sup> They indicated that smugglers would later excrete with care in order to remove all the diamonds from the faeces and would then proceed to places of illicit diamond trading such as Port Nolloth.

#### **4.11 The ‘disability path’**

As discussed earlier, and specifically with regard to the enlisting of Lutheran pastors in the smuggling of diamonds, the CDM employees involved in the ONSS employed various innovative techniques that demonstrated not only their astuteness in scheming, but also the complex thought processes that went into undermining the CDM security apparatus. The use of individuals with disabilities is a further example

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<sup>21</sup> Not their real names.

of the ingenuity deployed: individuals with various types of disabilities were enlisted to the syndicate in a manner that was hard to detect. This method is explained in details by the respondents Siyabonga Keendjele, Zuma Paulus and Kwando Simaneka,<sup>22</sup> who each present a different example of the same method of using people with disabilities to smuggle diamonds:

Keendjele:

“The more strict measures CDM introduced the more innovative we became with the assistance of the Portuguese... there was a man who had lost his eye and had an artificial one inserted. This eye would be removed now and then. The Portuguese managed to have a customised eye made for Santos, as we called him, in such a way that it would be able to take a specified number of diamonds. Santos was able to pass by the checkpoint several times undetected until he was one day reported.”

Paulus:

“There was a man with an artificial leg that could be removed. This is where he used to put diamonds he got from others. This worked until he was reported. Most of the strategies were discovered through reporting and not by the skills or vigilance of the security officials.”

Simaneka:

“There were many strategies used as you might have come across in your interviews. One I remembered and can relate is that of people with disability. There was a man with an artificial arm. He really collected a lot of parcels

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<sup>22</sup> Not their real names.

because, like others who used different ways of passing through the checkpoint, the machine did not detect what was inside the artificial arm.”

#### **4.12 The fast and efficient crossbow**

Last of the ten methods is the use of crossbows to smuggle diamonds. Apart from the respondents who are familiar with, or who used, this method, it was confirmed by several key informants, such as geologist Gabi Schneider, who said that she is “aware of the fact that diamonds were hidden in bodily crevices on a regular basis, and then there were of course the more spectacular cases involving crossbows and pigeons”. Steve Galloway and Von Schmettau (2014) also confirmed their familiarity with this method. Museveni Nakambale and Annele Tangeni,<sup>23</sup> former CDM employees and respondents in this study, provide descriptive accounts of this method as follows:

Nakambale:

“The methods of stealing diamonds kept changing with the passage of years and with each generation. During the early years, before the checkpoint [and other security infrastructures were] extended, there used to be a technique of using the bows and arrows [crossbows]. What would happen is that two people would coordinate, one on the inside of the mine while the other one would be outside the mine. The one inside of the mine would attach the diamond[s] to an arrow and then, using the crossbow, shoot it to the other side of the mine where the other awaits in anticipation. The recipient then collects the diamonds attached to an arrow and then proceeds to sell the diamonds to the Portuguese who are already on standby.”

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<sup>23</sup> Not their real names.

Tangeni:

“One of our seniors whom we use to give diamonds to used the crossbow. The diamond parcel would be placed to an arrow that would be [shot] to the other side of the fence. Some of us would have cleared the checkpoint to go pick the arrows as they land.”

This method was mainly used before the fence of the mine was upgraded. The exchanges of correspondences between P.J Castle, then head of the Diamond Detective Department, and V.U.T Watson, the Secretary of the Diamond Board of South West Africa, particularly in the early 1940s, indicate that the colonial administration and the diamond interests were concerned about this aspect of security. It is for this reason that by 25<sup>th</sup> March 1941 the fence has been improved from one fence to a double fence (Watson, 1941; Castle, 1941).

#### **4.13 Conclusion**

The evidence provided in this chapter – from research by other scholars, archival records of the colonial administration, court records, and confirmation by former CDM employees – comprehensively contradicts any view that the smuggling of diamonds by the Aawambo exists only in the realm of speculation and conspiracy. This chapter was able to demonstrate that the smuggling of diamonds by the Aawambo workers at CDM in colonial Namibia is a historical fact. The chapter not only established the fact of smuggling diamonds but also dealt with the details and categories of methods/activities of this illicit activity by developing, for illustrative purposes, the ONDSS. Ignoring the activities of the natives and only focussing on resource abundance and economic performances at the macro level is to rob oneself of a rich understanding of the role of the natives in these economies.

Beyond the developed categories on the methods of smuggling diamonds, this chapter exposed instances of the racism that characterised both CDM and colonial institutions in the diamond industry as far as dealing with diamond smuggling. Whereas most of the black employees faced outright dismissal when caught smuggling diamonds, white employees found doing the same (e.g., Hermanus Vercuell and A. de Klerk) were let off the hook (Watson, 1943). In the case Hermanus Vercuell, the colonial administration feared bad publicity and took a deliberate decision to cover up the case. In the case of de Klerk, the case was simply concluded with the culprit paying a fine. The archival records of the colonial administration, particularly the reports commissioned by the Diamond Board of South-West Africa and the Office of the Inspector of Mines, also demonstrate that a racist logic (as was generally the case with apartheid in South West Africa) informed the perspectives of many officials regarding settlements, facilities and skills between and amongst races. This fits very well with the decolonial analysis of coloniality of power and being.

The other revelation that emerges from this chapter is that the natives' methods for smuggling diamonds improved in lockstep with improvements in the CDM's security apparatus. The methods evolved from simply placing the diamonds in the mouth, through to deploying a crossbow and then on to hiding the diamond parcel at various 'blind spots' where the X-ray machines were not able to detect them. Despite the workers reporting each other's methods, motivated by various incentives offered by CDM, the smuggling of diamonds still continued. It is for this reason that at Independence the smuggling of diamonds, called 'leakage' in mining terminology, was calculated as ranging between 10 and 20 per cent per year, with a value measured at between R80 million and 150 million a year.

Despite this rich evidence (corroborated by other scholars, court records, and those of the colonial administration), there remained little interest in the Namibian political economy literature on the subject of illegal diamonds at CDM. Analysed closely, this reflects the general exogenous outlook in the greater scholarship surrounding the natural resource curse theory that takes little or no interest in the contributions, role and positionality of the natives in the discourse of the relationship between mineral resources and economic development in the developing world in general, and in Africa in particular. These study methods, and confirmation of the illicit activities at CDM are part of the counter narrative within the context of decoloniality that submits that there are agency and subjectivity questions ignored by the literature in approaching the subject area – which is the main contention and contribution of this study. The following chapter describes the actual trading patterns in illegal diamonds, isolating – for in-depth discussion – the role of the Portuguese not only in trading, but also with regard to their contribution to the growth and development of the ONSS.



## **Chapter 5: THE DIAMOND SUPPLY AND DEMAND DYNAMICS – Understanding the Portuguese Connection**

### **5.1 Introduction**

Before the Aawambo miners dealing in the smuggling of diamonds at CDM were introduced to the Portuguese from the late 1970s onwards, they would come with their diamonds to Owamboland at the end of their contracts or at any other opportunity that presented itself. They exchanged these diamonds with prominent businessmen in Owamboland for cash or goods. While this led to some considerable gains for the employees at that time, it was a mere drop in the ocean when compared to the gains that accrued to them with the arrival of the Portuguese in this trade. While trading in illegal diamonds during the earlier years (between 1940s and 1950s) was mainly an individual enterprise, the arrival of the Portuguese-led lucrative illegal diamond industry required the formation of an expanded syndicate and a new level of sophistication in its operations.

The Portuguese masterminded or inspired this syndicate, from the ONDSS at CDM all the way to Port Nolloth, a mining town in north-western South Africa a few kilometres from CDM, where most selling eventually took place.

As presented in the previous chapter, most of the methods used by the natives to smuggle diamonds out from CDM in the post-1970s era were designed by the Portuguese, who possessed a good understanding of diamond industry security, especially at CDM. This chapter provides a transition from the methods of smuggling to the trading activities and processes in the underground world of illegal diamonds beyond the CDM. The chapter provides details on how the smugglers/sellers moved with the diamonds from CDM across the borders to their agents, eventually reaching

the actual point of sale. It then goes on to provide a short account of what happened at the point of sale.

Given that there were other dealers apart from the Portuguese, this chapter explores the reasons that account for why and how the Portuguese emerged as the main dealers to the Aawambo miners involved in illegal diamonds from CDM. It finds that, among other reasons, trust played a leading role in establishing the Portuguese as the Aawambo miners' 'dealers-of-choice'.

The chapter then concludes, as it moves to establish the link between the Portuguese and De Beers, with a meander into the established history of De Beers and its involvement both in conflict diamonds and also illegal diamonds. The chapter explores a puzzle: why the new Namibian government did not, at independence, take De Beers to task over the plundering of Namibian diamonds? (as made explicit by the United Nations Council for Namibia in the 1970s and as confirmed by the Thirion Commission Report of 1986). The chapter provides several suggestions to account for this state of affairs.

## **5.2 From the ONSS to the Port North masterminds**

From the data obtained across the four data sets, it emerged that during the early years of the ONSS's operations, but particularly in the 1950s and the 1960s, the CDM employees involved in smuggling diamonds took these diamonds back with them to Owamboland. As will be discussed in detail in Chapter 6, they exchanged these diamonds for money or goods with prominent businessmen in Owamboland. There were also internal sales between the workers in the hostels. During this phase, diamond smuggling activities did not take place in an organised syndicate manner. It was mainly individual miners. From the late 1970s and the early 1980s onwards, the

diamond smuggling activities of the Aawambo CDM employees came to involve the Portuguese, who became key buyers of the smuggled diamonds. Unlike the prominent businessmen of Owamboland who bought diamonds when and if they were available, (in most instances the diamonds brought to them by workers at the end of their contracts) the Portuguese became increasingly involved in smuggling and trading itself, leading to the establishment of a true syndicate. The Portuguese were, therefore, influential in the development of the ONDSS for they were the end users of the diamonds. As such, supply was not dependent on returning workers whose contracts had expired: the Portuguese involvement in streamlining methods of acquiring illicit diamonds came at a time when CDM had improved the security at the mine, particularly the installation of the X-ray machines at the checkpoints (Miller, 1985).

The responses of the respondents and of the key informants in this study indicate that most of the methods, strategies and tactics used to smuggle diamonds at CDM, as discussed in Chapter 4, originated with the Portuguese. Only few methods – such as the stitching of diamonds into blanket edges and placing diamonds in the mouth, i.e., the less-sophisticated diamond-smuggling methods employed during the early years of CDM, when security was poor – were already in place before the arrival of the Portuguese. Most methods used – such as using pigeons; enlisting bankers and security officials; using artificial limbs and deploying people with disabilities; secreting diamonds in the rectum, swallowing diamonds; and using crossbows and the conveyor belt – all derived from the engagement of the Portuguese with the ONSS.

While there are respondents who indicated that the Portuguese buyers of diamonds were also found in Namibia at places such Karasburg, Noordoewer, and Oranjemund, the main trading of illegal diamonds took place at the South African coastal town of Port Nolloth, 80 km south of Oranjemund (La Trobe, 2012). De Beers has also confirmed its knowledge of these illegal trading networks particularly at Port Nolloth, Noordoewer and also Windhoek (Kali, key informant). Gabi Schneider, a geologist with over 30 years' experience in diamond research, explains that:

“In order to turn the diamonds into cash, these people needed to have an established network with diamonds buyers, and this network is said to have extended to Port Nolloth in South Africa.”

Similarly, Kwando Simaneka,<sup>24</sup> a former CDM employee, explained that:

“Although there were internal sales amongst miners, this was not as lucrative as going to Port Nolloth to sell directly to the Portuguese dealers. Those ones really gave a lot of money and were trusted by the CDM employees.”

Hart (1999) describes the trade in illegal diamonds at Port Nolloth in greater detail:

‘Port Nolloth is on the Diamond Coast, a four-hundred-mile stretch of the beach that begins at the Olifants River and extends into Namibia. If anyone is going to be strapping stolen diamonds to homing pigeons, or pressing them under his fingernails, or strolling through the sorting house in boots whose soles have been impregnated with adhesive, the Diamond Coast is a good place to find him... a good number of the diamonds... find their way down the coast to Port Nolloth, a hamlet with few visible means of support but with a flourishing population of

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<sup>24</sup> Not his real name.

BMW's. At the north end of town stands a cluster of neat concrete villas, painted ochre or white. Each has a shiny German car or two parked out front. It is common knowledge in the area that illicit diamonds paid for some of these villas...Port Nolloth really lives off booty from [illegal diamonds]...The industry knows this; the South African police know it. Mostly they live with it, having little choice.'

The accounts of those involved in the smuggling of diamonds and those familiar with these activities are instructive and explain the stability brought about by the linking of the ONDSS to Port Nolloth. Mandla Shikudule, who was involved in diamond smuggling, explained his experience:

"I sold to the Portuguese in Port Nolloth. The Portuguese were trustworthy and paid us a lot of money. At one point I sold diamonds worth R200, 000. That is the money I used to buy my first bus, a cattle post at Omangeti, and my second Ford."

Identical sentiments were espoused by Kwesi Pombili who explained that the Aawambo diamond smugglers at CDM:

"All sold to Portuguese. We trusted them and they gave us a lot of money. This money helped us invest and do many things that would be difficult to do had it not been for diamonds."

Mathale Ponhele narrates that the:

"Portuguese were readily available to buy diamonds from us. We got a lot of money and we used this money to buy many other things. The diamond trade is really the foundation of many developmental things we did in our houses or communities."

The Portuguese connection, therefore, provided a reliable link and aroused more interest and desire in the Aawambo workers at CDM to participate in the smuggling of diamonds. With the Portuguese connection at Port Nolloth, it was no longer a matter of how and to whom the diamonds would be sold to; there was confidence in the existence of a buyer. This certainty strengthened the ONDSS and gave impetus to the syndicate, for the supply would now have to meet the demand.

### **5.3 Portuguese business acumen and strategic role in illegal diamonds**

Carlos Eduardo,<sup>25</sup> an Angolan of Portuguese descent who lived in Owamboland for 42 years and served as a key informant in this study, was involved in many diamond deals between the natives and the Portuguese. He disclosed key details of the Portuguese diamond operations in Owamboland and Port Nolloth. He explained that while there was a link between the ONDSS and the Portuguese dealers in Port Nolloth, there was an intervening structure between the seller, the native tasked by the ONDSS to sell the diamonds to the Portuguese, and the buyer – the Portuguese in Port Nolloth. In other words, while the ONDSS originates with the CDM miner who smuggles the diamond from the mine in the course of his work and ends with a CDM employee tasked to go and sell the stone, this structure starts with the smuggler who gets in contact with the Portuguese buyers. This structure was put in place by the Portuguese masterminds to ensure that diamonds arrived safely at Port Nolloth since it involved techniques that would ensure that the CDM employees managed to pass the diamonds through to the border, to filter out potential ‘spooks’ (working for CDM or the police) who may be pretending to be sellers from the actual selling structure.

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<sup>25</sup> Not his real name.

The first part of this structure, according to Eduardo, involved the strategies and tactics designed to ensure that the CDM smugglers passed successfully across the Namibia-South Africa border at the Ariamsvlei and Oranjemund border posts, on their way to Port Nolloth. This version is corroborated by a CDM employee, Mbeki Sheetekela, who was close to diamond smuggling syndicate, as follows:

“The main buyers who had connections with the smugglers were the Portuguese who masterminded all operations. The miners were coached in terms of the various methods they could use to collect diamonds including ways how to pass through the borders undetected. As a case in point, the Portuguese were able to coach the smugglers on where to hide diamonds in various parts of the vehicle when passing the borders.”

The Portuguese also enlisted the cooperation of police officers, particularly in the case of large diamond parcels, to ensure that the smugglers passed through the borders without getting in trouble with law enforcement officials (Hart, 1999). According to Eduardo, these police officers, who were effectively part of the syndicate, would get 50 per cent of the value of the diamonds that passed their way. The smugglers did not need to make any direct payment for the parcel to proceed on its way as the police officers knew where to get their share – at the Portuguese masterminds in Port Nolloth.

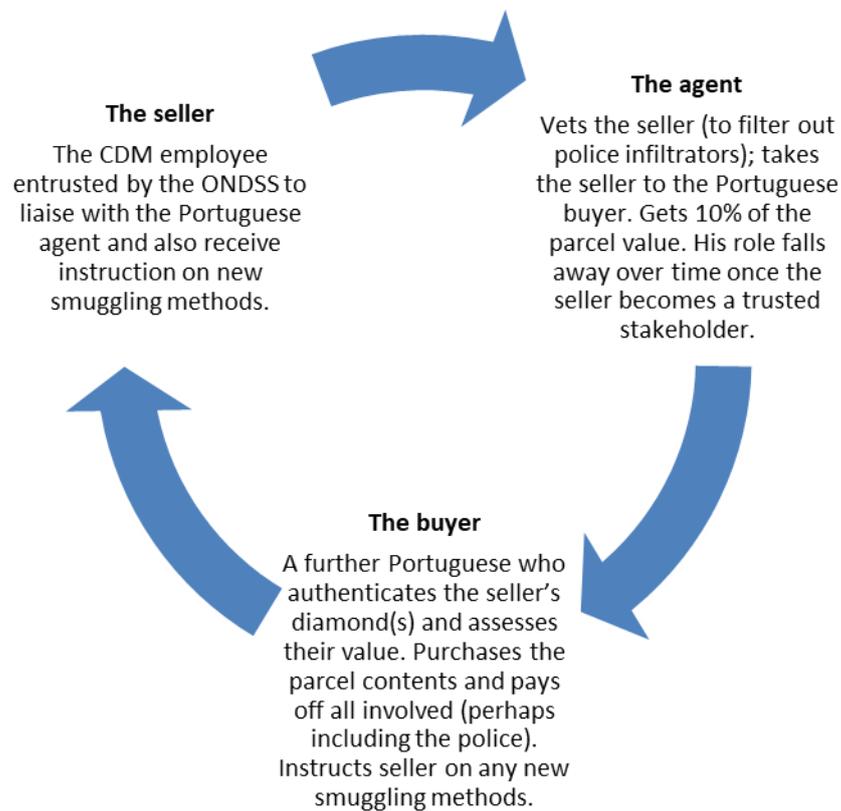
As Hart (1999) stated, the police and security officials in both colonial Namibia and South Africa knew that the Portuguese were key dealers and masterminds of the diamond syndicate in Port Nolloth. It is for this reason that there were several raids by the police targeting the Portuguese in the town. In response, the Portuguese designed many strategies to shield their trade from the scrutiny of law-enforcement.

They established hotels and restaurants to ensure that the ordinary presence of the public at these facilities made it difficult for law-enforcement officials to identify members of the syndicate. They also started diversifying into different locations: they later moved into colonial Namibia to establish restaurants and hotels in several towns such as Tsumeb and Windhoek. As a former CDM employee Jose Ndeshuuda explains: “the Portuguese got smarter and came to Namibia, opening restaurants and shops that served as a cover for their illegal operations.”

Key informant Eduardo explained to the researcher that Portuguese nationals such as Du Teixeira (of the Continental Hotel), Jaime da Silva (of the ‘Angola’ restaurant) and others such as a certain ‘Balliar’ and a ‘Mendes’ were all diamond dealers working in Namibia with close connections to the natives dealing in illegal diamonds. In order to verify the credentials of those coming to sell, the Portuguese introduced agents that served as middlemen into the structure, working between the potential seller and the buyers. The role of the agents was to investigate the seller and establish his authenticity. These sellers would be asked for certain codes, only known by those involved in the syndicate; the point of origin of the parcel; individuals involved and the methods they used to smuggle the diamonds. If this vetting proved successful, the agent would then take the seller to the buyers. For this role, the agents got 10 per cent of the value of the parcel.

The third component involves the buyer. By the time the smuggler (a miner or CDM employee tasked by the ONDSS to go and sell the diamonds to the Portuguese) and the agent arrived at the point of sale, the Portuguese would have already prepared the groundwork for the deal. The diamonds would be authenticated and placed on a scale to determine the carats and, therefore, the value. As some respondents who visited these points of sale at Port Nolloth indicated, the Portuguese had all the equipment

necessary to carry out the measurements of diamonds and determine their value. Although bank transfers were later introduced for payments, particularly after independence, most of these transactions during the period under study took place on a cash basis, according to Mbokoma, a key informant. The seller, if not accompanied by others with a stake in the parcel, was also given the share of the trade to give to the others involved in the deal. Additionally, the seller was coached in new diamond-smuggling methods (or improvements in existing ones) to be shared with others involved in the syndicate. Once this relationship was well established and trust consolidated, the role of the agent slowly fell away and the seller started dealing directly with the buyer Figure 6, below, explains this relationship:



**Figure 6: Illegal diamond syndicate stakeholders**

Eventually, the Portuguese and the CDM employees involved in illegal diamonds developed a very close relationship. The Portuguese no longer served only as buyers but also became mentors and confidants, as will be elaborated below.

#### **5.4 Afrikaners or Portuguese? The role of trust in underground diamond dealings**

Apart from prominent businessmen in Owamboland to whom the CDM employees involved in illegal diamonds could sell their stones, an aspect covered in Chapter 6, the smugglers had the option of selling their diamonds to white Namibians, the Afrikaners, referred to by the natives as Boers and there were certainly instances of collaboration between the natives and the Afrikaners in smuggling diamonds at CDM. As discussed in the previous chapter, one such partnership was that of an Afrikaner pilot who transported the parcels in his aircraft, as explained by Sheetekela and Matheus. However, these relationships did not last long as the collaborating Afrikaners started setting traps for the natives and many of the latter were caught in this manner. Due to this state of affairs, the only trusted allies for the natives became the Portuguese. Similar accounts of some former CDM employees – Lungu Amaambo, Nengomasha Kambonde, Mabe Mweshitala, Floyd Nuusila and Moyo Madala<sup>26</sup> – establish this point.

Amaambo:

“There were two main buyers to whom the CDM employees could go and engage in these underground transactions. It could either be the Afrikaners or the Portuguese. Over time, the CDM employees that were involved in illegal diamonds discovered that the Afrikaners could not be trusted because they either robbed them of their share or exposed and reported them to CDM. The

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<sup>26</sup> Not their real names.

Portuguese, on the other hand, became the only trusted buyers. They not only treated those bringing the diamonds well but maintained a close relationship. In some instances the Portuguese even paid bail when CDM employees were arrested.”

Kambonde: “...most CDM employees involved in illegal diamonds did not trust the Boers although Boers were also involved in illegal diamonds.”

Mweshitala:

“We went, through established networks, to sell to the Portuguese. There were some Boers involved in selling but we did not trust them. The Portuguese will never abandon you. Even if you are caught they will come pay your bail.”

Nuusila:

“The successful smugglers went all the way to Port Nolloth to sell their diamonds to the Portuguese. The Portuguese maintained a serious network that ran efficiently from the mineworkers, through the security officials and police officers at the borders. Once the delivery is done the Portuguese dealers would take care of everyone who is part of the syndicate. It is for this reason that CDM employees had trusted the Portuguese more than the Afrikaners.”

Madala:

“The Portuguese, because we did not trust the Boers, became our ally in this trade. They gave fair compensation for the diamonds and no one ever complained of being cheated by a Portuguese.”

These accounts not only highlight the personal views of the former CDM employees but indicate the role that trust played in illicit diamond trading. These accounts show

that it was not just payments for diamonds sold that mattered, factors such as fair dealings in trading, empathy and sympathy – especially during difficult times, reliability, and a willingness to enter into long-term associations played a crucial role. As such, it can be argued that trust and reliability assisted the Portuguese in maintaining the syndicate and enhanced stability in the supply and demand of the illicit diamond industry.

### **5.5 Portuguese illegal diamonds and the De Beers connection**

CDM's direct connection to underground dealings in diamonds was authoritatively unearthed by the Thirion Commission, as discussed elsewhere. The commission found that CDM, through its parent company De Beers, had established secret diamond-trading routes to smuggle diamonds from Namibia in the 1980s (Toolis, 1986). Robert's 2007 work has also linked De Beers to the secret world of illicit diamonds. In 1988, allegations surfaced that CDM has been secretly giving Andreas Shipanga, then Minister of Mines and Economic Affairs, a monthly amount of N\$10,000 as a way of controlling and maintaining favourable relations with this minister, who was, of course, responsible for mines at that time (Munamava, 1988). Cowell (2000) and Pallister & Mcgreal (2000) also referred to the history of De Beers and its links to illegal or 'conflict' diamonds. The natural resource curse theory, in the study of African mineral resources, fails to account for instances such as these. In 1974, the United Nations Council for Namibia (UNCN) issued a decree on the protection of the natural resources of Namibia directing the following as summarised by Basu (2004, p. 98):

'No person or entity could search for, take or distribute any natural resources found in Namibia without the Council's permission. Any person or entity

contravening the Decree could be held liable for damages by the future government of an independent Namibia.’

For the purposes of providing some background: this decree formed part of international efforts against South Africa’s illegal occupation of Namibia. In 1967, the United Nations Council for Namibia (UNCN) was established with the powers to promulgate laws, decrees and administrative regulations as necessary for the administration of Namibia (Akweenda, 1997). At the time, corporations operating in colonial Namibia were exploiting and depleting the natural resources of the country, particularly in the fishing and mining sector (Schrijver, 1997). In 1971, in support of the work of the UNCN, the International Court of Justice issued an advisory opinion on the continued illegal occupation of Namibia. It advised that member’s states of the United Nations (UN) were obligated to isolate South Africa and recognize as illegal its occupation of Namibia. It is against this background that *Decree No 1 on the Natural Resources of Namibia* was enacted by the UNCN on 27<sup>th</sup> September 1974 (Dumberry, 2007). Schrijver (1997, p. 147) summarises the operative parts of the decree as ‘prohibition of exploitation and export; seizure and forfeitures of illegally obtained resources and means of transport thereof; and future claims for damages’. De Beers’ CDM was one of the companies implicated in the exploitation of Namibia’s resources and was therefore also the target of the decree. While Decree No 1 promised claims of damages and prosecution by the future government, the Government of the Republic of Namibia at independence did not launch any claim or prosecution against the known culprits. In fact, the independent state discontinued its participation in the legal processes before the Dutch Courts (Dumberry, 2007). De Beers’ link to the diamond underworld is not limited to Namibia. On the 7<sup>th</sup> May 1999, the United Nations Security Council established a panel of experts, pursuant of

the United Nations Security Council Resolution 864 of 1993, on the situation of Angola. This panel report, presented to the Security Council on 10<sup>th</sup> March 2000, also linked De Beers to ill-gotten diamonds (Fowler, 2000).

Of relevance is not only the decree and its content, but its contribution to an established narrative of De Beers' connection to underground and illegal activities in the mining industry. Furthermore, the subsequent paragraphs suggest reasons why the political elite of an independent Namibia, which maintained close relations with De Beers and its representatives, did not follow through and withdrew from the legal processes before the Dutch courts.

In 2014, Shinovene Immanuel, an investigative journalist at *The Namibian* newspaper, (an English-language daily with Namibia's largest circulation), reported on how De Beers maintained close ties with the Namibian ruling elites and offering suggestions why no actions were taken by the Namibian government after Independence:

‘Critics complain that the sightholder system was created to sweeten Namibia's ruling elite and deter thoughts of breaking up De Beers' diamond cartel... American diamond tycoon Maurice Tempelsman is a sight holder through Lazare Kaplan Diamonds Namibia, which has a stake in Namdeb's sight holder subsidiary, NamGem. Tempelsman, chairperson of New York-based global diamond empire Lazare Kaplan International, has strong connections with Namibia's political kingpins, including Founding President Sam Nujoma... In her 2007 book *Glitter & Greed: The Secret World of the Diamond Cartel*, British investigative journalist Janine Roberts reproduces a letter allegedly written by Tempelsman to Nujoma offering a loan of R500 million or more if the

government dropped plans to independently check the prices De Beers paid Namibia for diamond exports. The government shelved its plan quietly. Roberts claims that Tempelsman has fronted for De Beers in the US and has pushed for policies that favour the company both there and in Africa. Tempelsman met Nujoma before 1990 and continued the relationship after independence as an adviser to senior government officials' (Immanuel, 2014).

Cedric Thornberry, former director of the United Nations Transition Assistance Group, details how New York-based diamond merchant and De Beers' associate, Maurice Tempelsman's agent in Namibia, Bill Ullman, maintained a close relationship with SWAPO leaders, at one time residing with SWAPO leader Anton Lubowski (Thornberry, 2004) Gerhard Töttemeyer, an emeritus professor of political science and a former Namibian deputy minister, disclosed the following as a key informant to the study:

“During my visit to the USA I met a prominent diamond dealer (the name I withhold) with interests in diamonds in Namibia who had close contacts with SWAPO in exile. I saw him by chance one day in the President's office after Independence”

Former Prime Minister and SWAPO's Foreign Relations Secretary during the struggle, Theo-Ben Gurirab, writes in details about how he, and other SWAPO leaders including President Sam Nujoma, met with both Harry Oppenheimer and his son Nicholas Oppenheimer before Independence. He also details the assurances they made to De Beers on future actions relating to diamond mining (Gurirab, 2010). In 2014, it was revealed how the children or relatives of Theo-Ben Gurirab, Sam Nujoma and other SWAPO leaders are now beneficiaries in diamond schemes

directly and indirectly linked to De Beers and Maurice Tempelman (Immanuel, 2014).

De Beers' history, therefore, is littered with 'dirty' underground activities that render it accurate to characterise it as an underground diamond operative, given the accounts here and elsewhere. Zodwa Matheus, a former CDM employee and a respondent in this study, makes interesting revelations alleging a diamond smuggling operation between the Portuguese and white security officials i.e., activities not involving the natives, whereby bigger boats from the direction of Port Nolloth came to Oranjemund:

“They [CDM employees] were not the only ones stealing diamonds. The Boers were also stealing diamonds but were often let off the hook. A [big] boat would come along the Oranjemund coast from where smaller boats would proceed [towards the beach] where they will be met by security officials [from the Department of Diamond Detectives]. There were instances where we saw them exchanging what we were convinced were diamonds. After this exchange, the small boats would proceed to the main boat and the rest is history.”

While Matheus' 2017 account may be vulnerable to dismissal as speculation, Mathale Ponhele's account is instructive in the link between De Beers and the Portuguese operations at Port Nolloth:

“They [CDM employees] are unfairly blamed for stealing diamonds when the Boers were stealing as well. When we used to go to Port Nolloth, the Portuguese at one point informed us that the diamonds we brought to them are anyway going back to De Beers. This basically means that even De Beers was involved in illegal diamonds.”

## 5.6 Conclusion

This chapter demonstrated that the Portuguese nationals that mainly operated at Port Nolloth in the Northern Cape province of South Africa were the kingpins in the trade of illegal diamonds that involved the Aawambo at CDM. The Portuguese played a leading role in the development of the ONSS, especially from the late 1970s onwards. The Portuguese oversight went beyond the smuggling activities inside the mine. They coached the smugglers on how to pass through the borders, and where and when it was necessary they enlisted police officers at the border whose role was to ensure that the parcels of diamonds passed through the border undetected. In case the law-enforcement officers wanted to infiltrate the syndicate, the Portuguese had an intervening strategy: the agents, who submitted unknown sellers to vetting to establish their *bona fides*. This chapter, and the preceding one, not only demonstrates the extent of the Portuguese involvement in illegal diamonds, but also their astuteness and sophistication in this trade.

By establishing the link between De Beers and the Portuguese – although it was raised by only a few respondents and can only be inferred from the history of De Beers’ involvement in similar cases – credence is given to an earlier reference to CDM, in Chapter 1, by one of the scholars in the field, Gabi Schneider, as a “state within a state”. De Beers, a powerful custodian of the diamond cartel, has tremendous power (influence and control) that was also directed at Namibia if the disclosure and information by Immanuel (2014) and Töttemeyer (as key informant) are anything to go by. Furthermore, in the case of Namibia, further research may be required to provide an understanding of why Namibia in general, and SWAPO in particular, did not follow through and take De Beers to task, on the advice of the United Nations Council for Namibia, particularly given the findings of the Thirion

Commission. In answering the question of whether there are any lessons to be learnt from CDM and its mining operations in colonial Namibia, Andrew Ndishishi responded:

“There is no positive lesson to be learned from CDM. Hence after Independence, the SWAPO Party took a different approach to transform the industry and for Government to participate in mining and development.”

The extent to which government took ‘a different approach’ and to what extent this approach was successful, given that there is ‘no positive lesson to be learn from CDM’ is one of the areas for further research.

Finally, what this chapter was able to unearth is an aspect that is often ignored in the popular narrative of illegal diamonds in Namibia. It is worth noting that while this chapter elucidated the re-structuring of the operations of the ONSS at CDM and illegal trading in diamonds from colonial Namibia more generally once the Portuguese became involved in the wholesale siphoning of diamonds to Port Nolloth, this aspect does not appear in most studies. Most literature discussed in Chapter 2, with the exception of Schneider (2008), hardly makes any reference to the Portuguese syndicate. Even the archival records of the Diamond Board of South West Africa and the Inspector of Mines, are evidently quiet on this subject. While aspect of governance, rent-seeking and corruption are usually placed at the doorsteps of governments, the evidence in this chapter shows that multinational companies also have a case to answer as far as the political conditions promoting rent-seeking is concerned. The natural resource curse theory, as stated earlier, fails to account for instances as discussed in this chapter. It is for this reason that alternative explanations are explored in this study.





## **Chapter 6: THE DIAMOND RENTS IN OWAMBOLAND – Concomitant Rapid Development by Unorthodox Means**

### **6.1 Introduction**

Whereas other chapters in this study either served the purpose of setting the context of the research or locating the study within appropriate scholarship, this chapter concerns the crux of the study: the understanding of the role of illegal diamonds in the development of Owamboland. It is in this chapter that a connection is explored between illegal diamonds, development (as defined in the ‘Terminology’ section), and Owamboland. From the understanding of the colonial environment in which CDM operated and the modus operandi of the company, through a description of the methods used to smuggle CDM diamonds and the points of trading for these diamonds, the study then goes on to provide a discussion on what the proceeds from diamonds, herein referred to as ‘diamond rents’, were spent on, with the view of assessing and ascertaining the development impact of these diamond rents in Owamboland.

Firstly, the chapter forms a connection to the discussion in Chapter 5 on diamond supply-and-demand dynamics and the illegal diamond trading that took place in Owamboland. It emerged clearly that CDM employees did engage in illegal diamond trading in Owamboland. This chapter finds that CDM employees mainly traded diamonds there with prominent businessmen from various communities in exchange for cash or goods. Most accounts from respondents invoke the names of Shidhengeni Boateng (anonymous), Dulikeni Nana (anonymous), Shilunga Mensah (anonymous), Kauko Baako (anonymous) and Simon Kwesi (anonymous) – referred to in this study as the ‘Diamond Princes’ – as individuals with whom CDM employees traded in diamonds in Owamboland. The evidence from other researches and confirmation

from certain key informants (some of whom provide details of transactions and their scales) complete the picture of the plausibility of these individuals as Diamond Princes.

Diamond transactions between CDM employees and the Diamond Princes led to a three-layered benefit effect. There was a CDM employee (the seller), who obtained a substantial amount of cash, or a volume of goods that he would otherwise not have been able to purchase with a mere salary or savings (since the purchase would have accounted for a substantial amount of his savings, leaving him with little cash). The goods might be, for example, guns or ‘bakkies’. Those that got cash went on to establish their stores at villages, or bought cars or tractors. In most instances, they purchased both. There were diamond dealers residing in Owamboland, mainly Portuguese or of Portuguese origin, whose role was to take the diamonds from the Diamond Princes to go and sell for major profit to Portuguese buyers in the syndicate. Upon completion of these transactions, these dealers also got their share from the Diamond Princes. The Diamond Princes, after the sale of the diamonds to Portuguese, naturally earned a profit since they received more money than what they bought the diamonds for. They, therefore, ended up with even more cash at their disposal, which they could use to recapitalise their existing businesses or establish new ones. The evidence also suggests that Diamond Princes used the diamond rents to support the liberation struggle efforts although one, Kauko Baako, lost his life as a result.

This chapter details how the diamond rents assisted in the transformation of the Owamboland rural economy, particularly the period between 1950s and the 1960s, and how they provided economic opportunities and improved the livelihoods of the inhabitants in both rural and urban settings. While providing new economic

opportunities, particularly in the urban centres, the positive role of diamond rents in rural areas was mainly to be seen in the improvements to the rural economy. The diamond rents were also used to sustain and expand traditional development patterns, such as farming and cattle ownership. All these observable changes, which led to enhanced economic opportunities and improved the lives of the inhabitants of Owamboland, account for the developmental narrative arising out of illegal diamonds.

## **6.2 The ‘Diamond Princes’**

The questionnaires collated to direct the guide the information gathered from former CDM employees asked the individual respondents ‘Where and to whom did the CDM employees take these diamonds and what did they gain in return?’. There were generally three responses to this question: (a) through internal sales between and amongst CDM employees, (b) to the Portuguese, through a syndicate, operating mainly at Port Nolloth in South Africa, or (c) to prominent businessmen in Owamboland. The first two responses – internal sales amongst CDM employees and trade with the Portuguese – have already been covered in the previous chapter to a large extent so this section is chiefly concerned with the last option, trade with prominent businessmen in Owamboland. Below are some responses by respondents on where and to whom CDM employees sold diamonds:

Mantashe Shipale:

“There were three selling possibilities. You could sell to those connected to the Portuguese, for some reason they always had money and those colleagues will be the ones going to the Portuguese to sell. You could go to the Portuguese yourself if you had connections or you could go and sell to prominent business people

who were ready to exchange cash for diamonds.”

Mugabe Vatekuleni:

“Those that went with the diamonds to Owamboland sold them to prominent businessmen such as Shilunga Mensah, Simon Kwesi, Dulikeni Nana, Kauko Baako, and Shidhengeni Boateng. Some sold to each other in the hostels while those connected to the syndicate managed to go and sell to Portuguese in South Africa. In the subsequent years, after Independence, the Portuguese could be found in other places such as Windhoek and Tsumeb.”

Mbulelo Mweendeleli:

“We came to sell to Simon Kwesi in exchange for guns and other goods. We also sold to the likes of Shilunga Mensah, Kauko Baako, Dulikeni Nana and others.”

Siyabonga Keendjele:

“Given the trust deficit between the Aawambo miners and the Boers, there were mainly two channels of selling diamonds; either to Portuguese in South Africa or to prominent business people such as Shilunga Mensah and others such as Dulikeni Nana.”

The names of Simon Kwesi, Shilunga Mensah, Dulikeni Nana, Shidhengeni Boateng and Kauko Baako kept reoccurring in many conversations with both key informants and the respondents. There were several respondents, such as those above, who felt comfortable openly invoking these names given the conditions of absolute anonymity (no direct or indirect identification) under which the questionnaire was administered. Key informants such as Melber chose not to invoke names but submitted that:

“Some of the wealthy Owambo traders...were suspected of being among the beneficiaries of illicit diamond trading as a point of departure for their business careers”.

Key informant Mwinga, although arguing that the Aawambo workers’ propensity to saving accounts more for sources of their mercantilism than proceeds from illegal diamonds, concedes that “there were pockets of capital injections from illegal diamond trading”. The names of these businessmen do not arise from a mere coincidence for they all represented various Aawambo tribes and the CDM workers with diamonds to sell would go to prominent businessmen in their communities that were known to them to conclude their diamond transactions. One of the respondents, Banda Lumbu, provides an explanation:

“There were several CDM employees who managed to come with their diamonds to Owamboland. These diamonds were sold to several leading business people who were divided amongst various Aawambo tribes. The Aandongu had Shidhengeni Boateng, Aakwambi Simon Kwesi and Dulikeni Nana, the Aakwanyama Shilunga Mensah while the Aambalantu had Kauko Baako. These were the leading buyers of diamonds.”

The observation made by this study that the subject of illegal diamonds and development in Owamboland remains under-researched was buttressed by the conflicting versions of events that were articulated by the respondents and the key informants.

While respondents indicated to whom they sold the diamonds – the prominent businessmen, key informants Ndishishi and Mwinga downplayed this direct connection. Ndishishi, for example, argued that:

“The most successful people in the north-central that are found here at Independence have not worked for CDM. Some of these are noted up to today, for example Dulikeni Nana, Shilunga Mensah, Usko Nghaamwa, Simon Mulunga (Kanepolo), Jairus ‘Punyu’ Shikale, Simon Kwesi and the list is endless.”

Mwinga submitted that:

“The majority of Owambo workers were honest and never participated in illegal diamond dealings. Their propensity to save was very high and they lived a simple life on the mine and sent most of their salaries and savings to Owamboland. Most of the development that took place [there] was supported by long-term savings and sacrifices although there were pockets of capital injections from illegal diamond trading.”

Melber, however, argued that:

“Part of the narrative has been that some of those benefitting from the illicit diamond trading managed to use the money as an investment into own independent business activities (trading)... most likely some of the [developmental] activities would have not happened on the scale they had thanks to the money from illicit diamond trading.”

These debates, and their evident contradictions, are what makes this study significant.

A Portuguese trader who has lived in Owamboland since the mid-1970s, with intimate knowledge of illegal diamonds, Carlos Eduardo was another (anonymous) key informant in this study. He not only confirmed the participation of these

prominent business people – particularly Simon Kwesi, Dulikeni Nana, Kauko Baako, Shidhengeni Boateng, and Shilunga Mensah – but disclosed his personal involvement in illegal diamond trading with them, specifically Shilunga Mensah. He explained that once the CDM employees had handed over the diamonds to these businessmen, his role was to serve as an intermediary between the businessmen and the Portuguese diamond dealers. He recalls two diamond transactions he had to execute with fellow Portuguese on behalf of Shilunga Mensah, in Windhoek and Tsumeb respectively. These two transactions, one of which involved a glass full of diamonds, translated into cash amounting to R800, 000 and R1 million respectively. He adds that Mensah sent part of the R1 million to SWAPO to support the cause of the liberation struggle, for which he was a staunch supporter and activist. Siyabonga Keendjele, a former CDM employee, relates the illegal diamonds-Mensah-SWAPO connection as follows:

“CDM employees were really part of the chain of efforts meant to assist the national liberation struggle. Some of the colleagues who either sent diamonds or traded with Shilunga Mensah understood his links to freedom fighters. There was really a volume of diamonds or diamond-related sources of income that went through him to the liberation struggle efforts. He was one of the main links. It is, therefore, no surprise that he donated to SWAPO one of his buildings at Okandjengedi.”

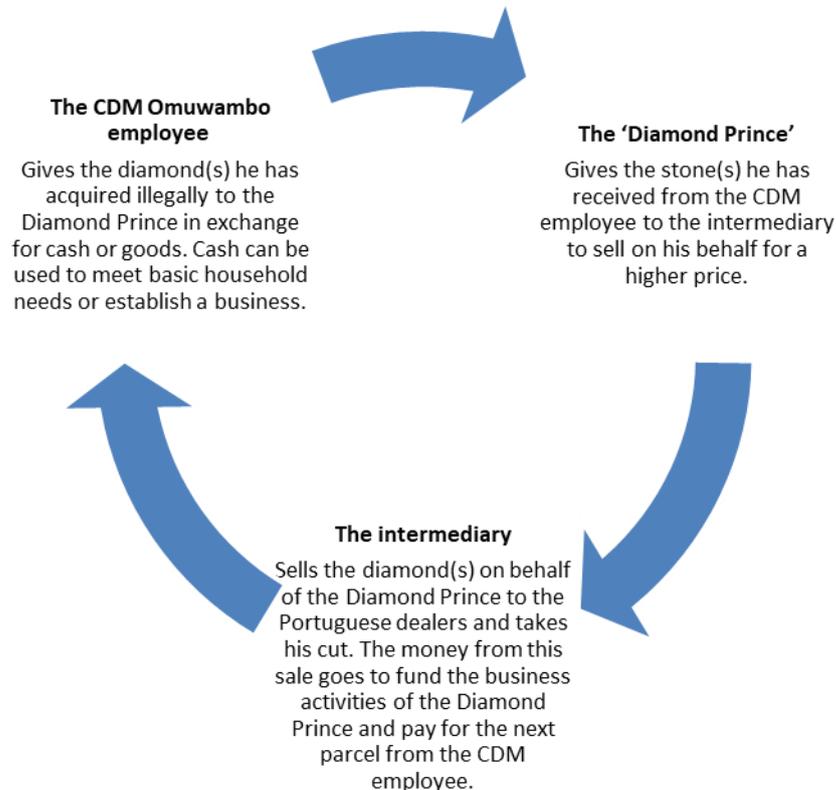
CDM was not only one of the biggest employers in colonial Namibia, it served as the main employer of the Aawambo in the colonial economy as well. Mwinga, an economist, explores this point further:

“There were no industries in Owamboland and therefore no major employers paying good wages and salaries. To stimulate economic activities in the areas, a

new capital injection needed to come from somewhere. The majority of Aawambo workers at CDM saved substantial portions of their salaries and sent these salaries to their families in Owamboland. These savings that were sent back to Owamboland were used to purchase goods, groceries, clothes, build homesteads and houses. The buying power in Owamboland supported by repatriated money from CDM workers led to the establishment of many retail shops, banking branches and improvements in life styles.”

The role of CDM – as one of the largest employers in pre-Independent Namibia and also the largest employer of Aawambo labour in colonial Namibia – in stimulating and supporting the businesses in Owamboland is widely acknowledged beyond Mwinga. Political scientists, historians, mineral economists and geologists such as key informants Galloway, Schneider, Likuwa, Botha and Melber have all discussed, in the course of this study, the role of CDM in the political economy of Owamboland. What was not explicitly explored, however, was the role of illegal diamonds. In considering (for example) the diamond transactions at the behest of Shilunga Mensah, as discussed above by Eduardo, the illegal diamond trade had clearly generated direct rents for three stakeholders: an individual CDM employee; a prominent businessman; and the intermediary (Eduardo himself). With few exceptions, a CDM employee, upon providing the diamonds to Mensah, would have obtained cash that he then used to purchase some goods, enabling him to bring about development activities of his choice in his home or community. Mensah gained more money from the subsequent transaction than he spent in buying the diamonds from the CDM employee and he could use this profit for many of his business activities. As Eduardo disclosed, he also got his share for serving as an intermediary and invested this in his businesses, where he employed local people. There was,

therefore, a three-layered benefit from these transactions, alone as illustrated by Figure 7, below.



**Figure 7: Layers of beneficiaries of illegal diamond trading**

Dobler (2014), in a study that looks at trade and traders in colonial Namibia, provides compelling accounts of prominent businessmen, giving further credence to descriptions of close relationships with CDM workers. Describing the case of Kauko Baako, Dobler (2014, p. 114) writes that:

‘On their way to and from the South, migrant workers would congregate at his shop and stay in the yard for a few nights until the next truck left for Ondjodjo. If they bought their provisions at his shop on the return journey, he took them from the shop to their homes free of charge. Baako drove the first truck himself.’

That migrant workers working in southern Namibia, of which CDM employees formed part, congregated, slept and received free transportation to their homes not

only demonstrates how close Kauko Baako was to them, but also provides insights on the real prospects for diamond dealings, as suggested by the respondents. Further to the above, Baako had contacts with the Portuguese and frequently flew to South Africa. He was a wealthy businessman who, by 1974, had R273, 559 in his bank account (Dobler, 2014).

Simon Kwesi was one of the earliest traders in the Ondonga area. He is credited for bringing 303 rifles into Owamboland by smuggling them into coffins to escape questions from the police at the road blocks. Kwesi exchanged these guns for diamonds according to Eduardo, who also revealed that Dulikeni Nana is said to have exchanged goods for diamonds, including facilitating the purchase of vehicles by writing letters guaranteeing vehicle collection for the CDM employees bringing diamonds. If these revelations by Eduardo (confirmed by other respondents) concerning Dulikeni Nana are placed in the context of the revelations by Dobler (2014) that Dulikeni Nana, in 1982, had acquired shares in Cohen Motors, the then largest car distributor in South West Africa, then the accounts of both the respondents and Eduardo become plausible. Nana's participation can also be contextualised in terms of his tenacity and will to operate in underground activities in colonial Namibia. On the occasion of his 80<sup>th</sup> birthday, on 30<sup>th</sup> January 2016, Saara Kuugongelwa-Amadhila, Namibia's Prime Minister, stated the following in Nana's presence:

“I understand there was a time when northern traders were only allowed to buy merchandise from SWANLA stores and that Dr Nana was part of a group that started operating secretly with sales agents from South Africa, although knowing that if they were found out by the then authorities, they would get into serious trouble.”

Shidhengeni Boateng's name is also invoked in reports of illegal diamond dealings, although not to the same degree as the others. In 1975, his store employed more than five workers (Dobler, 2014).

It must be explained that this section does not suggest that the businesses of Kwesi, Mensah, Baako, Nana and Boateng (amongst others) who are referred to herein as 'Diamond Princes' were built exclusively by diamond rents, (although others infer as much). It only implies from the evidence that they dealt in illegal diamond transactions with former CDM employees in Owamboland. These exchanges led to benefits not only to themselves and those bringing them diamonds but also to other intermediaries and inadvertent beneficiaries. The Diamond Princes were well-travelled, wealthy men from Owamboland and it can be easy to comprehend why CDM employees went to them. As Dobler (2014, p. 120) observed:

'Together with Dulikeni Nana and Kauko Baako, Shilunga Mensah became one of the first 'black millionaires' of apartheid era Ovamboland [*sic*]. They were the richest and best known among the first generation of businessmen'.

### **6.3 Purchasing power, mercantilism and opportunities**

By analysing the responses of the respondents, juxtaposing them against those of key informants and also drawing on, and linking to, the findings of other researchers, the previous discussion (subsection 6.2) not only provides a basis for a claim of a link between illegal diamonds and certain prominent Aawambo businessmen, but also lays a foundation for a discussion on the benefits accrued from the illegal diamond rents. The development impact of illegal diamond rents was not only acknowledged by the respondents, but also by several scholars who have done research on subjects dealt with by this study. For Melber:

“The gains from illicit diamond trading had an impact on daily life in the North through the establishment of business-related activities but also through consumption by those who made a fortune.”

Asked about his familiarity with the situation of Aawambo former CDM employees involved in illegal diamonds, Mwinga not only confirmed his knowledge of such cases, but went to further state that these CDM workers who stole diamonds “established retail shops and other businesses that created employment in Owamboland”. Schneider recalled that:

“The money from the South made communities more resilient when it came to the changing fortunes of farming. Families who received funds from their *omulange*<sup>27</sup> could invest in education for their children, livestock, seeds and their homesteads.”

Quizzed further on the extent to which these development activities could be attributed to illegal diamonds, she further contended that “...judging from the amount of diamonds that were stolen, the contribution must have been substantial.”

In the study questionnaire, the 46 respondents were asked what they spent their money on with a possible list of provided. A total of 13 activities were listed (respondents could tick more than one option) and Table 4, below, indicates the scores collated through this process.

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<sup>27</sup> A person working at Oranjemund.

**Table 4: Expenditure activities listed on the questionnaire that CDM employees engaged in**

Activity	Total score	Percentage
Buy a car	45	98%
Establish a bottle store	41	89%
Buy a tractor	33	72%
Buy cattle	27	59%
Assist family members	27	59%
Build modern home	24	52%
Bring electricity at home	14	30%
Bring water at home	13	28%
Pay school fees	3	7%
Host parties	2	4%
Buy alcohol	2	4%
Make monetary contribution at church	2	4%
Build a church	0	0%

Fifteen respondents listed additional options, providing a total of eight more activities. Interestingly, the respondents made a distinction between buses and a car as purchased items. It would appear that a car is seen as a vehicle for personal use while making reference to a bus is meant to distinguish the purpose behind the purchase, which is business. The additional activities suggested by the respondents were: buying buses, building houses to sell, buying jackpots (gambling machine), building flats, building guesthouses, buying guns, buying fences, and supporting SWAPO.

Respondents were asked a follow-up question that sought to determine whether they agree with the assertion that many of the CDM employees who were able to do these

activities, particularly the relatively expensive ones, were those involved in illegal diamond trading. The options that were given were either ‘Yes’, ‘No’ or ‘Maybe’ and the results are contained in Table 5, below.

**Table 5: Perceived correlation between high expenditure by CDM employees and illegal diamonds**

<b>Response</b>	<b>Total score</b>	<b>Percentage</b>
<b>Yes (<i>they were involved</i>)</b>	30	65%
<b>No (<i>they were not involved</i>)</b>	7	15%
<b>Maybe (<i>perhaps they were involved</i>)</b>	9	20%

The 15 per cent of the respondents who did not respond in the affirmative argued, like Ndishishi, (key informant) that:

“...development in the north-central came as a result of the culture of savings due to the reasons explained, and these include from legal employments, not only by the contract workers but by others like teachers, nurses, and legal remittances from those working somewhere else. Illegal diamonds contribution may be attributed to a few cases but may not be significant as may be perceived and definitely cannot be compared to some areas like Windhoek and especially by non-blacks, who probably gained most of the earnings from illegal diamonds such as former security personnel at the mines and dealers.”

But individual respondents, such as Kodwa Mwachafa, and others falling into the 65 per cent category who answered in the affirmative, had a different perspective:

“They [CDM employees] really worked hard. If one really just checks the businesses, the homes, shopping centres and all the physical infrastructures they

have put up, you will realize that CDM employees were not a joke. As you can see, most of us are not educated and we now run businesses similar, alongside and with those that are educated. In fact, educated people work for us, we are employers of many. That is development by all standards. Without diamonds, I will not be having these buildings you are seeing now.”

From this data, it can be argued that the rents from diamonds probably led to three important activities for some CDM employees: increasing purchasing power, enhancing mercantilism, and improving opportunities. Because of the rents from diamonds, certain individuals and their families could now afford to purchase multiple items at the same time when this would not have been possible under normal circumstances. Access to this capital enabled development to take place at the family level, where ‘development’ refers to activities – such as buying a car, buying cattle, assisting family members, building modern homes – that were all proposed by more than 50 per cent of respondents as activities that were engaged in by CDM employees. The rents from illegal diamonds likely also enabled individual workers to engage in some mercantilism, in the form of opening bottle stores, buying buses for transportation, buying houses to rent out, buying tractors, building guesthouses, buying gambling machines and other trading and mercantilist activities meant to maximize profit. Gainful employment also became an immediate opportunity that the diamond rents created for there was now a need for labour to undertake certain of these enterprises, albeit not at a mass scale. Equally, there were also opportunities, such education, for the families of those engaged in illicit diamonds as well as the benefits that accrue from becoming a member of ‘the elite’ in society, as articulated by Dobler (2014).

#### **6.4 The transformation of the Owamboland rural economy**

Although the benefits from rents from illegal diamonds discussed above – improved purchasing power, mercantilism and opportunities – were applicable to Owamboland as a whole, they were more pronounced in Owamboland urban centres. Big retail shops were chiefly established in urban centres such as Ondangwa and Oshakati and it was at these centres that most people came to buy their basic supplies and explore opportunities such as education and jobs. Mining had always been at the centre of mercantilism in Owamboland. As Dobler (2014) observed, the Chamber of Mines opened the first stores in Ondjodjo in Ondonga (present day Ondangwa) and Omafo in Uukwanyama, in 1925. At the time, these were the only stores that existed in all of Owamboland. Many Aawambo travelled long distances to these shops to buy basic supplies. In 1938, a third shop was opened at Endola in Uukwanyama by a private German trader. In 1943, the South West African Native Labour Association (SWANLA) took over the stores at Ondjodjo and Omafo that were previously owned by the Chamber of Mines. In 1947, the German trader is said to have mistreated a senior headman resulting in the trader's expulsion from Owamboland. His trading licence was given to SWANLA. A fourth shop was opened by 1952 in Ombalantu. The first native-owned shop was established in 1939 in Ombalantu by Simon Galoua and native ownership of stores subsequently mushroomed in the following years such that between 1956 and 1972, licensed shops in Owamboland are reported to have increased from 28 to 1,524 (Dobler, 2014). The generation of 'Diamond Princes', as early and popular pioneers of the stores from the mid- to late 1950s, was at the vanguard of this development.

In the rural areas, however, the situation was quite different and the main reason is captured by key informant Ndishishi who argued that:

“North-central inhabitants depend on subsistence agriculture for their survival in terms of food security at household and neighbourhood level[s]. Secondly, the contract workers did not depend on wages alone to survive but from harvesting of their crops and from natural resources of the ecosystem. Therefore, whatever monetary wealth they gain was available to improve the community in the form of transportations and bring retail business service closers”.

The rents from diamonds, therefore, must be understood in the context of where they were being utilised. Their use in urban centres is already captured above, leaving the rural context requiring a closer look. As Ndishishi explained, given an agrarian economy characterised by an ethos of egalitarianism, where production and survival did not necessarily depend on cash, the diamond rents were seen as complementary to, and an enhancement of, the rural economy. Three areas are explored below highlighting the contribution and the impact of diamond rents on the rural economy of Owamboland.

#### *6.4.1 Tractors and the transformation of mahangu production*

Mahangu, the local name for pearl millet, is a staple food in Owamboland. It is grown in the fields surrounding the homesteads by family members, i.e., farming and production for subsistence purposes does not include paid labour. Mahangu production begins during the rainy season (which starts in December) with cultivation and the harvest then takes place in April or May – a process of five to six months. The preparation and cultivating of the land is the most important and labour-intensive task in mahangu production: there were two ways of tilting the land. For those without cattle, a hoe was used to prepare the land by hand to make it ready for seeding. Called *okupapula* in Oshiwambo, this method was mainly used by poor families. Others, had cattle that could be used to till the land by pulling sharpened

wood implements over the fields. In the 1950s, with the introduction of shops (especially those referred to earlier) ploughs were introduced in the mahangu fields. This replaced the wood implements that were used for cultivation previously. Another change was the use of donkeys, replacing the cattle, which were now used to pull the ploughs. Besides, an ox was regarded as more valuable than a donkey (Newsham and Thomas, 2011; Hoy & Nuppenau, 2011).

From the late 1970s to the 1980s, as some respondents pointed out, tractors were introduced to the area. Most of the individuals who were able to buy tractors were migrant labourers – CDM employees in particular. As can be deduced from table 5 and other tables earlier, most of those who managed to buy tractors were presumed by respondents to be those who were involved in illegal diamonds. Given the cost of tractors, most migrant labourers did not make enough money to buy expensive items such as these and so the reported perceptions of the respondents thus become credible. The tractors transformed mahangu production and the rural economy of Owamboland. Whereas previously it took several weeks to prepare hectares of land for mahangu production, resulting in real prospects of missing the good rains that would speed and improve production, it took the individual on a tractor only few hours to cultivate the same land. Manual cultivation, either through hoes or ploughs, did not remove all weeds as effectively as the tractor did. The use of tractors, therefore, became an efficient and effective method of tilling the land. Tractors were not only used for cultivation, but also for harvesting mahangu: in several cases, the respondents informed this researcher that their tractors were the first (and sometimes the only) ones in their respective villages and so they were used for cultivation and harvesting purposes on the owner's mahangu field(s), those of immediate neighbours, those of the rest of the village, and even the neighbouring ones. Because

of the demand for tractors and their limited supply, it was not possible for the few initial tractors to serve everyone's needs: the loaning out of tractors became so lucrative that there were individual CDM employees who saw no need in the end to return to work at the mine, choosing to remain in Owamboland instead. The tractor, in summary, had three benefits: it provided substantial income to the owner; employment opportunities to the drivers; and good returns for the individual farmers who were not only able to prepare their land optimally, but were also able to harvest their mahangu more efficiently and effectively. The tractors, thus, transformed the rural economy of Owamboland significantly.

#### *6.4.2 Small stores and the socioeconomic transformation of the villages*

As previously confirmed by several key informants and other respondents, diamond rents were likely used to establish several stores in the rural areas of Owamboland. As Dobler (2014, p. XXVIII) submitted, the first owners of the stores in Owamboland were: 'Migrants workers who had earned a starting capital in the south and wanted to establish themselves at home'. These small shops that CDM employees established in the villages sold a variety of goods that were not previously available there; villagers would formerly have to travel to urban centres to obtain these items. Although these shops were mainly run by family members, there were cases where these small shops provided employment to villagers other than family of the owners. The families of CDM employees would rely on these shops to sustain themselves whenever the bread-winners returned to CDM, where they would sometimes spend more than a year without returning home. Apart from the economic transformation, benefits of these shops also had a social impact:

'Villages in the entire area transformed with the establishment of shops. The new

concrete buildings...became meeting places, bars and occasions to exchange local gossips, and slowly the old structure of scattered homesteads was complemented by new village cores...shops are much more than simply places of shopping. They are landmarks in the social and physical space of Ovamboland [sic]. When two people from different areas had to meet somewhere on the road, they chose stores as meeting places. When migrant workers came back from the south with a late bus, they spent a night at one of the shop compounds before walking home. When somebody wanted to meet a shop owner, he walked or drove by the shop and waited for his or her return. Shops were also centres of local news; before walking to somebody's homestead off the road, most people inquired at the nearest roadside shop to hear if the friend had been seen leaving – and the friend in turn often called at the shop to tell people when he would return...local stores also provided a conceptual link between the rural lived world and what people conceptualised as modern development.' (Dobler, 2014, pp.154-155).

The physical structures and symbolic prestige that characterised the stores of CDM employees in both rural and urban centres were important symbols of transformation. As Floyd Nuusila, one of the respondents, contends:

“Their [CDM employees] work and indeed their result can be witnessed all over Owamboland in the form of buildings and industries which they developed and since grew in significant ways. They laid a strong foundation in Owamboland.”

#### *6.4.3 Bakkies in the rural socioeconomic context*

The other activity linked by respondents to the diamond rents is the purchase of pick-up trucks (known as 'bakkies') in Owamboland. As submitted earlier, some CDM employees gave diamonds to prominent businessmen and in return they either got

cash or the purchase of vehicles, e.g., bakkies, was facilitated for them. These bakkies played an important role in the socioeconomic transformation of the rural economy since they could be used for multiple purposes. They were used for transporting villagers and their goods to and from urban centres. They were also used at many social and community occasions, such as at weddings and during burials to carry caskets (when they were introduced). The bakkies, like the tractors, had three benefits: income for the owner, employment opportunities, and service to the community.

### **6.5 Cattle as ‘currency’: consolidation of traditional economic development patterns**

As in other African cultures – that of the Bantu peoples especially – cattle have always played an important role in the Aawambo social, economic and political contexts. The cattle were used almost as a currency insofar as they could be exchanged for goods, and indeed there have been cases reported where cattle were exchanged for cars. Whenever punishment was meted out against offenders by the Aawambo traditional judiciary, cattle could be used to pay fines and they were even used as compensation when a person was found to have killed someone. In the Aawambo culture, the groom is required to give cattle to the family of the bride in order for the marriage to take place. The process of ascending to leadership, particularly when becoming a headman, includes the payment of cattle to the traditional leadership. Rituals and family traditions are also associated with cattle, which are transferred from one generation to the other, particularly in the matrilineal lineages (Williams, 1991; Namuhuja, 1996; Sundermeier, 1998; Wolputte, 2007). As such, CDM employees involved in diamond smuggling did not just concentrate on channelling their diamond rents towards cars, stores, and building their homes. They also invested in cattle, buying farms in the Mangetti area and expanding their cattle

posts elsewhere, where they maintained large herds (as reported by Eduardo; Widlok, 1999). This increase in cattle ownership amplified the purchasing power of certain CDM employees in the Aawambo traditional economic, social, and political contexts.

### **6.6 Can a claim of development be made?**

This study conceptualised development by drawing from Sen (1999), thus defining ‘development as freedom’ – referring to measurable, traceable, or noticeable activities that occur and lead to significant changes over time. The study specifically defines development, operationally, as referring to those physical activities by certain CDM employees that brought about observable changes in their communities over time. This refers to activities that led to the creation of economic opportunities and improvements of the livelihoods of the inhabitants.

To ascertain whether a claim of development can be made, such a determination must seek to answer the following questions: did the CDM employees under study (specifically those involved in illicit diamonds) engage in activities that brought measurable changes in their communities over time? Did these activities lead to the creation of economic opportunities? And did such activities lead to the improvement of the livelihoods of inhabitants?

While the Diamond Princes were established businessmen, the contributions of diamond rents to their burgeoning wealth cannot be denied: diamond transactions brought a million Namibian dollars to one of the diamond princes in one cited instance. The rents obtained from Diamond Princes were reported to have been used to establish shops and buy tractors and bakkies, among other assets. In some cases, the tractors, shops and bakkies were the first in their villages. They, therefore,

represented noticeable changes in these communities. Concomitant economic activities, including mercantilism and improved purchasing power, brought economic opportunities that did not exist before. As Mwinga corroborates:

“Those that were not caught sold their diamond on the black market and used their cash proceeds to start business (retail shops, cuca shops etc.), they bought cars, built modern houses. Some invested in helping their families improve their education... CDM employees received much higher salaries and benefits compared to those working in government, the retail sector or agricultural sector. They possessed properties including cars and over time they could express themselves in English and could afford a luxurious life that was not common in villages. It was everyone’s dream to work for CDM and have access to diamonds.”

These are all measurable changes in the communities of Owamboland that led to economic opportunities for individuals, their families, and members of their communities. The shops located in rural areas meant that individuals no longer needed to travel many kilometres to urban centres. The tractors that reduced the cultivation period from weeks to hours meant that individual families would no longer be left with un-tilled fields when the rain came. It meant the optimisation of mahangu production. Villagers could now go to urban centres far more frequently, given the availability of bakkies; they no longer needed donkey carts to carry the caskets of their dead (the bakkies of CDM employees were readily available for this purpose, often free of charge). These aspects, among others, are representations of activities that led to the improvements of the livelihoods of the inhabitants of Owamboland communities. They are, indeed, an embodiment of development as

freedom. As such, a claim of development, emanating from diamond rents, can be made.

## **6.7 Conclusion**

This chapter was concerned with the movements and expenditures of the rents from illegal diamonds in Owamboland. It established that, indeed, there was trade in illegal diamonds taking place in Owamboland, particularly between the Diamond Princes and CDM employees. Those who had traded the diamonds elsewhere also started opening their businesses and buying items that not only benefited themselves and their families but their communities as well. There was thus what can be called an ‘illegal diamond economy’ in Owamboland that led to rapid development in the area.

There were both direct and indirect benefits from diamond rents in Owamboland, as has been explored. Developmental changes and impacts took place, albeit to varying degrees, in both the rural and urban areas of Owamboland. Transportation activities and the demand for goods and services between the urban and rural areas in Owamboland made the two worlds interact more frequently in a symbiotic manner. Some of the development initiatives undertaken by CDM employees were simply not possible to finance from mere savings. The explanation of the respondents and some key informants that such large-scale expenditures were paid for from diamond rents is thus plausible.

Carlos Eduardo, who dealt with diamond smugglers and the Diamond Princes and was also at the centre of diamond trading in Owamboland, identified the period between 1970 and 1990 as the “golden decades of diamonds in Owamboland”. During these three decades, the illegal diamond business was especially lucrative

and, unbeknown to many, supported the Owamboland economy. According to him, the diamond business was the underlying factor in the successes of major businesses in Owamboland. He argues that this is evidenced by the collapse of indigenous businesses in Owamboland – a point buttressed by Dobler (2014, P. 198) in some detail:

‘[The] 1990s thus saw a fundamental shift in the relations between Namibia and South Africa: indirect economic control replaced direct political domination. The end of apartheid brought political freedom to Namibia’s people and economic opportunities to South African companies. Local traders, well adapted to the conditions of colonialism, were ill prepared to benefit from the new liberty. The first half of the 1990s saw a steady decline of the old locally owned stores. Many closed down or were relegated to a side business.’

This explanation (and many similar ones) is only a face-value interpretation of historical events. An appreciation of the role of illegal diamonds in supporting the foundations of some of these businesses will assist in furthering this debate. The trade in illegal diamonds can be considered as part of what Dobler (2014) referred to as the adaptation ‘to the conditions of colonialism’. As has been disclosed herein, diamond dealers in Owamboland had close contact with the liberation movement. Stated differently, SWAPO benefited from the illegal diamond rents. Key informant Galloway, as discussed elsewhere in this study, explained that the SWAPO elites that took part in the negotiations between CDM and the new government were not only aware of the smuggling methods (from which SWAPO had of course benefited), but they also promised to reduce the ‘leakage’ that was standing at between 10 and 20 per cent and was estimated to be valued at more than R80 million per year. In fact, during the early years of independence, Hifikepunye Pohamba, who previously held

a treasury position in SWAPO, travelled to CDM as a cabinet minister to discourage the smuggling of diamonds by employees. These are among the key insights this study provides to the study of diamonds and the political economy in colonial Namibia, beyond the stated developmental dividends for Owamboland that came from diamond rents.

As with chapters 4 and 5, this chapter again highlighted, through the production of evidence, that there is a great deal of under-exploited data from the native perspective that can be usefully added to the scholarship and the study of the relationship between mineral resources and economic development. Because the general political-economy scholarship to date has not generally concerned itself with the agency and subjectivity of the natives in the colonised societies such as Namibia, this account, addressing the development accrued from illegal diamonds in an area such as Owamboland, remains missing. The following chapter, in consolidating the above stated argument, will go into specific details to explore the further findings of the study.

## **Chapter 7: FINDINGS OF THE STUDY**

### **7.1 Introduction**

It was not the approach of this study to cluster all the findings in this final chapter as one summarisation. Each of the past chapters, apart from the first and third, presented the findings related to its focus. Chapter 2 detailed the findings relating to the ‘natural resource curse’ postulation, locating the theory in the wider context of the literature looking at the relationship between mineral resources and economic development. Where there have been found to be gaps in theoretical explanations, particularly when it came to the native’s agency and subjectivity, alternative explanations from decoloniality were provided. Chapter 3 provided an outline of the methodology used in the study, including the methodological challenges and the remedies employed to address them.

Chapter 4 explored the methods used to smuggle diamonds from CDM while chapter 5 dealt with the findings relating to the trading networks of illegal diamonds, particularly highlighting the Portuguese connection. Chapter 6 provided findings relating to the ‘Diamond Princes’ and the developmental dividends from illegal diamond in Owamboland.

This final chapter is, therefore, not aimed at repeating the findings already provided in the previous chapters. Instead, it specifically buttresses important findings worth isolating and interrogating in more detail. Furthermore, the chapter provides a discussion on certain additional findings that do not necessarily find expression in the previous chapters.

The chapter, therefore, supports the previous ones by focussing on two main aspects: it firstly deals with the findings relating to the research questions and also looks at

the patterns that emerged, particularly from quantitative data. Secondly, it deals with auxiliary findings using both qualitative and quantitative data.

## **7.2 Findings relating to research questions**

### *7.2.1 The driving force behind the smuggling of illegal diamonds*

The evidence provided in this study, particularly from chapters 4 to 6, removed any doubt that there was illegal diamond smuggling taking place at CDM and that Aawambo miners were involved, as the overwhelming majority of employees of the company. To provide a solid basis for this standpoint, the study did not only rely on the information and confirmation from the respondents and key informants. It provided additional examples of evidence, such as court records and colonial records, that detail the history of illegal diamonds at CDM. To determine why the CDM employees engaged in illegal diamond-smuggling and trading, the 46 respondents were asked the following question.

***There are many reasons why CDM employees from Owamboland engaged in illegal trading of diamonds. Score the reasons on a scale of 0 to 5 with five being the highest score and 0 being the lowest score.***

Of the total 46 respondents, 40 scored the question while six chose not to score the question. The results (the total number of scores from the respondents) are contained in

Table 6, below.

**Table 6: Reasons given for engaging in illegal diamond trading**

<b>Reason</b>	<b>Total score</b>
Because they saw others doing it	164
Because they wanted more money to help their families in Owamboland	107
Because CDM was a company of colonisers who were exploiting the resources of Namibia	91
They heard diamonds are worth a lot of money	193
They were told by others to do it	138

From the scoring, it emerges clearly that to the former CDM employees, the main reason why they engaged in illegal diamond trading was because of the information that diamonds were worth a lot of money. The second most popular reason given was because CDM employees saw others doing it, while the third most popular reason suggested was because the employees were told by others to do it. All these reasons corroborate the data on the ONDSS discussed in Chapter 3, regarding the syndicate that involved several categories of workers at CDM. It then follows that the main reason given for participating in illegal diamonds had an economic undertone.

### *7.2.2 Methods of smuggling diamonds*

As already established in Chapter 4, the researcher identified 30 methods that were mentioned by respondents and identified from other sources that were used to smuggle diamonds through the ONDSS. The 30 methods were collated into the ten methods that were subsequently discussed in the same chapter. While the mechanics of these methods are discussed in detail in the fourth chapter, the study also revealed that these methods were used over different periods of time, as illustrated in Table 7, below.

**Table 7: Historic diamond smuggling methods in colonial Namibia**

<b>Period</b>	<b>Method</b>	<b>Description</b>
<b>1940s</b>	1.The ‘blind spots’ 2.Collaborating insiders	During this period, CDM did not have effective security systems. Smuggling did not require sophisticated methods to be successful.
<b>1950s</b>	1.The ‘blind spots’ 2.Collaborating insiders	This was a period characterised by the enhancement of security systems.
<b>1960s</b>	1. The luggage conveyor belt 2.The ‘blind spots’ 3.Collaborating insiders	The period of enhanced security systems and the installation of X-ray machines.
<b>1970s</b>	1. The luggage conveyor belt 2.The ‘blind spots’ 3.Collaborating insiders 4.Collaborating outsiders	The period of continuous improvements to security systems and monitoring their efficacy.
<b>1980s</b>	1. The ‘gift of nature’ (domesticated pigeons) 2. The ‘back way’ (readily available rectum) 3. The ‘holy shield’ (Lutheran pastors) 4. The luggage conveyor belt 5. The ‘blind spots’ 6. Collaborating insiders 7. Collaborating outsiders 8. The ‘abdominal carriage’ 9. The fast and efficient crossbow	Improvements of existing security systems at CDM and strong collaboration between diamond stakeholders to maximise security.
<b>1990s</b>	1. The ‘gift of nature’ 2. The ‘back way’ 3. The ‘holy shield’ 4. The luggage conveyor belt 5. The ‘blind spots’ 6. Collaborating insiders 7.Collaborating outsiders 8. The ‘abdominal carriage’ 9. The disability path	High security system period, CDM introduced several more measures to prevent the smuggling of diamonds.

There are three findings that can be extrapolated from this table. Firstly, there were few methods used for diamond smuggling between the 1940s and the 1950s; the security system at CDM was correspondingly weak at the time, as confirmed by the colonial-state officials in Chapter 4. Secondly, from the 1960s, CDM started tightening security systems: during the same period, the number of methods used for diamond smuggling started to increase. Between the 1980s and the 1990s, nine of the ten categories of smuggling methods came to be used in response to upgraded security apparatus. Therefore the historical pattern is that the more the security was improved, the greater the range of smuggling methods that were (necessarily) introduced to thwart their defences. Thirdly, from the 1940s to the 1990s, two methods of smuggling diamonds remained constant: the 'blind spots' and the collaborating insiders.

### *7.2.3 Spending the proceeds of the trade in illegal diamonds*

The expenditure of the diamond rents was also assessed from the data to have established a particular pattern. The data was obtained from the answers given by the 46 respondents when they were asked about developmental activities the former CDM employees engaged in. The spending differed greatly across the five decades between the 1940s and the 1990s, as illustrated in

Table 8, below:

**Table 8: Developmental activities over four decades in Owamboland**

<b>Period</b>	<b>Developmental activities</b>
<b>1940 –1950</b>	<i>Household</i> : differentiated households, farming implements, and basic needs of family members
<b>1950 –1960</b>	<i>Beyond the household</i> : establishing cuca shops, buying a car for household and community use, buying cattle.
<b>1970 – 1980</b>	<i>Beyond the cuca-shop</i> : establishing retail stores, buying farms; buying tractors.
<b>1980 –1990</b>	<i>Era of modern business</i> : investment in modern business, i.e., housing, hospitality, and real estate; buying buses for long-distance transportation, investing in gambling business, building modern homes with potable water and electricity.

From the 1940s to the 1990s, there is one observable historical trend that relates to the expenditure of former CDM employees in Owamboland: the expenditure started changing from individualised household spending to that disbursed over a wider community. Whereas at one point an CDM employee would have used his money on household expenses, there came a period where he would have begun investing in small-scale industries that not only benefited his immediate family and but the entire community. As submitted in Chapter 6, the diamond rents led to the transformation of the Owamboland rural economy, providing economic opportunities and purchasing power and consolidating traditional developmental patterns.

### **7.3 Conclusion**

This chapter provided summative and supplementary findings that either supported the findings of previous chapters or identified those findings that are worth isolating or that could not necessarily find expression in the preceding chapters. It provided key findings that relate to the research questions and also additional findings.

The chapter found that while there are several factors reported by former CDM employees that drove individuals at the mine to engage in illegal diamonds, the

reason that found support from most respondents indicated that the key motive for getting involving in illegal diamonds had economic undertones, which corroborates the formation of the diamond smuggling syndicate discussed in this study in the preceding chapters. The methods of smuggling diamonds at CDM were reported to have changed significantly over time; this change was necessitated by the introduction of more stringent security measures. There is, however, a pattern that holds: when more and better security measures were implemented, more methods were utilised for smuggling diamonds out from CDM. While there have been changes in methods over time, there were certain methods that remained constant throughout the history of diamond smuggling at CDM in the period under study.

Another pattern relates to the expenditure of the proceeds from illegal diamonds. From the data, the spending from illegal diamonds followed an outward pattern from individualised spending to communal expenditure.

By systematically studying the interaction between the natives and CDM in colonial Namibia, it becomes evident that the natives have been involved in illicit diamond trade from the 1940s until the end period of this study. By giving priority to the question of the native's agency and subjectivity, one not only gains insight into the world, logic, and experiences of the natives, one is also able to benefit, pedagogically, from the narratives that are not ordinarily given space in existing discourses and literature looking at the relationship between mineral resources and economic development. This chapter, and the preceding three, not only contained an insightful set of natives' accounts, but also buttressed the decolonial theses of indigenous insurgence, alternative epistemology, alternative conceptualisation of development, and the repudiation of the Hegel disease, as discussed in the Chapter 2. The experiences of the Aawambo natives in colonial Namibia thus constitute a

narrative and a contribution to political economy discourses in general, and to the study of the relationship between mineral resources and economic development in Namibia in particular.

## **Chapter 8: CONCLUSION**

### **8.1 Introduction**

This chapter concludes the study by summarising the key discussions and findings of the entire study without derogating from the elaborate discussions and findings across the previous chapters. The study structure is presented (to make use of an analogy) like provinces in a federal state: while each of the chapters covers a specific topic, hosts particular discussions, and makes specific findings (like provinces that individually contribute towards the overall identity and character of a federal state), they collectively synergise to present a lucid picture of the relationship between Consolidated Diamond Mines of South West Africa, Ltd and the natives in colonial Namibia by specifically looking at the role of illegal diamonds in the development of Owamboland.

This final chapter, without recapitulating the details as contained in the previous chapters, provides a summative description of the study in a chronological manner. Firstly, it provides a summative discussion on the nature of the study by looking at the methodological and scholarly aspects of the research. More specifically, it provides a summary of the scholarly contributions of the study not only to political science but also to other related disciplines. Flowing from above, the chapter provides a summative discussion on the epistemological and ontological aspects of the study, looking specifically at African contributions, through this study, to the study of political economy and the limitations of Eurocentric scholarly perspectives on the study of African mineral resources.

Additionally, the chapter provides a summative overview of the study's general characterisation of the CDM as a capitalist and colonial project, and how it

maintained a symbiotic relationship with the colonial state. It then delves into the question of the natives and their involvement in the smuggling of diamonds; the methods involved; and the actual trading of illegal diamonds in colonial Namibia. It provides a summary of the developmental activities that took place in Owamboland, many (it has been argued in the study), as a result of illegal diamond rents. The lessons to be derived from the illegal diamond economy are also provided as part of, and towards, the greater developmental discourse. Apart from developmental lessons, the chapter highlights the concerning findings relating to the loss of human life and the 'un-kept' promises by the post-Independence state and the international community relating to the exploitation of Namibia's mineral resources.

It concludes with short suggestions of the areas and aspects, emanating from the study, which qualify for further research. These relate to the certain concerning findings of the study and also developments relating to the political economy of mining in post-Independence Namibia.

## **8.2 Nature of the study and contribution to the body of knowledge**

The approach of the study, in terms of the research methodology, greatly assisted in ensuring the validity and reliability of the data. The study employed a mixed method whereby a representative sample of people was selected to which questionnaires were administered. The researcher also conducted interviews with key informants who are knowledgeable on the subject(s). Moreover, there was reliance on court records and archival records, apart from other researches, to obtain data. This effectively meant that there were four data sets: questionnaire respondents; key informants; archival and court records; and publications on the subject. These sets

enabled the researcher to cross reference the data, greatly improved the validity and reliability of the data, particularly during the data analysis.

This study concerned the political economy of illegal diamond trading in colonial Namibia. Although this study falls within the discipline of political science and the researcher is a political scientist, it was able to engage the literature not only from a political science and political economy perspective but also from other social sciences disciplines such as history, economics, and anthropology. This study is, therefore, useful insofar as it makes a wider contribution – not only to the body of knowledge in political science but also with regard to other related disciplines in the social sciences.

Before this study, there have been few, if any, authoritative Namibian political-science studies on the political economy of illegal diamonds in colonial-era Namibia. Most of the studies on Namibian diamonds were conducted either by geologists, business administration specialists, or economists. Even these studies did not specifically focus on the subject of illegal diamonds. This researcher has not come across any single study on the role of illegal diamonds in the development of Owamboland in colonial Namibia. This study therefore sets itself apart as unique in Namibian political science and illegal diamond research in Namibia.

Across the broader diamond-research literature, the dominant research and studies are on what is known as ‘blood diamonds’ – diamonds associated with violent conflict. There is very little research, in global diamond research, on illegal diamonds association with development. The study thus sets itself apart and stands to make a significant and pioneering contribution to global diamond research.

### **8.3 Contribution towards the natural resources curse theory and an alternative understanding of the political economy of mineral resources**

Chapter 2 contains a discussion on the natural resource curse thesis – one of the most popular theories in the study of the relationship between mineral resources and economic development. It is a theory relevant to this study and there are explanations of this theory that are pertinent to the case study, as discussed in the above-mentioned chapter. The assertion that, in history and at the present time, countries that are endowed with natural resources tend to register or experience low levels of economic growth compared to those with fewer, or no, mineral resources is well founded and corroborated by economic statistics. It has, therefore, been concluded that such countries are characterised by some form of curse – hence the name.. From this standpoint, Namibia can be regarded as a resource-cursed nation. This theory, although popular, has a number of limitations. It is the criticism that this deterministic approach comes from the realm of economics – privileging revenue volatility and the Dutch disease approach to the natural resources curse – that gives credence to the alternative, political economy approach, i.e., one that prioritises political conditions as more important to the understanding of the relationship between mineral resources and economic development. This study therefore followed the political economy approach.

In doing so, the study argued that political-condition explanations, such as rent-seeking and moral cosmopolitanism, cannot account for the political economy of illegal diamonds in Owamboland. This is because the colonial state was immoral, illegal, and illegitimate. Further, the context – colonialism – made the application of the political conditions problematic from the theoretical point of view. Alternative explanations, building towards the political economy argument espoused by this

study, were invoked from decoloniality. These include: indigenous insurgence, repudiating colonialities, what is termed the ‘Hegel disease’, and the pursuance of an alternative epistemology that takes into account the native’s agency and subjectivity as opposed to generalist, deterministic approach to the natural resource curse and its ‘original sin’ outlook. From the perspective of theory, the contribution of the study is hinged on the agency and subjectivity questions. To the decolonial discourse, one that requires further development, this study contributes, in its small way, to Afrikanist calls for Afrocentricity through providing and centring African voices and subjectivities that are often kept at the margins of scholarship.

#### **8.4 CDM as a capitalist instrument of the colonial project**

The detailed history of CDM, as covered in the Chapter 1, demonstrated that the company had been part and parcel of the colonial project in colonial Namibia. It maintained a symbiotic relationship with the colonial state, and particularly with the South African administration. The colonial diamond industry, from its inception in the 1880s, enjoyed the high-level support and protection of the colonial state. It is the only industry that required German government officials to visit the then South West Africa to evaluate and monitor the mineral discoveries in the territory. The German government declared the mining areas as the forbidden area – the Sperrgebiet – granting exclusive rights to colonial mining firms. The CDM came to inherit rights to prospect and mine in the Sperrgebiet at the end of German colonial occupation. The company still enjoyed these exclusive rights, through and beyond Independence. As such, from its inception, CDM was an integral component of the colonial project and it was for this reason that it could, to all intents and purposes, do as it pleased during the colonial period. As one key informant argued in this study, the CDM was effectively a ‘state within a state’.

The symbiotic relationship between CDM and the colonial state, as covered in the first chapter of this study, was demonstrated by the implementations of colonial policies based on the system of apartheid. The company practised separate development – a colonial policy – which covered all aspects of work and social life. Like the colonial state, CDM implemented the racist colonial policies that differentiated the treatment applied to its black and white workforces. Black workers lost their lives and suffered human-rights violations at CDM.

Like any colonial imperialist projects, CDM was not interested in the development of the natives or their territory. As one of the key informants, A. Ndishishi, argued:

“There are no positive lessons to be learned from CDM. Thus after Independence, SWAPO Party took a different approach to transform the industry and for Government to participate in mining and development.”

The only concern of CDM was how it could extract as many diamonds as possible for monetary gain in international markets. This was confirmed by the findings of the Thirion Commission of 1986 when it was discovered that CDM had taken a decision to over-mine its diamonds before Namibia’s Independence. CDM also defied the UN moratorium on mining activities in colonial Namibia. Asked about the lessons to be learnt from CDM and its mining operations in colonial Namibia, key informant Henning Melber responded: “Colonialism equates exploitation at the expense of the colonized people, who benefit very little (if at all) from the wealth created.”

The colonial attitude of CDM can be demonstrated by the lack of meaningful developmental investments in Oranjemund and the nearby communities, constituting the area where it extracted its diamonds for more than 80 years. Despite its mineral riches, the //Karas Region, where all CDM mining operations took place, remained

and remains very poor and characterised by inequality (Kaira, 2012). Despite CDM building a bridge over the Orange River in 1951, linking South Africa to Oranjemund, a tarred road from Oranjemund linking into the national road network was only completed in 2017, 80 years later. This is all indicative of a colonial attitude whose preoccupation was to extract resources with little or no regard for the natives and their territory.

### **8.5 The natives and their involvement in illegal diamonds**

Chapter 1 established a historical reason for why most of the CDM employees in colonial Namibia were Aawambo. This was necessary to provide a rationalisation for why this study chose this ethnic group in the study of illegal diamonds in Owamboland since the Aawambo constituted an overall majority of CDM employees. From the late 1940s, they had already started engaging in the smuggling of diamonds from the CDM site and from then until the 1990s, the Aawambo used about 30 different methods for this purpose, identified in the course of this study and collated into 10 categories (as discussed in Chapter 4). Using the data from the four data sets discussed earlier, this study has demonstrated that diamond smuggling at CDM by the Aawambo was a matter of fact.

The Aawambo miners traded illicit diamonds in two ways. They either came with their smuggled diamonds to Owamboland to sell to the Diamond Princes, as discussed in Chapter 6, or they sold to the Portuguese (the main dealers in illegal diamonds, who were based in both South Africa and Namibia) at Port Nolloth, as discussed in Chapter 5. The diamond-smuggling activity was dangerous and complex and generally involved a syndicate, requiring a high level of trust. As discussed below, there were instances where African spirituality was invoked in dealing with

those members of the syndicate who had double-crossed others and failed to deliver other people's shares in a deal.

## **8.6 The diamond rents and development in Owamboland**

The contribution of illegal diamond rents in Owamboland can be categorised in two ways. There were the illegal diamond dividends that accrued to the Diamond Princes, who were able to reinvest and expand their businesses. The Diamond Princes, the five prominent businessmen in Owamboland, were instrumental in the consolidation of Owamboland mercantilism, for example, they had several stores selling various goods and employing several people. As Dobler (2014) explained, they are credited with significant contributions to the development of Owamboland in colonial Namibia.

The second category deals with the developmental activities that certain CDM employees engaged in once they were in possession of illegal diamond rents. The diamond rents increased the purchasing power across Owamboland, brought about mercantilism, and provided a number of different and new economic opportunities in Aawambo communities, specifically urban ones. The diamond rents also led to the transformation of the Owamboland rural economy: tractors transformed mahangu production while the small stores not only introduced new goods to villagers but also meant that they no longer needed to travel long distances to remote urban centres. The purchase of bakkies and buses made mobility easier for villagers, too. The diamond rents further reinforced traditional rural developmental patterns – such as cattle ownership – since they were used to buy more cattle.

Drawing on Sen (1999)'s conceptualisation of development as freedom, development was defined in Chapter 3 as measurable, traceable or noticeable activities that occur and

lead to significant changes over time. The study specifically defined development as referring to those physical activities by the CDM employees that brought about measurable changes in their communities over the period under discussion. These are activities which led to the creation of economic opportunities and improvements in the livelihoods of the inhabitants of Owamboland. The mercantilist activities of the Diamond Princes and the CDM employees; the transformation of the rural economy; the increase in purchasing power and economic opportunities; and the reinforcement of traditional development patterns all constitute the development that took place in Owamboland. The role of illegal diamonds in the development of Owamboland has therefore been comprehensively established in this study.

### **8.7 Developmental lessons from illegal diamonds**

In the course of the study, both the questionnaire respondents and the key informants acknowledged the role of illegal diamonds in the development of Owamboland. The study has disclosed that leakages of illegal diamonds from CDM during the colonial period were calculated at between 10 and 20 per cent of production. In monetary terms, this study has provided reports that the value of the illegal-diamond economy was calculated as averaging at more than R80 million per year. If 10 to 20 per cent leakage of illegal diamonds can account for all the developmental activities as discussed in this study, it would be interesting to imagine the development impact had the leakage been 60 per cent. As Mbulelo Mweendeleli submits, the illegal diamond economy:

“Assisted in the development of Owambo. One way or the other, most of what you saw in Owambo towards Independence, apart from the colonial state infrastructures, were a creation of CDM employees or those they closely worked with.”

Similarly, Jabu Aludhilu adds that:

“If the diamond money was directed, in large proportion, to government and the Namibian people, this country would not be having the socioeconomic challenges it has. Just look at what illegal diamonds, which were less compared to actual productions, were able to do in Owamboland. Imagine if more people had stolen and stolen more diamonds!”

### **8.8 Unresolved and troubling questions**

Disturbingly, this study research uncovered accounts by several CDM employees who are evidently still haunted by their knowledge that some of their missing colleagues remain unaccounted for, for example a CDM worker, identified as Amos Hiskiel, who apparently disappeared without a trace. When asked about Amos Hiskiel, De Beers pleaded ignorance of the case according to key informant Kali and it is tragic that there is thus still no closure for Amos Hiskiel’s family and co-workers, who are still wondering, more than 30 years later, what really happened to him. Meanwhile, some of the CDM employees disclosed that human remains were discovered in the course of their work, whereupon they were simply told to change their worksite without explanation. To this date, these memories still torment them and their questions remain troubling and unresolved.

During the international negotiations for Namibia’s Independence, the UN had issued a decree banning all mining activities in Namibia until Independence and stating that anyone found violating this decree would be prosecuted by the incoming government. The Thirion Commission report released in 1986 not only disclosed that CDM had violated the UN decree, it also made known that CDM had taken a decision to try to exhaust the diamond deposits at Oranjemund (presumably before

they were presumably found out and compelled to cease activities). What remains puzzling is why both the UN and the SWAPO government did not follow through on the promises of the UN decree after Independence. This puzzle remains unexplained although accounts by key informants Töttemeyer and Grynberg, as well as that of Immanuel (2014), on De Beers' strategy to maintain close relationships with the ruling elite might be helpful in understanding why this matter seems to have been summarily abandoned.

## **8.9 Auxiliary findings and reflections**

### *8.9.1 Erf 594, Oshakati: African spirituality and illegal diamonds*

This study, from the onset, bemoaned the Eurocentric approach to the study of African mineral resources and expressed the need for an African outlook that could arise out of African contributions and novel insights from Africa.

During the course of the study, an aspect emerged that was not anticipated by the researcher relating to the involvement of African spirituality in the diamond deals. Two respondents and one key informant discussed this in detail: Carlos Eduardo, who was involved in illegal diamond trading, mentioned this aspect in the middle of his interview by stating that as the diamond business became increasingly lucrative and rewarding, there were individuals involved in the ONDSS who started cheating the others by not giving their partners in the enterprise their share. He further explained that those who felt betrayed by others went to a certain 'Ambinga', an omuNgambwe African spiritualist who was based at Otjimbingwe, to seek a remedy and redress. As a result, several individuals involved in diamond trading who betrayed others are narrated to have died mysteriously. Kwando Simaneka, a respondent in this study, raised this point too:

“There were ups and downs. One thing I wish to add is that there were incidences of double crossing and betrayal that did not end well. Those who were given other people’s diamonds and ended up cheating or lying that the parcels were lost, but they were later seen either driving expensive cars in Owamboland or spending a huge sum of money, one way or the other ended up dying mysterious deaths in car accidents or went mad. There is one house at the corner of Iipumbu Tshilongo Street in Oshakati, on your way to UNAM Oshakati campus. It is said that this house belonged to one of the CDM employees who treated others in this manner. He died and no one was able to settle in this house that was built before Independence. It is said that this house is haunted and is now abandoned as a ghost house.”

This researcher travelled to Oshakati and found the house in the exact state described by the respondent. Subsequently, on the 4<sup>th</sup> August 2017, this researcher contacted Mr Werner Iita, the Chief Executive Officer of Oshakati, to establish when this house was built; who had been the owners in the past; why there is no one occupying the house now; whether the house is in good standing with the council in terms of rates and taxes; and the current status of the house. In response to emailed questions, Tunomukwathi Ashipala-Muma, the Town Planning Officer, responded (without going into details) identifying the house as standing on Erf 594 and confirming that the house was built before Independence and the owner had since died. She further confirmed that this house is not in good standing and is in arrears (Ashipala-Muma, 2017).

Have African spirituality and the violent narrative associated with the house caused the town council to take a ‘hands-off’ approach in this instance? It is worth speculating whether, in a different culture – one where spirituality would be

dismissed as mere superstition – this house would have been repossessed (having been in arrears and unoccupied for 27 years) and then sold to a new owner. The dismissal of the significance of African spirituality has long been challenged by scholars such as Ephirim-Donkor (2008), Doumbia and Doumbia (2004), Olupona (2000) and Paris (1995). The findings of this study linking African spirituality with the trade in illegal diamonds not only suggests a thought-provoking case study for local government studies but also opens a small window onto the interactions between modernity and African traditions.

### *8.9.2 CDM employees, illegal diamonds and SWAPO*

Five respondents and one key informant confirmed the connections between SWAPO, the national liberation efforts, and illegal diamonds. Eduardo a key informant, disclosed how he went to trade diamonds with a fellow Portuguese and returned the money to businessman Shilunga Mensah, who then forwarded the money to SWAPO to support the liberation struggle. The connection between Shilunga Mensah, his siblings, and SWAPO during the liberation struggle is well established and confirmed (Shaanika, 2017; Shivute, 2015). Siyabonga Keendjele explains that:

“CDM employees were really part of the chain of efforts meant to assist the national liberation struggle. Some of the colleagues who either sent diamonds or traded with Shilunga Mensah understood his link with freedom fighters. There was really a volume of diamonds or diamond-related sources of income that went through him to the liberation struggle efforts. He was one of the main links. It is therefore no surprise that he donated to SWAPO one of his buildings in Okandjenedi.”

Similarly, Mbeki Sheetekela adds:

“The CDM employees that engaged in illegal diamond played an important role that goes beyond the businesses and transformation they brought to Owamboland. What is often not stated is that some of the proceeds from diamonds were used and cash contributions were made to SWAPO and PLAN combatants fighting for independence. CDM employees gave food and clothes to SWAPO. They used their cars to transport weapons and combatants.”

Inside Oranjemund, CDM discouraged its employees from getting involved in politics and this can be understood in the context of the symbiotic relationship between CDM and the colonial state as discussed in the previous chapters. To circumvent these restrictions, CDM employees devised several strategies to support SWAPO’s struggle efforts. Karabo Iyambo explains how they went about this:

“What is often not stated is how CDM employees really helped to advance the struggle for Namibia’s freedom and independence. At CDM, we established a SWAPO branch... Because the hostile nature of the environment, we called the branch ‘Households Maintenance and Chest’ (HMC). In order to open a bank account in Oranjemund we claimed that the HMC is meant for putting money together so that we can help our co-workers whose houses were either burned or destroyed. SWAPO was the HMC in Oranjemund. We kept making our financial contributions to the HMC until Independence. From this account we paid N\$60,000 to the founding President Sam Nujoma for the purpose of assisting with repatriation. The Oranjemund branch also served as a route for correspondences from exile. The letters from exile would be sent to Oranjemund in one envelope to the leadership that will then reroute these to the relatives to avoid interception.”

SWAPO not only understood that diamonds were being smuggled (for it was a direct and indirect beneficiary), it also sympathised with the smugglers. As Ndishishi argued:

“The stealing, pilfering and illegal acquisition and selling of diamonds was...a deliberate rebellion and a form of resistance [against] the apartheid regime. Take note that these contract workers soon changed the focus from ending the labour contract to demand and fight for freedom and independence. It is the contract workers who were pivotal in the formation of SWAPO and have continued to support the movement until Independence.”

At Independence, when SWAPO formed the new government it used the insights it had obtained from the workers regarding how diamonds were smuggled to strengthen its position at the negotiation table with CDM. Galloway not only confirmed that SWAPO leaders were aware of smuggling methods during the negotiations with CDM but also used their knowledge to promise to close the security loopholes that had been exploited by CDM employees. Although doing so did not completely eliminate diamond smuggling, it negatively impacted the chain of benefits of the illegal diamond economy in Owamboland. Apart from the foreign shops that came to Owamboland after Independence, as articulated by Dobler (2014), Eduardo argued that these developments in tightening security had a role to play in the collapse of the indigenous businesses in Owamboland. The businesses of the Diamond Princes and those associated with them, with the exception of Dulikeni Nana, declined significantly. and Eduardo argues that the reduced flow of diamonds into Owamboland had a huge role to play. He also suggests that SWAPO betrayed the indigenous businesses by leaving them to fend for themselves through compelling them to compete with foreign shops after Independence.

## **8.10 Areas for further research**

There are several areas that need further research, most specifically the unresolved and troubling questions discussed above relating to the disappearance of workers at CDM and the discovery of human remains at the same company. The unfulfilled promise of the UN decree on the stoppage of mining activities in Namibia is another area of further research. The collapse of the then-dominant indigenous businesses in Owamboland and to what extent can this be blamed on the post-Independence SWAPO regime is another research area that could prove productive. The developmental lessons of illegal diamonds in Owamboland and the role and history of CDM as a colonial project give force to arguments in the debate around the nationalisation of mines and the concept of permanent sovereignty over the natural resources in Namibia.

## **8.11 Conclusion**

This chapter brought this study to its end by providing a summative overview of the study and its key findings. Although this study took place under the auspices of the discipline of political science, it also drew from other fields of research such as history, economics, and (to a small extent) social and cultural anthropology. Its usefulness is not therefore limited to political-science studies but extends to these disciplines as well. The research methodology chosen, the mixed method, has proven to be very appropriate given the rich insights that emerged across the four data sets. The researcher was able to undertake productive cross referencing and this improved not only the validity and reliability of the data but also the quality of the entire study.

The study brought together various themes to advance the central and critical point of the study: the role of illegal diamonds in the development of Owamboland. It

therefore addressed a serious gap that exists in the current literature. Although several aspects of this study: CDM, the political economy of Namibia, and that of Owamboland, have already been studied by other scholars, these were mainly considered in isolation and were not brought together as a research topic, as done in this study.

The history of colonial Namibia, as it relates to this study, has revealed that CDM was effectively part of the colonial project – unconcerned with the natives, implementing colonial policies, and reducing the natives to nothing but tools and means to an end, the enrichment of its owners and associates in the international diamond cartel. It maintained symbiotic relations and enjoyed the support of the colonial state.

The Aawambo miners, who constituted an overwhelming majority in the CDM workforce, were involved in the smuggling of diamonds at CDM from the late 1940s. They devised several methods of smuggling diamonds and such methods kept changing as CDM improved its security and surveillance capacity. They traded the diamonds, mainly for cash and also goods, with the Portuguese in Namibia and South Africa and also with prominent businessmen in Owamboland. The role of diamond rents in the development of Owamboland has been confirmed and cannot be overstated. A group of prominent businessmen, who were owners of most shops in urban centres, were associated with the illegal diamond economy. The evidence in the study points to three developmental roles of the diamond rents in Owamboland – increased purchasing power, mercantilism, and economic opportunities – as well as the transformation of the Owamboland rural economy and the reinforcement and consolidation of the traditional developmental patterns.

Apart from the proven relationship between the illegal diamond economy and the development of Owamboland, the study also made auxiliary findings relating to the illegal-diamond economy in Owamboland. This relates to the incidences of unaccounted disappearances of human beings and the discovery of human remains, cases of African spirituality, and SWAPO's benefits from the illegal-diamond economy. These aspects, together with the recommended critical analysis of the same case study in post-Independent Namibia, are submitted as candidate cases for further research.

While additional research needs to be done to fully comprehend all the implications and effectiveness of the theoretical framing – decoloniality – the research provides a foundation and potentially useful framework upon which further research can be undertaken. The agency and subjective life-worlds of the former mine workers and their collective contribution towards the economic and social development of what was then called 'Owamboland', shine through as valid and key for the later development of this former ethnic 'homeland' and as a meaningful contribution toward the eventual independence of Namibia.

Finally, the research brought into sharp relief, the historical consciousness and memories of countless former mine workers regarding the colonial past and its many injustices in present-day Namibia. Such a historical consciousness represents the achievements and humanity of the respondents presented in the study.

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## Appendix 1: Respondents Interviewed in 2017 for the Study

All interviews were carried out by J. S. Amupanda in 2017 (July and August)

Category of respondent	Name	Constituency
Interviewee who is a former employee of CDM (*not their real names) = 46	*Aludhilu, Jabu	Okongo (Ohangwena)
	*Alweendo, Mazimbuko	Omulonga (Ohangwena)
	*Amaambo, Lungu	Uukwiyu (Oshana)
	*Amakali, Gumede	Okatyali (Oshana)
	*Amunyela, Hlongwe	Ogongo (Omusati)
	*Hilukilwa, Maimane	Engela (Ohangwena)
	*Ikela, Chisano	Okalongo (Omusati)
	*Nana, Mwanawasa	Eenhana (Ohangwena)
	*Iyambo, Karabo	Onayena (Oshikoto)
	*Kafinana, Sata	Onesi (Omuasti)
	*Kagogo, Nkomo	Ongwediva (Oshana)
	*Kakoto, Mabeni	Oshikango (Ohangwena)
	*Kambonde, Nengomasha	Epembe (Ohangwena)
	*Katutu, Pule	Ohangwena (Ohangwena)
	*Keendjele, Siyabonga	Oniipa (Oshikoto)
	*Lumbu, Banda	Oshakati West (Oshan)
	*Madala, Moyo	Oshikuku (Omusati)
	*Matheus, Zodwa	Eengodi (Oshikoto)
	*Mbaimbai, Mbuyiseni	Etayi (Omusati)
	*Mbelema, Mutharika	Tsandi (Omusati)
	*Mbokoma, Hichilema	Elim (Omusati)
	*Mwafangeyo, Malema	Uuvudhiya (Oshana)
	*Mwahafa, Kodwa	Guinas (Oshikoto)
	*Mweshindange, Mbalula.	Ongenga (Ohangwena)
	*Mweendeleli, Mbulelo	Omundaungilo (Ohangwena)
	*Mweshitala, Mabe	Ondobe (Ohangwena)
	*Nakambale, Museveni	Anamulenge (Omusati)
	*Nambundunga, Kaunda	Endola (Ohangwena)
	*Ndeshuuda, Jose	Outapi (Omusati)
	*Ndungula, Vilakazi	Nehale lyaMpingana (Oshikoto)
*Nuugwedha, Manyi	Omuthiya (Oshikoto)	
*Nuusila, Floyd	Ompundja (Oshana)	

Category of respondent	Name	Constituency
Interviewee who is a former employee of CDM (*not their real names) = 46	*Paulus, Zuma	Ondangwa Rural (Oshana)
	*Pombili, Kwesi	Onyaanya (Oshikoto)
	*Ponhele, Mathale	Olukonda (Oshikoto)
	*Sheepo, Jammeh	Okahao (Omusati)
	*Sheetekela, Mbeki	Oshikunde (Ohangwena)
	*Shekumana, Siphon	Okatana (Oshana)
	*Shidinifa, Kabila	Ruacana (Omusati)
	*Shikongo, Dlamini	Okaku (Oshana)
	*Shikudule, Mandla	Ondangwa Urban (Oshana)
	*Shipale, Mantashe	Okankolo (Oshikoto)
	*Simaneka, Kwado	Tsumeb (Oshikoto)
	*Tangeni, Annele	Omuntele (Oshikoto)
	*Tewumona, Chipanga	Otamanzi (Omusati)
	*Vatekuleni, Mugabe	Oshakati East (Oshana)
Category of respondent	Name	Role/profession
Key informant	Botha, C.	Historian
	*Eduardo, C. (not his real name)	Diamond dealer, Owamboland
	Galloway, S	Geologist/mineral economist
	Grynberg, R.	Economist
	<i>Hangala, L</i>	Former Government Official and Permanent Secretary of Mines and Energy
	Kali, D	Former CDM employee and current De Beers Resident Director
	Likuwa, C	Historian
	Melber, H.	Political scientist
	Mwinga, M.	Mineral economist
	Ndishishi, A.	Government official
	<i>Nikanor, N</i>	Traditional Leader
Schneider, G.	Geologist	
Personal communications with and/or received from ( <i>italic</i> = not referred to in text)	Töttemeyer, G.	Emeritus professor of political science and a former Namibian deputy minister
	<i>Zaamwani-Kamwi, I</i>	Former Diamond Commissioner and Managing Director of Namdeb
	<i>Emilie Iyambo</i>	Namdeb Sustainability Officer
	Ashipala-Muma, T.	Town planning officer, Oshakati

## Appendix 2: Ethical Clearance Certificate



### ETHICAL CLEARANCE CERTIFICATE

Ethical Clearance Reference Number: FHSS/329/2017      Date: 10 October, 2017

This Ethical Clearance Certificate is issued by the University of Namibia Research Ethics Committee (UREC) in accordance with the University of Namibia's Research Ethics Policy And Guidelines. Ethical Approval Is Given In Respect Of Undertakings Contained in the Research Project outlined below. This Certificate is issued on the recommendations of the ethical evaluation done by the Faculty/Centre/Campus Research & Publications Committee sitting with the Postgraduate Studies Committee.

**Title of Project:** The Consolidated Diamond Mines And The Natives In Colonial Namibia  
A Critical Analysis Of The Role Of Illegal Diamonds In The Development Of Owamboland  
(1908-1990)

**Researcher:** Job Shipululo Amupanda

**Student Number:** 200614215

**Faculty:** Faculty of Humanities and Social Sciences

Take note of the following:

- (a) Any significant changes in the conditions or undertakings outlined in the approved Proposal must be communicated to the UREC. An application to make amendments may be necessary.
- (b) Any breaches of ethical undertakings or practices that have an impact on ethical conduct of the research must be reported to the UREC.
- (c) The Principal Researcher must report issues of ethical compliance to the UREC (through the Chairperson of the Faculty/Centre/Campus Research & Publications Committee) at the end of the Project or as may be requested by UREC.
- (d) The UREC retains the right to:
  - (i) Withdraw or amend this Ethical Clearance if any unethical practices (as outlined in the Research Ethics Policy) have been detected or suspected,
  - (ii) Request for an ethical compliance report at any point during the course of the research;

UREC wishes you the best in your research.

Prof. P. Odonkor: UREC Chairperson

A handwritten signature in black ink, appearing to be "P. Odonkor", written over a horizontal line.

Ms. P. Claassen: UREC Secretary

A handwritten signature in black ink, appearing to be "P. Claassen", written over a horizontal line.

## Appendix 3: Research Permission Letter

### CENTRE FOR POSTGRADUATE STUDIES

University of Namibia, Private Bag 13301, Windhoek, Namibia  
340 Mandume Ndemufayo Avenue, Pioneers Park  
☎ +264 61 206 3275/4662; Fax +264 61 206 3290; URL: <http://www.unam.edu.na>



### RESEARCH PERMISSION LETTER

**Student Name:** Mr. J. Amupanda

**Student number:** 20061415

**Programme:** Doctor of Philosophy (Political Science)

**Approved research title:** THE CONSOLIDATED DIAMOND MINES AND THE NATIVES IN COLONIAL NAMIBIA  
A CRITICAL ANALYSIS OF THE ROLE OF ILLEGAL DIAMONDS IN THE DEVELOPMENT OF OWAMBOLAND  
(1908-1990)

### TO WHOM IT MAY CONCERN

I hereby confirm that the above mentioned student is registered at the University of Namibia for the programme indicated. The proposed study met all the requirements as stipulated in the University guidelines and has been approved by the relevant committees. Permission is hereby granted to carry out the research as described in the approved proposal.

The proposal adheres to ethical principles as per attached Ethical Clearance Certificate. Permission is hereby granted to carry out the research as described in the approved proposal.

Best Regards

A handwritten signature in black ink, appearing to read 'M. Hedimbi', is written over a horizontal dotted line.

**Name:** Dr. M. Hedimbi

A handwritten date '06/06/17' is written in black ink over a horizontal dotted line.

**Date**

**Director:** Centre for Postgraduate Studies

**Tel:** +264 61 2063275

**E-mail:** [directorpgs@unam.na](mailto:directorpgs@unam.na)

#### **Appendix 4: Participant Information Sheet**

Dear potential participant,

My name is Job Shipululo Amupanda. I am a PhD student at the University of Namibia (UNAM) in Windhoek, Namibia. My dissertation is a study of The Consolidated Diamond Mines and the Natives in Colonial Namibia – A Critical Analysis of the Role of Illegal Diamonds in the Development of Owamboland (1908-1990).

I am inviting you to participate in the study on the basis of your knowledge of the topic. Participation is voluntary and would take the form of a personal interview lasting 30 to 60 minutes, at a location convenient to you. You would be free to withdraw at any time, and to decline to answer any questions you are uncomfortable with.

If you agree to participate, you may choose whether or not you are willing to be identified by name in my PhD dissertation or in related publications, and whether or not you are willing to have the interview audio recorded. In any case, I will keep any notes or recordings of the interview strictly confidential.

Please do not hesitate to contact me (on the contact details outlined below or my dissertation supervisors, Professors Lesley Blaauw ([lblaauw@unam.na](mailto:lblaauw@unam.na), +264-(0) 61-206 3339 and André du Pisani ([andredupisani@gmail.com](mailto:andredupisani@gmail.com), + 264-(0)61-244017), if you have any questions about this research.

Thank you for taking the time to consider participating in my research.

Yours in Research,

Job Shipululo Amupanda

PhD Candidate, Political Science, University of Namibia

Email: [jamupanda@unam.na](mailto:jamupanda@unam.na) / [shipululo@gmail.com](mailto:shipululo@gmail.com)

## **Appendix 5: Informed Consent Form**

UNIVERSITY OF NAMIBIA

DEPARTMENT OF POLITICAL AND ADMINISTRATIVE STUDIES

THE CONSOLIDATED DIAMOND MINES AND THE NATIVES IN COLONIAL  
NAMIBIA

A CRITICAL ANALYSIS OF THE ROLE OF ILLEGAL DIAMONDS IN THE  
DEVELOPMENT OF OWAMBOLAND

(1908-1990)

You are hereby invited to participate in a research conducted by Job Shipululo Amupanda who is studying towards a degree of Doctor of Philosophy in Political Science, supervised professors Lesley Blaauw and Andre du Pisani at the University of Namibia. You are selected as a participant in this research because you are either a former employee of CDM or because you are regarded as knowledgeable and thus useful, because of your expertise or positions you hold/held, to the topic(s) or events to be covered by the research. Your participation in this research is voluntary. You should read the information below, and ask questions about anything you do not understand, before deciding whether to participate. Please take as much time as you need to read the consent form. You may also decide to discuss participation with your family or friends. If you decide to participate, you will be asked to sign this form. You will be given a copy of this form.

### **1. THE PURPOSE OF THE RESEARCH**

The purpose of this research is to understand the political economy of diamonds in colonial Namibia by looking at the interactions between CDM and the indigenous employees from Owamboland that worked for it. The research specifically sets out to critically analyze the role of illegal diamonds in the development of Owamboland.

### **2. RESEARCH PROCEDURES**

If you volunteer to participate in this research, you will be asked to complete a questionnaire that contains both closed and open-ended questions. The questionnaire will contain questions that are divided into three sections. Section 1, deal with background information for historical context location. Section 2, will have questions that deals with the knowledge of the operations and activities of the CDM employees in both CDM and Owamboland. Section 3, relates to general and additional questions seeking to solicit additional information, at free will, that you think may be helpful in assisting the researcher and the research. If you are a

key informant, specific questions, across the three sections outlined above, will be posed to you that require answers based on your experience, your observations, your opinions or your expertise. The interviews with key informants also mean that there may be follow up questions that may arise as a result of your responses for the purposes of clarity. For the interviews – for the researcher’s recollection – the interview will be mechanically recorded. If you do not wish to be recorded, you can still participate.

### **3. POTENTIAL RISKS AND DISCOMFORTS**

There are no potential risks contemplated in the research. Where there may be personal information asked, causing discomfort, the principles and undertakings of confidentiality, as conspicuously outline in this form, will protect such disclosure. You are not forced, in any way, to disclose information you do not want to disclose.

### **4. POTENTIAL BENEFITS TO PARTICIPANTS AND/OR TO SOCIETY**

There are no direct benefits to the participants. The anticipated benefit is to society as this research will not only illuminate the developmental patterns in Owamboland but will also provide understanding of developmental contributions of CDM employees to the development of Owamboland. On close inspection, this benefit to society can also be regarded as an indirect benefit to participants.

### **5. CONFIDENTIALITY**

The results of this research will culminate into an academic publication; a PhD dissertation in Political Science. In this publication, your identity will not be attached in any way. Whereas I use the information you have given me, such will only not identify you in anyway. Your responses will be compared to those of other participants for generalizations purposes thus further guaranteeing your privacy. The data will be stored in a secure location only known by me. After the completion of the research, all data will remain stored at this secure location for a period of time prescribed by the university research regulations and thereafter all data will be destroyed.

### **6. PARTICIPATION AND WITHDRAWAL**

Your participation is voluntary. You will not be penalized, in any way, for refusing to participate in this research. You may withdraw your consent at any time and discontinue participation in this research.

## **7. CONTACT DETAILS FOR FURTHER INFORMATION**

If you have any questions or concerns about the research, please feel to contact me, Job Shipululo Amupanda at the cellphone number +264 81 218 1814 or email [jamupanda@unam.na](mailto:jamupanda@unam.na). You can also contact my supervisor, Professor Lesley Blaauw at the telephone number +264 61 206 3339 or email [lblaauw@unam.na](mailto:lblaauw@unam.na). If you have questions, concerns, or complaints about your rights as a research participant or the research in general and are unable to contact the research team, or if you want to talk to someone independent of the research team, please contact the Centre for Postgraduate Studies at the University of Namibia at the telephone number +264 61 206 4615 or email [jchaka@unam.na](mailto:jchaka@unam.na)

## **8. SIGNATURE OF RESEARCH PARTICIPANT**

I have read the information provided above. I have been given a chance to ask questions. My questions have been answered to my satisfaction, and I agree to participate in this research. I have been given a copy of this form.

Audio Recording (Tick the Appropriate box)

*I agree to be audio recorded*

*I do not want to be audio recorded /photographed*

---

Name of Participant

---

Signature of Participant

---

Date

## **9. SIGNATURE OF A RESEARCHER**

I have explained the research to the participant and answered all of his/her questions. I believe that he/she understands the information described in this document and freely consents to participate.

---

Name of Person Obtaining Consent

---

Signature of Person Obtaining Consent

---

Date

## **Appendix 6: English-language Questionnaire for former CDM Employees**

*[Text of the form only given, i.e., it has been re-formatted to remove the blank spaces for replies in order to save space.]*

University of Namibia

Faculty of Economic and Management Sciences

Department of Political and Administrative Studies

The Consolidated Diamond Mines (CDM) and the natives in colonial Namibia  
A critical analysis of the role of illegal diamonds in the development of Owamboland  
(1908-1990)

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### **QUESTIONNAIRE FOR CDM EMPLOYEES**

---

This questionnaire is targeted at CDM employees who worked for the company in colonial Namibia. It is aimed at obtaining information and answers to the main research question and the supplementary questions.

It particularly seek to obtain insights, from the perspective of the CDM employees, on the role of illegal diamonds in the development of Owamboland by understanding the environment, the motives, processes, the outcomes of diamond related dealings of CDM employees and the roles these returns has played in the development of Owamboland.

Name of Student:        Job Shipululo Amupanda  
Supervisors:            Professor Lesley Blaauw  
                                  Professor Andre du Pisani

**1. SECTION 1 – BACKGROUND INFORMATION**

1.1 From which village/town and constituency of Owamboland do you come from?

.....

1.2 How did you get to work at CDM

.....

1.3 From and until which year did you work for CDM

.....

1.4 What type of work did you do at CDM

.....

**2. SECTION 2 – INSIGHTS**

2.1 There are several stories in Owamboland on illegal diamonds and how CDM employees, particularly from Owamboland, engaged in stealing of diamonds. *Which of the boxes represents your familiarity with this activity? You can tick more than one box.*

I have heard of it	
I have seen it	
I personally engaged in it	
I have friends/colleagues who did it	
Never heard of it	

2.2 There many reasons why CDM employees from Owamboland engaged in illegal trading of diamonds. *Score the reasons on a scale of 0 to 5. Five being the higher score while 0 being a lower score;*

<b>Reason</b>	<b>Score</b>
Because they saw others doing it	
Because they wanted more money to help their families in Owamboland	
Because CDM is a company of colonisers who were exploiting the resources of Namibia	
They heard that diamonds are worth a lot of money	
They were told by others to do it	

2.3 Compared to their environment in Owamboland, CDM was a technologically advanced company with security personnel, what methods did CDM employees from Owamboland used to obtain diamonds

.....

2.4 Where and to whom did the CDM employees take these diamonds and what did they gain in return?

.....

2.5 Amongst the developmental activities CDM employees from Owamboland did where the following; (*Tick the boxes that mainly represent what the CDM employees did win Owamboland. You can tick more than one box!*)

Activity	Tick	Activity	Tick
Buy a car		Assist family members	
Buy a tractor		Buy alcohol	
Establish a bottle store		Pay school fees	
Build a church		Host parties	
Buy more cattle		Build modern homes	
Make money contribution at church		Bring electricity	
Bring water at home			

2.6 Based on your selections above, state if you agree that many of the CDM employees who were able to do many of these activities, particularly those regarded as expensive, were mainly those who were involved in illegal diamonds.

Yes

No

Maybe




2.7 To what extent the activities chosen in 2.5 constitute developmental impact in their villages in general and in Owamboland in Particular. *Tick the appropriate box that best captures your sentiments*

<b>Extent</b>	<b>Explanation</b>	<b>Tick</b>
Small Extent	CDM employees did not bring any significant developmental change in Owamboland. Their impact is not felt at all. It is as if they never existed.	
Some extent (middle)	CDM employees had some impact on the development of Owamboland but their impact is not that outstanding for it equals to other contribution of other employees of other companies.	
Larger extent	CDM employees contributed greatly to the development of Owamboland. Their contribution to the development of Owamboland is visible in the area. Had it not been for them Owamboland would not be where it is.	

2.8 Do you agree that there were CDM employees who made a significant contribution to the development of Owamboland who were not involved in illegal diamonds? Their contributions to the development of Owamboland are equally visible and greater than those said to be involved in illegal diamonds.

*Tick the appropriate box*

Highly unlikely	
Unlikely	
Not Sure	
Likely	
Highly Likely	

2.9 What did CDM employees think of the following? *Tick the appropriate box for each activity.*

	<b>Wrong</b>	<b>Not wrong Justified</b>	<b>Doesn't matter</b>	<b>Shows bravely and manhood</b>
Stealing Diamonds				
Associating with those stealing diamonds				
Planning to steal diamonds				
Getting money from stolen diamonds				

**3. SECTION 3 – GENERAL AND ADDITIONAL INFORMATION**

3.1 What is your general perspective and impression of CDM employees?  
.....

3.2 What do you think is the key lessons to be learnt from CDM and its mining operations in colonial Namibia?  
.....

3.3 Anything else you wish to add on the relationship between CDM and the natives in colonial Namibia or the role of illegal diamonds in the development of Owamboland?  
.....

-----End-----

## **Appendix 7: Oshiwambo Questionnaire for Former CDM Employees**

[Text of the form only given, i.e., it has been re-formatted to remove the blank spaces for replies in order to save space.]

University of Namibia

Faculty of Economic and Management Sciences

Department of Political and Administrative Studies

The Consolidated Diamond Mines (CDM) and the natives in colonial Namibia  
A critical analysis of the role of illegal diamonds in the development of Owamboland  
(1908-1990)

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### **OMAPULO GA NUNINWA AANIILONGA YASHIDIYEMA**

---

Omusholondondo gwomapulo nguka ogwa nuninwa aaniilonga yaShidiyema mboka yaa li haa longele mehangano ndika pethimbo Naminbia e li muukoloni. Otagu lalakanene okuhadha uuyelegele nomayamukulo kepulo lya shiga ko lyehitulukonakono ndika nokomapulo galwe ga gwedhwa po.

Otali lalakanene unene okuuva ontseyo nomauiyuvo gaaniilonga yaShidiyema kombinga yankene okawe ka ya kwa ka kwathele mokuhumitha komeho Owambo notaku simonononwa opo ku ivikiwe ko, onkalo, omalalakano, omikalo noshizemo shiilonga yokuyaka okawe shaaniilonga yaShidiyema nokutala kutya iimaliwa mbyoka ya zi mokawe ka yakwa oya humitha Owambo komeho ngiin

Edhina lyomwiilongi: Job Shipululo Amupanda  
Aatonatelinongeki: Professor Lesley Blaauw  
Professor Andre du Pisani

**1. ONTOPOLWA- ONZIILILO**

1.1 Owa za momukunda/ mondoolopa nomoshikandjohogololo shini?

.....

1.2 Oshe ende ngiini opo wu kutwe kOshiyidiyema (kOlange)?

.....

1.3 MOshidiyema owa longa mo oomvula ngapi?

.....

1.4 Owa li ho longo iilonga yini mOshiidiyema?

.....

**2. ONTOPOLWA 2- ONTSEYO**

2.1 Ope na omahokololo ogendji mOwambo haga ti aaniilonga yokOshiidiyema oya kala haa yaka okawe. *Eyamukulo lini lyomwaango ge li muumpungu tawu landula tali holola kutya uufuthi wokawe owa li wu wu shi. Oto vulu okuhogolola po eyamukulo li vulithe pulimwe.*

Onde shi uva	
Onde shi mona	
Onda yaka okawe	
Ondi shi ookuume kandje / aaniilonga pamwe nangame mbyoka ya li haa yaka okawe	
Nkee nda valwa ndu uve omuntu a yaka okawe.	

2.2 Ope na omatompelo ogendji ngoka ge etitha aaniilonga yaShiidiyema ya za mOwambo ya kale taa landitha okawe muumbudhi. *Omatompelo ngaka ga tula melandulathano shi ikolelela komithika dhago okuza ko-0 sigo oku-5. Ntano otashi ti etompelo ndyoka olyo lya shiga ko omanga 0 tashi ti etompelo ndyoka olyanathangweelela.*

<b>Etompelo</b>	<b>Iitsa</b>
shaashi oya mono kutya yakwawo ohaa yaka okawe.	
shaashi oya li ya hala iimaliwa oyindji opo ya kwathele omagumbo/omazimo gawo gokOwambo	
shaashi Shiidiyema olyo ehanganano lyaakolonyeki ndyoka lya li tali thipi mo eliko lyaNamibia	
Oyu uva kutya okawe oke na iimaliwa oyindji	
Oya li ya lombwelwa kaantu yalwe ya yake okawe.	

2.3 Okuyelekanitha nOwambo hu ya za, ehangano lyaShiidiyema olya li li na omashina ga dhenga mbanda noosekuliti, aaniilonga yaShiidiyema oya longitha omikalo dhini opo yi imonene okawe?

.....

2.4 Aaniilonga yaShidiyema uuwe oya li haye wu fala peni noya li haye wu faalele oolye? Oya pewa shike sho ya gandja uuwe?

.....

2.5 Aaniilonga yaShidiyema mOwambo oye eta omahumokomeho miinima tayi landula (*Tula okangombe mokampungu hoka ka kalela po unene shoka aaniilonga yShidiyema ya li haa longo mOwambo. Oto vulu okutula okangombe mokampungu ke vulithe pukamwe.*)

Oshinima	Tula po kangombe	Oshinima	okango mbe
Oya landa iihauto		Oya kwathele aanamagumbo/ aakwazimo yawo	
Oya landa omambakukumbaku		Oya landa omalovu	
Oya tungu oombootolo		Oya futile aanona osikola	
Oya tungitha oongeleka		Oya ningi iituthi	
Oya landa oongombe		Oya tungu omagumbo goshinanena	
Oya gandja iimaliwa kongeleka		Oya tula omalushesno momagumbo gawo	
Oya tulitha oopomba momagumbo gawo			

2.6 Shi ikolelela komayamukulo ngoka wa hogolola mokatopolwa ka tetekele, holola ngele oto tsu kumwe naaniilonga oyendji yaShiidiyema mboka ya li haa longo iilonga mbika oyindji, unene tuu iilonga mbyoka ya talika yuukengeli mbyono ya li hayi longwa kaantu mboka ya li haa yaka okawe.

Eeno

Aawe

Ngiika

2.7 Iilonga mbyono wa hogolola mu 2.5 oya humitha komeho ngiini omikunda dhawo nOwambo ayihe koonono? *Tula okangombe mokampungu hoka wu wete ke li mondjila.*

<b>Ondjundo yehumokomeho</b>	<b>Eyelitho</b>	<b>Okangombe</b>
Ehumokomeho eshona lyowala	Aniilonga yaShidiyema inaa eta mo naanaa ehumokomeho mOwambo. Iilonga yawo inayi tya sha. Oya fa owala ya li yaa po.	
Ehumokomeho ehwepo	Aaniilonga yaShidiyema oye eta ngaa ehumokomeho mOwambo, ihe ehumokomeho ndi ye eta mo halyo naanaa shaashi ehumokomeho ndi ye eta mo olya faathana owala nehumokomeho ndi lye etwa mo kaaniilonga yomomahangano galwe	
Ehumokomeho lya dhenga mbanda	Aaniilonga yaShidiyema oye eta mo ehumokomeho enene mOwambo. Ehumokomeho ndi ye eta mOwambo otali imonikila. Ando okwa li kaaya li po, ando Owambo oyi li owala ngaashi yi li.	

2.8 Oto tsu kumwe kutya opwa li aaniilonga yaShidiyema mboka ya humitha Owambo komeho noonkondo mboka ya li ihaaya yaka okawe? Ehumokomeho ndi ye eta mOwambo otali imonikila noli vule nokuli ndyoka lye etwa kwaamboka kwa li haku ti ohaa yaka okawe. *Tula okangombe mokampungu hoka wu wete taka opalele.*

Hasho nandenande	
Hasho	
Kandi shi wo	
Osho	
Osho naanaa	

2.9 Aaniilonga yaShidiyema otaa tile ngiini iinima tayi landula? *Tula okangombe mokampungu kehe hoka wu wete taka opalele oshilonga kehe.*

	<b>Okwa puka</b>	<b>Inaku puka</b>	<b>Itaku kwatha sha</b>	<b>Otaku ulike uupenda nuulumentu</b>
Okuyaka okawe				
Okukwatathana naafuthi yokawe				
Okwiilongekidhila okuyaka okawe				
Okwiimonena iimaliwa ya za mokawe ka yakwa				

### **3. ONTOPOLWA 3- OMAUYELELE GAKAWALUKEHE**

3.1 Aaniilonga yaShidiyema oho kala wu ya uvitile ngiini?

.....

3.2 Iinima yini wu wete aantu yi ilonga kuShidiyema sho a li ta fukula okawe moNamibia pethimbo lyuukoloni?

.....

3.3 Opu na sha ishewe wa hala okugwedha po shi na sha nekwathano pokati kaShidiyema naakwashigwana yaNamibia pethimbo lyuukoloni nenge shono wa hala okutya kombinga yankene okawe ka yakwa ka humitha Owambo komeho?

.....

-----ehulitho-----

## **Appendix 8: Interview Questions for Mining/Diamond and Other Experts**

[Text of the form only given, i.e., it has been re-formatted to remove the blank spaces and thus save space.]

University of Namibia

Faculty of Economic and Management Sciences

Department of Political and Administrative Studies

These questions are developed to guide the *Interview with Key Informants* who are knowledgeable, because of their profession or positions they hold/held, on the research topic for the PhD in Political Science;

The Consolidated Diamond Mines (CDM) and the natives in colonial Namibia  
A critical analysis of the role of illegal diamonds in the development of Owamboland  
(1908-1990)

---

**Interview questions for mining/diamond and other experts (diamond/mining commissioners, political scientists, historians, economists and diamond/mining specialists).**

---

Name of Student: Job Shipululo Amupanda  
Supervisors: Professor Lesley Blaauw  
Professor Andre du Pisani

## **Background Information**

1.1 What is your profession or areas of expertise?

1.2 For how long have you been in this position/profession?

### **2. Understanding and views on the topic**

2.1 What is your understanding and perspective on the Contract Labour System?

2.2 CDM was one of the companies in colonial Namibia that were linked to the Contract Labour System. It had a recruitment centre in Owamboland, in Ondangwa in particular. As such, most CDM the employees, particularly the unskilled manual labourers, came from Owamboland. Why do you think CDM chose to set up a recruitment centre at Ondangwa and source workers from Owamboland and not from other areas?

2.3 There are several stories in Owamboland on illegal diamonds and how CDM workers, particularly from Owamboland, engaged in this activity. How familiar are you to these stories?

2.4 Most of these employees were mainly uneducated, in a formal sense, and did not have the necessary sophistication to undermine the CDM security systems. How did they manage to steal diamonds?

2.5 There are informal stories of workers that got caught stealing diamonds and those that were not caught. Could you explain what happened to those that were caught and what did those who were not caught do with stolen diamonds?

2.6 Most of the CDM employees enjoyed a good reputation and prestige within their respective villages in Owamboland. What was the root cause of this reputation and prestige?

2.7 Did CDM workers from Owamboland bring about meaningful development in their villages and Owamboland? If yes, what specific development did they bring to Owamboland?

- 2.8 To what extent can this development be attributed the rents obtained from the trading of CDM illegal diamonds?
- 2.9 Had they not engaged in illegal diamonds, do you think the developmental activities they brought would not have been possible?
- 2.10 Can you say that the rents obtained from the illegal diamonds played a most important role when compared to initiatives that were brought by the colonial administration or the ordinary citizens who were not CDM employees?
- 2.11 There is a theory in political economy, called the ‘natural resources curse’, arguing that countries that are rich in natural resources are cursed because studies have shown that compared to other countries that have minimal or no mineral resources, countries that are endowed with natural resources tend to register smaller economic growth. In other words, natural resources, such as diamonds, do not automatically lead to meaningful development of these countries. Considering this theory, do you think the case of CDM employees what would be your reflection on the ‘natural resources curse’ theory?

**3. General and additional information**

- 3.1 What is your general perspective on mineral resources, such as diamonds, and their contribution to general national development?
- 3.2 What do you think is the key lessons to be learnt from CDM and its mining operations in colonial Namibia?
- 3.3 What is the contribution of Namibia to the discourses and literature on political economy of natural resources?
- 3.4 Anything else you wish to add in relation to either the relationship between CDM and the natives in colonial Namibia or the role of illegal diamonds in the development of Owamboland?

-----End-----

## **Appendix 9: Interview Questions for Community Leaders, Activists and Other Leaders**

[Text of the form only given, i.e., it has been re-formatted to remove the blank spaces and thus save space.]

University of Namibia

Faculty of Economic and Management Sciences

Department of Political and Administrative Studies

These questions are developed to guide the *Interview with Key Informants* who are knowledgeable, because of their profession or positions they hold/held, on the research topic for the PhD in Political Science;

The Consolidated Diamond Mines (CDM) and the natives in colonial Namibia  
A critical analysis of the role of illegal diamonds in the development of Owamboland  
(1908-1990)

---

### **Interview questions for community leaders, activists and other leaders (headmans, freedom fighters and union leaders)**

---

Name of Student: Job Shipululo Amupanda  
Supervisors: Professor Lesley Blaauw  
Professor Andre du Pisani

## **Background Information**

- 1.1 What is your profession or areas of expertise?
- 1.2 For how long have you been in this position/profession?

## **2. Understanding and views on the topic**

- 2.1 What is your understanding and perspective on the Contract Labour System?
- 2.2 CDM was one of the companies in colonial Namibia that were linked to the Contract Labour System. It had a recruitment centre in Owamboland, in Ondangwa in particular. As such, most CDM the employees, particularly the unskilled manual labourers, came from Owamboland. Why do you think CDM chose to set up a recruitment centre at Ondangwa and source workers from Owamboland and not from other areas?
- 2.3 There are several stories in Owamboland on illegal diamonds and how CDM workers, particularly from Owamboland, engaged in this activity. How familiar are you to these stories?
- 2.4 Most of the CDM employees enjoyed a good reputation and prestige within their respective villages in Owamboland. What was the root cause of this reputation and prestige?
- 2.5 Did CDM workers from Owamboland bring about meaningful development in their villages and Owamboland? If yes, what specific development did they bring to Owamboland?
- 2.6 To what extent can this development be attributed the rents obtained from the trading of CDM illegal diamonds?
- 2.7 Had they not engaged in illegal diamonds, do you think the developmental activities they brought would not have been possible?
- 2.8 Can you say that the rents obtained from the illegal diamonds played a most important role when compared to initiatives that were brought by the colonial administration or the ordinary citizens who were not CDM employees?

2.9 CDM and the contract labour systems were all colonial activities. Do you think CDM employees from Owamboland viewed CDM as a coloniser exploiting and plundering the resources of the Namibia?

2.10 Was there national liberation consciousness amongst the CDM employees from Owamboland? Do you think that these nationalist sentiments, if it existed, contributed to the stealing of diamonds by CDM employees from Owamboland?

**3. General and additional information**

3.1 What is your general perspective on mineral resources, such as diamonds, and their contribution to general national development?

3.2 What do you think is the key lessons to be learnt from CDM and its mining operations in colonial Namibia?

3.3 Anything else you wish to add in relation to either the relationship between CDM and the natives in colonial Namibia or the role of illegal diamonds in the development of Owamboland?

-----End-----

## **Appendix 10: Interview Questions for CDM and Colonial State Officials**

[Text of the form only given, i.e., it has been re-formatted to remove the blank spaces and thus save space.]

University of Namibia

Faculty of Economic and Management Sciences

Department of Political and Administrative Studies

These questions are developed to guide the *Interview with Key Informants* who are knowledgeable, because of their profession or positions they hold/held, on the research topic for the PhD in Political Science;

The Consolidated Diamond Mines (CDM) and the natives in colonial Namibia  
A critical analysis of the role of illegal diamonds in the development of Owamboland  
(1908-1990)

---

**Interview questions for CDM and colonial state officials (CDM officials, security officers, prosecutors, lawyers).**

---

Name of Student: Job Shipululo Amupanda

Supervisors: Professor Lesley Blaauw

Professor Andre du Pisan

## **Background Information**

- 1.1 What is your profession or areas of expertise?
- 1.2 For how long have you been in this position/profession?

### **2. Understanding and views on the topic**

- 2.1 What is your understanding and perspective on the Contract Labour System?
- 2.2 CDM was one of the companies in colonial Namibia that were linked to the Contract Labour System. It had a recruitment centre in Owamboland, in Ondangwa in particular. As such, most CDM employees, particularly the unskilled manual labourers, came from Owamboland. Why do you think CDM chose to set up a recruitment centre at Ondangwa and source workers from Owamboland and not from other areas?
- 2.3 Under which colonial laws did CDM operated in general and what specific laws did it use to regulate its employer-employee relations?
- 2.4 Are you familiar with instances of CDM employees, particularly from Owamboland, involved in the stealing of diamonds? What specific laws did CDM use to deal with these cases?
- 2.5 Most of these employees were mainly uneducated, in a formal sense, and did not have the necessary sophistication to undermine the CDM security systems. How did they manage to steal diamonds?
- 2.6 Could you explain what happened to those that were caught stealing diamonds and what did those who were not caught do with stolen diamonds?
- 2.7 In your experience in these cases, particularly those that were not immediately caught, did you at any point come across the path and trading networks of these diamonds outside CDM operations?
- 2.8 What returns did these employees obtain from the illegal trading of diamonds and what did they use this money on?

2.9 Have you ever conducted, or come across, a lifestyle audit of CDM employees from Owamboland?

2.10 Can you say that CDM employees from Owamboland made a significant developmental difference in Owamboland given that CDM became the largest formal employer of the inhabitant of Owamboland? To what extent can this developmental difference be attributed to the returns obtained from the trading of CDM illegal diamonds?

**3. General and additional information**

3.1 What is your general perspective on mineral resources, such as diamonds, and their contribution to general national development?

3.2 What do you think is the key lessons to be learnt from CDM and its mining operations in colonial Namibia?

3.3 Anything else you wish to add on the relationship between CDM and the natives in colonial Namibia or the role of illegal diamonds in the development of Owamboland?

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## **Appendix 11: Verification Questionnaire for De Beers Officials**

[Text of the form only given, i.e., it has been re-formatted to remove the blank spaces and thus save space.]

University of Namibia

Faculty of Economic and Management Sciences

Department of Political and Administrative Studies

These questions are developed to guide the *Interview with Key Informants* who are knowledgeable, because of their profession or positions they hold/held, on the research topic for the PhD in Political Science;

The Consolidated Diamond Mines (CDM) and the natives in colonial Namibia  
A critical analysis of the role of illegal diamonds in the development of Owamboland  
(1908-1990)

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### **VERIFICATION QUESTIONNAIRE**

**Interview questions for De Beers Official(s) following information and revelations by Respondents and Key Informants on CDM and areas related to the study.**

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Name of Student: Job Shipululo Amupanda  
Supervisors: Professor Lesley Blaauw  
Professor Andre du Pisani

## **Background Information**

1.1 Name of official

1.2 Position of Official

1.3 Duration of employment (Both CDM and De Beers if applicable)

1.4 Educational Background and areas of expertise

## **2. General context questions**

2.1 Historical records show a somewhat symbiotic relationship between CDM and the colonial State. How would you characterise the relationship between CDM and the colonial State?

2.2 CDM was one of the companies in colonial Namibia that were linked to the Contract Labour System. It had a recruitment centre in Owamboland, in Ondangwa in particular. As such, most CDM employees, particularly the unskilled manual labourers, came from Owamboland. Why do you think CDM chose to set up a recruitment centre at Ondangwa and source workers from Owamboland and not from other areas?

2.3 Under which colonial laws did CDM operated in general and what specific laws did it use to regulate its employer-employee relations?

2.4 Are you familiar with instances of CDM employees, particularly from Owamboland, involved in the smuggling of diamonds? What specific laws did CDM use to deal with these cases?

2.5 Most of these employees where mainly uneducated, in a formal sense, and did not have the necessary sophistication to undermine the CDM security systems. How did they manage to steal diamonds?

2.6 Could you explain what happened to those that were caught stealing diamonds and what did those who were not caught do with stolen diamonds?

2.7 In your experience in these cases, particularly those that were not immediately caught, did you at any point came across the path and trading networks of these diamonds outside CDM operations?

2.8 From De Beers own records and estimations, what was the percentage of the diamond leakage or the scale of the illegal diamond economy in colonial Namibia?

2.9 What returns did these employees obtain from the illegal trading of diamonds and what did they use this money on?

2.10 Have you ever conducted, or come across, a lifestyle audit of CDM employees from Owamboland?

2.11 Can you say that CDM employees from Owamboland made a significant developmental difference in Owamboland given that CDM became the largest formal employer of the inhabitant of Owamboland? To what extent can this developmental difference be attributed to the returns obtained from the trading of CDM illegal diamonds?

### **3. Emerging issues from the research**

3.1 Did CDM employ pastors from Owamboland, who were on CDM payroll, to bring church services to CDM labourers in the compounds/hostels?

3.2 Was CDM aware of the connection between the Portuguese and the Aawambo workers involved in diamond smuggling? What is your reaction to the following findings;

3.2.1 That CDM bought back smuggled diamonds from the Portuguese

3.2.2 That CDM did not take any step against the Portuguese syndicate

3.3 There are cases referred to by respondents, and select key informants, relating to the disappearance of CDM employees. What is your reaction to the following findings;

3.3.1 Disappearance of CDM employees, who were never seen to date including one *Amos Hiskiel* or *Hiskiel Amos* (Aawambo sometimes reorder the first and surnames) who remains unaccounted for to date.

3.3.2 Discovery of human remains by CDM workers while excavating who were simply told to move to a different site. Whose remains are these and what did CDM do upon this discovery/encounter?

3.4 On September 27, 1974, the United Nations Council for Namibia, on the 27<sup>th</sup> September 1974, enacted Decree No. 1 for the Protection of the Natural Resources of Namibia. This decree nullified all previous mining permits, concession or license by the colonial state. It also banned the exportation of mineral resources without its permission and promised prosecution of those who will be violating this Decree by the future government. CDM has been found to have violated this decree by, amongst others, the Thirion Commission. Could you offer your detailed reaction to the above and explain why there was never prosecution of CDM by the independent state?

**4. General and additional information**

4.1 What is your general perspective on mineral resources, such as diamonds, and their contribution to general national development?

4.2 What do you think is the key lessons to be learnt from CDM and its mining operations in colonial Namibia?

4.3 Anything else you wish to add on the relationship between CDM and the natives in colonial Namibia or the role of illegal diamonds in the development of Owamboland?

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## **Appendix 12: Verification Questionnaire for Oshakati Town Council Officials**

[Text of the form only given, i.e., it has been re-formatted to remove the blank spaces and thus save space.]

University of Namibia

Faculty of Economic and Management Sciences

Department of Political and Administrative Studies

These questions are developed to guide the *Interview with Key Informants* who are knowledgeable, because of their profession or positions they hold/held, on the research topic for the PhD in Political Science;

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A critical analysis of the role of illegal diamonds in the development of Owamboland  
(1908-1990)

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### **VERIFICATION QUESTIONNAIRE**

**Questions for Oshakati Town Council official(s) following information and revelations  
by Respondents and Key Informants on CDM and areas related to the study.**

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Name of Student: Job Shipululo Amupanda  
Supervisors: Professor Lesley Blaauw  
Professor Andre du Pisan

In the interviews with the respondents, this researcher came across several discussions relating to the unoccupied house in the Corner of Iipumbu Tshilongo Street, in Oshakati. These questions are posted to Oshakati Town Council Officials to regarding this property;

1. When was this house built?
2. Who is the owner?
3. Why is it that there is no one occupying this house?
4. Is this house in good standing with the Oshakati Town Council in terms of Rates and Taxes?
5. What is the current status of his house?

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