

NUMBER 1

CMI INSIGHT

FEBRUARY 2025



AUTHORS

Johanna Söderström
and Lise Rakner¹

Imagined solidarity around tax practices in Namibia

How do taxpayers link solidarity to paying taxes? Using focus group interviews in Namibia, we explore taxpayers' views on revenue generation, emphasizing their perspectives on taxation and solidarity.

Key messages

1. Taxation practices and experiences are not isolated events but layered and embedded in everyday experiences.
2. Solidarity, or a sense of unity or mutual support within a group, is key to understanding why people pay taxes and central to theorizing around the the fiscal link between citizens and the state.
3. In societies characterized by high levels of inequality and poverty, and where the state is one among multiple institutions providing – and demanding payment for – welfare services – solidarity form an important part of state-building.
4. Focus group discussions with Namibian taxpayers suggest that solidarity is an entry point to understanding the social and fiscal contract.
5. Our conversations with Namibian taxpayers have provided insights on how solidarity is understood, to whom solidarity is extended, and what it includes, but also the importance of theorizing further around solidarity.
6. Our work shows that considering how solidarity around taxation grows, there are several ways that the legitimacy of various taxation regimes can be strengthened, even in young states struggling to build a welfare state.

Introduction

Recent studies of state–citizen interactions suggest that the connection between citizens and the state goes beyond traditional European ideas of a fiscal contract, reflecting a broader notion of interconnectedness than earlier tax studies suggest.

Taxation builds on the idea of paying into the common good, but particularly in developing contexts, not everyone benefits or contributes equally from such resources. Experiences in the Global South show that services are also delivered to, and financed by, non-state actors (Post et al. 2017; MacLean 2011). Clearly, the contract goes beyond the state. The state’s ability to deliver services also influences people’s willingness to finance public goods. How does the logic of redistribution and demands for solidarity and reciprocity play out in contexts characterized by high levels of inequality, a limited tax base and many citizens living on small incomes?

Taxation practices and experiences are embedded in everyday experiences. We argue that solidarity, a sense of unity or mutual support within a group, is key to understanding why people pay taxes. Taxation is a context where solidarity becomes visible and explicit, and at the same time taxation is an area that produces and shapes solidarity through its practice. We contribute to theorizing on the relationship between taxation and state building by analyzing how tax paying citizens view taxation as linked to notions of solidarity.

To properly understand solidarity, we employed focus group interviews, as structured group discussions enable participants to compare, contrast and develop their positions, especially on abstract topics which are rarely discussed (Söderström & Rakner 2024). Taxes are not routinely discussed in Namibia and the group setting was therefore particularly important in order to further

a deeper discussion. Focus groups provide an insider’s perspective of what it means to be a taxpayer, and how this social practice is embedded in people’s everyday lives and imaginings. We conducted 20 focus groups in Namibia, with taxpayers working both in the public and private sector. Through our focus group interviews we assessed taxpayers’ reasoning and motivations, as focus group interviews help participants contrast different perspectives and challenges the taxpayer is faced with in terms of how they position themselves vis-à-vis taxes and tax payment. They face dilemmas related to whether or not to pay for others’ usage of public services, while they themselves may not feel that the standards of the services provided are something they are willing to pay for. Thus, they may ask themselves, what are they paying for, and for whom. These dilemmas play into their motivation to pay taxes is part of how they formulate solidarity, and understand reciprocity, ultimately, to what degree they see taxes as part of a social contract.

The Namibian case

We contribute to this literature by studying Namibian citizens working in the formal economy and their experience as taxpayers. Namibia gained its independence from South African apartheid rule in 1990 and the liberation movement turned governing party, the South West Africa’s People’s Party (SWAPO) has won every election ever since. Namibia presents a useful case for theorizing around citizens’ perceptions and experiences of taxation and imagined solidarity. This young country has a remarkably high tax to GDP rate in comparison to other Sub-Saharan African countries at close to 30 per cent of GDP, moreover, a high share of its revenue is from direct taxation. According to the tax effort index, or the ratio between share of taxes collected and taxable capacity, Namibia is the African

country with the highest tax effort. The majority of the respondents in the latest Afrobarometer survey (2017, round 7) (73%) agreed or strongly agreed that the tax authorities have the right to make people pay taxes.

At the same time, Namibia displays an extreme unequal distribution of wealth and with a Gini Coefficient of 59.1 (2015) Namibia remains one of the most unequal countries in the world. Despite the fact that the SWAPO government has emphasized poverty reduction since independence, Namibia has not succeeded in addressing the triple challenge of high poverty, inequality, and unemployment. With an increase of 200,000 in 2020, the number of poor people measured by the upper middle-income poverty line (\$5.5/person/day in 2011 Purchasing Power Parity terms) reached a record-high of 1.6 million in a population of 2.5 million. Thus, while the older generations who experienced SWAPO as their liberators are likely to have a strong sense of loyalty with the state, younger generations are less likely to have formed the same bonds with the state via SWAPO, and therefore the challenges of these inequalities are likely to be more strongly felt by the younger generations.

Focus groups

Analyzing citizens' experience with taxes across different labor groups we focus on how taxation practices are understood, and ultimately how solidarity is imagined. We develop a two-dimensional framework of solidarity, which differentiates between affective and calculative solidarity on the one hand, and personal and generalized solidarity on the other hand, which allows us to categorize the various solidarity imaginings. A generalized and calculative solidarity dominated across all employment sectors. We conclude that considering solidarity is central to theorizing around the broader notion of interconnectedness that is part of the fiscal link between citizens and the state than previously assumed.

A generalized (thin) solidarity dominates

Namibian taxpayers and citizens are acutely aware of the idea of an exchange between their own payment of taxes and what the state should deliver to them as a result, yet they are also deeply dissatisfied with the quality of such services and priorities made by the state. Our analysis shows that a certain kind of solidarity dominates their motivation behind engaging in tax compliance: a generalized (thin) calculative solidarity. However, all four types of solidarity were present in the focus groups, and there were no obvious differences across employment sectors.

Motivations for paying taxes were to a limited extent discussed in terms of individuals who are known to the focus group participants, i.e. in terms of personal solidarity. In a few instances, taxes were directly associated with help the individual had received for

themselves, typically it was more often family members, such as brothers, sisters, mothers and in particular grandparents that were identified as the beneficiaries of the taxes they paid. For instance, a woman noted: "The idea behind having tax in a country is very good [...]. If I see really that my family is benefitting maybe let's continue paying".

Or: "I know each of us somewhere we've got an orphan" and as argued by a young man: "when the government makes projects through our taxations, they recruit young people, and by those young people, they are our sisters, our brothers [...] cousins, friends...". Those benefiting from taxation are identified as someone you know, someone specific you care about. This perspective was visible across all sectors.

Taxes motivated by personal solidarity were also understood as a way to relieve themselves of the burden to directly assist family members, instead they could rely on poor family members to get support directly from the government: "But at least I know they are not suffering that much even if I didn't give [...] So taxes are really helping". Or as noted by a male participant: "My mother is old, they receive pensions, in fact, I mean, this month I was supposed to send money to them, and they said no, no, no my child, it is fine, we received something". But it was also recognized as something that help them personally and directly, for instance when they were younger, or because their own salary comes from the state, or they made a parallel between their own experiences when they were younger and their current willingness to support others like themselves today.

Generalized solidarity was much more common and widespread as a motivation behind taxes in all the focus groups. However, within this more generalized solidarity, two group boundaries were located: specific groups identified as needy and on the other hand all citizens in the country. The needy that are specifically identified were often the elderly, the orphans, the disabled, the poor, the hungry, children, the street kids, and sometimes just as that, the needy, vulnerable and those who are suffering. Taxes were seen as motivated in order to assist: "people that are living in shacks"; "To help people who aren't able to help themselves"; "they should offer these things for free to the elderly people [...] by using the tax money [...] they'll be able to also look after these old people". In this perspective, people need to qualify in order to deserve the help and solidarity that come with taxes and how they are spent. This perspective was also often connected to arguments about increasing state spending on education, water access, pensions, housing and public health (hospitals, clinics and access to medicine).

By delimiting their solidarity to the deserving and needy, the solidarity is extended to individuals who are unknown to the taxpayer, and is thus generalized, yet at the same time boundaries are set for who can count on

their solidarity. Some also noted both the specific groups in need, and the country as a whole: “We contribute to our elderly, to our disabled people, to the economy of the country”.

When an even more inclusive solidarity was stressed, this was often talked about in terms of the nation as a whole, about everybody, all citizens, and as development for the country. Typical comments included: “Tax money is to develop our country” and “for better living conditions for everybody”. Some also made the argument that this was also the rational and financially sound way to go as well: “a healthy worker is a productive worker and a healthy nation is a productive nation, as simple as that you know. So you cannot have an unhealthy nation then you do not have a nation at all”. Being motivated to pay taxes in order to support the country as whole, an extreme form of generalized solidarity, is quite impressive, and it suggests that the imagined community of the state as a whole is a relevant reference point for these individuals.

Calculative or affective solidarity?

A second dimension of imagined solidarity, relates to the motivation behind the solidarity, whether it is calculative or affective. Is the reasoning behind utilitarian (due to ideas of interdependence) or emotional (based on joint norms, or a sense of being the same)? Again, while both perspectives were present in the focus group discussions, a calculative logic dominated in the group discussions, and in fact it was present in all the groups and voiced persistently within the groups.

The affective solidarity tended to focus on how it made the taxpayer feel about themselves, stressing pride, happiness and sense of fulfillment, and how the feeling it generated in them was a big part of their motivation to pay their taxes. It was often connected to a moral obligation to help, and it tended to be connected to ideas around equality. Comments such as “It makes me feel proud”; “You will feel proud” and “I am contributing to my country, to somebody” were common. The sense of moral obligation came through in comments such as: “It’s our duty to pay it but it’s actually not beneficial to us”.

Calculative solidarity was clearly premised on the idea that the taxes paid should result in services and benefits to match. Dissatisfaction with the amount of services and public goods delivered was clear in many groups: “your tax money is not doing what it is supposed to do”. But there was occasionally also some critique towards other taxpayers who do not live up to their part of the bargain: “People just assume that I have family that will take care of me when that time comes or it is the government’s responsibility to take care of me whether I make my contribution or not”.

The calculative solidarity perspective was as a result also tightly interrelated to discussions about what was seen as fair; whether or not the exchange with benefits is

fair, or if who pays into the system is fair, or if individual taxpayers are charged in a fair manner etc. Comments included: “I have to go deeper in my pocket and bring out that money. While somebody else is doing it on my expense”. There was often a sense that they were paying twice, both on their income tax, but then again when they were purchasing goods (through Valued Added Tax, VAT), or because they paid taxes and then still had to pay for certain services from the state: “We are fine paying but they should just not make us pay double”. Some also felt that the taxes they were charged with did not factor in the other financial responsibilities in their life, thereby they felt as if they were asked to help more than others with fewer dependents for instance. One person noted: “Why can’t they ask about how many family members you are supporting and those kinds of stuff so it becomes more efficient to each and every citizen?”. Clearly stressing the non-affective perspective of calculative solidarity, one man noted when commenting on the exchange between taxes and benefits: “So if you are robbing me, it’s not something that truly came from my heart”.

Conclusions

How do taxpayers link solidarity to the practice of paying taxes? We have focused on the participants’ imaginings, i.e. the wants and wishes for the political landscape and the fiscal exchange in Namibia, as well as their dissatisfactions with the current taxation regime. Most importantly, however, the focus group discussions with Namibian tax payers provide an entry point to understanding perceptions on the social and fiscal contract and how solidarity form an important part of state-building in the Global South in societies characterized by high levels of inequality, poverty, and a state that is only one among multiple institutions providing – and demanding payment for – welfare services. Our conversations with Namibian taxpayers have provided insights on how solidarity is understood, to whom solidarity is extended, and what it includes, but also the importance of theorizing further around solidarity. We argue that considering solidarity is central to theorizing around the broader notion of interconnectedness that is part of the fiscal link between citizens and the state. Future research should interrogate the concept of solidarity further and how it links to understandings of obligations and contractual relations. That a sense of generalized solidarity is already part of how taxation is motivated is encouraging given Namibia’s relatively young state. This suggests that much can be done to increase the legitimacy of various taxation regimes in other states.

In order to understand how the social contract is imagined we have analyzed citizens’ perspectives on taxation through focus group discussions. We show how the Namibian taxpayers are faced with a dilemma,

as the public services, in particular schools and health services, are deemed to be of such bad quality that their motivation to use them is called into question, ultimately causing these citizens to pay twice, both for the public services and for private providers. It is calculations such as these that risk hollowing out tax compliance.

Our insights from the focus group discussions echo research on South African taxpayers, finding that the middle classes hold high expectations in the state and are disappointed in what the state delivers. Our study shows that how the tax exchange is imagined matters for how the relationship with the state is understood. But, importantly, our findings reflect findings from across the developing world showing that service delivery is not the sole determinant of willingness to pay taxes as solidarity often is imagined with other citizens, and not only in relation to the state.

Our analysis underlines that to understand how solidarity operates we need to understand how not only the fiscal contract operates, but also how citizens make sense of their obligations with other citizens. Importantly, our analysis highlights that the contract is not only about the relationship between the state and individual citizens, but also includes the imagined community as a whole (Anderson 2006), i.e. the collective of other citizens.

References

- Afrobarometer. 2018. "Afrobarometer Round 7: Survey in Namibia, 2017." Survey Warehouse.
- . 2020. "Slim majority of Namibians would support higher taxes in exchange for more government services, Afrobarometer survey shows."
- Bräutigam, D, O-H Fjeldstad, and M Moore. 2008. *Taxation and state-building in developing countries: Capacity and consent*. Cambridge: Cambridge University Press.
- Lieberman, ES. 2003. *Race and regionalism in the politics of taxation in Brazil and South Africa*. Cambridge, UK ; New York: Cambridge University Press.
- Lund, C. 2016. "Rule and Rupture: State Formation through the Production of Property and Citizenship." *Development and Change* 47(6): 1199-1228. 10.1111/dech.12274
- Lynch, K, and M Kalaitzake. 2020. "Affective and calculative solidarity: The impact of individualism and neoliberal capitalism." *European Journal of Social Theory* 23(2): 238-257. 10.1177/1368431018786379
- MacLean, LM. 2010. *Informal Institutions and Citizenship in Rural Africa: Risk and Reciprocity in Ghana and Côte d'Ivoire*. New York: Cambridge University Press.
- Natras, NJ, and J Seekings. 2002. "Class, distribution and redistribution in post-apartheid South Africa." *Transformation* 50: 1-30. 10.1353/trn.2003.0014.
- Post, AE, V Bronsoler, and L Salman. 2017. "Hybrid regimes for local public goods provision: a framework for analysis." *Perspectives on Politics* 15(4): 952-966. 10.1017/S1537592717002109
- Prichard, W. 2015. *Taxation, responsiveness and Accountability in Sub-Saharan Africa. The Dynamics of Tax Bargaining*. Cambridge: Cambridge University Press.
- . 2019. "Tax, politics, and the social contract in Africa." In *Oxford Research Encyclopedia of Politics*.
- Seekings, J. 2004. "Institutional design, cultural diversity and economic solidarity: A comparison of South Africa, Brazil and Nigeria." Centre for Social Science Research, University of Cape Town.
- Söderström, J., and L. Rakner. 2024. "Imagined solidarity around tax practices: A two-dimensional framework based on motivating logic and group boundaries." *Journal of Modern African Studies* 62(2): 153-173.

Notes

¹ The findings in this CMI Insight build on our article: Söderström, Johanna, and Lise Rakner. 2024. "Imagined solidarity around tax practices: A two-dimensional framework based on motivating logic and group boundaries." *Journal of Modern African Studies* 62(2): 153-173. These findings are part of a larger research project entitled The Everyday Practice of Paying Taxes in Sub-Saharan Africa, grant number 2016-05607, funded by the Swedish Research Council. In this project we explored the micro-relations around taxes, and other articles emanating from this project are: Pellerin, Camille & Johanna Söderström. 2023. "Render unto Caesar the things that are Caesar's and unto God the things that are God's? Making Sense of Tax Non-Compliance in Ethiopia." *Journal of Eastern African Studies* 16(3):395-414; Söderström, Johanna & Marcus Wangel. 2023. "Public Channels of Access and State-Citizen Encounters in the Namibian Tax System." *Administration & Society* 55(2): 264-293.; and Söderström, Johanna. 2022. "Taxation in Namibia, an everyday political practice without deliberation and influence." *Journal of Modern African Studies* 60(2): 197-216.